

Abstract: Key to understanding entrepreneurship fully is the ability to understand the different ways in which the term is used and the different meanings that it has acquired. Different perspectives on entrepreneurship are examined in this chapter. Popular perceptions of entrepreneurs as business artists, business scientists and business philosophers are examined. The place of the entrepreneur in economic theory is then considered. An entrepreneur is shown to be a person who takes responsibility for difficult decisions and who re-allocates resources to more efficient uses.

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2.1 Introduction

Entrepreneurship is a key concept for analysing business and the economy but, like all concepts that achieve popularity, it appears differently to different people. People relate a concept to different contexts and emphasise different aspects of it. Because different people use the same word differently, confusion can result, and sometimes a concept can become discredited as a result. To understand entrepreneurship properly it is important to understand the different ways in which the word is used and the different connotations it has acquired.

This chapter therefore examines entrepreneurship from a number of different perspectives. It begins with perspectives suggested by popular discourse on entrepreneurs, in which they are likened to business artists, business scientists, or business philosophers. It then considers how entrepreneurs appear in the academic business and management literature, as strategists and agents of change. It is suggested that, while all of these perspectives are insightful, they give a distorted picture of the entrepreneur if they are taken too literally.

The place of the entrepreneur in economic theory is then examined. Here too different perspectives can be found, but nevertheless a coherent picture emerges. The entrepreneur appears as an individual who takes responsibility for difficult decisions, such as investment decisions involving product innovation under uncertain conditions. The entrepreneur reallocates resources to more efficient uses, acting on behalf of the owners of the business they control.

2.2 Popular notions of entrepreneurship

2.2.1 The entrepreneur as artist

Artists can be entrepreneurs in the sense that they can make a good livelihood by establishing a studio specialising in a particular kind of work. In the eighteenth century the portrait studio was fashionable, in the nineteenth century the photographic studio and in the twentieth century the craft pottery. Art has long been linked with commerce through the design of labels, packaging, posters and more recently the design of corporate logos and web-sites.

But the fact that artists can become entrepreneurs does not mean that entrepreneurs are artists. The salient point here is that artists are