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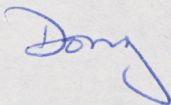
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June 4, 1979

Dear Laura,

I am enclosing a copy of the foreword for our next Advanced Seminar book, Entrepreneurs in Cultural Context. I can't tell you how exciting it was to participate in this Seminar and watch the development of the volume. The various chapters point out the great similarity between entrepreneurs no matter when they live or where. It is an elegant breakthrough in economic anthropology.

Cordially,

A handwritten signature in blue ink, appearing to read "Doug", with a stylized flourish at the end.

DWS:jb
Enclosure

ENTREPRENEUR FOREWORD

Cultures are ultimately transformed by the actions and decisions of individuals. Perhaps in no area of social science research is this process more dramatically illustrated than in the study of the entrepreneur. This volume focuses on individuals who play this role, their social and cultural context, and the elements of a model elucidating their activity. Entrepreneurs operate on a common principle, orchestrating networks of trust and placing themselves in positions to obtain information, resources, and opportunities for investment. But for the process to operate, the individual involved must have a rare combination of traits: high physical energy, confidence to act on new opportunities, adaptability to altered conditions, and the ability to inspire others to follow new cultural paths. The entrepreneur is also able to work within the cultural system while consciously upsetting its state of equilibrium to his advantage. If successful, entrepreneurs may at least change the economy of a region and at most found an economic empire. In many ways, then, the entrepreneurs are the movers and shakers of any society.

Not all cultures equally encourage entrepreneurs, as evidenced by the contrast in economic growth between industrialized and Third World countries. So the interdisciplinary and cross-cultural perspectives of the advanced seminar on which this volume is based were ideal for examining the social base of entrepreneurial activity. Ten case studies present comprehensive descriptions and analyses of entrepreneurs in several cultural settings and reinforce one another, since each highlights specific aspects of the pattern.

A brief mention of the ten cases presented can only begin to indicate the insights provided in the volume. A seventeenth century Brazilian entrepreneur is seen integrating several components of the sugarcane industry and illustrates the importance of family in developing a network of loyalty. The rise and decay of an elite Southern American planter in the 19th century illustrates the social basis of an information network. The founding and growth of the Life Insurance Company of Georgia explores the advantage taken of a new market situation. The bold innovations of a small-scale entrepreneur in the rural highlands of central Peru illustrate how social networks can act both as a support and as a constraint to the mobilization of resources as an enterprise diversifies. Entrepreneurs in rural Wisconsin show the operation of ethnic ties in the generation of business support. Successful decision making emerging from access to assorted networks of information in the public sector exemplify how the entrepreneurial process was used in one phase of the Mexican bureaucracy. The capital mobilization process during the changing period of economic growth from the family firm to the investment group is illustrated from Mexican data. The dynamics of investment groups are shown as they operate in the industrial modernization of Nicaragua. A strategy of developing kin-type loyalty outside the family for the acquisition of trust relationships is illustrated by fiesta groups in rural Mexico. The effect of cultural values and social pressures on the success or failure of entrepreneurial activity is taken from a case in the Seychelle Islands comparing the results of African Creole, East Indian, and Chinese businessmen.

Following these detailed cases a final chapter utilizing the contributors' insights to examine the impact of individuals like entrepreneurs on changes in the cultural system produces an elegant theory of social change. Clearly this volume makes several important contributions to the social sciences in this case study documentation, its cross-cultural analysis of the entrepreneur, and the use of this material to create an exciting view of cultural alteration. It will certainly become a distinguished part of the School of American Research Advanced Seminar Series.

Douglas W. Schwartz

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