A businessman needs to be a decision-maker, and it is this function that deserves the term entrepreneur. Entrepreneurship is hardly ever mentioned in textbooks.

Historical neglect of entrepreneurship in England (smith, ricardo, also Marx)
The concept of entrepreneur (distinct from capitalist and manager) was already brought up by Richard Cantillon. Discrepancies between supply and demand create opportunities, those who take advantage of those opportunities are entrepreneurs. Entrepreneurship for Cantillon was a matter of willingness to take risk.

Marx, who claimed to be alone in truly analyzing the “laws of motion” of capitalism, had simply no explanation to give of the actual source of the acknowledged technical dynamism of capitalism.

For the first entirely adequate statement of the entrepreneurial role—> Johann von Thünen.

Since novel action is precisely the condition under which it is impossible to predict the probability of gain or loss, the entrepreneur is “inventor an explorer is his field” par excellence.

John Stuart Mill popularized the term entrepreneur, but failed to break the tradition of entrepreneur as simply a multifaceted capitalist.

Walras, entrepreneurship is a function that can be carried on by any agent with a zero residual income; in equilibrium, profits have been eliminated and the entrepreneur neither benefits nor loses.

Why do economists neglect entrepreneurship? Because with the nature of static equilibrium under conditions of perfect competition there is simply no room. Only way there can be constant excess profits, which is a key condition for entrepreneurship, is through constant technological progress, and the new neoclassical economists had little to say about that. So as long as the general equilibrium was widely accepted, there was no room for theorizing about entrepreneurship.

Two times has the unimportance of entrepreneurship been questioned.

First with the publication of Knight’s *risk, uncertainty and profit* (21). Risk is not a cause of profit or losses, but a deduction from it.

“The only risk which leads to profit is a unique uncertainty resulting from an exercise of ultimate responsibility which in its very nature cannot be insure nor capitalized nor salaried.”

There is no connection between the level of profit and the burden of bearing uncertainty. If there would be, it would be a factor of production and the marginal productivity theory would apply.

He failed to persuade the mainstream economists that the uncertainty theory of profits was anything more than a footnote in the mainstream analysis.
Second was the book by Schumpeter *The theory of economic development* (11) -> entrepreneurship at the center of economic inquiry. Entrepreneurship at the centre of economic enquiry. Model where technical change is absent, repetitive and perfectly routine economic process, no uncertainty, no profits and no interest rate.

Only technical innovations and dynamic change can produce a positive rate of interest. Innovations = introduction of new technical methods, supplies,...

All disrupting economic change to innovations.

The entrepreneur is undefined, not one person or group. The actual population is constantly changing because once you settle down you stop being an entrepreneur.

Neither of the theories fits with static equilibrium analysis, so they get neglected.

Theory of entrepreneurship new lease of life through the Austrian school -> Kirzner=> his essence of entrepreneurship consists in the personal alertness to such potential sources of gain.

Schumpeter always portrayed the entrepreneur-innovator as a disequilibrating force disturbing a previous equilibrium, whereas Kirzner depicts him as seizing upon a disequilibrium situation and working to restore equilibrium.

The new Austrian school reduces entrepreneurship to some kind of arbitrage.

Casson synthesizes and extends previous work by Knight, Schumpeter; Kirzner and many others. Entrepreneurs as "someone who specializes in taking judgmental decisions about the coordination of scarce resources."