

Werner Sombart's Theories of the Entrepreneur

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The purpose of this paper is to reconsider Sombart's vision of economics, which has generally been regarded as dominated by his dynamic "theory of economic development," by analyzing his theories of the entrepreneur as a leading subject in his economic writings.

Sombart modeled the ideal type of modern capitalistic entrepreneur on his contemporaries. The entrepreneur suitable for the modern capitalism will pursue not his own interest but the profit of his enterprises. According to Sombart, two typical factors that constitute the modern capitalistic entrepreneur are "Unternehmer" and "Händler." The "Unternehmer" functions especially as the coordinator, namely as the innovator. On the other hand, the "Händler" must have a talent for speculating on calculations and bargaining with buyers for many kinds of merchandise.

The most important nature of an ideal entrepreneur is the "intellect" that controls his emotion, always keeps him calm, and drives him to strive hard to attain his

supreme aim of profit-acquisition. Sombart emphasized that there was a close connection between these characteristics of the entrepreneur and the Jewish spirit of sticking to intellectually or rationally determined positions.

In the age of "Hoch-Kapitalismus," the right to lead all the economic activities is completely transferred to entrepreneurs. They would be able to get enough capital on credit to carry out innovative operations. Sombart pointed out that the idea of "credit" was embodied in joint-stock companies, where the connection between entrepreneurs and stockholders was thoroughly impersonalized, thereby enabling an enormous sum of capital to be accumulated. Above all, Jewish entrepreneurs played a crucial part in diffusing stocks.

In short, Sombart attempted to look on an actual "Hoch-Kapitalismus" as a type of "Jewish Kapitalismus" that spread rapidly through stocks and other securities.

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