



**HAL**  
open science

# **José M. Menudo, The Entrepreneur in the History of Political Economy. The Hunting for Heffalumps in the Early Economic Analysis**

Tristan Velardo

## **► To cite this version:**

Tristan Velardo. José M. Menudo, The Entrepreneur in the History of Political Economy. The Hunting for Heffalumps in the Early Economic Analysis. *Economia - History/Methodology/Philosophy*, 2025, 15 (4), pp.693-699. <10.4000/15eah>. <halshs-05458067>

**HAL Id: halshs-05458067**

**<https://shs.hal.science/halshs-05458067v1>**

Submitted on 14 Jan 2026

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire HAL, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.



Distributed under a Creative Commons CC BY-NC-ND 4.0 - Attribution - Non-commercial use - No Derivative Works - International License



**Œconomia**

History, Methodology, Philosophy

15-4 | 2025

Varia

---

José M. Menudo, *The Entrepreneur in the History of Political Economy. The Hunting for Heffalumps in the Early Economic Analysis*

Tristan Velardo

---



**Electronic version**

URL: <https://journals.openedition.org/oeconomia/19805>

DOI: 10.4000/15eah

ISSN: 2269-8450

**Publisher**

Association Œconomia

**Printed version**

Date of publication: December 1, 2025

Number of pages: 693-699

ISSN: 2113-5207

Provided by INIST - Centre national de la recherche scientifique (CNRS)



**Electronic reference**

Tristan Velardo, "José M. Menudo, *The Entrepreneur in the History of Political Economy. The Hunting for Heffalumps in the Early Economic Analysis*", *Œconomia* [Online], 15-4 | 2025, Online since 01 December 2025, connection on 14 January 2026. URL: <http://journals.openedition.org/oeconomia/19805> ; DOI: <https://doi.org/10.4000/15eah>

---



The text only may be used under licence CC BY-NC-ND 4.0. All other elements (illustrations, imported files) may be subject to specific use terms.

# José M. Menudo, *The Entrepreneur in the History of Political Economy. The Hunting for Heffalumps in the Early Economic Analysis*

London: Routledge, 2025, 168 pages, 978-103287757-0

Tristan Velardo\*

It is rather rare and original for a work in the history of economic thought—and even more so for one devoted to the concept of the entrepreneur—to open with a comparison to the children’s story *Winnie-the-Pooh*. Indeed, from the very outset and in the subtitle of the book, José M. Menudo compares the entrepreneur to a character from *Winnie-the-Pooh*: the “Heffalump.” The Heffalump is an elephant-like creature: it appears in the imagination of the characters, and its shape, color, and attributes remain blurry and uncertain for the characters in the tale. José M. Menudo draws inspiration from Peter Kilby’s (1971) proposal to consider the entrepreneur as a figure that is difficult to grasp and conceptualize—one that has been the subject of many contradictory definitions and about which economists have failed to reach agreement: “none have succeeded in capturing it, and there is a lack of consensus regarding its distinctive characteristics” (x). José M. Menudo thus invites us on a hunting expedition, leading his reader in pursuit of a curious creature.

The objective of *The Entrepreneur in the History of Political Economy* is to examine the role of the entrepreneur in economic discourse from the mid-18<sup>th</sup> century to the early 19<sup>th</sup> century and to highlight the diversity of its interpretations. To achieve this goal, José M. Menudo adopts a theoretical framework that enables him to trace the evolution of the concept of the entrepreneur without reducing his work to a mere enumeration or chronological juxtaposition of its various figures. This

---

\*Institut d’études politiques de Bordeaux, Centre Émile Durkheim.  
t.velardo@sciencespobordeaux.fr

framework allows the author to provide “a comprehensive overview of the subject” (xi).

Following a foreword (“Aim and Scope”) and an introduction that present the objectives and research question, the book is divided into six chapters. The first chapter sets out the theoretical framework introduced by the author as a means of developing a comprehensive history of the concept of the entrepreneur. This framework consists in distinguishing several “entrepreneurial functions” that serve as ideal types throughout the book. On the basis of this framework, the author seeks to trace the history of the concept of the entrepreneur and to highlight its diversity. According to the author, the “entrepreneurial function” is composed of four “vectors or theoretical principles” (6), which he derives from four 20<sup>th</sup>-century economists:

1. the function of reducing inefficiency, which consists in minimizing inefficiencies (X-Inefficiency) within a firm’s production processes (Harvey Leibenstein);
2. the function of seizing profit opportunities, which, in an environment of imperfect information, involves discovering information and exploiting profit opportunities – the entrepreneur here acts as an equilibrating agent in the market and remains in a state of constant alertness (Israel Kirzner);
3. the function of reducing uncertainty, which consists in transforming a situation of uncertainty into one of risk and deriving profit from it (Frank Knight); and
4. the function of innovation, which, within a cyclical context, consists in moving the economy away from equilibrium through the introduction of innovation as part of a broader process of creative destruction (Joseph Schumpeter).

The author introduces additional theoretical distinctions, which he uses throughout the book: the entrepreneur is a “productive agent” who performs “entrepreneurial functions” and is remunerated through “entrepreneurial earnings.” The “productive agents” must be distinguished from the “productive figures,” “which tend to be physical persons that bring together diverse productive agents” (5), such as managers or firm owners. Likewise, the author introduces a final level within his analytical framework: the “entrepreneurial networks,” which refer to “the group of agents that perform the entrepreneurial function” (9), whether on an individual or collective scale (the firm). The main merit of this analytical framework lies in its ability

to immediately reveal the wide diversity of meanings and interpretations associated with the concept of the entrepreneur. However, the author's retrospective approach—namely, the use of functions formulated in the 20<sup>th</sup> century to analyze economic theories and discourses spanning the 18<sup>th</sup> to the 19<sup>th</sup> century—remains insufficiently substantiated, and the methodological issues raised by such an approach would merit further discussion. This retrospective approach is far from self-evident. How the researcher guard against anachronism? How should the historian of economic thought address the possibility of projecting onto the past some questions and categories that belong to more recent periods? For instance, is there a risk of identifying innovation (Schumpeter function) in authors who do not address it directly (Bentham, for instance, speaks more readily of invention)? On the contrary, how the study of concepts and categories of the 18<sup>th</sup> and 19<sup>th</sup> centuries through their theoretical outcome in the 20<sup>th</sup> century can reveal new and previously underestimated aspects in the filiation of ideas and the moments of rupture? These methodological issues would have benefited from further elaboration.

Chapter 2 is devoted to the “pre-entrepreneur productive figures” (59) that emerged during the 17<sup>th</sup> and 18<sup>th</sup> centuries, up to the works of Richard Cantillon and the Physiocrats. Menudo traces the gradual emergence of the figure of the entrepreneur through the study of French dictionaries (Furetière) and commercial dictionaries (Savary des Bruslons), the writings of merchants (Thomas Mun, Josiah Child) and engineers (Marquis de Vauban), as well as the developing field of political economy (Pierre de Boisguilbert, David Hume, Daniel Defoe, Bernard de Mandeville). This first generation of thinkers examined the figure of the merchant and the “projector,” which Menudo considers as forerunners of the entrepreneur, drawing notably on a rich body of secondary literature, including the works of Hélène Vérin ([1982] 2019). Menudo highlights the complexity and ambivalence of the notions of merchant and entrepreneur: some, like Thomas Mun, describe the qualities required to be a good merchant (mastery of mathematics, ability to make calculations, understanding of markets, costs, and needs, knowledge of laws and regulations, etc.), while others, like Vauban, describe the requirements for a good “*entrepreneur de bâtiment*” (respect for contracts and delivery deadlines, ability to plan and calculate). Menudo also notes that other thinkers at the turn of the 17<sup>th</sup> and 18<sup>th</sup> centuries adopted a more critical view of entrepreneurs, such as Mandeville or Boisguilbert, who regarded them as “unnecessary money merchants” (19). Similarly, Daniel Defoe distinguishes

between the “dishonest project-maker,” who relies on reckless schemes at others’ expense, and the “honest project-maker,” who, guided by prudence, uses his knowledge to manage and administer his enterprise, as well as to invent and innovate. The remainder of the chapter, devoted to the entrepreneur in the works of Richard Cantillon and the Physiocrats (François Quesnay, Nicolas Baudeau), offers few original contributions, except for the author’s attempt to relate these thinkers to the theoretical framework developed in Chapter 1. In the Physiocratic tradition, the entrepreneur performs a “Leibenstein entrepreneurial function” (39), managing the firm with efficiency and prudence and thereby reducing potential inefficiencies. In Cantillon’s case, the entrepreneur fulfills a “Frank Knight entrepreneurial function” (27), as his role consists in seizing profit opportunities in an environment of uncertainty.

Chapter 3 is entirely devoted to the figure of the entrepreneur in Turgot’s work. As with the discussion of Cantillon in Chapter 2, it offers nothing truly new for readers already familiar with Turgot’s writings but provides a clear and useful presentation of his theory of the entrepreneur. Menudo recalls that the entrepreneur, as the user of capital, is distinct from the capitalist, who is merely its owner, but concludes that Turgot failed to provide a fully developed and autonomous theory of the entrepreneur, one that would be independent of capital. Menudo identifies several types of entrepreneurs (“*entrepreneur de commerce*”, “*entrepreneur de culture*”, “*entrepreneur de manufacture*”) and highlights their specific skills: motivational (the improvement and expansion of production), technical (detailed knowledge of productive processes, decision-making based on practical expertise), and vigilance (monitoring the market, prices, and demand). In a concise and pedagogical manner, Menudo situates the entrepreneur within Turgot’s broader theoretical framework, particularly in the systems of price formation and production. In both cases, Turgot’s conception of the entrepreneur evokes that of Kirzner, insofar as it rests on the ability to identify market opportunities through a precise understanding of prices and the dynamics of supply and demand.

Chapter 4 offers one of the most compelling overviews of the figure of the entrepreneur among English-language authors of the 18<sup>th</sup> and 19<sup>th</sup> centuries. British economists employed a variety of terms – “undertakers”, “adventurers”, “enterprisers”, “speculators”, and “projectors” – whose divergent meanings Menudo carefully traces. In the 18<sup>th</sup> century, the notions of “adventurer” and “speculator” were

associated with initiative and risk-taking in the pursuit of new opportunities. Menudo shows how the term “undertaker” gradually came to replace these various usages, particularly in Malachy Postlethwayt’s 1766 dictionary, where the “undertaker” is linked to the circulation of goods and commodities within a context of uncertainty. Menudo also notes the emergence of the figure of the “projector”, which he interprets as a precursor to the creative entrepreneur, notably in the works of Daniel Defoe and Postlethwayt. The chapter then focuses on the opposing views of James Steuart and Adam Smith. James Steuart’s distinctive contribution lies in situating the entrepreneur (the merchant) within the relations of domination and the patterns of consumption and exchange that characterize the market economy. In line with Cantillon, the merchant is seen as a guarantor of price stability; yet, at the same time, social change is influenced by the actions of merchants and producers, who can shape consumption patterns. Unlike Adam Smith, Steuart attributes to the entrepreneur and the merchant an active role in the new organization of exchange, since the market society does not follow a spontaneous order but rather “a particular design of merchants” (68). Thus, for Steuart, the merchant fulfills a dual mission: stabilizing prices and exchanges while fostering the emergence of commercial society. Menudo therefore situates Steuart’s theory of the entrepreneur at the very center of this fundamental break with the Scottish vision represented, among others, by Adam Smith. As in the case of Jeremy Bentham, discussed at the end of Chapter 4, the projector and the merchant are creative entrepreneurs who introduce innovations and novelties into the economy. For this reason, Menudo classifies their theories of the entrepreneur within the Schumpeterian vector.

The merit of this chapter lies precisely in its comparative reading of Steuart and Smith. Menudo provides a concise account of Adam Smith’s complex relationship with the various figures that may be regarded as belonging to the realm of entrepreneurship. He recalls the extensive literature on the subject and the scholarly controversies surrounding Smith’s theory of the entrepreneur. Menudo aligns himself with those who argue that Smith remains fundamentally attached to the provision of capital, even in his definition of the entrepreneur. Smith is critical of the figure of the “adventurer” (whose excessive confidence in his own abilities leads him to take significant risks with his capital) and of the “projector” (who undertakes uncertain and costly ventures that often end in ruin due to overboldness), precisely because they engage recklessly with capital. By contrast,

Menudo notes that Smith expresses much greater sympathy for the “sober undertakers” (80), whose investment projects derive from prior savings and who conduct their ventures with prudence and restraint, taking only moderate risks. For Menudo, the undertaker in Smith’s framework is comparable to a capitalist, since he possesses accumulated capital (80). However, Menudo also shows that this “sober undertaker” performs organizational and risk-bearing functions that bring him close to the Leibenstein function.

Chapter 5 takes us across the English Channel to examine the figure of the entrepreneur in French political economy. Menudo recalls the foundations of the French version of liberalism, rooted in Condillac’s sensualism, which he situates within the Turgot–Say lineage. Condillac regards the “*fermier*” (farmer) as an entrepreneur who manages and directs production by anticipating consumers’ needs. Condillac’s influence is evident in the writings of the two “founding fathers” of French liberalism (Béraud and Numa, 2024): Destutt de Tracy and Jean-Baptiste Say. Say’s conception of the entrepreneur has given rise to a vast and constantly renewed body of literature; this chapter brings few new insights but provides a useful synthesis for readers seeking to understand Say’s view of the entrepreneur. By contrast, Destutt de Tracy’s contribution to the debate is often considered secondary and underestimated in the literature; the sections devoted to him are therefore of particular interest. For Destutt, the entrepreneur plays a role both in the organization of production and in the distribution of goods: he purchases the factors of production and receives remuneration corresponding to the level of uncertainty he bears, profit.

The final chapter presents the figure of the entrepreneur both in British authors (David Ricardo and John Stuart Mill) and within the French liberal school (Dunoyer, Blanqui, Germain Garnier). This concluding chapter is somewhat disorienting, as it lacks visible coherence and, above all, fails to provide a true conclusion to the book. One would have wished for a conclusion to the hunt for heffalumps that Menudo has invited the reader to follow throughout the work. Indeed, the theoretical framework introduced at the beginning of the book and maintained as a guiding thread throughout the chapters makes it possible to classify the various theories of the entrepreneur into four distinct vectors. A synthetic conclusion would have allowed these different theories of the entrepreneur to be organized according to these four vectors and could have offered an opening toward the 20<sup>th</sup> century.

Nevertheless, the book proves to be a useful and pedagogical synthesis of theories of the entrepreneur from the 18<sup>th</sup> to the 19<sup>th</sup> century. The most stimulating chapters are those that bring several theories of the entrepreneur into dialogue, such as Chapter 2, devoted to the emergence of the entrepreneurial figure, and Chapter 4, dedicated to the British tradition. The more “monographic” chapters (such as the one on Turgot or the sections on Say) contribute less originally to the debate but are still useful as synthesis. The book will be of definite interest to readers seeking an introduction to theories of the entrepreneur; it will serve as a valuable resource for research on the entrepreneur, innovation, management, and entrepreneurship in general, as well as for teachers wishing to design a course and for students eager to learn more about the subject.

## References

- Béraud, Alain and Guy Numa. 2024. The Founding Fathers of the French Liberal Thought: L.-C.-C. Destutt de Tracy and Jean-Baptiste Say. In Gilbert Faccarello and Claire Silvant (eds), *A History of Economic Thought in France: The Long Nineteenth Century*. London: Routledge, 12-39.
- Kilby, Peter. 1971. *Entrepreneurship and Economic Development*. New York: The Free Press.
- Vérin, Hélène. [1982] 2019. *Entrepreneurs, Entreprise. Histoire d'une idée*. Paris: Classiques Garnier.