reproduction and viability, enables the question of the sustainability of the human interaction with nature in the production of human consumption to be quite naturally posed, even if the classical economists themselves travelled not very far down the path of dealing with such issues. Whether or not technology optimism will be vindicated in the coming decades seems an open question – although one could respond that it is not so much human technological ingenuity that is at risk of hitting limits, but human morals.

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Richard N. Langlois, *The Dynamics of Industrial Capitalism. Schumpeter, Chandler, and the New Economy.* London: Routledge, 2007. 94 pp. ISBN: 0-41577-167-6

The volume is based on the 'Graz Schumpeter Lectures', given by Richard Langlois in 2004 as a part of a series of the same name, which tries to link classic Schumpeterian writings with contemporary research developments. Langlois' contribution to this series spans more than 300 years of economic theory from Adam Smith's famous 'invisible hand' to his own concept of the 'vanishing hand' (see also Langlois 2003). Metaphorically – as well as literally in an illustrating graph (p. 77) – he draws an arc between these two states of market-driven exchange that he considers to be interrupted by a mere 'episode' of managerial capitalism. However, it is this interruption, the rise and (alleged) demise of large integrated corporations guided by the 'visible hand' (Chandler 1977) of managers, to which Langlois devotes his attention.

From the more general claim that organizational change or the evolution of 'social technologies' (Nelson and Sampat 2000) can be factors in economic growth, he derives what he calls the 'Schumpeter–Chandler thesis'; namely that the rise of large corporations was a driver of economic growth. This thesis may not be provocative for institutional economists from Thorstein Veblen to Douglas North but very well challenges traditional and post-war 'neoclassical' approaches towards explaining economic growth and development just via aggregates of capital and labour, leaving technological and organizational developments aside by assigning them a purely exogenous role.

Langlois himself, however, immediately contrasts his own thesis with two contradictory claims. First, the importance of charismatic entrepreneurs for innovation and economic development, whose logic of individually driven creative destruction is very different from large and 'rationalized' machine bureaucracies; a dichotomy that can be found already in Schumpeter's writings. But on his way through an obligatory exegesis of Schumpeter's most prominent volumes (Schumpeter 1934, 1950), he vehemently rejects the common distinction between 'two Schumpeters' (see for example Fagerberg 2006) and attributes differences in his writings not to changes in opinion but to changes in the subject (capitalism) as well as to the coexistence of two inconsistent epistemic approaches in his works: rationalist and empiricist theories.

In interpreting the Schumpeterian notion of entrepreneurship as a correspondent to Weber's concept of charismatic leadership, Langlois delineates the entrepreneur as both agent and victim of a 'transformation from the traditional to the rational'. The 'animal spirits' of a charismatic entrepreneur are necessary to creatively destroy traditional structures but at the same time they build new structures that tend to make them dispensable. A point he illustrates with the example of Nicolas Hayek, the 'Messiah' that saved the starving Swiss watch industry by founding the Société Suisse de microélectronique et d'horlogerie in a process of 'progressive rationalization'.

As a second contradiction to the 'Schumpeter–Chandler thesis' Langlois mentions recent trends of 'de-verticalization', coming up with the question of the remaining contribution of Schumpeter and Chandler to economic growth theory. In asking the question 'Why did ''managerial capitalism'' supersede ''market capitalism'' [. . .] in the late nineteenth century?' (p. 9), he not only reveals his own background as a transaction cost economist inspired by Coase, he also refers to both his answer and his current theoretical camp: in embedding transaction cost arguments in an evolutionary framework of economic development, he describes managerial capitalism as a temporary answer to 'an evolutionary design problem' (p. 11). So, similar to his explanation of inconsistencies in Schumpeterian theory, he then somehow reconciles at first glance incommensurable approaches in organization theory such as 'resource dependence' perspectives (for example, Pfeffer and Salancik 1978) and 'resource based' views (Hamel and Prahalad 1994) – explicitly, however, he only refers to the latter. For him both can be valid explanations for dominant forms of organizational design contingent on complementary historical developments in terms of institutions (e.g. liberalization of international trade) or technologies (e.g. transportation and communication costs).

Generally speaking, Langlois paints a very rich theoretical picture, citing the 'who is who' of (at least: institutionally inspired) economic theory as supporters on his way from the 'invisible' to the 'vanishing hand'. One major flaw, however, remains: although he obviously tried to deliver a coherent volume, it is undeniable that each of the five chapters roots in originally independent articles. In other words, the book is a lively written and interesting-to-read synopsis of Langlois' works but neither is it completely harmonious nor does it contain really new insights for anyone who already knows his regular articles.

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