

Thomas David and Gerarda Westerhuis (eds.), *The Power of Corporate Networks. A Comparative and Historical Perspective*. (New York: Routledge, 2014) 347 p. ISBN 978-0-415-72974-1.

The control over the largest corporations is concentrated among corporate elites ever since the modern firm emerged. Shared board memberships or interlocking directorates that tie together corporate boards in a social network of corporate control has therefore attracted attention from across the scholarly domains of business history, political science, sociology and business administration. Yet, the literature remains by and large a-historical and preoccupied with Western industrialized economies. A thorough and historical comparative study on networks of interlocking directorates has been long overdue, and this excellent edited volume finally remedies this shortcoming. The book provides a long-term analysis of the rise, consolidation, decline and occasional re-emergence of corporate board networks in 14 countries across North and South America, Europe and Asia in the twentieth and early twenty-first centuries.

It is to the credit of the editors that they succeeded not only in bringing together leading experts and empirical data from across the globe, but also provided a cohesive analytical framework that brings the enormous breath of insights and data together. They explain in the introduction that a key reason for them to embark on this project was the need to bring the methods of history, especially contextualization and interpretation, back into corporate network research. They call for an analysis that not only takes into account the social structure of the board networks (the meso level), but understands these networks from on the one hand the political and economic macro environment and on the other from the micro perspective of stakeholders within the firms. This book is their way of underscoring that 'the historical approach allows for the exploration of complexity and unraveling the interdependence of variables by tracing their interconnections over time'.

The volume advances the field of corporate network research not only empirically, but also theoretically. First, the book adds a new perspective to the role of banks within corporate networks, which until now has been conducted in an a-historical fashion. Second, the collection of chapters highlights the hitherto understudied role of the state in corporate networks, both through direct or indirect ownership and in different historical periods. Third, they show institutions are functional equivalent in different periods. The role of banks or the state is substituted or complemented by for instance business groups, families or multinationals.

It goes well beyond the reach of this review to summarize the contributions of the 14 case studies that together present an unprecedented wealth of comparable empirical data on interlocking directorate networks. Some chapters excel in

achieving the objectives of this book by a thorough contextualized understanding of the dynamics in corporate networks in a particular market over time. This includes chapters on the Netherlands and on the United States, although the latter has the benefit that it is a condensed version of the excellent recent book by Mark Mizruchi on the fragmentation of the American corporate elite. The French chapter stands out because it provides a compelling argument that explains the structure of board interlock networks over time through a status logic, both at the firm and the director level. Other chapters stand out because they shed light on understudied cases where interlock networks vanished or failed to emerge in certain time periods. In Portugal the corporate network was substituted by a political network but re-emerged whereas in Bulgaria the network did not return after the collapse of communism. In a number of country studies the changing role of the state is evident, such as in Taiwan where the decline of the corporate network is shown to be a corollary of the decline of state power, or in Austria. The Finnish case reveals how a bilingual country leads to separate corporate elites; an important feature in the light of the growing transnational board networks.

A critical reader may mention two small issues. First, the title is somewhat misleading as the country studies do not specially investigate the power connected to networks or network position. Second, a separate chapter on the transnational dimension of board interlocks would have been an important additional contribution, in particular because several of the country studies point at the ubiquity of transnational board interlocks in the early 20th century. But these are only minor remarks compared to the many contributions this volume makes. This includes the extra effort to make the underlying data available through an extensive appendix and a dedicated website.

This volume is and will remain a must read for scholars interested in networks of corporate elites and an inspiration of future work. We learn that corporate networks emerge for different reasons, and that once they are in place the effect and impact (the function) of these social structures depend on the institutional context. The editors conclude that change must ultimately be explained by varying preferences of the people who govern the firms. Recently there have been promising theoretical and methodological developments in modelling complex network dynamics of interlocking directorates. In order to build valid models we need to thoroughly understand the historical and institutional context in which interlocks occur. This need makes 'the power of corporate networks' a valuable, necessary and very timely study.

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