

Entrenchment, Wealth, Power, and the Constitution of Democratic Societies, by Paul Starr, New Haven, CT: Yale University Press. 2019. 280 pages, hardcover.

Reviewed by SORIN M.S. KRAMMER,

University of Surrey (S.Krammer@surrey.ac.uk)

Why should we, as Management scholars and educators, care about a book on political diagnosis? The answer is twofold. First, the calibre of the author (Paul Starr), an awardee of both Bancroft and Pulitzer Prizes, a former policy advisor to the Clinton administration, and the author of *The Transformation of American Medicine* (1982), a book with a profound impact on American policy circles. Second, the core concept (*entrenchment*) of the book, and its potential to advance the process of institutional development, and the ways in which we can reform and change our institutions to better meet the current and pressing needs of the many, rather than preserve the unequal privileges of a few. In light of the geopolitical, social, and environmental pressures we see currently rising across the world (George, Howard-Grenville, Joshi & Tihanyi, 2016; Howard-Grenville, Buckle, Hoskins & George, 2014) there is no better time to examine whether and how we can address some of these grand challenges by reforming and improving our institutions.

Starr develops a theory around the concept of entrenchment and uses it to show us how political institutions (both good and bad) become entrenched over time. In addition, he explores how can one erode and overcome this entrenchment to change the institutional status-quo and fix persistent issues in our societies. As his thesis relies mostly on US and Western European examples, it constitutes an opportunity for further exploration and generalization. Within the

current political regimes around the world characterized by increased polarization and volatility, *Entrenchment* presents numerous insights for Management scholars examining institutions and their broader socioeconomic consequences.

The first chapter of the book spells out main features of its theoretical tenet. Defined as the making of changes that then become hard to undo and that increase the resistance to stress at the foundations of society, entrenchment is essentially designed to protect existing (good or bad) policies from reversals. Theoretically it builds on familiar concepts like path dependence, embeddedness, or institutional deepening. Starr also proposes several mechanisms through which entrenchment occurs. The first one (*strategic entrenchment*-a deliberate measure to make an institutional feature difficult to reverse in the future, by example by embedding it into the constitution of a state) will resonate with other familiar management concepts such as irreversible commitments or sunk costs that face firms and organizations. In these cases, the specific provisions (rules) for change are paramount (e.g., constitutional amendments in the USA). A second factor contributing to entrenchment is the existence of positive feedback loops (*lock-ins*) that reinforce existing entrenchment. Finally, the third mechanism is what he calls *cultural entrenchment*, i.e., a combination of embedded beliefs and practices with social ties and existing institutions. Thus, in a first instance, cultural entrenchment relies more heavily on existing institutional prescriptions and later direct social ties that provide more resistance towards change.

Chapters 2 and 3 focus on the link between property and political power using the examples of land and slave owning European and North American aristocrats which have become entrenched through inherited wealth mechanisms such as primogeniture and entailment. For

instance, in England, primogeniture was institutionalized for nearly a millennium¹, significantly influencing the distribution and concentration of wealth and political power, giving rise to a ruling oligarchy. Similarly, Starr describes in detail the evolution of racial slavery in the United States, as an entrenched contradiction between different divergent political and institutional settings in the North and South. Finally, Starr also documents the fall of this entrenchment because of incremental but continuous through the centuries around the theory that this concentration ensures stability of the state, which have culminated in the 18th century with the French and American revolutions.

In turn, Chapter 4 focuses on how democracy became entrenched in the Western world due to electoral rules and constitutions meant to prevent the incumbents from recasting institutions towards preserving their power and advantage. As such, constitutional design is the result of careful balancing of liberal and conservatist interests in a country. He also makes the case for independent (anti-entrenchment) institutions such as Supreme Courts and Central Banks that maintain independence and the option of changing status-quo, should that become a socially desired outcome.

Tapping into the modern era, Chapters 5 and 6 examine the evolution of the modern welfare state and its entrenchment in Western societies as an infusion of progressive change. Starr portraits the status quo as a delicate balance between politics and capitalism, where either can upset and affect drastically the other. He sees the latest developments in politics worldwide, such as the rise of nationalism and populism, as a challenge to some of the welfare policies that have been entrenched in the past century. This brings into question the success of some of these policies which have not been able to reduce inequality despite rises in terms of productivity,

¹ Introduced after the Norman Conquest (1066) and voided by the Administration of Estates Act in 1925.

income and overall, economic growth. Moreover, current geo-political tensions, disruptive technological developments (such as AI technologies), and a widespread anti-immigration sentiment, are all pressuring the current debate on welfare state and social protection.

Reading this book which blends in seamlessly ideas from political science, economics, and history, a management scholar might find it a useful cross-fertilization exercise for several prominent domains. One area of particular interest would be to examine what determines different types of entrenchment across different countries around the world. Starr alludes to the fact that political polarization and greater uncertainty about the future are both conducive of entrenchment efforts. We see abundant evidence of such events like the rise of Trump in the US, the outcomes of Brexit, or the dwindling majority of whites in many European countries. Such developments in today's environment make it a prone area for investigation, particularly from a comparative institutional angle (Klein et al., 2022).

In addition, globalization both as a source and a counter option for entrenchment. For instance, Starr notes that "Treaties, transnational organizations, and trade and loan agreements impose conditions and obligations on states that often make specific policies hard to reverse and thereby constrain political leaders." (p.126). On the other hand, international entrenchment via bilateral treaties and multilateral (supra-national) organizations is providing legitimacy and access to global markets, a segway used by many developing countries to upgrade their infrastructure, production, workforce and improve their economic development via sustained growth. Thus, IB scholars can employ entrenchment mechanisms to understand how economic integration via multilateral and bilateral agreements between countries affects them in the long run. Likewise, for modelling entrenchment changes (e.g., Brexit) and their evolution or substitution over time.

Finally, the book also emphasises the role of “critical junctures” in history for opportunities to undermine previously entrenched institutions and replace them with new ones- a theme that is also making its way into management research as an opportunity for theoretical development (Bylund & Packard, 2022). Starr’s historical examples (e.g., WW2 or the Great Depression) resonate greatly with the current turbulent environment– the unthinkable war in Ukraine, the trade war and frictions between US and China, the recent COVID-19 pandemic, and the silent yet deadly slow-killing impact of global warming-, all alarming signs of (sudden and unexpected) challenges we will have to face in this “new normal” (Krammer, 2022) and often “wicked” (Rašković, 2022) world.

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