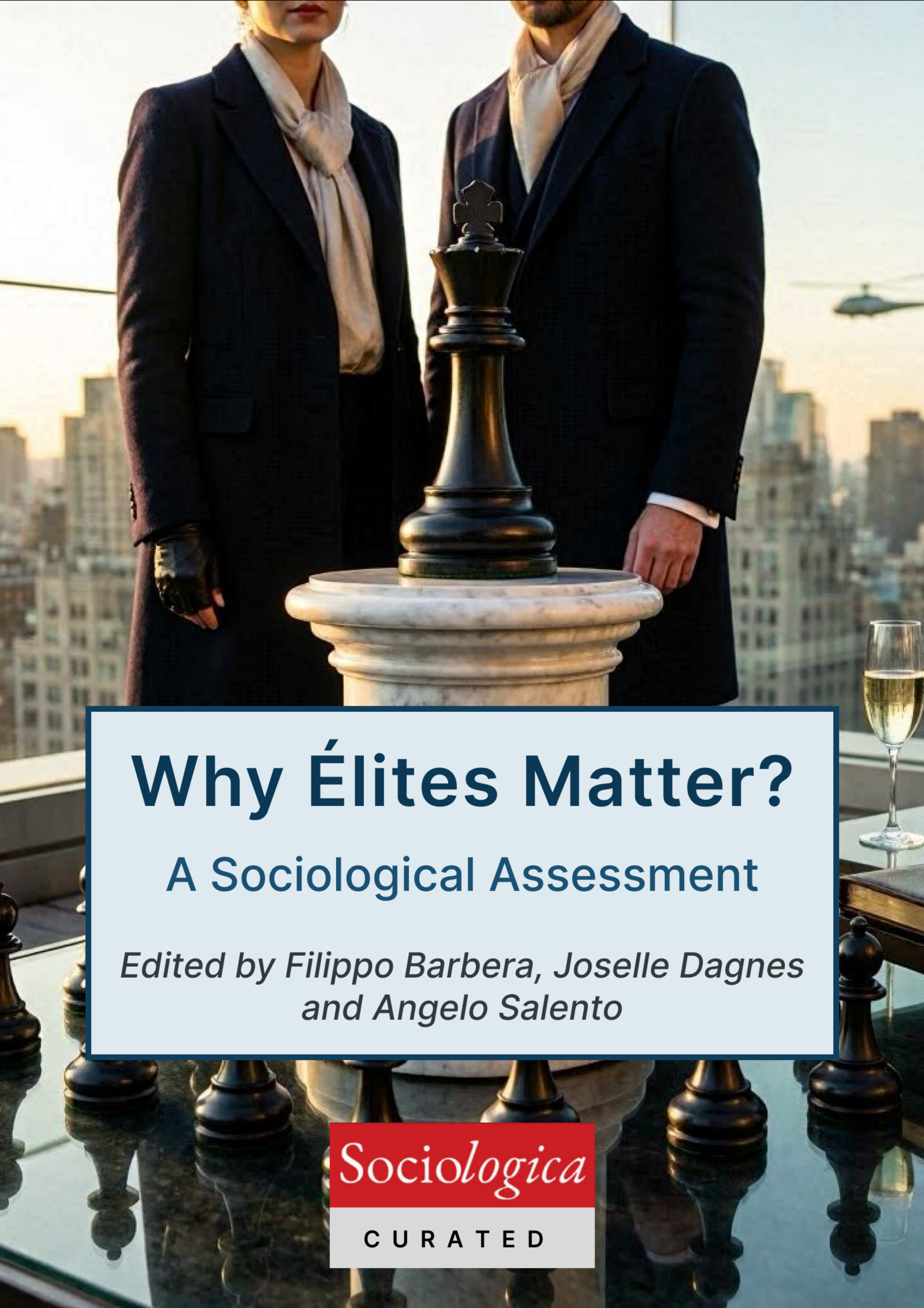

Why Élites Matter?

A Sociological Assessment

Edited by Filippo Barbera, Joselle Dagnes and Angelo Salento

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Investigating Élites. Relationships, Spaces, Rituals. An Introduction

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Investigating Élites. Relationships, Spaces, Rituals

An Introduction

by Filippo Barbera, Joselle Dagnes *and* Angelo Salento

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In 2012, an eminent Italian sociologist noted that, while in the US sociological interest in élites had been continuous, in Europe, with the exception of some journalistic investigation, analysis of élites, and in particular the relationship between economic and political élites, has been auspicious for its absence for several decades [Gallino 2012, 101-103]. Although sociological literature on poverty and social marginalization is relatively extensive, much less attention has been paid to the rich, enrichment processes, consumption and lifestyles of the super-rich.

Over the last five years things have begun to change, and not by chance either. First, the 2008 financial collapse showed how instable the international economic system really is. It has become clear that one of the main causes, if not the main one, of this instability is the growth of inequality [Milanovic 2011]. Even reports from international agencies [United Nations 2013] have begun to address the imbalanced distribution of wealth, rather than poverty as such.

In this scenario, the existence of a super-rich class has begun to be considered not only as a matter of ethics, but also as an economic and social problem. The problem is not accumulation itself, but the fact that enrichment processes are in fact played through patterns and dynamics that proved to be "corrosive" for both social ties and the long-term prosperity of economic systems.

Financial accumulation strategies are the cornerstone of such restructuring of economic life: short-term maximization of capital gain has become a standard goal for top managers even in non-financial firms. This benefits shareholders and their agent managers, who are remunerated with incredible compensation precisely because of their ability to maximize shareholder value (the explosive growth of managers' salaries has unleashed sharp increases in salaries of other figures, such as the stars of show business and sport [Bivens and Mishel 2013]). On the other hand however, workers have suffered from a decrease in wage level and increasing precarity of work.

Diverting capital from the productive to the financial sphere involves a growing patrimonialization of the economy.

> Private fortunes in the early Twenty-first century seem to be on the verge of returning to five or six years of national income in both Britain and France [Piketty 2014, 25],

namely the levels recorded just before World War I. Even the foundational economy sectors, producing the goods and services essential for social reproduction, are increasingly populated by rent-seeking economic actors [Bowman *et al.* 2014; Barbera *et al*. 2016].

The radical unsustainability of these accumulation processes is the reason "why we can't afford the rich." "The argument," Sayer points out, is directed not at particular individuals but at the *sources* of their wealth and power and the ways in which these are justified" [Sayer 2014, 9]. The richer individuals are, the higher the proportion is of their wealth deriving from a position of power (value extraction) rather than earned in any way (value production).

The impact of élites has become increasingly clear also on urban life. The tale of Canary Wharf is one of many possible examples. In view of the liberalization of financial exchange in the mid-1980s, a Nineteenth century dock district in London was rapidly transformed into a business district. Thus, in London as in many other big cities, while urban skyline radically changes, many neighbourhoods become inaccessible due to real estate speculation. The local population is directed towards the suburbs, while central and prestigious areas are transformed into highly exclusive and mostly uninhabited neighbourhoods, streams of apartments owned by high-wealth individuals in search of speculative investment and footholds in the world's most important cities [Glucksberg 2016; Atkinson, Burrows and Rhodes 2016]. Furthermore, also in smaller cities the transformation of accumulation strategies entails dislocation and patrimonialization, has changed urban landscapes and daily life.

In the same period, the role of élites has become more relevant in politics. As David Harvey argued,

> future historians may well look upon the years 1978-80 as a revolutionary turning-point in the world's social and economic history [Harvey 2005, 1],

that is a deliberate political agenda. The neoliberal season appears, on the whole, to be a period of class struggle with reversed roles – that is, a period in which the richest economic actors have strengthened their privilege after a period of decline in profits. It has become increasingly clear that the role of élites in political decisions have laid the foundations of extreme financialization of the economy [Krippner 2011].

In Europe, the role of oligarchies in the governance of the Union has been demonstrated by sociologists [Crouch 2000]. It has also been realized by European citizens, whose trust in European institutions has declined over the last few decades. Even in a traditionally "pro-European" country like Italy, since 2008 we have witnessed a drastic reduction in the levels of trust in the European Union (according to Eurobarometer figures, confidence in EU institutions declined from 57% to 32% from 2001 to 2016). In the UK, this drop in confidence has brought many members of the former working classes to vote for Brexit.

Understanding *who* are the members of contemporary oligarchies, what are their social trajectories, their lifestyles, their consumption patterns, is a major challenge for social sciences. In the United States, this line of study, although secondary, was never truly abandoned after Mills [1956] (see Frank [2007]). In Europe it is a new challenge, which was explicitly declared [Savage and Williams 2008], although it still has a long way to go.

Studying élites is therefore very significant, especially nowadays, since it provides fundamental keys to understand economic and social changes of our time and their consequences on individuals and community. At the same time, élites are a favourable vantage point for a set of broader topics that deserve to be explored. In general terms, élites can be conceived as complex relational context, involving different actors and fostering – at least potentially – the exchange of resources between them, including both tangible and intangible assets, e.g., wealth, position, information, reputation, identity, recognition, etc. [Khan 2012].

Here, we look at three kinds of relationships, corresponding to three different levels of analysis. The dimensions we are interested in are transversal to the papers composing our symposium and are intended to provide some ideas for a critical interpretation of them. For a detailed description of the articles, note the comment by Mark S. Mizruchi [2016] at the bottom of the symposium. Specifically, we would like to focus on interpersonal, inter-organizational and spatial ties. Indeed, dealing with élites primarily means dealing with a set of relationships that can occur between individuals, organizations and/or socio-economic backgrounds, and with the distribution and balance of power deriving from these relations.

We are used to conceive élites as a single body, an inseparable and coordinated whole, which opposes as a whole, whoever is not élite, the well-known 99% in public debate. However, we cannot ignore the fact that the privileged class is composed of individual and collective players promoting only partially convergent interests. In many cases, the inner members of the elite can pursue either implicit or explicit particularistic demands, derived from their membership to, or their recognition of being part of specific groups. Focusing on individual players and on the analytical levels at stake therefore allows us to observe the fault lines and emerging composition effects within the élite itself.

Looking at the interpersonal level, a first significant topic is that of family ties. A leading position in the economic or the political sphere is often conceived as a family matter, both for the access to certain positions and for the consequences over time on the opportunities for family members. Although with different levels and characteristics depending on their specific socio-economic context, family capitalism[1] can be observed in many countries both in the advanced and developing economies, as a traditional form of business, as well as a relatively recent trend [see e.g. Jones and Rose 1993; James 2009]. Similarly, the persistence of family ties in the political arena, even in the most advanced democracies, signals the existence of preferential approach channels for some roles or at least, at the social resources constituting a prerequisite [Feinstein 2010; Geys & Smith 2016].

The role of family ties in economics and in politics also raises the issues of inter-generational relationships, inter-generational transmission of tangible and intangible assets and in broader terms, the self-preservation and the social reproduction of the élites over time. The strength of social closure of top social positions, fosters the role of inherited capital and its relevance in the reproduction of privilege and power [Khan 2008]. Research in this area shows that with equal wealth, the amount of inherited capital is a sort of "key line of division" within the élite, defining different positions in social space [Flemmen 2012].

Finally, looking at the power relationships between individuals of the elite, we cannot ignore the persistent gender gap between men and women in economic and political spheres, as well as in the list of the world's wealthiest people. Starting from the pivotal contribution by Mark Useem [1986], who pointed out the all-male com-

[1] Following the proposal by Casson [2000], it is appropriate to split the concepts of family capitalism and family firms in order to take into account two different situations, distinguishing between family-owned and family-controlled companies. The relationship between control and ownership is always a very sensitive point [cf. Zeitlin 1974; Barca and Becht 2001] but it has specific features and problems when it concerns family firms, especially during the intergenerational transmission often implying – or setting up as an alternative to be considered – the loss of the family control in favour of a professional management from the outside.

position of the Anglo-Saxon business leadership (the so-called *old boys club*), enquiry has produced a number of analyses of this topic. Specifically, the most recent research deals with mechanisms of inclusion and exclusion, both from a juridical, social and psychological point of view, women's career trajectories, highlighting not only the difficulty to reach top positions (glass ceiling), but also their less linear path (glass maze), and greater role instability they have to face (glass cliff), gendered leadership styles and power management [Eagly and Carli 2007; Jalalzai 2008 and 2013].

However, we cannot overlook the fact that individuals belonging to élites act very often also as members of business (and/or political) organizations, recomposing into a more or less coherent whole particular interests and company strategies.[2] Specifically, considering the economic sphere and adopting an inter-organizational point of view, relationships can be mediated by three different elements: individuals, capital and commercial exchanges [Scott 1991]. While the latter two refer to traditional and easily observable exchange channels, credit and the market. inter-organizational relations with individuals as a key component represent a different kind of relationship, directly bringing into play class membership and elite perimeters. Specifically, personal relationships consist of links between companies intermediated by individuals, both through direct contact between people belonging to different organizations (e.g., kinship, friendship, acquaintance, attendance at common events or clubs, etc.) and through the sharing of the same people (the well-known case of interlocking directorates). For these reasons, inter-organizational ties mediated by individuals are on the one hand, difficult to inquire about because of their low visibility and yet on the other hand, they are a privileged scope of observation for the connection between individual interests, elite advancement and business (but also political) strategies.

Finally, from the so-called spatial turn(s) point of view [Jessop, Brenner and Jones 2008], élites may be divided in four distinct analytical areas: i.e., territory, place, scale and network. Territorial-centric perspectives highlight the physical embedding of élites in self-contained contexts with specific borders, often administrative and/or political. From this perspective, élites have been first and foremost conceptualized at a national level: from Adam Smith's *The Wealth of Nations* [1776] to Acemoglu and Robinson's *Why Nations Fail* [2012], the nation-state has been the customary analytical unit for analyzing élites. The shift from territories to place implies a broader emphasis on multiple forms of proximity, intended not only in a geographical sense related to how élites member are physically close to one another, but also concerning

[2] For a critical distinction between intra-class and inter-organizational perspectives, focusing respectively on individual/class interests and organizations interests, see Palmer [1983] and Mizruchi [1996].

shared importance given to the processes that include the human-designed cultural, social and economic features of a place, from forms of livelihood and religion, to customs and traditions. The third level, scale, refers to the divisions and differentiation among nodes in scalar relationships. Finally, the focus on networks stresses inter-spatial and inter-scalar ties that connect elite members to one another in a relational space.

As Jessop *et al* [2008], maintain, it would be mistaken to downplay the *interdependent* relevance of these forms of socio-spatial organizations. This general warning is key for an analysis of élites as well. For instance, Cousin and Chauvin [2014] illustrated how *transnational* connections, cosmopolitanism and *global* class consciousness are elicited differently among members of élite social clubs in Paris. The spatial turn(s), in other words implies:

> the actualization of specific socio-spatial possibilities […] involves material interactions among different structures and strategies that draw upon these principles of socio-spatial organization in differential, historically, and geographically specific ways [Jessop, Brenner and Jones 2008, 394].

The socio-spatial organization of élites consolidate normative orientation, moral standards, in-group or out-group boundaries and agent behavior accordingly [Collins 1975 and 1988]. These interactions consolidate a pattern of recognition rules, establishing mutual orders of worth [Boltanski and Thévenot 2006]. Élites know *what is worth* for them. Thanks to these rules, others can be identified and honoured as "persons" within the circle of recognition. They become "one of us" and therefore worthy of trust and respect [Pizzorno 2007]. In this way, recognition rules become part of the identity of the person and generate a sense of belonging to a group that produces the crystallization of élites as status groups [Barbera and Negri 2015].

In other words, members of élite groups exploit the benefits of ritual situations better, from which feelings of common belonging emerge with their relative symbols [see Collins 1988 and 2004]. Following Appadurai [2001], these groups enact the capacity to aspire by means of collective action which link the immediate fundamental needs of everyday life or "*experience-near*" to more general cultural concepts of living well, "*experience-distant*". Appadurai reflected on the relevance of the role of collective protest by the poor in India. True as this may be, rituals seem to matter even more for status-conscious élites. The daily life of élites and their unequal embedding in territory, place, scale and network ground their capacity to aspire and support collective action accordingly.

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Investigating Élites. Relationships, Spaces, Rituals

An Introduction

Abstract: This paper provides an introduction to the contributions collected in the symposium. First, it points out the conditions in which a strong attention has re-emerged towards élites in Europe: the financialization of the economy, a growth of inequality fostering the instability of the economic system, the existence of a super-rich class accumulating fortunes through value extraction. Then, the paper illustrates three different levels of analysis emerging in the researches about élites: a) personal ties; b) organizational ties (mediated by individuals, capital and commercial exchanges); c) spatial ties (which can be observed in a fourfold perspective, by territory, place, scale, and network).

Keywords: Élites; Financialization; Value Extraction; Networks; Super-rich Class.

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Joselle Dagnes is research fellow in economic sociology at the University of Torino, Italy. Among her publications: Barbera, F., Dagnes, J. and Salento, A. (eds.), "Declino e Reinvenzione del Lavoro nell'Economia Fondamentale." *Sociologia del Lavoro*-Special Issue 142 [2016]; Dagnes, J. and Salento, A., "The Italian Way to Financial Accumulation. Personal Networks and Informal Practices of the Italian Economic Élites." *Sociologija* 58(2): 181-202 [2016].

Angelo Salento is associate professor of Economic Sociology in the University of Salento. His most recent researches deal with the financialization of firms, and the foundational economy. Among his publications: Barbera, F., Dagnes, J., Salento, A. and Spina, F. (eds.), *Il Capitale Quotidiano. Un Manifesto per l'Economia Fondamentale.* Roma: Donzelli [2016]; Salento, A. and Pesare, G., "Liberalization and Value Extraction. The Trajectory of Railways in the Neo-liberal State." *Paco* 9 (2): 466-494 [2016].

Luna Glucksberg, Roger Burrows

Family Offices and the Contemporary Infrastructures of Dynastic Wealth

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Family Offices and the Contemporary Infrastructures of Dynastic Wealth

by Luna Glucksberg *and* Roger Burrows

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1. Introduction

The reproduction of dynastic wealth has long been an important sociological topic. The analysis of the institutionalised infrastructures of support in the reproduction of economic capital across time and space, and the social and cultural capital this generates, has often been a central features of French sociology for example. The classic work of Bourdieu [1989], Pinçon and Pinçon-Charlot [2000] or, more recently, Wagner [2007] are emblematic of this tradition of work. One element of this infrastructure – Family Offices (FOs) – which have been important historically [Wilson 2014] have, however, received less sociological attention than they might have. With changing patterns of global wealth inequality – especially since 2008 – FOs have begun to emerge in such numbers and with responsibility for so much wealth that renewed interest in them is urgently required if the social sciences are to develop a more adequate understanding of the form and functioning of contemporary élite formations. This call for greater understanding has been nowhere better articulated than by *The Guardian* newspaper in the UK.

> Family Offices have their roots in the Sixth century when a king's steward held responsibility for managing royal wealth, a model later adopted by many aristocrats […] But the modern concept of the Family Office – an organisation that manages private wealth and other family affairs – was developed by the financier J.P. Morgan and the Rockefellers in the Nineteenth century. The number of single-

> Family Offices in the UK has more than doubled to around 1,000 since the 2008 financial crash, and they manage more than $1,000bn (£700bn) in assets [Batty 2016b].

In what follows: we explain the global financial context within which these new forms of FO have emerged; describe how they manifest themselves within the context of London; review what we already know about them from the extant literature; and conclude with a brief set of ethnographic observations about their contemporary form and functioning that, we hope, might prefigure further more extensive studies of this particular organisational form.

2. London and the Global Super-rich

Patterns of global wealth inequality are intensifying. Oxfam International [2016] claim that in 2010 the wealthiest 388 people on the planet possessed as much wealth as the poorest half of the world's population. By 2012 this figure was 159, in 2014 it was 80, and in 2015 it was just 62. The most recent annual *World Wealth Report* [2016] produced by Capgemini and RBC Wealth Management for the financial services sector calculates that there were some 15.4 million, of what they term, *High Net Worth Individuals* (HNWIs) – each with $1 million or more of investable assets – in 2015; a figure significantly greater than the 8.6 million reported in 2008 at the time of the global financial crisis. Of course the accuracy of such data can be contested, but the scale of the inequalities involved means that any such quibbles are of little significance; global wealth is becoming ever more concentrated and, as Piketty [2014] points out, unless something radical happens, it is set to become even more so.

It comes as no surprise then that as global wealth has become ever more concentrated it has invoked major changes in the social and cultural geography of our cities [Hay 2013]. In London, for example, concentrations of "super-rich" lifestyles [Featherstone 2014] have generated a deeply unbalanced and top heavy housing market that does not address the needs of the city [Glucksberg 2016], resulting instead in the mass construction of fortified and bunkered residences; super high-rise residential towers; seamless and sealed mobility systems; and various other architectural and infrastructural paraphernalia [Atkinson 2015; Graham 2015; Paris 2016]. Alongside this, we have also seen the transformation of many "traditionally élite" areas [Webber and Burrows 2015] as – what we might think of now as – the "merely wealthy," and their aesthetic sensibilities, are displaced by the raw money power of the "super-rich" [Atkinson *et al*. 2015; Batty 2016a; Glucksberg 2015]. This is something rather different to just an extension and/or intensification of what are commonly called gentrification – or even "super-gentrification" – processes [Butler and Lees 2006]; this is the emergence of a *plutocratic city* [Atkinson *et al.* 2016] – a city for the "new Croesus" in which even the most established wealthy neighbourhoods of London's West End [Wilkins 2013] are not immune to some fundamental transformations.

Peter York, the renowned cultural critic, has been one of the most insightful social commentators on the transformations that are occurring in neighbourhoods such as Mayfair [York 2013 and 2015]. To be sure the people who now own houses and flats in Mayfair are very different to a generation ago.

> The super-rich – the global *serious money* people – come from absolutely everywhere to live, work and trade in Twenty-first-century Mayfair. *As house buyers*, they particularly come from Western Europe, Eastern Europe and the Middle East […] They're usually often absentees. The primest houses and flats […] are […] bought almost entirely by non-doms […] The tiny clutch of Brits in at that level are really non-doms too, defined by their tax status and time spent in their various houses and offices around the world [York 2013, 46-47, emphasis in original].

These changes to the geodemographics of established élite London *residential* neighbourhoods have begun to be documented in the academic literature [Atkinson *et al.* 2016; Webber and Burrows 2015]. However, other of the observations made by York have, hitherto, received less attention. He points out how the built environment has been slowly transformed by what he terms "money men"; many properties have been quietly *repurposed* to support the financial needs of the über-wealthy.

> The other overlapping *players* in the Great Game of New Mayfair plutocracy are people who work in Mayfair/St James's huge but secretive finance sector. Mayfair is the world's "second City" of hedge funds, private equity firms and "Family Offices." But unlike the Square Mile, with its familiar names, its huge purpose-built eighties-on-steroids *corporate* buildings […] the Mayfair City is discreet […] Mayfair has been utterly transformed on a rather quiet basis over the last fifteen years. Little companies have floors in anonymous, upgraded blocks. Some work behind hollowed-out Georgian facades with built-out, built-on backs, 40 foot rooms where you least expect them […] *Most people don't know they're there* […][But] the Mayfair hedge fund industry is Europe's largest by a mile [York 2013, 47-49, emphasis in original].

York [2013, 49-50] is, justifiably, critical of the lack of attention that the social sciences have, hitherto, paid to this new financial infrastructure developing in the heart of the West End. To be fair, the work of Beaverstock and his colleagues (see, *inter alia*, Beaverstock and Hall [2016] and Beaverstock *et al.* [2013]) has, recently, begun to rectify this somewhat, but, given their obvious significance, we still know far less about the urban geography, anthropology and sociology of hedge funds, private equity firms and Family Offices than we should.

When the sociological literature has dealt with *hedge funds* it has often been within the framework of [pre-crash] Science and Technology Studies [STS] of finance, as in the work of Hardie and MacKenzie [2007], or it has been concerned with the somatic consequences of working in such contexts [Riach and Cutcher 2014]. If hedge funds as a topic of investigation are, at last, beginning to register on sociological agendas then the same cannot be said of the two other organisational types.

Private equity houses are *businesses that acquire other businesses* – often very big businesses – based upon forensic accounting technologies [Gospel *et al.* 2014]. As York explains:

> They analyse their assets and their people and their vulnerabilities like someone intent on a hostile takeover. Then they get the firms to take on a mountain of debt to allow the private equity firm to buy them and transform them […] Private equity firms own massive tranches of British business now […][2013, 51]

Indeed, this is so, as their portfolios now include the likes of: *Boots*; *Pret-a-Manger*; *Leeds Bradford International Airport*; *Fat Face*; *Ask*; and *Zizzi*.

Family Offices, however, are more mysterious entities. We became aware of them whilst conducting fieldwork as part of a study carried out between 2013 and 2015 examining social change in some of London's wealthiest neighbourhoods – about which more below – but, at the time, could find little in the way of analytic material to help us better understand their form and function. York's cursory comments [2013] on them motivated us to find out more, and that it was we report on here. What he has to say about them is a good place to start, and he is worth quoting at some length.

> The world has more billionaires than ever […] and billionaires have so much *private* business to transact, so many investments, different *asset classes* – art, property, equities – to look after in so many time zones and tax jurisdictions, that the old systems of lawyer, banker, accountant, aren't enough. If you're really rich, you warrant an office […] The global rich, increasingly, live in Mayfair […] The people who look after their money – some of them astonishingly rich too – work there […] Mayfair and St James's are absolutely humming with very superior *butler* types – many of them well-bred Brits […] We've become very good at looking after the rich […] *enabling* away, smoothing the path. They're earning a very fair whack – as family–office men […] but they're not […] the principals, the owners, the definably super-rich themselves. They're *super-help*. The driving force is somewhere else, usually somewhere offshore. [York 2013, 52-54, emphasis in original]

3. Life in the Alpha Territory

As already indicated, our interest in the phenomena of Family Offices arose as part of a far broader interdisciplinary study of social change in the wealthiest neighbourhoods in London. There are any number of ways that one might attempt to identify such places, but we used the commercial *Mosaic* geodemographic classification which provides a workable proxy for a granular understanding of the residential locations of different segments of the wealthiest élites [Burrows, 2013]. The *Mosaic* classification, released in 2009, uses over 400 different data values held against almost 49 million adults in the UK to place each adult into one of 67 different "types." Many thousands of other behavioural variables are then cross-tabulated against these categories in order to provide the basis for understanding the preferences and values of residents in each type of neighbourhood. The four most prestigious of these types are collectively grouped together and labelled as the *Alpha Territory* – defined as "groups of people with substantial wealth who live in the most sought after neighbourhoods in the UK." These areas roughly coincide with what estate agents now call "prime," "super-prime" or sometimes even "ultra-prime" London. Specifically these are postcodes predominantly located in Chelsea, South Kensington, Knightsbridge, Belgravia, Mayfair, Notting Hill, Holland Park and then up to Hampstead and Highgate [*Ibidem*]. For a period of some 30 months a team of anthropologists, human geographers and sociologists collected various forms of geodemographic, historical, interview, observational and statistical data from a series of case study neighbourhoods at the heart of this *Alpha Territory*.

The first named author is an urban anthropologist and it was whilst she was conducting ethnographic fieldwork in Mayfair in 2013, as part of this study, that she first became aware of the presence of "Family Offices." The existing literature on the phenomena was, as we will see, sparse and other than the comments made by Peter York [2013], already quoted above at some length, no one (including other researchers and fieldwork informants) seemed to know much about them. However, via some initial informal fieldwork conversations in clubs and hotel lobbies, then some more formal recorded interviews and, eventually, an invitation to both attend and to speak at an international conference organized specifically for Family Offices – allowing unprecedented observational access – a more nuanced understanding of their role has been gleaned. It is this that we will attempt to communicate in the rest of the paper.

4. The Existing Literature

Before reporting on the data collected by the first named author we will summarise what is already known about Family Offices. The one overwhelmingly common conclusion, shared across the meagre existing literature, is the firm belief that Family Offices are *important* and yet, simultaneously, very *under-researched* phenomena [Wilson 2014].

One of the earliest mentions of Family Offices is in 1978 from Shelby White, a journalist, who ran a story about them in a financial weekly paper, *Barron's*. She notes that Family Offices have been around for a long time, noting, for example, the Winthrop Family Office, dating back to 1871 [White 1978, 20] and also the observation that dynastic families such as the Rockefellers have certainly made use of them in various guises throughout their histories. White concludes that, up to the time of her writing, they continued to manage the wealth of the very rich "from the cradle to the grave":

> Most of all, Family Offices have served as a unifying force, keeping the money intact as the families have moved out of the entrepreneurial, risk-taking business that formed the basis for the wealth [White 1978, 9].

During roughly the same period, Marxist sociologist Marvin G. Dunn was writing in very different manner about Family Offices.

> This relatively unknown form of organization – "the Family Office" may prove to be one of the more important means available to wealthy families for maintaining their social and economic position in society [Dunn 1980, 8].

Dunn examined the ways in which one major dynastic family – the Weyerhausers – used their Family Office

> to maintain a cohesive family unit through successive generations [and concluded that] the connections among kinship, class, corporations and the political process uncovered here are relatively unknown" [*Ibidem*, 8].

It would be easy to imagine that such ground-breaking research would be followed up, but as Savage and Williams [2008] show in their review of the history of élite studies – the early work of Pareto, Mosca and Michels, through to the theories of C. Wright Mills, Floyd Hunter, James Burnham, Robert Putnam, Ralf Dahrendorf and many others – this did not happen. It was not just work on dynastic families that fell out of favour; it was research on élites *per se* that entered a secular decline until recent years. This was a global trend. For example, Gilding [2004], an Australian sociologist of élites, shows that although the 1970s and 1980s – much of it continuing to be inspired by the work of Mills [1956] on *The Power Élite* in particular – saw a flurry of activity in the research fields of power and wealth in Australian society this somehow dried up during the 1990s [Gilding 2004, 128]. Gilding's recent work [2004; 2005; 2010] shows, however, that kinship and family relations are still key to the reproduction and survival of élites in terms of not just *succession*, but also the *accumulation of capital*. Mizruchi [2013], similarly, proclaims that variability in the effectiveness of American corporate élites can often be accounted for by reference to differences in family dynamics. The balance of evidence suggests that it was not that the organisation of family matters amongst dynastic wealth élites across the globe became any less important; it was just the case that the social sciences lost interest.

Indeed, there was a period between the mid-1990s and the mid-2000s when much of sociology developed an analytic amnesia about capitalism, political economy and the institutional contexts of power [Burrows 2005]. Possibly the *only* positive thing to come out the financial crash of 2008 was the realisation, both politically and analytically, that capitalism and élite power were still highly pertinent topics with which to engage! As has been well rehearsed, it was the publication of Piketty [2014] that most clearly articulated the renewed importance of such matters. As Savage [2014] makes clear, the implications of Piketty's analysis have been wide ranging for sociology, in particular the necessity to rethink how we might study the very wealthy. For Savage there is an urgent necessity to return to and/or develop new approaches that foreground matters of family, friendship, kinship and related matters. He asks:

> [W]hat kinds of rituals and symbolic life is characteristic of the super wealthy and the broader élite? What is the role of élite education, of residential and consumption patterns, of friendship and social networks amongst these groups? This is arguably the fundamental sociological question of our age, in exploring the kinds of closure and social and cultural elitism which might now characterize the very highest levels of the social structure. What kind of kinship alliances, élite rituals, and institutional powers do we [now] see around us? [Savage 2014, 603]

If this message has not yet been fully picked up in the academic mainstream, then this is certainly not the case in the "industry" literature [Wilson 2014]. We now have a substantial tranche of specialized industry publications such as *Trusts and Trustees* [Garnham 2001; Howe and Edwards 2011], *The Journal of Wealth Management* [Hauser 2001; Rosplock and Hauser 2014] and *Trusts and Estates* [Hamilton 2002], all of which feature articles about Family Offices and their operation.

More specifically, it is the upcoming wealth transfer to the next generation of élites that has wealth managers in all their guises working as hard as they can to be part of the action. In the US alone, Schervish and Havens [2012] (quoted in Rosplock and Hauser [2014]), estimate that some $58.1 trillion

> will be transferred and divided among heirs, charities, estate taxes, and estate closing costs [Rosplock and Hauser 2014, 14].

Gray [2005, 10], a practitioner with years of experience in the wealth management industry, argues that historically Family Offices are comparable with the private banking services that were available to élite families in Europe as far back as 300 years ago, when wealthy merchants set up what would in turn become merchant banks. The fiduciary relationships of the time developed then during the Industrial Revolution into what would look like a Family Office today, but in a very straightforward sense, involving simply the – male – entrepreneur, his spouse and children. This European model was then carried to the USA, where the private banks co-operated with trust companies to offer better services to the wealthy, and the American Family Office was born, to serve families such as the Rockefellers, the Carnegies, the Vanderbilts, the Morgans and other dynastic capitalist families.

In time, the need to separate the operating family business from the business of managing the wealth of the family would also contribute to the establishment of separate Family Offices, devoted exclusively to managing the wealth accrued by the business, mainly by preserving it, but also by investing it and using it to support the lifestyles of the various family members. This was essential to avoid confidentiality issues and, quite simply, the embarrassment of family members whose financial dealings would otherwise be disclosed to staff who also worked in the operating family business [Gray 2005, 11].

From the perspective of business and management studies in academia, Wessel *et al.* [2014] summarize the current available literature on Family Offices and, again, conclude that

> the awareness of the Family Office phenomenon in management research is low [Wessel *et al.* 2014, 37].

Similarly, Fernández-Moya and Castro-Balaguer [2011, 84] call Family Offices a "relatively neglected topic within the study of family businesses:" while they agree that the concept of Family Offices is not new, they argue that contemporary Family Offices are *substantially different* from their Twentieth century counterparts. López *et al.* explore the development of Family Offices in general [2011] and in Spain specifically [2013], and illustrate the different types and functions of Family Offices currently in existence, and conclude that they are crucial instruments of wealth management for contemporary élite families.

Despite all their secretiveness, Family Offices are not, however, totally exempt from public scrutiny. In 2010, Bloomberg published a ranking of the "top 50 Family Offices," showing that, between them, they had nearly 500 billion US$ they were responsible for managing. Decker and Lange [2013] use a systems perspective to observe how Family Offices are reported on in the business press in three different countries – UK, USA and Germany. They find, amongst other issues, that Family Office structures suffer a tension between the creation and preservation of wealth. Their conclusion chimes with the other literature when they argue:

> The limited awareness of this type of organization does not mean that Family Offices do not deserve our interest. Their confidential and secretive natures while being extremely financially powerful organizations make them appear to represent a multifaceted phenomenon. Therefore, they may be of interest to researchers, students and managers all over the world [Decker and Lange 2013, 304].

The industry literature also provides us with useful lists of the different services that can be expected from a Family Office, from income tax planning to financial planning, cash flow management, preparation of financial reports, philanthropic strategies, investment services, asset allocation and so on [Rosplock and Hauser 2014]. Hamilton [2002] adds bill paying and payroll, tax compliance services, property management, private travel management and the management of "collections."

The Guardian report [Batty 2016b], with which we opened this paper, provides up-to-date details of the current situation in the UK:

> The number of single-Family Offices worldwide is estimated to have risen by up to 40% since 2008 to 10,000-11,000, with combined investable assets of up to several trillion dollars […] In the UK, those that only manage a single family's wealth are unlikely to require registration with the Financial Conduct Authority. Therefore, they are subject to far less scrutiny than private banks and hedge funds, despite the size of their assets making Family Offices influential players in the global economy. These offices serve individual families with investable assets of at least $100m but typically more than $250m, with the top tier managing fortunes of several billion […] The über-wealthy known to have Family Offices include Bill Gates, former Google boss Eric Schmidt, Oprah Winfrey, the Duke of Westminster, the Sainsbury and Goldsmiths families, and inventor James Dyson. There are now about 1,000 single-Family Offices in the UK, compared with 400 in 2008. [Batty, 2016b]

So the existing literature suggests that Family Offices are important, but that little is known about them. It provides the beginnings of a history of their development and some schematic descriptions of their forms and functioning, but it is clear that there currently exist no systematic studies of what are clearly major institutional components of the financial infrastructure of contemporary dynastic wealth formations. In what follows the first named author reports on her anthropological journey inside the world of Family Offices. Such an ethnographic approach will hopefully offer new insights not achievable via other methods such as analyses of press materials

[Decker and Lange 2013] or structured interviews and surveys [Amit *et al.* 2009]. So in the next section we move the narrative from the sociological "we" to the anthropological "I."

5. Inside the World of Family Offices

It was a castle. And I [Luna] was going in to it. It could have been out of a fairytale. The turrets, the towers, the balconies: and the lake at its feet, only about visible because of the low cloud – it was December, and cold – but you could imagine it shimmering into view any time, and it would have been perfect, with the snow capped Alps towering behind it. I was a long way from Mayfair, geographically, but that was where the journey had started, two years earlier. Following the money, one could call it. And it had taken me here, up on the mountains surrounding this grand old castle.

The castle, of course, was now a hotel. The "royalty" I was going to meet were the representatives of Family Offices from all over the world, gathered here to discuss the issues that mattered most to them, away from prying eyes – apart from one urban anthropologist.

I had been vetted, and thoroughly so. First I was invited to participate by my gatekeeper, whom I had met through mutual contacts developed in the field, centred on a club in Mayfair. Then the person responsible for this gathering had met me beforehand, once, briefly, near a tube station in East London, well away from Mayfair. Dressed in a suit, undistinguishable from any other office worker milling around us. He had explained a few things about what sort of event he was inviting me to, and I had introduced myself. The meeting was not, as is often the case, about what was being said: we measured each other up. There was nothing I could do to influence his decision, even trying to lie or deceive him would have been intensely stupid, as well as unethical. He decided to trust me, and me him.

5.1. *What is a Family Office?*

It was 7.30 in the morning, and the beginning of a two-day conference. It was the earliest starting conference I had ever attended. As I walked into the castle/hotel with Alex [a pseudonym], my gatekeeper, I tried not to stare too hard at the gigantic lobby, the staircases elegantly sweeping up to the other floors, the piano, and the art on display. I thought I had become used to all this in two years of fieldwork in the most exclusive locations in London – I had been taken to the Hurlingham club for drinks, dined in the some of the most exclusive restaurants of Mayfair, even had personal training sessions in the most luxurious health club I could have ever imagined – but nothing had prepared me for this.

Alex and I were staying in a different hotel, just down the hill. This was a convenient way to keep an eye on me – after all, it was his reputation on the line, and he had taken a big risk bringing me here. I had already understood, by then, how this world functioned almost exclusively on relationships of *trust*. Websites, business cards, CVs and the rest did not matter here: reputation was all. I tried my best not to do anything that would embarrass or damage him in any way.

It was Alex who had first explained to me what a Family Office was: it was hard to generalize, he said, because by definition they are unique and modelled around the family they serve, but broadly speaking they consist of a number of people, from three or four to tens or even hundreds, working together to look after a family and its investments. In terms of wealth, broadly speaking a family needs to be worth at least 100m US$ for a Multi Family Office [MFO], which as the name suggests serves a small number of families, and at least 250m US$ for a Single Family Office [SFO]. Their managers would normally come from top consulting firms and include economists, lawyers, psychologists and various advisors specializing in family business. They would usually look after the financial and legal side of the business, including managing investments across the world, property portfolios – again, globally – and family succession, inheritance, divorces, children, in-laws and so on.

> "The joke here" [Alex laughed], "is that the *in-laws* are referred to as *out-laws*, and the main role of a Family Office in that situation is to make sure that they do not 'get their paws on the family capital,' usually wrapped up in a trust fund that only family members have access to."

Interesting language, I thought to myself: it was clear from the start that although we were talking about money, the link between kinship, property rights and wealth was key. It was about the social reproduction of a particular group: discussing and defining who is part of the family and who is not is safe, familiar territory for an anthropologist. I tried hard to remind myself of that as I walked through the lobby of the castle/hotel, ignoring the art, the grand piano and the majestic staircases, and focusing on the fact that I was going to meet a group that no-one had observed in this way before, which again is not unusual for an anthropologist, and that the fact that my clothes and demeanour may not have fit in with the ambience– though I had tried – was simply what happens when you enter a new field. It was textbook "studying up," as Nader [1972] had suggested as far back as the early 1970s; although Becker [2014] is correct when he argues that "studying up" is neither novel – nor was it when Nader called for it – nor so much different from any other kind of fieldworks where the social scientist necessarily will be ill at ease because they are entering a new, unknown and unchartered social space.

At 7.30 in the morning the Family Offices were already there, milling around, having breakfast, which was laid out on many tables, fruit and pastries of every kind you could imagine, tea and coffee and juices. No one was really eating, as far as I could see; networking was what they were there for. The first thing that struck me upon entering the space reserved for the conference was the sheer number of white males present: female bodies mainly walked the room carrying trays. I saw maybe five people who could be described as from a Black or Minority Ethnic (BME) group at the entire event, out of more than 200 attendees. A female fund manager later described the crowd as "male and pale, as always," with a laugh barely hiding her disappointment with the situation.

At 8.30, we had the initial plenary session, in the main conference room. The main speaker – white, male and middle aged, as were all the other plenary speakers throughout the conference – laid out what Family Offices were, what their main concerns were and, ultimately, why a social scientist like me should be there instead of leaving it all to bank managers. In front of an audience of around 200 people, in the room that would normally be the ballroom of the hotel but was going to be taken over by the Family Offices for the next couple of days, he stressed how the main problem was the *changing nature of families*. I was so surprised that my written notes say: "THIS IS ABOUT KINSHIP!" – in capitals and underlined. I showed them to Alex, silently, and he nodded approvingly: this was why he had brought an anthropologist along, of course.

The speaker presented three case studies of families that have different structures and arrangements. The first one is technically and legally sound, all the right trusts and mechanisms are in place, but the family is not strong from an *affective* perspective; they dislike and resent each other, and so nothing works or gets done. Not a good idea. The second one is *value driven*, their approach is driven by emotion, they know who they are and how to be a family together, and they like each other, things are a lot better. This is an essential ingredient of any successful family, without this you can have all the technicalities you want in place, but the family won't thrive. The third family is *vision driven*: their motto is "We don't want to own the pony express when the trains come around," so it is all about having a vision and planning for the future, thinking in *generational* terms. In this case the key statement would be "planning is everything, plans are nothing," meaning things change and you cannot rely on any plans because you cannot predict the future, but you can think in a forward planning way, and indeed you should, taking into consideration the impact of your actions on future generations, understanding where the family and the business want to be in the next twenty, fifty or even a hundred years; that is very valuable perspective he said.

Of course the point is bringing the three examples together. The problem for most families is that traditional models – one factory, one family home, one set of children from married parents per generation, children who are physically close and not all over the world – are not often relevant anymore. This is the difficulty, he explains, not advising them on business; that is "easy." They are creating and reproducing dynasties in a changing world, which is why it makes sense for me to be present. The problem is, essentially, an anthropological one.

5.2. *What do They Do?*

As Alex said:

> "To put it bluntly, you look after them, and they let you look after their money: that's all there is to it."

But of course, it can get all rather complicated:

> "What does get tricky though is if there's an operating business, which there often is, sometimes they will pay certain family members to stay away, because they don't get it or they're a pain or whatever it is, and then at the point that there gets to be maybe a sale of the business or someone passes and there's money to be split, there can be difficulty […] what's a fair split here, some of us have worked hard to keep this business going and you haven't worked in the business, or what's fair if you've got one kid who's an investment banker and one kid who's a social worker, does the social worker kid deserve a bigger share, because they're not making the kind of income or is a split a split?" [Alex 2014].

So to begin with you have to manage the family; this can involve all sorts of things, as we have seen in the example above, and requires tact, mediation and understanding. Some families will use family constitutions – setting out rules they all have to follow, for example including annual or biannual meetings, which are crucial to keep the various generations and branches together and especially in order to give more junior members of the family the chance to express their opinions and ideas as to what the family should do and which direction it should take, in a formal yet relaxed setting. If they do not come together then they fall apart much more easily – though at times it is the opposite, and it is crucial that they do not all come together at once. It's about the individual family, of course. The constitution may state that all family members have to get their spouses to sign "pre-nups," with no exception, in order to protect the family capital. It may broadly stipulate how succession is worked out, how inheritances are planned, or what happens when family members are not interested in the main, or any, of the family businesses.

Then, you need to manage their lives: some call it "lifestyle management," but the vernacular slang for it is "walking the dog." Many offices simply state that they do not "walk the dog," which is shorthand to say they do not want to get involved in running the more mundane domestic aspects of the families lives. Such as what, I asked him? For this he directed me to Joan (again a pseudonym]), who was a luxury asset manager – but with a long and distinguished career working for families – also based in Mayfair. As Joan explained,

> "One distinct aspect of the business of Family Offices is the management of the 'standard' lifestyle that goes hand-in-hand with the wealth and global mobility that characterize this very small sector of the population. […] Travelling, for example, is a different thing for them, much easier, not like for you and me."

We need to pack our clothes, think about how we are going to get there, wherever "there" may be – if we can afford it – and anyway, where are we going to stay, how do we travel from the airport to our final destination? For her clients it was not like that. Her job was to make sure that the transitions were as smooth as possible: packing would not be required because an appropriate wardrobe, including shoes, would be available in all the different properties. I had heard this before from shop assistants in boutique shops, where wealthy élites would buy as many shoes as they had residences, and had not really believed it. But "of course," said Joan, as if I were a small child. Everything needs to be organized, as the client likes it, so that their socks are always in the same drawers, toothbrush on the correct side of the sink, just as they are at "home" – although where that primary base might be is, of course, a moot point; a very moot point [Paris 2013].

Not only that. Everything would be taken care of, globally, so that the right kind of drinks, for example, would be available in the car that picked them up, on the plane, in the car at the other end. If a child liked a certain brand of baked beans would they be available everywhere across the fleet? Yes, of course: baked beans on the yacht, baked beans on the jet. And upon arrival, the properties would be perfect, not just clean but recently decorated to the owner's specification, staffed with permanent staff whose job it was to take care of maintenance and gardening and everything else that needed doing. Employing resident caretakers was essential to maintain high standards of security – she stressed – because you cannot have staff going to the press when their contracts are terminated, it makes much more sense to keep hold of them as much as possible, treat them well and engender loyalty from them this way. It was her job to recruit and train the staff, as well as dealing with agents if properties needed to be bought or sold, or with designers when they needed redecorating. As she said:

> "Clients like having fresh looks."

She also ran the yachts, which require a very high degree of maintenance in terms of both physical repairs and interior decorating [Spence 2015]. In that role, something that is very important is making sure that the clients do not get taken advantage of: having a yacht, by definition, singles you out as extremely wealthy, and maintenance companies would routinely overcharge by as much as they thought they could get away with, if they believed no-one was checking the bills. This was a point that was made to me by a number of people, this feeling that the very rich needed protecting from predators out to get them. It was Joan's job to make sure that the prices were right, that the captains were not taking kickbacks for using one yard over another, that there were never any drugs on board – you cross many different legislatures at sea, penalties in some countries do not bear thinking about, and legally as the owner of the vessel the family member is responsible for anything that happens on board. Even if they themselves would then be protected by the legal team, a situation such as that would be unpleasant and possibly embarrassing in front of family, friends and business associates, which would be a very bad outcome altogether. Joan made sure things worked so that his clients always felt at home, always felt at ease, wherever they may be.

Together with running the "normal" day-to-day lives of the families, offices also deal with all kinds of emergencies that may present themselves. For example one interviewee at the conference told of the case of a lawyer for a family, whose client called her saying there had been an accident – grandma is hiking on Mount Everest and she's broken her hip. Well, the private bank advisor cannot help, as a wealth adviser he really could not and should not have got involved with that sort of thing, but the lawyer could. She got on the phone, made lots of calls and they got grandma to a hospital – the good one – and got her flown back as soon as it was safe to do so. That is the sort of wrap around, bespoke service that a dedicated Family Office can provide, but a private bank simply cannot.

This last example shows really well why many offices do not want to get involved with this sort of work: it is potentially dangerous, it is difficult and complicated and, crucially, very hard to price. It is very hard to turn a profit on something like this, so MFOs in particular stay away from one off, complicated lifestyle requests such as these – or the various ones demanding celebrity events, buying and managing remote islands and so on. But what is crucial here is that by doing these sorts of things for the families, the right offices put themselves at an advantage when it comes to managing the money, which is where the profits are made. Because, of course, saving grandma creates *trust*. And you need to build that trust if you want them to invest with you, which is ultimately how you make the real money. You cannot expect to show up when the patriarch dies, and tell the heirs: "so, want to invest with me now?" You need to have been there for a long, long time first. Again, it is all about relationships and trust.

5.3. *Transitioning Wealth: Managing Money, Managing Families*

After the plenary session, I observed a smaller presentation in a stream dealing with how to advise families about their internal configurations and functioning. A representative of a major international bank, working on the "Family Office" side, presented it. Even major banks try to run boutique services that are "like" Family Offices, clearly. What he was saying seemed to be in direct contradiction with everything I knew about wealth accumulation, specifically Piketty's [2014] argument that – at least for now – wealth is concentrating "upwards," in the hands of fewer and fewer individuals. And yet, this banker, whose job it was to make this happen, to retain and concentrate wealth into the hands of his clients – seemed to say exactly the opposite, that the chances of families managing to pass on their wealth to their children successfully – central to the new patrimonial capitalism identified by Piketty [*Ibidem*] – were rather slim indeed, and that only 10 per cent of them would manage that feat. This mantra – the problem of transferring wealth across the generations – was a ubiquitous backdrop to the whole conference.

In the next presentation the speaker – the first BME person I had seen on a stage so far, used this quote:

> "The most successful families preserve their wealth by focusing on the human capital as much as they focus on financial capital."

He went on to explain that financial capital meant

> "preparing the money for the children,"

while human capital meant

> "preparing the children for the money."

It was very, very easy for the first generation of entrepreneurs, for example, to focus too much on the financial side, amassing a fortune, and forget the all too important human side, forming their heirs for that fortune. This was how families lost their wealth, he explained.

Once again, this was clearly about kinship, not finance or economics. The wealth needs to be preserved just as well as the family line; the two are intertwined and inseparable. It is about creating dynasties. It is not about individuals, the outlook is generational: this obviously clashes with the more short-term outlooks of bankers narrowly focused on their quarterly figures and yearly bonuses. When asked what the difference was between managing corporate and family affairs, another speaker insisted that it was *emotions*. Boards of corporations tend to act rationally, or at least that was the rhetoric, but for families the emotional baggage was substantial and the point of a Family Office was to manage the relationships between its various parts: family, business, trusts, boards, and so on.

Finally, the last speaker in the session stressed how the most important thing that advisors had to understand was the need to focus on what younger clients wanted. And he could hear the audience ask:

> "Why should that be?"
> "Well, because they will be the ones inheriting the wealth. And when they don't know what to do with it, or how to invest it, if you have already established a good relationship of trust with them, they'll hand it over to you."

And here he stared at the audience, and his eyes shone, and he had everyone's attention.

Here is why. Leading industry experts consider the current renaissance of Family Offices to be the direct result of something they call the upcoming "wealth transfer event" [Rosplock and Houser 2014]. This has been estimated by Havens and Scheverish [2014], US researchers on wealth and philanthropy, in these terms:

> Our current estimate of wealth transfer for the 2% growth scenario is 58.1 trillion US$ in 2007 dollars for the 55-year period from 2007 through 2061.

That is 58.1 trillion US$ that will be transferred in the USA only. On a global scale, the figure will be many times greater than this. It is therefore understandable why financial intermediaries of every sort would be keen to compete for this business. As the wealth is passed down, whether it is retained, dispersed, concentrated or squandered, there will be fees paid to the advisors, and even as small percentage points the earnings made will be enough to make intermediaries very wealthy indeed. At last I understood properly what I was looking at in the castle, beyond the art and the turrets, the rhetoric and the canapés: wealth transfers and dynasty making, indissolubly intertwined – patrimonial capitalism reloaded!

6. Conclusion

Family Offices play a crucial role in élite families reproduction, ensuring not only that capital is retained but also that the family line is maintained. More than any other institutional actor they understand, and are well placed, to help families in their dynasty-making processes, from managing their daily lives to steering and engendering family cohesion in a variety of ways. Although the financial side of their operations is where profits are most likely to be made, Family Offices have a clear advantage over private bankers because they work *for* the family, and not a bank, and are therefore able to think more strategically in terms of generations and capital preservation, which is what matters most to the families, rather than the short term returns, quarterly and yearly bonuses that drive bankers and fund managers. Although Family Offices have a long history they are largely absent from social scientific accounts of post-crash political economy and social geography. With the re-emergence of patrimonial forms of capitalism [Piketty 2014] and ever-increasing concentrations of global wealth their contemporary role as key institutions in the urban infrastructures of capital accumulation and élite formation demands far greater attention. All we have been able to do here is to alert interested readers to their presence, review what little we already know about them, present some initial observations on their contemporary functioning and, finally, to concur – strongly – with Peter York [2013] that they deserve much greater sociological scrutiny than they have hitherto received.

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Family Offices and the Contemporary Infrastructures of Dynastic Wealth

Abstract: This article examines the phenomena of "Family Offices" (FOs) within the context of the re-emergence of patrimonial forms of capitalism. As global wealth becomes ever more concentrated in the hands of dynastic wealth élites, we examine the new financial infrastructures – within which FOs are key – that are emerging in core urban areas to support them. We review the existing literature on the phenomena and report on an observational study of their form and functioning in London and beyond.

Keywords: Dynasties; Family Offices; London; Patrimonial Capitalism; Wealth Élites.

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Do Central Bankers' Biographies Matter?

by Frédéric Lebaron *and* Aykiz Dogan

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1. Introduction

In his recent book *The Courage to Act. A Memoir of a Crisis and its Atfermath,* Ben Bernanke [2015], who is the former Chairman of the Federal Reserve Bank of the USA, begins his narrative by explaining how he and his colleagues at the Federal Reserve dealt with the 2007-2008 financial crisis through a personal anecdote. Son, and grandson of a pharmacist and a school teacher, Bernanke, coming from a family of Jewish Ukrainian immigrants, recalls the hours he spent discussing about the life in Norwich during the 1930s with his grandmother, and about the reasons why people lost their jobs during this time.

Accepted at Harvard, he was interested in mathematics, but also in physics and history: he finally decided to specialize in economics, which was at the intersection between his educational and personal interests. He obtained a master's degree under the supervision of Dale Jorgenson, who trained him in statistics, macroeconomics and economics of energy. He received a grant from the National Science Foundation, which allowed him to enroll at MIT as a PhD student, and began to teach at Stanford. His PhD thesis focused on the Great Depression and, as he mentions, he never dismissed the question raised by the history that he discussed with his grandmother. That was also a central topic in economics: what were the causes of the Great Depression, of its length and its strength? Moving to Princeton as a professor, he developed a stronger interest for monetary policy, which led him to give some consultancies for regional banks of the federal system. He wrote a paper with Frederic Mishkin in favor of "inflation targeting" and promoting the transparency of central banks in their new communicative environment. He engaged in a polemical debate with the Bank of Japan, urging them to adopt an inflation target of 3% or 4%. After chairing the department of economics at Princeton, he accepted to be the director of the monetary economics program at the NBER. In 2002, he was appointed as a Governor at the Fed, in Washington. A few years later, he became Chairman of the Fed.

Is analyzing the economic actors, especially top leaders, through their biography relevant and useful for scientific purposes? Clearly it is the case for different actors of the financial sector and the political and journalistic fields, considering the significant number of personal information including even private details about the lives of central bank governors, circulating in the public sphere.

But is it important to know in which environment a central banker grew up, educated, trained in economics, made his or her professional career, and so on, in order to understand the social mechanisms at stake behind the interactions in decision committees, behind discourses and decisions that are produced by very small and sometimes secret élite groups? This paper intends to provide some answers to these questions from a sociological point of view, that is by focusing on the *social dispositions* which are at stake in the conduct of monetary (and financial) policy in these particular organizations, central banks, a major economic actor in today's world. Focusing on individual actors does not mean to leave aside legal rules, institutional settings and macroeconomic or macrosociological dynamics: it above all means to bring individual actors back in the analysis and to begin assessing their importance.

2. Theoretical Framework

Literature about central banks has been for long dominated by econometric analyses. These studies focused especially on the indicators of central bank independence and their consequences on various sorts of outputs, like inflation or growth (for example Alesina and Summers [1993]), or the "Taylor rule" and its relevance to explain interest rate variations. Game theory was applied to analyze the particular rationality of central bankers in the context of global markets, floating exchange rates, and their behavior in face of the increasingly complex interactions between macroeconomic and financial dynamics [Goodhart 1994].

Since the 1990s, researchers in economics have been discovering the importance and relevance of the institution of "committees" in the determination of monetary policy [Blinder, 2004], with the well-developed example of Federal Open Market

Committee decisions. Since then, it has been more common to study the rationality of individual choices *inside* committees, the functioning of committees, especially when as regards decision and discourse. In these studies, "preferences" of central bankers are considered as individual givens, and the basis of their rational micro-decisions, which aggregate at a collective level (for example Farvaque, Hammadou and Stanek [2009]; Farvaque, Matsueda and Meon [2009]).

Political scientists, sociologists and anthropologists have been more and more numerous over time in the field which had been largely left to economists. Apart from the growing number of institutionalist analyses of central banking's historical and political evolutions in Europe and the world [Dyson 2008; Dyson and Marcussen 2009; Bowman *et. al*. 2012; Ertürk 2014; Fontan 2012 and 2014], their investigations have concentrated on discourse production and central bank communication [Holmes 2013; Abolafia 2004], but also on the daily functioning of the institution of the committee itself, especially when information is available, which is unfortunately rarely the case. Again, the Federal Open Market Committee (FOMC) has been over-investigated, as its nominal individual votes and argumentative data are accessible for long term; whereas in many other cases, including the ECB, they are either inaccessible or irrelevant. Journalists, essayists and actors themselves have been over-emphasizing the role of individual actors in the monetary decisions of central banks by focusing on specific actors, who are both central and visible such as the chairmen or presidents, especially in times of crisis. A large literature, which comprises many empirical details but, most of the time, not a strong theoretical framework, has described sequences of actions and interventions by these actors, their personal life history or the evolution of their ideas, etc. (for example Bernanke [2015]). The present article mobilizes various kinds of biographical material (*Who's who* in Central Banking, national and international *Who's who*, CB Website, online journals, *Wikipedia*, *Bloomberg*, *Zoominfo*, *LinkedIn*, etc.) in order to test the relevance of a general hypothesis: individuals and their biographies do matter and this relates to the fact that a personal and professional biography always lie at the basis of a set of (more or less) consistent dispositions that Pierre Bourdieu calls *habitus*, and that condition the orientations and position-takings inside particular social spaces or fields [Bourdieu 1989].

The theoretical basis of this relation can be justified from various scientific points of view, from neuroanthropology (the *habitus* is founded in the plasticity of human brain) to social psychology (which studies the effects of socialization). In this paper, we will not provide a systematic account of these anthropological bases, but focus on their outputs in the daily decisions or orientations of central banks.

Inter-individual variations relate to social dispositions inside specific professional and organizational universes that condition their expression to a large extent.

Legal frameworks and rules do of course strongly constrain the expression of individuality in position-taking, discursive expression, especially in such very formalized places as central banks. It is one of the reasons why a comparison between central banks is always an institutional comparison, that is both organizational and legal, and also a comparison between actors and between discourses. Position-takings or "orientations" are neither totally stable objects nor randomly moving states of mind. They are the product of the continuous relationship between professional and personal dispositions on one side (habitus), and a particular historical context on the other side (field). Differences between members of committees are often small and moving, but they have some internal and contextual consistency, which has to be observed and interpreted case-by-case. Monetary and financial decisions (like Quantitative Easing decisions after the 2007 crisis in various central banks) are the result of a complex process, in which various discursive and cognitive mediations are at stake. Theoretical and "doctrinal" monetary and macroeconomic orientations, clearly play a role, as show the classical debates between "pragmatic" and "dogmatic" profiles of central bankers. Academic training, previous scientific or doctrinal standpoint tend to "situate" actors inside a scientific field and constrain their future expression by organizing or framing their argumentation. Political trajectories are certainly important as well, but not more than the other aspects of socialization inside particular institutions like ministries of finance, central banks or private, especially financial, institutions. The composition of central bankers' habitus is a complex product which only begins to be investigated. In this paper, we will particularly focus on the example of the ECB. But before that, we first analyze globally the social profiles of world's central bank governors in continuity with a set of studies conducted since the end of the 1990s and whose results have been regularly published. We study small sets of top executives of central banks using inferential procedures in order to substantiate descriptive conclusions. Hence, we will present here the first results of a methodology of inductive data analysis.

We organize the discussion around a set of research questions:

- What are the characteristics of central bankers in the World since the 2000 and can we notice a process of change?

- Can we group the profiles into particular clusters?

- Is there a specificity of European central bank governors in this perspective?

- Is there a relationship between ECB governors' profiles and their monetary orientation since the creation of the central bank?

The perspective adopted here does not intend to stress a strict mechanical causal relation (between personal characteristics and orientations), but argues in order to integrate the role of individual characteristics in a larger "processual analysis" [Elias

1970] of the genesis of central bank decisions. Focusing on the processes means considering the balance of power between individuals as an important acting force in the dynamics of position-takings and policies.

3. The Central Bankers in the World (2000-2016)

In this section, we answer the following research question: what are the main social characteristics of central bank governors in the World? Our study relies on the CENTBANK database, which has been constructed and developed since the beginning of the 2000s. We extracted data on a number of N=312 central bank governors (incumbents and former chairmen).[1] This population covers a total of 158 countries from all parts of the world and for a time period of 16 years from 2000 to 2016. The data collection form consists of a set of questions on socio-demographic characteristics like date and place of birth, sex, education (including field(s) of study, level of qualification and location of studies abroad) and professional activity (career path variables in university, politics, administration, private finance, other private institutions and in the central bank itself; identifying also the "main career" of each individual). To assess the variations over time, we separated the sample period into two subsamples, distinguishing before and after 2010 (which has been chosen as a moment of transition, one year before the crisis). In this way, we will be able to compare between two periods and identify the recent tendencies.

3.1. *An Homogeneous Educational Background*

The level of educational attainment is quite high; 47% of the central bank governors have a PhD. Around 83% have a degree in economics, which is therefore the dominant field of study and, as such, an educational norm in this sector of social activity.

3.2. *The Professional Structuration of Central Banking*

In order to assess the professional structuration, we examined not only the main career of the central bank chairmen, but also all of the sectors that they have worked in. According to this analysis, we observe an increase in the number of those who

[1] Our data comprises of N=377 central bank governors, however we omitted those who display more than two "No Answer" (NA) to active questions of the specific MCA.

have already worked at the central bank prior to their appointment as governor. This indicates what might be called a process of "autonomization" of central banking, which becomes a place where future governors spend a large part of their career before being promoted to top positions. Indeed, (scientific or expert) insider knowledge appears to gain importance as a criterion in reaching top management positions at the central banks: comparing the current and former governors, Table 1 signals a significant increase in the proportion of insiders (here: former central banker). The autonomization of central bank as a career place, as indicates our data, is certainly related to the trends towards "independence" and to the parallel transformation regarding the global professionalization in the field of economics [Fourcade 2009]. The structuration of the institution "central bank" in relation to the academic field is a major feature of its recent evolution. As we will see, this is particularly obvious in the case of the ECB, as suggest Lee Mudge and Vauchez [2016].

TAB. 1 *Position and Career Inside the Central Bank before Appointment*

	Standard	Yates
Number of cases with theoretical freq < 5	0	
Number of degrees of freedom	1	
Khi-2 (k)	5,357	4,845
P-value	0,021	0,028
Tschuprow T	0,131	0,125
Cramer V	0,131	0,125

Effective/weight % rows % columns	Career in CB	No Career in CB	Total
Ex-Governor	76	86	162
	46,9	53,1	100,0
Governor	90	60	150
	60,0	40,0	100,0
Total	166	146	312
	53,2	46,8	100,0
	100,0	100,0	100,0

Source: Authors' Elaboration

Logically, trajectories linked to the political field and private finance bear a significant decline. However, this process is far from simple and univocal. Both the political profiles and private financiers occupy a considerable part of central bank employees in top management positions.

In fact, the proportion of central bank governors who were involved in politics (either before or after their mission at the bank) still represents almost one third of the total (30%). This suggests that, either in the government or/and other political entities (the parliament, political parties, municipalities, etc.), the political engagement is powerful even for those who are not politicians as regards main career occupations. Academic careers remain at a rather high level.

TAB. 2 *Employment History in Political Field*

	Standard	Yates
Number of cases with theoretical freq < 5	0	
Number of degrees of freedom	1	
Khi-2 (k)	7,871	7,229
P-value	0,005	0,007
Tschuprow T	0,159	0,152
Cramer V	0,159	0,152

Effective/weight % rows % columns	Political Career	No Political Career	Total
Ex-Governor	74	88	162
	45,7	54,3	100,0
Governor	45	104	149
	30,2	69,8	100,0
Total	119	192	311
	38,3	61,7	100,0
	100,0	100,0	100,0

Source: Authors' Elaboration

3.3. *Gender Bias*

There is a serious gap between the number of chairwoman and chairman governing the central banks. 92,3% of the governors are men, indicating women's disproportionately low participation in monetary policy development and decision-making. While the proportion of chairwomen appointed before 2008 was as low as 5,8% there is a very slow (and still not statistically significant) progress at very low levels.

The strong gender bias in central banking raised concerns in the Eurozone, especially after the European Parliament protest in 2012 of the ECB executive board which only consisted in male economists.

4. A Typology of Central Bankers in the World

In this section, we answer the following research question: can we group the leading central bankers into different types according to their social characteristics?

In order to present an empirically founded typology of the world's central bankers, we have performed an Ascending Hierarchical Clustering (AHC) on the basis of all the axes of a specific Multiple Correspondence Analysis [Le Roux and Rouanet 2004 and 2010].

The 12 retained active variables (33 categories) of the specific MCA are: sex (2 active categories), educational field (4 categories: economics/law/management/other), educational level (3 categories: Bachelor and inferior/Master/PhD), studies abroad (2 categories), main career (6 categories: private sector/central bank/financial administration/other administration/ politics/university and research), professional experience in: private finance (2 categories), other private (2 categories), central bank (2 categories), administration (4: national/international/international + national/no), politics (2 categories), university (2 categories), total number of sectors (2: 1/2 or more).

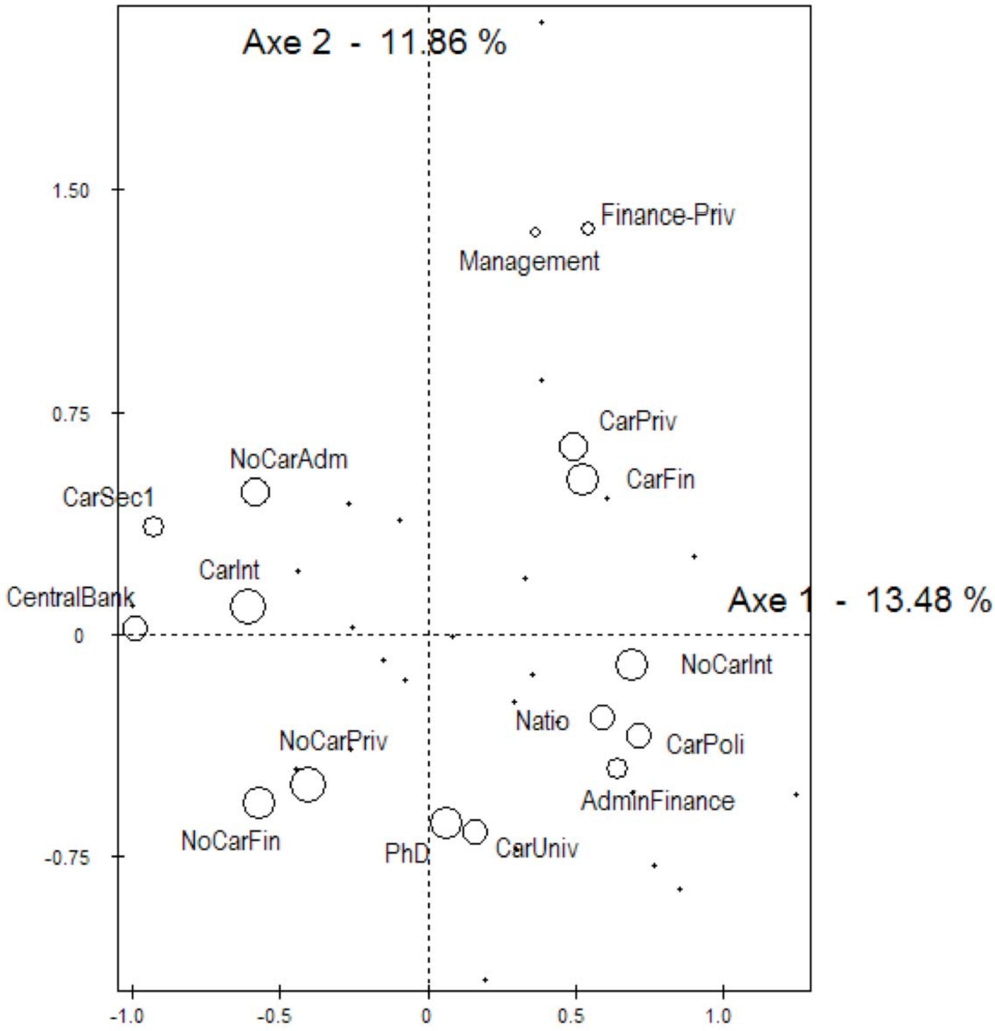
The professional orientation is determined according to career paths in academic institutions, governmental or bureaucratic positions, central banks, private or public banks, other financial institutions or other private-sector companies. Those who made a career at the central bank before becoming its governor are considered as insiders. Employment history in financial institutions or banks indicates a financial-orientation. Those whose main career is in research and lecturing are labeled "academics."

The first two axes provide a good summary of the multidimensional space. The first axis opposes "insiders," on the left hand side, and various sorts of "outsiders" on the right. The second axis opposes the pole of academics (down below) to the more "finance" and private-sector oriented central bankers (at the top).

TAB. 3 *Results of the specific MCA on the global space of central bankers*

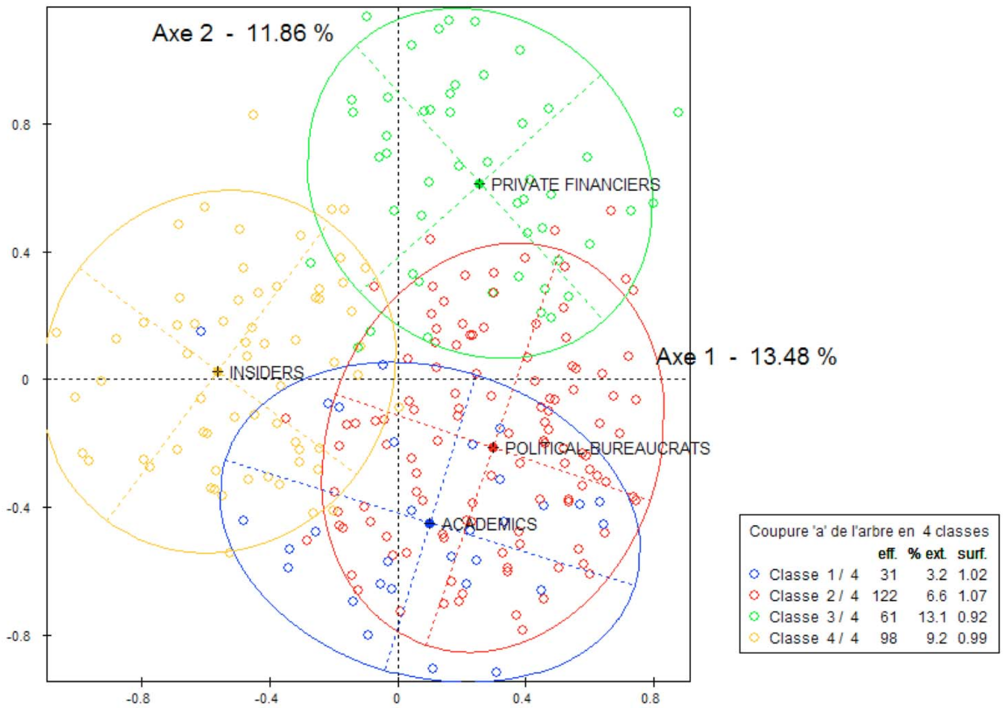
Number	Eigenvalue	Raw rate of variance	Cumulated raw rate of variance	Modi-fied rate	Cumulated modified rate
1	0,225	13,5	13,5	43,4	43,4
2	0,198	11,9	25,3	30,0	73,4
3	0,155	9,2	34,6	13,6	87,0
4	0,126	7,5	42,1	6,4	93,4
5	0,102	6,1	48,2	2,4	95,8
6	0,097	5,8	54,0	1,8	97,6
7	0,091	5,5	59,5	1,2	98,8
8	0,086	5,2	64,7	0,8	99,6
9	0,077	4,6	69,3	0,3	99,9
10	0,071	4,2	73,5	0,1	99,9

Source: Authors' Elaboration



GRAPH 1. Specific MCA. Most Contributing Active Categories on Plane 1&2 (40% of the Total Number of Categories)

Source: Authors' elaboration



Graph 2. Cloud of Individuals and 4 Clusters of the AHC in Plane 1&2

Source: Authors' elaboration

A first partition of the hierarchical tree allows to distinguish between 4 classes, and a second one between 8 classes.

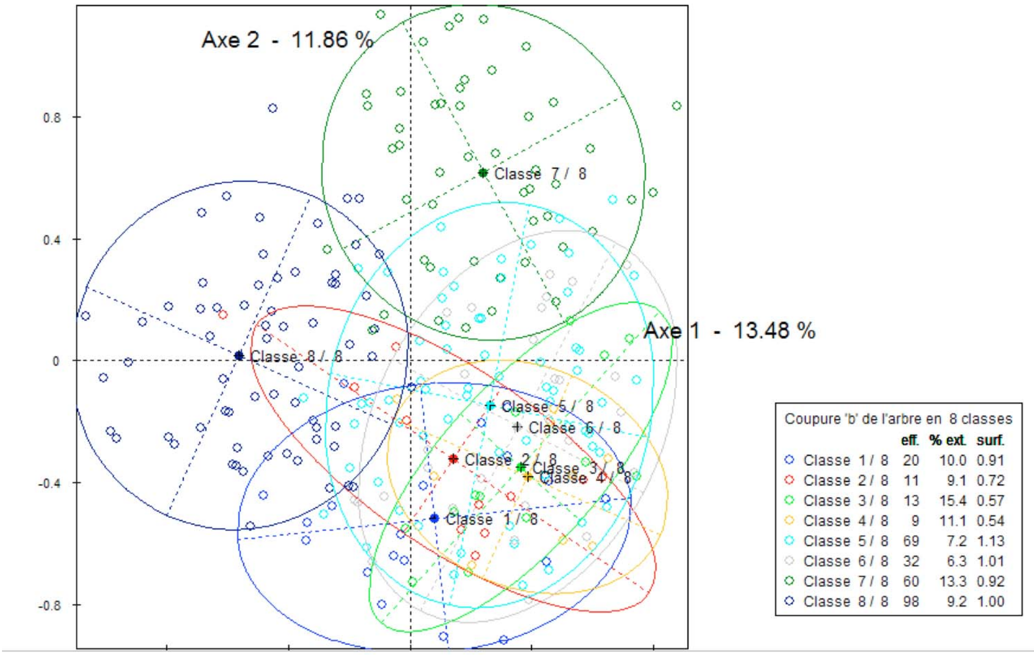
A) Class 1 (n=31) is the group of academics, defined by their patterns of education (with a global over-representation of Law) and employment (academic careers and research).

B) Class 2 (n=122) regroups civil servants and politicians.

C) Class 3 (n=61) corresponds to the group of private financiers and bankers.

D) Class 4 (n=98) is the group of insiders, which means pure central bankers.

The largest group is composed of politicians and civil servants ("political-bureaucrats"), and is followed by the group of insiders. Private financiers are less numerous but still more populated than academics.



GRAPH 3. Cloud of Individuals and 8 Clusters of the AHC in Plane 1&2

Source: Authors' elaboration

The second partition divides the first class (A) in two groups:

Aa) Class 1a (n=20) is the group of academic economists.

Ab) Class 1b (n=11) is the group of Law professionals holding a PhD.

It splits the second class (B) into 4 different groups:

Ba) Class 2a (n=13) is the group of national civil servants external to the financial administration.

Bb) Class 2b (n=9) is the group of "pure" politicians.

Bc) Class 2c (n=63) is the relatively large group of national financial bureaucrats.

Bd) Class 2d (n=32) is a group of more internationalized financial bureaucrats.

Graph 2 indicates large overlappings among the four classes in the first principal plane. The central bankers at the junctions of converging classes might incorporate the particularities of more than one class. Those at the center are more characteristic profiles, while those at the borders might not display all of the singularities of their class. We will now illustrate these classes with real life examples. Here we exemplify selecting characteristic profiles for each class solely for descriptive purposes and those of comparison.

4.1. *Academics*

An example for the sub-group of academics is the former Governor of the Central Bank of Kenya (CBK), Njuguna S. Ndung'u, who served for two consecutive four-year terms, from 2007 until 2015.

Professor Ndung'u obtained his bachelor and master's degree in economics from the Nairobi University in Kenya, and his PhD from the University of Gothenburg in Sweden. As in this example, PhD degree in economics, studies abroad (usually in Europe or USA) and university professorship stand out as common features for this sub-group. What distinguishes Class 1 profiles is rather their devotion to research, as suggests the publications of Ndung'u in the form of scientific articles in peer-reviewed journals as well as book chapters. Indeed Ndung'u has worked as an analyst/researcher for both national and international research centers and institutions. Most of these institutions were intended not only for research but also for policy-making. He was the director of training at the *African Economic Research Consortium* (AERC) when he was appointed as the CBK Governor. During his term, he also served as a member of the government think-tank *National Economic and Social Council* (NESC) and on various boards including *Capital Markets Authority* (CMA), *Insurance Regulatory Authority* (IRA) and *Vision 2030 Delivery Secretariat* that launched the development programme of Kenya. Ndung'u initiated the membership of CBK to the *Alliance for Financial Inclusion* (AFI) network that he represented at the G20 when the *Global Partnership for Financial Inclusion* (GPFI) was established. After leaving the *Central Bank*, he was invited to join the Global Economic Governance Programme at the Oxford University Blavatnik School of Government.

The trajectory of Ndung'u emphasizes the significance of acknowledged economic and financial expertise and connections with international networks of experts and organisations of technical assistance in central banking. We observe also that some of the academics of Class 1 worked in the research departments of central banks as well.

4.2. *Bureaucratic and Political Profiles*

For Class 2 bureaucratic and political actors we examine the biography of Nelson Merentes, the incumbent chairman of *Banco Central de Venezuela* (BCV). What distinguishes Dr. Merentes as a Class 2 profile is his long career in public administration. He worked as subcommittee chairman of Economy and Finance of the National Legislative Commission and as deputy minister of Regulation and Control in the Ministry of Finance. He also served as the president of Venezuelan economic and social development bank, BANDES.

Even though Merentes has long been a member of the socialist political party (Movement V Republic), this kind of strong political commitment can not be generalized for all Class 2 actors. Nevertheless, it is very common to have ministers in this Class. Likewise, Merentes has served as the Minister of Finance for three terms and as the Science and Technology Minister for one term.

It is not the case of Merentes, but certain Class 2 profiles, and particularly the sub-group of international financial bureaucrats of Class 2d worked in international institutions such as IMF or World Bank.

As Graph 2 indicates, Class 2 governors are usually outsiders who haven't worked in the central bank before their nomination. While they lack insider knowledge, it is due to their achievements regarding financial/economic administration and their political capital that they are appointed to chair central banks. We might do the same remark for Class 3.

4.3. *Private Financiers*

The Governor of *Saudi Arabian Monetary Agency* (SAMA), Fahad Al Mubarak constitutes a typical case of Class 3 as a financial private-sector figure, who comes from outside the central bank. Receiving his PhD in business administration from the University of Houston, USA, Al Mubarak made his career in senior management positions and financial advisory services, working both for private and public companies.

First of all, Class 3 actors are part of an international financial élite: they are the executive managers of not only local companies but also multinational firms and often financial giants like *JP Morgan*, *Goldman Sachs* and *Citigroup*. Note that Al Moubarak was the Chairman of *Morgan Stanley Saudi Arabia*.

Second, they don't make their career in one company. Their career paths display both horizontal and vertical mobility with cross-sectoral and intersectoral affiliations. For instance, regarding the investment and banking sector, Al Moubarak served as a general manager at *Rana Investment Company* and as a board member in *Saudi Hollandi Bank* among others, but he is also affiliated to different companies from other sectors such as the telecommunications giant *Mobily*, *Carrefour Saudi Hypermarkets*, or *National Industrialization Company*.

Third, Class 3 financial actors are often themselves entrepreneurs. They set up their own company. Likewise Al Mubarak is a co-founder and an executive partner at *Malaz Group* (a private equity general partner) and a founding partner at *Amwal Al Khaleej* (a private investment company).

Finally, these businessmen are closely connected with the political élite either occupying key positions in financial public institutions or actively participating in policy making as economic advisors. For example, Al Mubarak has played a leading role in the privatization of *Saudi Telecom* and took part in the negotiations for the partial privatization of *Saudi Arabia's National Gas Industry*. In this regard, we observe certain convergences with the sub-Class 2c of financial bureaucratic political profiles.

4.4. *Insiders*

We observed that the majority of women who were appointed as a central bank governor were insiders who made their careers primarily in this institution. Hence in order to depict an example for Class 4, we studied the biography of Zeti Akhtar Aziz, who works in the *Bank Negara Malaysia* (BNM) since 1984.

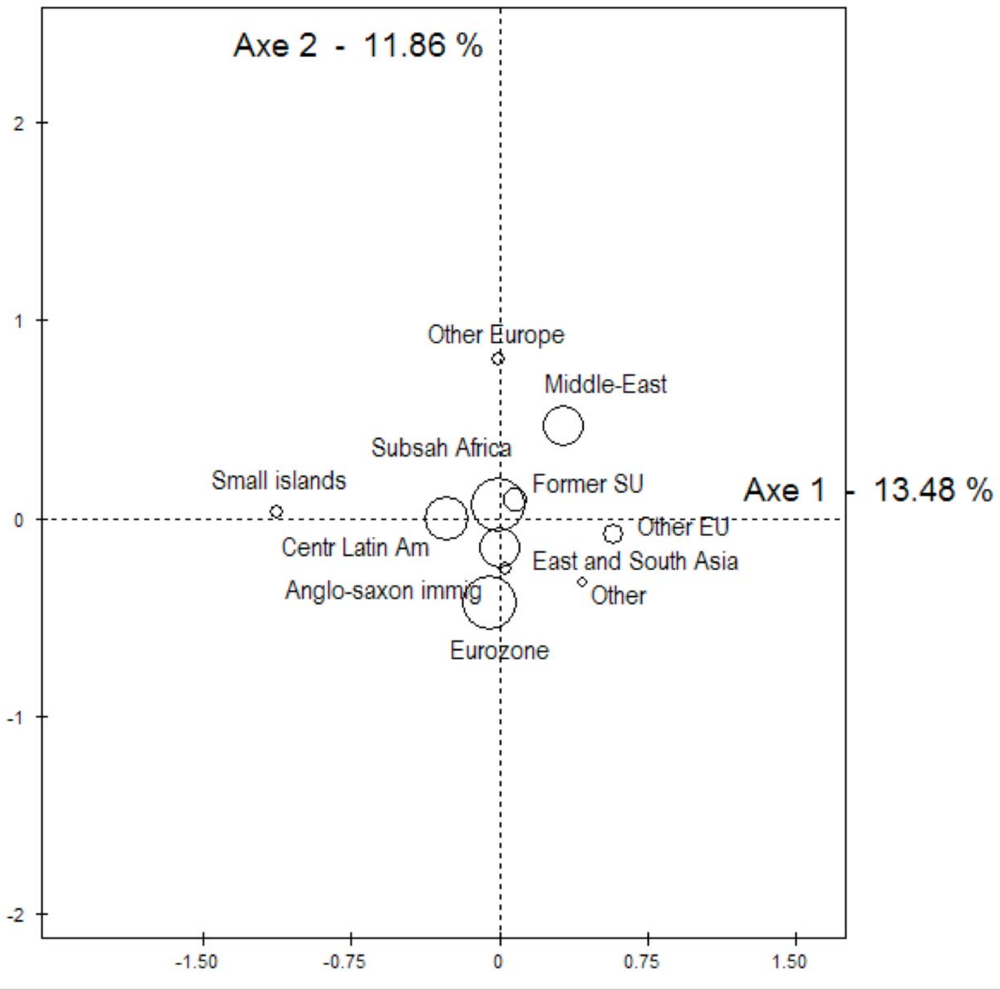
Receiving a PhD in economics, Aziz worked as an economic expert for the *South-East Asian Central Bank Research and Training Centre*, before starting her career in the BNM where she paved her way up to Governor. During her tenure in the office, she also chairs various national and international economic institutions. For instance, she was chairwoman of *Asian Consultative Council* at *Bank for International Settlements* (BIS) and serves as the Chair of the *Asian Institute of Finance* and *Islamic Banking and Finance Institute Malaysia*.

As central banks are becoming autonomous institutions of scientific economic expertise, it is possible to identify certain convergences between Class 4 and Class 1 profiles, especially regarding educational backgrounds (PhD in economics) and affiliations with national and international research institutes.

In conclusion, we presented in this section the general characteristics of the central bankers of the world by analyzing their biography. The prosopographical study allowed us to observe certain convergences and divergences regarding the educational and professional backgrounds of central bank governors. Hence we were able to develop a typology grouping the central bankers in four different classes. This classification gives insights about the habitus of central bank governors in the world and implies that there are certain global trends regarding their recruitment. In the following sections, we concentrate on the *European Central Bank* to establish a connection between the profiles of central bankers and their position-takings in decision-making and policy development.

5. ECB Governors in the Global Field of Central Banking

ECB Governors (first here in the strict definition, that is, leaving aside Executive Board members except the governor himself) are a bit atypical on the second axis of the MCA, as shows the coordinate of the "region point" in the cloud of categories, on the side of the academic capital and academics. But they are not significantly overrepresented in any of the 4 classes, which shows a relative conformity to the global diversity of central bankers.



GRAPH 4. Regional Zones in Plane 1&2 of the Specific MCA
Source: Authors' elaboration

They are only clearly atypical in the sense that they present a systematically significantly higher profile in educational terms (Table 4).

TAB. 4 *Main Educational Field of CB Governors 2000-2016 in Comparison with Eurozone*

Number of cases with theoretical freq < 5	2
Number of degrees of freedom	3
Khi-2	24,066
P-value	0,000
Tschuprow T	0,211
Cramer V	0,278

Effective/weight % rows % columns	Management	Eco	Law	Other + NA	Total
Eurozone	4	42	8	1	55
	7,3	76,4	14,5	1,8	100,0
	12,9	16,2	72,7	11,1	17,7
No Eurozone	27	218	3	8	256
	10,5	85,2	1,2	3,1	100,0
	87,1	83,8	27,3	88,9	82,3
Total	31	260	11	9	311
	10,0	83,6	3,5	2,9	100,0
	100,0	100,0	100,0	100,0	100,0

Source: Authors' Elaboration

TAB. 5 *Studies Abroad of CB Governors 2000-2016*

Number of cases with theoretical freq < 5	2
Number of degrees of freedom	2
Khi-2	24,098
P-value	0,000
Tschuprow T	0,234
Cramer V	0,278

Effective/weight % rows % columns	NoSTUDABR	STUDABR	NA	Total
Eurozone	33	22	0	55
	60,0	40,0	0,0	100,0
	33,0	10,5	0,0	17,6
No Eurozone	67	188	2	257
	26,1	73,2	0,8	100,0
	67,0	89,5	100,0	82,4
Total	100	210	2	312
	32,1	67,3	0,6	100,0
	100,0	100,0	100,0	100,0

Source: Authors' Elaboration

They are in particular more often trained in law, which has for long been described as specific of the European construction in general. They are also clearly more often academic or political and bureaucratic actors, and less often private sector professionals.

TAB. 6 *Administrative Positions of CB Governors 2000-2016 in National or International Institutions*

Number of cases with theoretical freq < 5	0
Number of degrees of freedom	3
Khi-2	11,187
P-value	0,011
Tschuprow T	0,144
Cramer V	0,189

Effective /weight % rows % columns	Inter	Natio	Natio/ Inter	No	Total
Eurozone	9	22	0	24	55
	16,4	40.0	0,0	43,6	100,0
	30,0	19,6	0,0	17,9	17,6
No Eurozone	21	90	36	110	257
	8,2	35,0	14,0	42,8	100,0
	70,0	80,4	100,0	82,1	82,4
Total	30	112	36	134	312
	9,6	35,9	11,5	42,9	100,0
	100,0	100,0	100,0	100,0	100,0

Source: Authors' Elaboration

TAB. 7 *Academic Career of CB Governors 2000-2016*

	Standard	Yates
Number of cases with theoretical freq < 5	0	
Number of degrees of freedom	1	
Khi-2 (k)	5,947	5,218
P-value	0,015	0,022
Tschuprow T	0,138	0,129
Cramer V	0,138	0,129

Effective /weight % rows % columns	CarUniv	NoCarUniv	Total
Eurozone	28	27	55
	50,9	49,1	100,0
No Eurozone	86	171	257
	33,5	66,5	100,0
Total	114	198	312
	36,5	63,5	100,0

Source: Authors' Elaboration

TAB. 8 *Employment History in Private Sector*

	Standard	Yates
Number of cases with theoretical freq < 5	0	
Number of degrees of freedom	1	
Khi-2 (k)	14,146	13,044
P-value	0,000	0,000
Tschuprow T	0,213	0,205
Cramer V	0,213	0,205

Effective/weight % rows % columns	CarPriv	NoCarPriv	Total
Eurozone	12	43	55
	21,8	78,2	100,0
	8,6	25,0	17,7
No Eurozone	127	129	256
	49,6	50,4	100,0
	91,4	75,0	82,3
Total	139	172	311
	44,7	55,3	100,0
	100,0	100,0	100,0

Source: Authors' Elaboration

TAB. 9 *Financial Career of CB Governors 2000-2016*

	Standard	Yates
Number of cases with theoretical freq < 5	0	
Number of degrees of freedom	1	
Khi-2 (k)	8,383	7,543
P-value	0,004	0,006
Tschuprow T	0,164	0,155
Cramer V	0,164	0,155

Effective /weight % rows % columns	CarFin	NoCarFin	Total
Eurozone	19	36	55
	34,5	65,5	100,0
	11,7	24,2	17,6
No Eurozone	144	113	257
	56,0	44,0	100,0
	88,3	75,8	82,4
Total	163	149	312
	52,2	47,8	100,0
	100,0	100,0	100,0

Source: Authors' Elaboration

These observations point to a result that we came to in previous publications: Eurozone bankers are not very atypical, when considering their counterparts in the world, but they tend to be more qualified in academic terms than the average of world central bankers, have a more global political capital, and have a more original specificity as regards legal or juridical capital [Lebaron 2014].

5.1. *Two Trajectories Inside the ECB*

To understand the relationship between trajectories and position-takings in a central bank, it is necessary to locate it precisely inside the social space (or field) of central bankers. Actions in this sphere can only be understood relationally, and on the basis of various resources and trajectories [Lebaron 2010]. We focus here on the case of the European Central Bank, and we will analyze two opposite profiles (at least in terms of position-takings) of financial bureaucrats: Jürgen Stark, born in 1948, who enters the Executive Board of the European Central Bank in June 2006 and leaves it prematurely on the 31th of December 2011; Benoît Coeuré, born in 1969, who enters the Executive Board in January 2012 and is still in charge. They are "opposite" in various ways: the second, 21 years younger, enters the Executive Board when the first leaves it; the first one publicly criticizes the policy of the bank as risky and inflationary before leaving the Executive Board, whereas the second is now considered as one of the active promoters of more recent innovations inside it; one is German, the other is French; one is a former central banker (after 20 years as a civil servant at the German Federal Government), the other a former economist and statistician, but also vice-director of Treasury, who never worked before as a central banker.

ECB watchers classically describe Stark as a "hawk" (strongly anti-inflationary) and Coeuré as a "dove" (less strongly anti-inflationary) on monetary issues.

Recently, Stark condemned the evolutions of the central bank since he left it:

> The ECB's recent decisions, with their focus on short-term effects, indicate that monetary policy is no longer targeted at the Eurozone as a whole, but at its problem members. Ad hoc decisions have replaced a feasible and principled medium-term strategy. The problems created by this approach will be compounded by the unavoidable conflicts of interest with monetary policy implied by the ECB's assumption of its new financial-stability and banking- supervision roles. The first casualty will most likely be price stability [Stark 2014].

A simple interpretation of the difference of view between both actors clearly relates to their nationality: French and German traditions are supposed to have been diverging for long as regards monetary issues. Both countries negotiated the Maastricht treaty and France accepted strong rules in order to obtain Germany's approval of a single currency [Dyson 2008; Dyson and Marcussen 2009]. The German Bundesbank was clearly the central actor behind this setting, and France accepted the restrictive rules as a counterpart for Germany's acceptance of the monetary union. Is the opposition a mechanical expression of diverging "monetary cultures" as it is sometimes argued? When comparing closely both trajectories, things appear less clear-cut. First, Coeuré has never been an advocate of a rupture with Maastricht rules, and, on the contrary, he has served as a very orthodox vice-director of the Treasury in France, under right-wing and left-wing governments. In his writings, he never deviated from the pro-Maastricht and anti-inflationary political-economic line which dominates the French financial administration after Jean-Claude Trichet. Coeuré is clearly not dissenting on the general framework of the Treaty at all, although he may share critical views about the asymmetry in the European construction.

Other biographical elements need to be integrated in the analysis. Coeuré is more clearly a French-style "administration statistician-economist," much more connected to the international field of economics than Stark. As a Polytechnicien, former *École nationale de la statistique et de l'administration économique* pupil and civil servant at the *Institut national de la statistique et des études économiques*, he has been trained as a quantitative economist in the modern Anglo-Saxon tradition. As a former member of the "cercle des économistes" in France, close to the Brueghel institute network in Brussels, he has been associated to very "pragmatic" pro-European moderate neoliberal economists. As a newcomer in the field of central banking, he imports views that are more directly open to global macroeconomic debates, and as a specialist of Europe, he clearly supports pro-integration views of Europe, far less strictly defined by the strict respect of the "rule of law."

Their networks and social backgrounds are consequently different: Coeuré is linked to the world of French civil servants at the ministry of finance and the world of economists connected to political powers, but he illustrates a more technical and economic-debate oriented fraction of the field. His website (active until his appointment at the ECB) clearly shows this position: for example, he indicates links to websites of famous American economist of all schools, from Gary Becker to Paul Krugman. Jürgen Stark is the son of a vineyard owner from Rhineland-Palatinate, who studied in Hohenheim and Tübigen until the doctorate, and made a large part of his career inside the German administration during the years 1970-1990, before moving to the Bundesbank as vice-president then president. Though he is a PhD economist, his links with the academic field are filtered by a heavy commitment as an actor of economic and monetary policy inside German federal state.

This rapid analysis shows a systematic difference between two actors who display diverging characteristics: a closer connection to the political powers (under the presidency of Sarkozy, then Hollande) versus a stronger insertion inside the contemporary academic field of economics in the case of Coeuré, a long-lasting and heavy link with the Federal administration, then the Bundesbank, and the conservative German academic tradition of monetary economics in the case of Stark.

In the case of central banks and more generally in social sciences, a single variable (like nationality, gender or age) does not make sense in itself, but always in close interrelation with other aspects of the biography. Furthermore, a processual perspective, in the sense of Norbert Elias [1970], is particularly relevant here. A biographical background needs to be considered relationally and in the moving context of the particular interactions that take place inside a particular organizational locus, where the "balance of power" never stops to change. In the case of the European Central Bank, this place is the Governing Council.

6. The Social Space of the ECB

Are there statistical relations between the positions in the social space of central bankers and their position-takings?

We analyze the issue from a more quantitative point of view, taking into account the collective dynamics inside the European Central Bank.

For that purpose, we use a coding of position-taking based on a study of the journalistic literature about "doves" and "hawks" at the ECB. We identified "economic and monetary approach" according to their public and explicit position-takings, using also comments and analyses by ECB-watchers that we found on various

Internet Websites (especially Thomson Reuters [2014] and Business Insider [2015]). These various indications are taken as indirect indicators of "innovation" or "commitment" during the period 2000-2016, which is composed of evolving debates about the less and less conventional measures taken by the ECB, especially after 2008.

Before 2008, being a "hawk" means being particularly reluctant to a loosening of the monetary policy by fear of a rise of inflation. After 2008, being a "hawk," very consistently, means to oppose a radical adaptative strategy which uses a range of non-conventional measure in order to avoid a deepening of the financial crisis, which may give birth to later inflation. By opposition, the "doves" are the members of the committee which favor a certain degree of flexibility and loosening of the monetary policy, after 2008 in the context of the management of the global financial crisis, and before that in the context of low growth and high level of unemployment in the Eurozone.

We begin our study by a construction of the social space of the ECB and then investigate the position-takings as supplementary variables.

6.1. *The Structure of the Space*

The studied population is composed of the

$n = 62$

members of the Governing Council of the ECB since 1999 (we excluded Tietmeyer and Verplaetse from the population, who left their position as central bank chairman in 1999).

The chosen methodology is again prosopographical. We collected biographical data from various accessible sources on Internet, and constructed statistical variables on the basis of this information.

A specific MCA [Le Roux and Rouanet 2010] was performed on the basis of

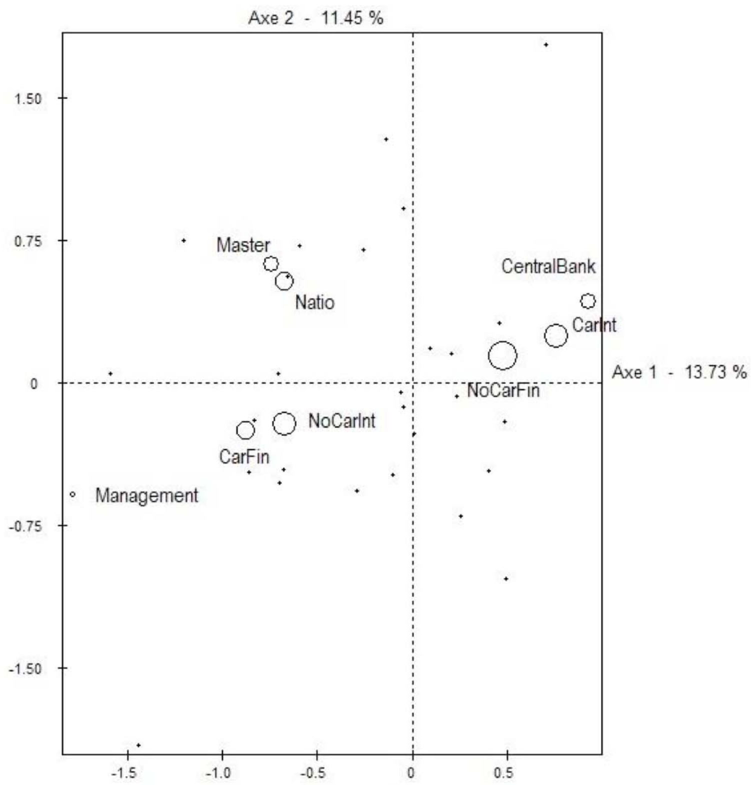
$Q = 12$

active questions and

$K' = 32$

active categories, which defines a geometric modelling of the social space of the Governing Council during the period: sex (2), public visibility measured by the presence in the Financial Times (3), educational level, educational field, main career, academic career (2), political career (2), career in the central bank (2), career in private finance (2), other private career (2), career in the administration (3), number of sectors during the career (2).

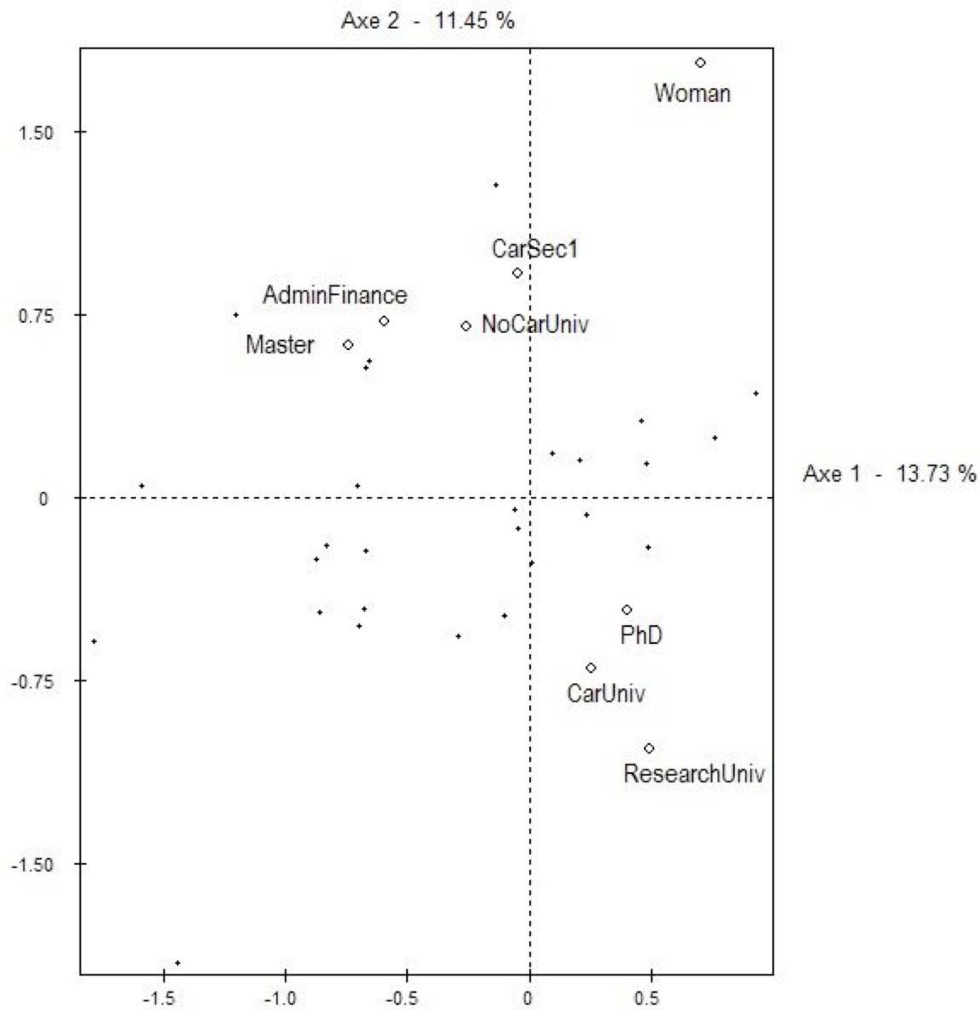
The study of the eigenvalues reveals three axes. We will only comment the first two axes.



GRAPH 5. Cloud of 25% Most Contributing Active Categories on Axis 1, Plane 1-2 of ECB Governors

Source: Authors' elaboration

Graph 5 shows the cloud of the most contributing active categories on the first axis. On the left hand side, among the most contributing categories, one finds "main career in administration" and "financial career," "master's degree." On the left hand side, one finds opposed categories like "internal career," "central bank." The first axis opposes internal (left) versus financial and national administrative (right) careers.

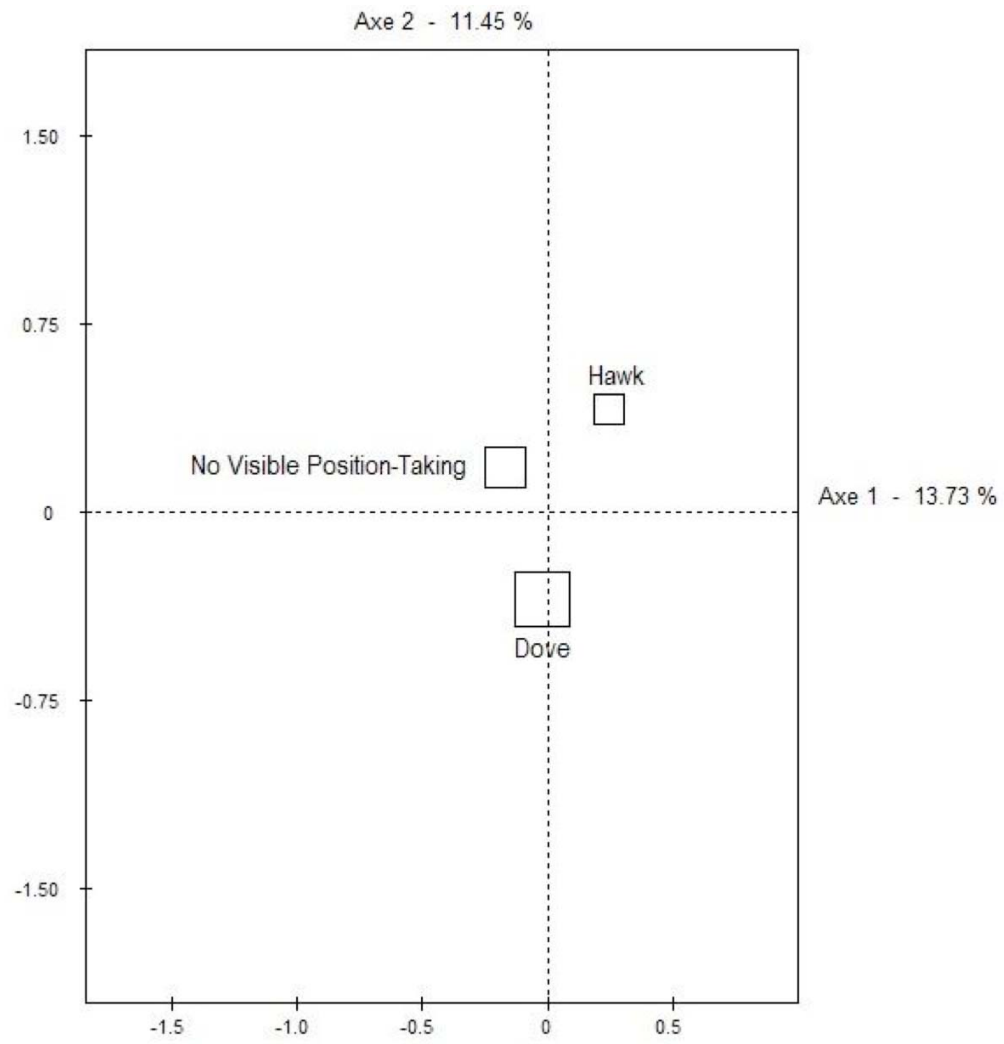


GRAPH 6. Cloud of 25% Most Contributing Active Categories on Axis 1, Plane 1-2 of ECB Governors

Source: Authors' elaboration

Graph 6 completes the analysis with the interpretation of Axis 2. The second (vertical) axis opposes "financial administration," "no academic career," "woman," at the top, versus "research and university," "PhD," down below.

The projection of supplementary elements (Graph 7) shows that the second axis relates to an opposition between "hawks" and "doves."

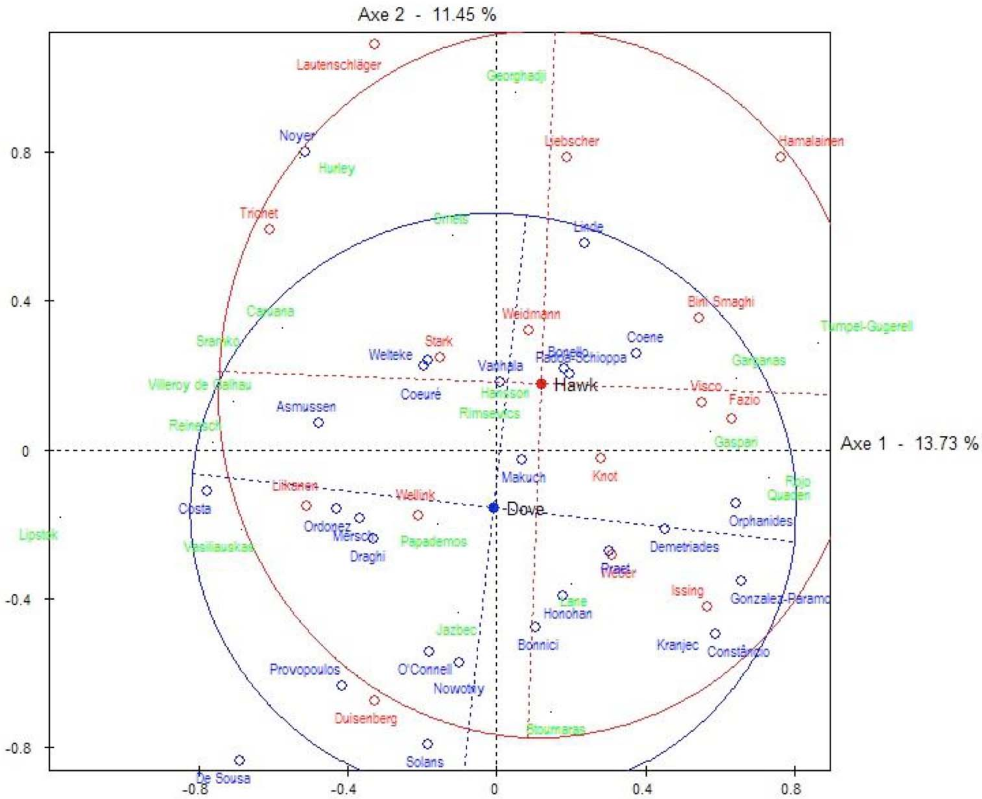


GRAPH 7. Cloud of Hawk, Dove and No Visible Position-taking, Supplementary Elements in Plane 1-2

Source: Authors' elaboration

The lack of political and bureaucratic capital, and the professional relation to the university is globally associated with a more dovish orientation, and, in the case of "innovations" and "change," to a more apparent commitment to supporting innovation. There is very small effect on the first axis, with hawks slightly on the side of "internal capital." This division may explain the internal difficulties inside the Governing Council, and the existence of a basic support to Draghi's orientation among national central banks governors. Mario Draghi clearly illustrates a mixed type of capital, and probably a balanced view, with an obvious innovative orientation.

The cloud of individuals (Graph 8) shows that there is nevertheless a high dispersion among the two groups of doves and hawks, and also that the divisions are strong at the side of the highest level of political and bureaucratic capital.



GRAPH 8. Cloud of Individuals Structured by Position-takings in Plane 1-2

Source: Authors' elaboration

This study finally shows how the internal political division of the Governing Council, which has been confirmed by the publication of its minutes, is related to professional and, more largely, to the social characteristics of its members.

On the "resistance to innovation" side are not only some of the German members (not all, since Jörg Asmüssen is typically a pragmatic), people like Yves Mersch or Erkki Liikanen, who could be called the members of a "German coalition" or "German group" inside the council. At the opposite, the group supporting Mario Draghi by its declarations and votes is led by a small number of actors with a high level of bureaucratic and political capital, but also based on the (more silent) majority of national governors, more often coming from the universities. Constructing and keeping a majority is clearly the main stake inside the Council (Box 1).

BOX. 1 *Draghi and the "Wide Consensus" on 22 January 2015*

Question: My first question is has the decision today been unanimous, with a wide consensus? Can you give us a bit of a flavor on the discussion and how these decisions were taken?

Draghi: At the meeting today [...] it's the first time that we'll have the accounts be published of this meeting, and so we have also worked out some qualifiers to indicate how the meeting proceeded. The meeting was unanimous in stating that the asset purchase programme is a true monetary policy tool in a legal sense. That's important, because it establishes the principle that this is a monetary policy tool that should be used in the right situations, but it is part of our toolbox. Second, there was a large majority on the need to trigger it now, and so large that we didn't need to take a vote. Third, there was a good discussion on the need, I would say a majority on the need to trigger it now, but of course there were differing views about the need to act now. And finally, there was a consensus on risk-sharing set at 20%, and 80% on a no-risk-sharing basis. So, unanimity on the asset purchase programme being a monetary policy tool, a large majority on the need to trigger it now, and some discussion on the need to trigger it now, in fact I say a large majority, but not unanimity, and finally, consensus on the risk-sharing set, as I've just described.

Source: Website of the ECB

6.2. *From Description to Statistical Inference*

Is it possible to substantiate these descriptive results through an inductive point of view? We adopt here the perspective of inductive data analysis [Le Roux and Rouanet 2004; 2010].

Firstly, we will assess the atypicality of "hawks" on the second axis of the analysis. Can the hawks group be assimilated to the reference population, or is it atypical of it? In our GDA framework, this question leads to permutation tests. We compare the mean point of the sub-cloud of hawks with the reference point.

When "n" is not small (and far from "N"), the sampling distribution can be fitted by a normal distribution with mean 0 and variance V[2].

$$Z = \frac{\bar{y}}{\sqrt{V}} = \sqrt{n\frac{N-1}{N-n}}\,\frac{\bar{y}}{\sqrt{\lambda}}$$

Here, we have:

[2] Here, this may be discussable and we should also proceed to exact tests.

$$\frac{\bar{y}}{\sqrt{\lambda}} = 0.41, n = 15, N = 62$$

Z=1.39 and p=0.082 (not significant).

We cannot conclude from an inductive point of view to the atypicality of hawks on the second axis. We find a similar result with the category "dove."

Secondly, we will compare the mean points of two subclouds and assess the *homogeneity* of the two groups for the second axis. This leads to homogeneity tests. Again, we will fit the sampling distribution by a normal distribution.

For a pair of subclouds, we consider the deviation between their mean points, that is, the difference (mean 0, variance V).

$$Z = \frac{\overline{d\,\bar{y}}}{\sqrt{V}} = \sqrt{\tilde{n}\frac{N-1}{N-n}}d$$

Here:

$$d = +0.76, n_1 = 15, n_2 = 27, \tilde{n} = \frac{1}{\frac{1}{n_1} + \frac{1}{n_2}}$$

$Z = 2.34$, and $p = 0.010$

hence we can conclude from an inductive point of view that both groups are significantly *heterogeneous*. The results are conclusive, even considering the number of individuals that we couldn't obtain the relevant information, which limits the significance. The opposition between hawks and doves is clearly connected to the second axis, which opposes an academic pole to a more financial and bureaucratic pole. This opposition has become a central pattern of differentiation inside monetary and financial élite, and more largely in the field of power.

6.3. *Exploring the Effects of Particular Variables: Nationality, Academic Career, Diploma*

Our initial hypothesis was that personal properties (including but not limited to nationality) do have a relation with position-takings. We will investigate this a more in-depth study of specific variables in relation to position-takings. In this perspective, we proceed to a Logistic regression of the dependent dichotomous variable "Hawk."

Before commenting the results, one has to mention that the major descriptive global effects (that is bivariate links) on "hawkishness," which are statistically significant, are produced by academic career and by "national group" (a variable which has been constructed with the following groups: German pole regrouping Germany, Netherlands, Austria and Finland versus others). With Model 1, which does not include "national group" as a control variable, two variables have a significant effect on Hawkishness: academic career (negative effect), Master (negative effect). It confirms the type of trajectory that is national, bureaucratic and less academic, though highly qualified (meaning: at PhD level), which tends to be statistically associated with "hawkishness". The quality of the adjustment is correct.

$$R^2\left(Cox\,\&\,Snell\right) = 0.262$$

Model 2 adds various independent variables of trajectory: the effects of academic and master's degree remain significant. The quality of adjustment improves notably.

$$R^2\left(Cox\,\&\,Snell\right) = 0.416$$

Model 3 adds the national group to a relatively detailed set of trajectory variables. The (pseudo-)coefficient of determination goes up to:

$$R^2\left(Cox\,\&\,Snell\right) = 0.532$$

The group of country, as well as academic career and Master are significant in Model 3. Nationality does not "erase" all other effects.

Again, we may conclude that biographical data do matter strongly. We can even add that they cannot be reduced to nationality, even though this variable has obviously a very strong effect in Europe. Links with the university and diploma, as suggested by the inductive data analysis section, also play an important role in the determination of monetary-policy orientations.

TAB. 10 *Logistic Model*

	Model 1	Model 2	Model 3
Academic career	-2,869**	-3,082*	-3,876*
No academic career	REF	REF	REF
National admin career	NS	NS	NS
International admin career	NS	NS	NS
No admin career	REF	REF	REF
Bachelor+NA	NS	NS	NS
Master	-2,877**	-4,793**	-5,575*
PhD	REF	REF	REF
Eco		NS	NS
Law		NS	NS
Other		REF	REF
AdminFinance		NS	NS
Bank		NS	NS
CentralBank		NS	NS
ResearchUniv		NS	NS
Politics		NS	NS
OtherAdmin		NS	NS
NonfinancialPrivate		NS	NS
NA		REF	REF
Political career		NS	NS
No political career		REF	REF
Career finance		NS	NS
No career finance		REF	REF
Career private sector		NS	NS
No career private sector		REF	REF
Internal career		REF	NS
No internal career			REF
CarSec >1			NS
CarSec1			REF
FT < 5	NS	NS	NS
FT [5;50[	NS	NS	NS
FT >= 50	REF	REF	REF
German Pole			+7,230**
Other			REF
Intercept	1,673	-18,719	-12,587
R2 (Cox & Snell)	0,262	0,416	0,532

Source: Authors' Elaboration

7. Conclusion

In this article we conducted a prosopographical study analyzing the biographies of 312 incumbent and former central bank governors from all across the world. This study allowed us to sketch out their general social characteristics emphasizing commonalities and divergences regarding their educational and professional backgrounds. We observe a high qualification level predominantly in economics, a preponderance of insider experience associated with the prevalence of central bank careers, and a strong gender bias structuring the field of central bank governors. Even though this analysis gives insights about the habitus of the élite in charge of monetary policy, further research is necessary to provide more detailed conclusions. Hence, we will continue to study the social origins of central bank leaders focusing on their family backgrounds and their networks as well. We will furthermore enlarge and deepen our research on their educational profiles to investigate which academic institutions they've attended mostly and whether some of them have attended the same institution at the same period.

The second research question was whether it was possible to classify central bank governors into "types." As a matter of fact, the convergences regarding the general social characteristics suggested that they are not hired randomly, but according to rather uniform criteria. Hence it was possible to develop a typology grouping the central bank governors into four major classes. While we illustrated this classification through typical examples of each profile, we also noted that it does not have a rigid logic of a system of absolutely exclusive classes. They are helpful categories of analysis underlying certain patterns in the field of central bank governors, but should not imply a strict, homogeneous and hierarchical simplistic categorization. In order to observe how these classes actually operate for different samples, we will continue to conduct case studies on central banks of different regions and different states. This research will also provide some answers regarding the past and current dynamics toward international standardization of central bankers' profiles, or why certain national or regional specificities persist. Case studies might also be helpful in understanding the relationship between the degree of (in)dependence of the CB and the profile of its governor.

In this study, we focused on the example of the ECB to test the hypothesis of a possible connection between social trajectories and position-takings. Our analysis affirms this connection even though it is hard to make detailed and mechanical causal explanations given the complexity of social interactions and processes.

Firstly, regarding the Eurozone, we can see here that the group of innovators around Mario Draghi is based on an original combination of actors and species of capitals, with academic legitimacy, against a slightly more homogenous group of "resistant" actors, who share a rather high level of bureaucratic and political capital, in general combined with a PhD level: this group, especially related to ministries of finance, has lost some strength in the internal balance of power over time.

Of course, presenting our conclusion in such a way is only giving a stylized version of very fine differentiations and contextual dynamics, leading to specific discursive – especially argumentative and interpretive – struggles inside the Council, which are still largely unknown as such (for obvious reasons). In these struggles, economic and legal arguments may be used and, evidently, we observe a growing conflict between a legalist orthodox view, losing support and practical relevance over time, and a more pragmatic and flexible economic conception, that has taken the lead since a few years. The role of researchers and intermediary staff inside the European Central Bank should also be investigated in order to understand the concrete dynamics of the production of innovation and more largely non-conventional (or, on the contrary, more conventional) position-takings, that is the global process of evolution of the central bank's policy.

The president of the Governing Council has a particular authority in this process, and the complex interaction between his authority and the collective dynamics around him (more or less consensus-based, using or not decisive votes) may explain that the process of change still goes on in a difficult, divided situation. This last element indicates that dispositions for change are a complex and mixed set of elements, and may vary over time. In the studied period, they do not only depend on Mario Draghi, but more largely on the global dynamics of powers inside the committee, in interaction with a moving financial and political context.

In a more general and global perspective, one can conclude from our analysis that biographical elements, which we have first illustrated by a global cluster analysis then by a particular case-study, clearly help to better understand, or at least suggest refined interpretations about the dynamics of position-takings inside councils, and consequently monetary and financial policies of the central banks. They allow to analyze from a more concrete basis what is really at stake in this very particular multidimensional élite group, which is evolving over time.

The particular opposition between academic and bureaucratic-financial has, in particular, become a central pattern of differentiation inside monetary and financial élite, and more largely in the global field of power.

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Do Central Bankers' Biographies Matter?

Abstract: In this article, we try to show in which way central bankers' biographies matter, by emphasizing a relationship between individual trajectories and decision-making inside institutions. With this purpose we present an analysis of the social characteristics of central bank governors, based on a prosopographical and quantitative inquiry. We construct a typology of central bank leaders according to their social and professional profiles (using an Ascending Hierarchical Classification). We then discuss the recent trends as regards central bankers' recruitments and profiles in the world. In the following section, we compare the profiles of central bank governors in the world to those of ECB governors since the creation of the institution (1999). It allows us to assess how specific Eurozone central bankers' characteristics are inside the global field of central banking, in a dynamic perspective. Then, we isolate the members of the Governing Council of the ECB, in order to test empirically the hypothesis of a statistical relationship between social trajectories and position-takings, using various indicators and a Geometric Data Analysis methodology, including inductive data analysis and logistic regression as part of a more general perspective. We find that there exists a notable and significant impact arising from the biographical backgrounds.

Keywords: Central Banking; Biographical Analysis; ECB Governors; Social Space; Geometric Data Analysis.

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Women in the Field of Power

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Women in the Field of Power

by Johannes Hjellbrekke *and* Olav Korsnes

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1. Women in the Field of Power

In the autumn of 2015, the largest Norwegian telecom company, Telenor, appointed Sigve Brekke as its new CEO. Brekke, the son of a Labour party politician and himself a former state secretary for Labour in the Ministry of Defence in 1995-1996, converted his political capital into economic capital in 1999, when he became CEO of Telenor's Singapore branch. Telenor's leader of the board, Svein Aaser, would soon be strongly criticized for choosing Brekke. Female candidates had not been shortlisted or considered as serious contenders for the top position. In this way, Telenor, a company controlled by the Norwegian state, continued a long tradition of practically excluding women from managerial positions in both public and private business.

In October 2015, Aaser had to hand in his resignation. Representing 54% of the shares in Telenor, the female Minister of Commerce, Monica Meland, made it clear that because of issues involving corruption in Uzbekistan, Aaser no longer had her confidence. When Gunn Wærsted as the first woman ever was appointed the new leader of the board, her message to Brekke would soon be clear: the company needs more women in leading positions.

Even though Norway is regarded as one of the most egalitarian societies in the world, and even though gender equality is considered a hallmark of the Scandinavian welfare states, recruitment to élite positions in business remains strongly skewed along gender lines. New legislation was introduced in 2003, demanding minimum

40% women at the boards of shareholder companies, but in the managerial staff, women are still in minority. Based on data from 2013, Statistics Norway concluded that only 1 in 3, or 35%, of managerial positions are held by women. According to the ILO (International Labour Organization), Norway in this respect ranks well below the United States, France and Russia [ILO report: *Women in Business and Management* 2015].

The Telenor case mirrors structural oppositions in the Norwegian field of power. Whereas positions in politics and higher civil service at least since the 1980s have been relatively open to women, as e.g. Monica Meland, managerial positions in both private and public business have remain far more difficult to access. Wærsted, the leader of the board, is one of only a handful women that over time have held leading positions in Norwegian private business and finance. The capital structures in the Norwegian field of power are therefore also gendered structures. Some sectors of the field are more open to women than others, but the trajectories leading to the field positions vary, also between women. An analysis of the recruitment of women to positions in the field of power must therefore not only focus on differences *between* men and women, but also on the internal differences *among* women. Inspired by the late Pierre Bourdieu's theory of the field of power, and based on our previous analyses [Hjellbrekke *et al.* 2007; Hjellbrekke and Korsnes 2009 and 2014; Denord *et al.* 2011], the main ambition in this article is therefore to examine the oppositions internally among the women in the Norwegian field of power.

We ask three main questions:

a) How is the overall distribution of the *various forms of capital* in the subgroup of women related to the global space of élite positions? In what ways do the capital structures among élite women differ from the capital structures describing the global élite?

b) Social capital assets or network connections are generally of high importance in the field of power. How is the distribution of *social capital* assets among the élite women as compared to the overall distribution in the global space?

c) Are the women in the field of power a homogenous or heterogenous group of individuals? How many *subgroups* can be identified among the women in field of power, and what are their main characteristics?

We will address these questions in three steps. First, we construct a field of power in Bourdieu's terminology. Secondly, we compare the capital structures of the female within this space with the structures in the global space. Thirdly, we identify clusters of élite women in the field of power. The data stem from the Leadership survey [Gulbrandsen *et al.* 2002], and the statistical analysis is done by way of Multiple

Correspondence Analysis (MCA), Class Specific MCA and ascending hierarchical cluster analysis [Le Roux and Rouanet 2010; Le Roux 2014].

2. Societal Perceptions, Patterns of Élite Recruitment and Gender Inequality

The perceptions of social hierarchies and the centrality of an élite have proven to vary strongly between countries in what Esping-Andersen [1990] has coined "Welfare Capitalism." This can also clearly be seen from the distributions in Table 1, where France and Italy stand out with the least, and Norway with the most "egalitarian" respondents:

TAB. 1 *Varieties in Societal Perceptions. Weighted Distributions.*

	France	Italy	Germany	Norway	Sweden	UK	USA
An élite at the top, few in the middle, many at the bottom	18.1	33.7	18.8	2.1	7.1	13.9	16.6
A society that looks like a pyramid, with an élite at the top, more in the middle, and most at the bottom	50.7	40.9	35.4	10.8	23.3	41.8	39.6
A pyramid, but with few people at the bottom.	17.1	12.3	23.0	23.6	29.8	18.8	14.5
A society where most people are in the middle.	12.4	11.2	18.6	56.4	37.9	21.9	26.5
Many people near the top, only very few at the bottom	1.7	1.9	4.2	7.1	1.9	3.5	2.8
Total	100	100	100	100	100	100	100

Source: International Social Survey Programme (ISSP) 2009: Social Inequality IV.

The response profiles for the US and the UK display a strong similarity, whereas Sweden is in more of an intermediary position; egalitarian perceptions are strong, but 1 in 3 Swedes still perceive their society as one where the élite is at the top of a clear hierarchy.

The reasons for the above observed differences are multiple, both in a historical and in a contemporary context. The power of the élites, and also their symbolic expressions, has varied. The capitalist class in Sweden has for instance been stronger than in Norway, and both Sweden and the UK, unlike Norway and the USA, have had a nobility. As Michael Hartmann's numerous studies show, the recruitment *to* élite positions also vary between countries [2006 and 2007]. In Europe, Hartmann describes three main models, based on the individuals' social backgrounds, their educational trajectories and the level of professional circulation between various sectors:

a) An English model, with a narrow social selection, a few select élite educational institutions ("Oxbridge" or Sandhurst military academy) and a limited degree of professional sectorial circulation.

b) A French model, with a narrow social selection, a few select élite educational institutions ("Grandes écoles") and higher degree of professional sectorial circulation ("pantouflage").

c) A German model, with a broader social selection, no élite educational institutions and a limited degree of sectorial circulation.

Hartmann does not deal expressively with the gendered recruitment patterns, but the respondents' general perceptions about gender differences in mobility chances display a stronger between-country similarity:

TAB. 2 *Respondent's Country by "Getting Ahead: How Important is Being Born a Man or Woman?"*

	France	**Italy**	**Germany**	**Norway**	**Sweden**	**UK**	**USA**
Essential	2.6	4.6	2.6	1.2	1.8	2.1	1.5
Very important	6.0	14.5	11.6	5.3	8.3	5.7	8.4
Fairly important	16.6	23.5	21.5	25.0	23.5	12.4	15.8
Not very important	21.7	27.6	30.2	42.6	33.7	30.0	35.9
Not important at all	53.1	29.8	34.1	26.0	32.7	49.3	38.4
Total	100	100	100	100	100	100	100
	n=2625	n=971	n=1329	n=1377	n=1054	n=890	n=1517

Source: International Social Survey Programme (ISSP) 2009: Social Inequality IV.

In Table 2, more than 65% of the respondents in all countries answer that gender is "Not very important" or "Not important at all" for getting ahead. If taken literally, a majority of the respondents are seemingly not inclined to relate career inequalities to gender inequalities. In the popular perception, where one ends up in the social hierarchy thus depends less on gender than on other factors. Even so, the above studies show that even in Norway, real gender differences exist in the recruitment patterns to the élite positions, and gender *inequality* has been a persistent and dominant characteristic of the egalitarian Norwegian society.

3. Data, Variables and Methods

In the Leadership Survey 2000-2001, conducted by the Norwegian Power and Democracy Project, 1710 individuals were identified based on institutional and positional criteria [Gulbrandsen *et al.* 2002]. The data are now 15 years old, but the survey is still able to give a valid and precise description of élite structures in Norway. With a response rate of 87.3%, it is still also by far the best data set available to us on the Norwegian élites. In this article, we have only had access to the anonymized version of this data set. Even so, for analytical purposes, the results are analogue to those found in Hjellbrekke *et al.* [2007], where we had access to even more precise information on the individuals. We have retained 30 active variables for the construction of the global field of power:

TAB. 3 *Active Variables in the Analysis, Organized in Five Main Groups. 30 Variables, 75 Active Categories, 10 Passive Categories.*

Economic Capital	**Cultural/Educational Capital, Personal and Inherited**
Personal income: 3 categories (-25%, 26-74%, 75%+)	Father's educational level: 5 categories
Income on savings, shares etc.: (-25%, 26-74%, 75%+, Negative)	Partners's educational level: 5 categories
Registered property: (-25%, 26-74%, 75%+)	Own educational level: 5 categories
	Studies abroad: (1 yr, 2yrs+, No)
	Worked abroad: (Yes/no)
Personal Social Capital (Coded yes/no)	**Inherited Social Capital (Coded yes/no)**
Board member, private company	Father/mother, board member, private/public company.
Board member, general assembly	Father/mother, board member, managerial organization
Board member, election committee	Father/mother, board member, trade union
Board member, public company	Father/mother, board member, Voluntary organization
Board member, managerial organization	Father/mother, Member of parliament
Board member, trade union	
Board member, voluntary organization	
Professional Experience/Field Trajectories (Coded yes/no)	
Civil service	Defense
Research	Organisations (including NGOs)
Politics	Church
Justice	Media
Business	Culture

Source: Authors' Elaboration

These are first subjected to a Specific Multiple Correspondence Analysis (hereafter MCA) [Le Roux 2014; Le Roux and Rouanet 2010]. MCA finds a geometrical representation of the structures of a table or a matrix. The chi-square distances between the row/column categories are calculated, the oppositions between row or column profiles maximised, and the latent structures or axes that best describe the oppositions between row or column profiles in the table are uncovered. Axis 1 describes the most dominant opposition, axis 2 the second most dominant etc. Each axis constitutes a dimension in a multi-dimensional *space*, and each row/column point (i.e. individual or category) can be located as a *point* within this space. Variables included in the construction of the space are *active* variables, and variables that are projected into this solution are *illustrative* or *supplementary* variables. The interpretation is based on two *clouds of points* – the cloud of individuals and the cloud of categories.

The clouds are usually projected onto *factorial plane* 1-2, 1-3, 2-3 etc. Each point's position must be interpreted relative or in relation to the positions of all the other points belonging to the same cloud. Categories with similar response profiles, i.e. that "share" the same set of individuals, are located in proximity to each other, and categories with differing profiles distant from each other. The *eigenvalue* is the part of the variance in the cloud projected onto a given axis. The amount of *inertia* or variance "explained" by an axis is equal to its eigenvalue divided by the total inertia in the cloud, and is given as a percentage. The *contribution* from a given category/variable to a given axis is an indicator of the category's/variable's importance to the construction of a main opposition in the data. Categories and variables with high contributions (contributions >mean contribution) are emphasized in the interpretation.

4. Structures in the Global Field of Power

In Bourdieu's more general theory of the social space, the notion of the field of power holds a particular importance. It not only indicates the regions of social space where capital concentration is at its strongest, but also a space where agents located in dominant positions in several fields are engaged in struggles that affect power relations within and between the different fields [Bourdieu 1989; Bourdieu and de St. Martin 1978]. To construct this field means first to uncover its latent capital structures, to analyse its relations to the structures in the global social space, and then to identify the field positions' location *within* this multidimensional structure of oppositions. This will also be the global field within which oppositions between *the women* in the field of power can be examined.

In the case of Norway, a specific MCA of the capital indicators listed in Table 3 reveals four main dimensions in the Norwegian field of power, of which three can be interpreted as general axes. These sum up 73.3% of the modified rate of inertia:[1]

TAB. 4 *Variance of Axes, Modified Rates and Cumulated Rates.*

	Axis 1	Axis 2	Axis 3
Variance of axis (eigenvalues)	.1077	.0832	.0665
Modified rates	42.9	19.9	10.5
Cumulated modified rates	42.9	62.8	73.3

Source: Authors' Elaboration.

The contributions from the six blocks of variables to axes 1-3 is shown in Table 5:

TAB. 5 *Contributions from Blocks of Variables to Axes 1-3.*

	Axis 1	Axis 2	Axis 3
Economic Capital	37.0	1.9	12.0
Personal Educational Capital	3.4	20.9	16.9
Inherited and Family Related Capital	2.7	26.9	2.2
Personal Social Capital	31.4	8.8	17.1
Inherited Social Capital	9.8	39.4	17.7
Professional Trajectory	15.7	2.1	34.1
Total	100	100	100

Source: Authors' Elaboration.

If we sum up the distributions in Table 4.2, axes 1-3 can be interpreted as follows:

Axis 1 is first and foremost an economic capital axis, separating lower volumes from higher volumes of economic capital assets. The axis is also especially related to the business linked inherited social capital.

[1] See Hjellbrekke *et al*. [2007] and Hjellbrekke and Korsnes [2009] for a detailed interpretation and a general overview of the field's history.

Axis 2, on the other hand, is mainly an axis of field seniority; it opposes high and low volumes of inherited social capital and of inherited (and personal) educational capital. As such, the axis is therefore a social mobility axis, opposing "newcomers" and "inheritors" [Hjellbrekke and Korsnes 2013].

Receiving high contributions from the block on professional trajectories, a more detailed inspection reveals that axis 3 opposes social capital assets with experience in organizations, trade union, media and politics (linked to lower level of education) to economic capital with experience in justice (linked to higher level of education).

In Figures 1 and 2, the ten sectors from which respondents are selected are projected on to factorial planes 1-2 and 2-3 within this space of capitals:

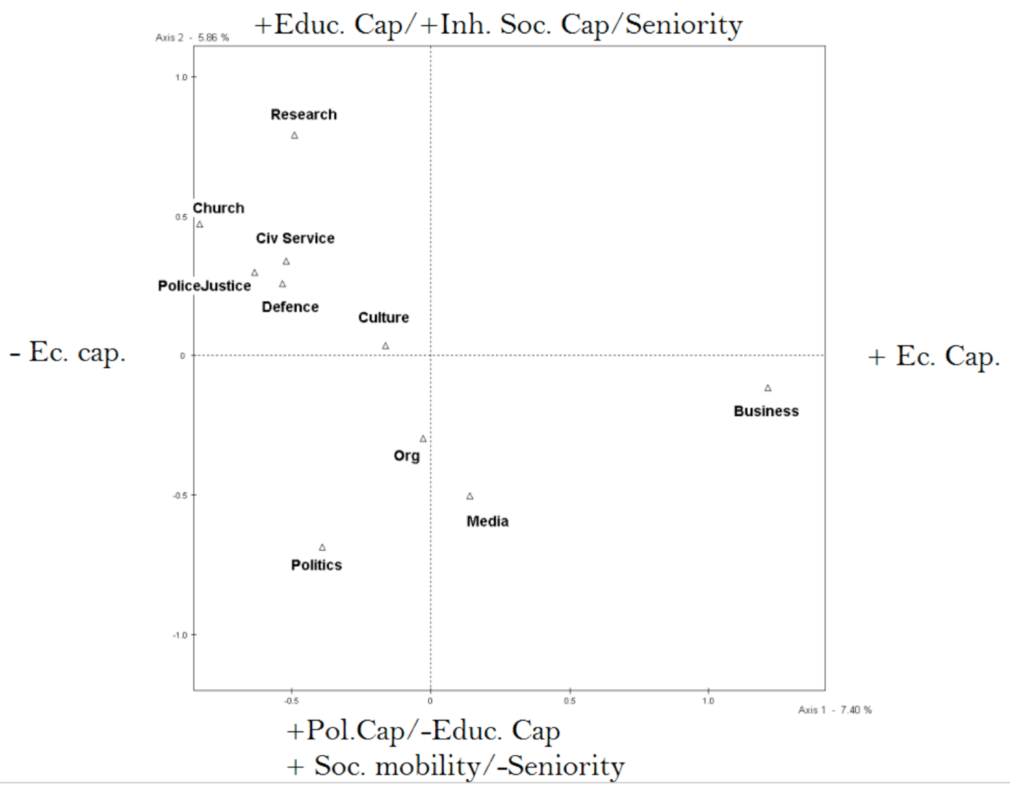

FIG. 1. Sectors in Factorial Plane 1-2. Specific MCA.

Note: (Global Space)

Source: Authors' elaboration.

A tri-polar structure is revealed in factorial plane 1-2, opposing positions in business from all the other positions along axis 1, and positions in politics from positions in research along axis 2.

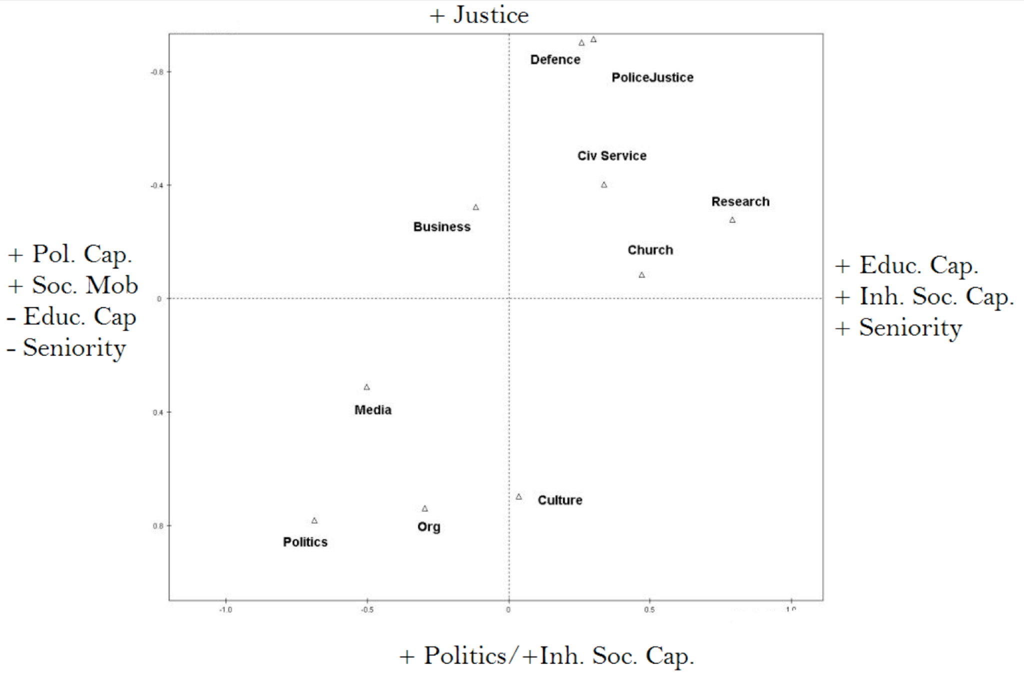

FIG. 2. Sectors in Factorial Plane 2-3. Specific MCA.

Note: (Global Space. Axis 2 as horizontal axis and axis 3 as vertical axis).

Source: Authors' elaboration.

Axis three (vertical axis in Figure 2) describes an opposition between positions in politics, NGOs and organisations and in culture from military and judicial positions.[2] Unlike in some other countries, e.g. the US, political and judicial careers are thus almost mutually excluding in Norway.

Finally, an inspection of the global cloud of individuals (not shown) reveals that the global space is also a gendered system of oppositions. Men are evenly distributed in the factorial planes, and their structural oppositions follow closely the structures in the global space. Women, however, are systematically located to the left on axis 1, the economic capital axis, but more evenly distributed on both sides of axes 2 and 3. Against this background, when the chairman and the board of Telenor was criticized for not having considered women for the top job, they were therefore criticized for practicing what we might call "sectorial inbreeding;" in a sector strongly dominated by men, they appointed an insider with high volumes of both economic and political capital. In this way, the gap between business and politics could be bridged by a field specific type of *social capital* that has been of central importance in parts of Norwegian business: political capital. Women in the field of power might

[2] For further details and for the full set of 45 positions, see Hjellbrekke *et al.* [2007].

have one of these types of capital, but to find women who combine them is still rather rare.

5. Gender and Social Capital

As pointed out by Ronald Burt [2005], a network position might give exclusive access to information, and result in control over its further diffusion. Social capital can thus have an inherent capacity for mediation, coordination and control over the flow of information between the various sectors, positions and networks in the field of power. Within this structured space of capitals, the distribution of the various forms of social capital can therefore be of central importance, and the results in Denord *et al.* [2011] indicate that inequalities with respect to social capital are not strongly correlated with axis 1 in the global field (see Figure 1), i.e. the economic capital axis, but to axes 2 and 3 (Figure 2).

The literature on social capital is wide [Fine 2000; Field 2003; Ponthieux 2006], and currently, there are at least three dominating research traditions:

a) The social integration approach first conceptualized by Coleman [1988 and 1990] and later further developed by Putnam [1993 and 2000], where the latter's main emphasis is clearly on the positive societal effects of social capital.

b) The network approach, as conceptualized by Lin [2001] and also by Burt [2005], where social networks and the resources they give access to are seen as a source for power and also for social inequality.

c) The bourdieusian approach, with a strong emphasis on both contemporary and historically established networks of recognition, and where the necessity of analysing the relations between social capital and the other forms of capital in an analysis of power relations, social inequality, group and class formation [Bourdieu 1980; 1986; 1987; 1991][3].

Because of its emphasis on the historical and institutional dimension, on the centrality of agents' reciprocal recognition and because social capital can be analysed as both an individual and a collective asset, for instance in an analysis of gender inequality, we favour the bourdieusian approach over the two others.

Following Bourdieu's discussion of the various states of cultural capital, we can separate between inherited, objectified and institutionalised states of social capital

[3] Most of the texts in the book *Language and Symbolic Power* (Cambridge: Polity Press [1991]) were published in *Ce que parler veut dire: l'économie des échanges linguistiques* (Paris: Librairie Arthème Fayard [1982]), but two of the essays in the original publication are left out, and five other original French texts from various sources are added; see preface pp. vii-ix.

[Denord *et al.* 2011]; in its inherited state, social capital can be operationalised as board, group and/or network memberships that are mediated through one's family of origin; in its objectified state, as personal memberships in prestigious clubs and associations, board memberships and exclusive and excluding networks; in its institutionalised state as the formalized and regular contact patterns that stem from holding a formal position in political parties, governmental bodies, private and public companies, NGOs, etc.

Along all three sub-dimensions of social capital, it is possible to separate between "the have" and "the have nots" within the field. But to what degree is this also a gendered division? Are we literally talking of an "old boys network," consisting of a group of men with high volumes of inherited social capital? Are women more or less excluded from "the inner circles" of the field of power [Useem 1984]? Or is this a hierarchy that also separates between "have" and "have nots" among the women in the field?

When addressing these questions, we have to rely on information on the contact patterns between the various positions and sectors. The contacts can be of both informal and formal character. *Informal contacts* will most often depend more on an individual's personal trajectory than on his or her positions. Not having reliable information on the level and the degree of informal contacts between the full set of sectors, the number of sectors an individual has worked in will serve as a proxy for an individual's potential to draw on more informal contacts when manoeuvring in the field of power.

Formal contacts, however, depend more on the institutionalised relations between the field positions. Politicians meet formally and regularly not only with other politicians, but also with leaders in most, if not all the other sectors. A given individual's level and range of formal contacts might therefore serve as an indicator of the individual's capacity for mediation and coordination in the field. Measured by the level and the range of formalised and regular contacts with other positions in the field of power, this will also be an indicator of the given individual's volume and composition of institutionalised social capital (hereafter ISC).

A first indicator of any systematic inequality between men and women can be measured by the degree of closure, or relative isolation, in the field. In what sectors are the "endogamous" individuals – defined as individuals who only have formalized contacts with people from their own sector – to be found? Are there more "endogamous" women than men, or are we rather witnessing strong gender-internal inequalities? Is the level of multipositionality [Boltanski 1973], measured by the number of individuals with many contacts to other sectors, unevenly distributed between men and women? Whereas "endogamous" individuals might exert "local" power within their respective sector, multipositional individuals have a higher potential for mobilizing a wider set of resources, and thus also a capacity for exerting "global" power.

The results in Table 6 show the degree of closure for men and women in their respective sectors. The general tendency in the table seems clear: not only do most leaders or position holders meet regularly with people in similar positions in other sectors. The difference between men and women is also not the greatest:

TAB. 6 *Degree of Closure in the Field of Power.*

Sector	Men			Women		
	«Endogamous»	All	Degree of closure	«Endogamous»	All	Degree of closure
Church	31	99	.31	3	8	.37
Civil Service	13	159	.08	4	38	.11
Culture	33	98	.34	14	45	.31
Media	7	96	.07	6	20	.30
Business	83	372	.22	3	18	.17
Organisations	11	164	.07	9	51	.18
Research	22	123	.18	5	28	.18
Police	8	68	.12	9	15	.60
Politics	4	112	.04	5	78	.06
Total	212	1291	.16	58	301	.19

Note: (Formalized contacts) Male and female respondents.

Source: Authors' Elaboration.

The degree of closure stands at .16 among men and at .19 among women. There are, however, sectorial exceptions to the rule: women in the police/judicial sector, in the media, in organizations and in the church tend to be more "endogamous," and thus more isolated, than their male colleagues. The largest deviation is found within the police and the judicial sector, but with only 12 and 15 women in these two sectors, these gender differences should be interpreted with certain caution. The deviation between men and women in media and in organizations is more striking. In these cases, men are clearly more often in intermediary positions than women. Even though this cannot be directly inferred from these numbers, we therefore find it likely that the multipositional men in these sectors are in a stronger position to exert "global" power in the field, whereas the power of their unipositional female counterparts is more "local," and thus also more restricted, with a weaker potential for drawing on external resources also in "internal" struggles. Exclusion from formal meetings might be compensated by working through informal contacts and networks. The number of sectors an individual has worked serves both as an indicator of the extent of an individual's network, of field seniority and also of the potential for mobilizing resources through such informal contacts. Table 7 shows how many sectors men and the women in the field of power have been working in throughout their career:

TAB. 7 *Sectors Worked in (Level of "Pantouflage"). Male and Female Respondents.*

	Men	**Women**
1 sector	32%	30%
2 sectors	37%	38%
3 sectors	21%	22%
4 sectors	7%	8%
5 sectors+	2%	2%
Total	100% (N=1409)	100 (N=301)

Source: Authors' Elaboration.

The two distributions are almost identical, and when it comes to what in France is described as "pantouflage," or circulation between positions in public and in private sector, in the case of Norway the differences between men and women are minimal. Networks based on former work experience do not *per se* separate men from women. But when broken down on the specific sectors, some interesting *internal* differences among the women appear:

TAB. 8 *Sectors Worked in (Level of "Pantouflage"). Female Respondents.*

Sectors worked in	Church	Civil Service	Culture	Media	Business	Organisations	Research	Police/ Justice	Politics
1 sector	25	24	29	60	39	12	50	27	29
2 sectors	75	42	33	35	28	55	21	40	32
3 sectors+	0	34	38	5	33	33	29	33	39
Total	100 (n=8)	100 (n=38)	100 (n=45)	100 (n=20)	100 (n=18)	100 (n=51)	100 (n=28)	100 (n=15)	100 (n=78)

Source: Authors' Elaboration.

In most sectors, 1 in 3 women have work experience from three or more sectors, but sector-internal careers are more often found among women in the media, in research and in business. Social capital assets are therefore not evenly distributed between the various sectors, and this systematic opposition between unipositional and multipositional women may hint at more systematic inequalities between the women in the field of power. In the remainder of this article, we'll analyse these inequalities in greater detail.

6. Women in the Field of Power: Class Specific Analysis

As pointed out above, the overall majority of women are located in the two quadrants to the left in factorial plane 1-2, and only a handful to the right, where the mean points for the business positions are located. Men, on the contrary, are distributed evenly in the space. The women are thus embedded in structures mainly defined by oppositions found between the male members of the élite, but not in identical ways. There are structural oppositions also in the subgroup of élite women, and it is to these differences we now turn our attention. Given that the women are located in only a few of the sectors of the space; what are the polarizing structures among the women? In what ways do they differ from the structures in the global space? Class Specific Analysis (hereafter CSA) is a technique that is particularly suited for addressing these questions, and thus also to the question of how various *subfields* are related to the structures found in the global social space. Are the oppositions in the subfields mainly replications of the structures in the social space, or do we find indications of what we, following Philip S. Gorski, might call varying degrees of heteronomy, i.e.

> the degree to which the [structuredness of positions within a given field] is influenced by other fields [Gorski 2013, 330].

As pointed out by Gorski [*Ibidem*], this is also linked to the question of relative field autonomy and thus of field and capital hierarchies. Over time, some forms of capital might become more or less valuable in field struggles. In some cases, as the Norwegian Telenor-case demonstrates, political capital might for instance trump economic capital, and thus refute an orthodox Marxist interpretation of the outcome of the process. And whereas Bourdieu often has been coined as a Marxist sociologist, Fabiani convincingly argues that this "illusion" originated in particular Anglo-American and in German misreadings of his work [Fabiani 2016, 117]. On the contrary, to simply assume that all other forms of capital can be derived from economic capital, or that the opposition between cultural and economic capital constitutes a universal capital composition principle, would imply a preconstruction of the research object

[Bourdieu, Chamboredon and Passeron 1968]. To determine the structural oppositions in a given field or a subspace, and thus the structural location of the positions, is not just a theoretical, but also an empirical question [Hjellbrekke & Korsnes 2013]. Doing a CSA is one way to analyse these questions statistically. As demonstrated by Le Roux & Rouanet [2010, 61-67], CSA searches for principal axes in a subcloud associated with a class of individuals within a global space or a global cloud. In this way, specific features of a given class or subgroup can be analysed with reference to the whole set of active individuals. The main interpretation of the results is based on the same properties as an MCA: the eigenvalues of the specific axes, and the contributions from, and the deviations between active categories. In addition, the cosines of the angles between the "old" and the "new" axes carry important information. The more similar one old and one new axis is, the closer is the cosine to +/– 1. Doing a CSA thus means doing a comparison of

a) the dimensionality in the MCA vs in the CSA;

b) the angles between the dimensions in the MCA and the CSA;

c) the more detailed interpretation of the axes from the MCA vs. the axes from the CSA.

Table 9 reveals the first sets of results:

TAB. 9 *Eigenvalues from Specific MCA and from CSA.*

	Eigenvalues, Original MCA	**Eigenvalues, CSA of Women**
Axis 1	.1077	.1102
Axis 2	.0887	.0876
Axis 3	.0783	.0783
Axis 4	.0602	.0715
Axis 5	.0533	.0690

Source: Authors' Elaboration

Judged from the eigenvalues, the strongest opposition among the women, Axis 1, is even stronger than Axis 1 in the global space (.1102 against .1077). As in the global space, there are at least three axes to interpret, but the drop from axis 3 to axis 4 is far smaller in the CSA than in the MCA. Upon closer inspection of the more detailed results, Axis 4 is primarily describing a subgroup of unmarried women (>35% of the contribution to axis 4 stems from this category). It is thus clearly a second order axis. And even though this particular group or category of women is sociologically interesting, the drop in the eigenvalues from axis 3 to axes 4 and 5 is a clear indication that in the CSA only 3 axes should be retained for further interpretation.

From the results in Table 10, it is clear that not only is the dimensionality in the two spaces different. The most important axes in the MCA and in the CSA are either not identical to each other, or ranked differently:

TAB. 10 *Cosines, Axes from MCA and CSA*

	Axis 1 CSA	**Axis 2 CSA**	**Axis 3 CSA**
Axis 1 MCA	.1059	.3414	.0682
Axis 2 MCA	.9489	.0202	-.0155
Axis 3 MCA	-.0209	.4840	.5546
Axis 4 MCA	-.0842	-.3869	.1198

Source: Authors' Elaboration

Axis 1 in the MCA, the economic capital axis, is not at all present in the CSA. With a cosine at .9489, Axis 1 in the CSA, however, displays a strong similarity to axis 2 in the MCA, i.e. the social mobility/field seniority axis. With the economic capital axis "removed," the social mobility dimension becomes the most important structural opposition among the women. In general, the contrast between "the inheritors" and the "newcomers" is therefore more prominent among women than among men.

With their highest cosines at .484 and .5546, and thus standing at 61 and 56 degrees on axis 3 from the MCA, the other two axes we have retained from the CSA are dimensions that are more unique for the women. The contributions from the blocks of variables are listed in Table 11:

TAB. 11 *Contributions from Blocks of Variables to Axes 1-3, CSA.*

	Axis 1	**Axis 2**	**Axis 3**
Economic Capital	3.1	22.0	18.6
Personal Educational Capital	18.4	4.9	13.9
Inherited and Family Related Educational Capital	18.8	11.2	10.4
Personal Social Capital	6.9	14.7	7.3
Inherited Social Capital	32.6	25.6	7,7
Professional Trajectory	20.2	21.6	42.1
Total	100	100	100

Source: Authors' Elaboration

Compared to the distributions in Table 5, there are some striking differences. Firstly, the contribution from the block on economic capital is far lower to axis 1, and more evenly distributed on axes 2 and 3. If economic capital assets at all exert a polarizing capacity among women, it is most likely in combination with other capital assets, and not on their own. Secondly, in the CSA, the two blocks on inherited capital constitute a primary opposition along the most important axis, with a combined contribution of 51.4% to axis 1 (18.8 + 32.6). In the global space, the economic capital assets establish the primary opposition, but among the women, it is the inherited capital assets. Thirdly, with 42.1% of the contribution to axis 3, the variables on professional trajectory contribute more strongly to this axis than they do in the global analysis. The individual's trajectory might therefore be more prominent among women than among men.

An inspection of the cloud of categories yields important additional information on these oppositions. The categories with the highest contribution to axis 1 are shown in Figure 3:

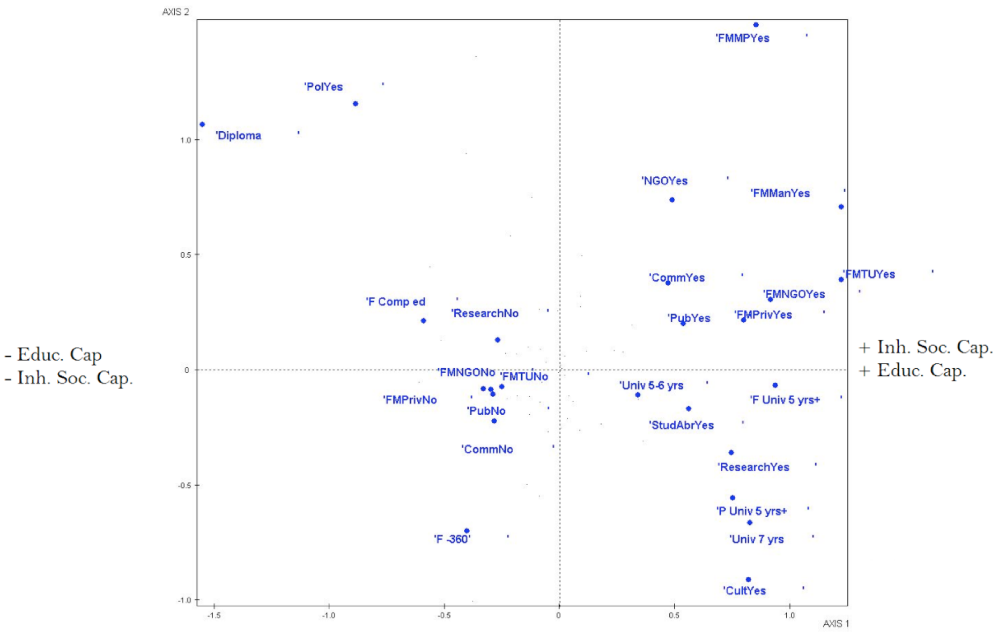

FIG. 3. Contributions to Axis 1, CSA.

Note: F: Father; FM: Father/Mother; P; Partner; TU: Trade Union.

Source: Authors' elaboration.

Summed up, Axis 1 describes a systematic opposition between inheritors and newcomers, which is also an opposition between "the haves" and "the have nots" in terms of

a) High and low volumes of inherited social capital (ISC), measured by the parents' board memberships at national level;

b) High and low volumes of personal and inherited educational capital assets;

c) Having and not having a board membership in public company, i.e. a type of personal social capital of high importance in the Norwegian political system;

d) Having/not having worked in research, in culture and/or in NGOs.

Also, *but in the opposite direction*, the axis opposes having from not having worked in politics, suggesting that for the least capital-strong women in the Norwegian field of power, i.e. the newcomers, participation in politics may be an easier road to upward social mobility into the field. For "the haves," the reproduction of social capital assets is strong, also among the women. Summed up, as volume axis, axis 1 is primarily separating low and high volumes cultural and inherited social and cultural capital, but not high and low volumes of economic capital.

The opposition with respect to social origin along axis one has proven to be a general opposition in the Norwegian field of power and in its various subfields, both in the political subfield and in the subfield of administration. As such, it constitutes one of the clearest homologies between the various subfields [Hjellbrekke & Korsnes 2014]. Evidently, this opposition is not only also present among the women; it is actually *stronger* among women than among men.

The categories with highest contributions to Axis 2 are depicted in Figure 4:

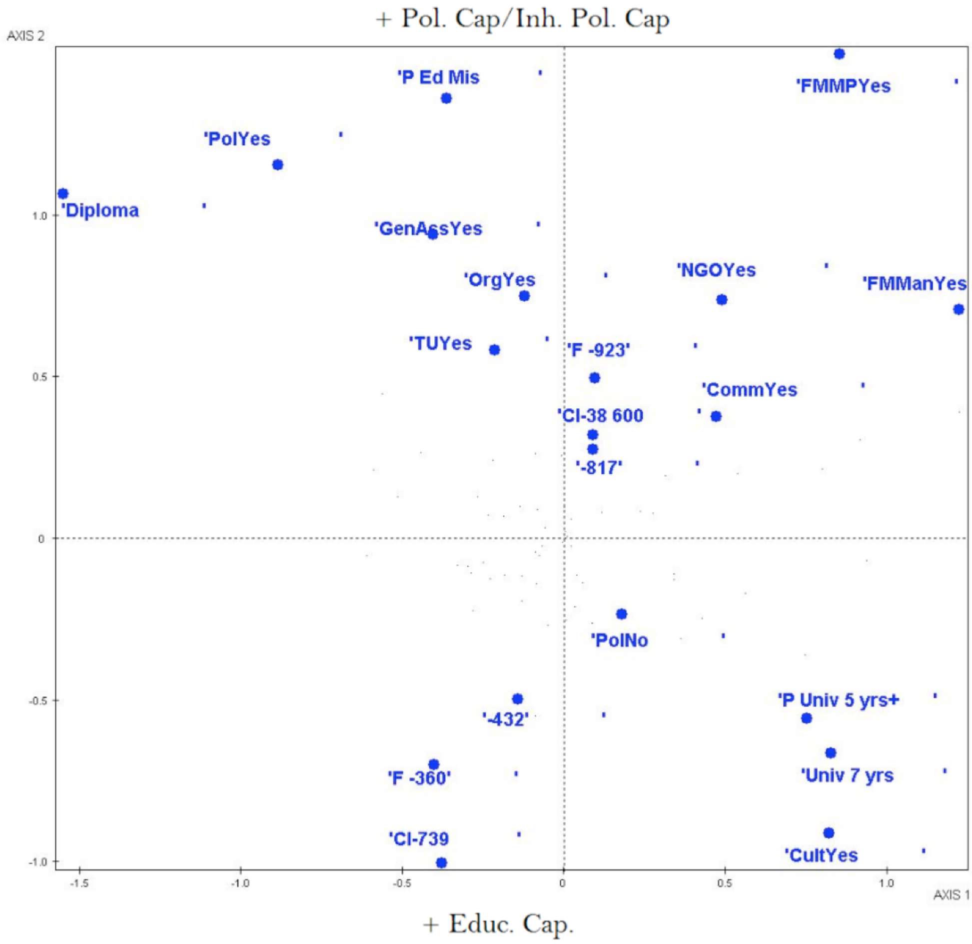

FIG. 4. Contributions to Axis 2, CSA.

Note: F: Father; FM: Father/Mother; P: Partner; CI: Capital Income; F: Fortune; (Number): Income.

Source: Authors' elaboration.

If axis 1 can be labelled a capital *volume* axis, axis 2 is more of a capital *structure* axis, describing an opposition between:

a) The highest volumes of personal educational capital/spouse's educational capital level vs. high volumes of specific types of inherited social capital (herafter ISC), in particular ISC related to the field of politics;

b) Having/not having worked in organisations/NGOs/politics/Trade unions (binary variables);

c) Having/not having worked in Culture (stands in opposition to politics);

d) Between the lowest (all three categories for all three indicator variables) and intermediate economic capital levels (all three categories for all three indicator variables).

Summed up, the axis describes an opposition between cultural capital on the one side and economic, political and field specific types of social capital. This axis is unique for the women in the field of power, but even so, the axis describes a general opposition within this subgroup; the contributions from the categories are balanced, and no single category has a very high contribution to the axis. This axis is unique for the women in the field of power, and describes a general internal opposition between women who have gained their positions mainly through educational success, and who tend to be married with equally highly educated men, making their carrier rather in the cultural field than through interest organisations, NGOs and politics, vs. women who more often have made their way through interest organisations, NGOs and politics, and who tend to have parents who have held high positions in the same fields.

Axis 3, however, is more of a second order axis. The contributions to axis 3 are more skewed than the contributions to axes 1 and 2, and two categories – work experience from culture and work experience from media ("CultYes" and "MediaYes") – have a total of 23.4% of the contribution to the axis. The axis therefore mainly describes an *internal* opposition between various forms of personal social capital, stemming from work experience:

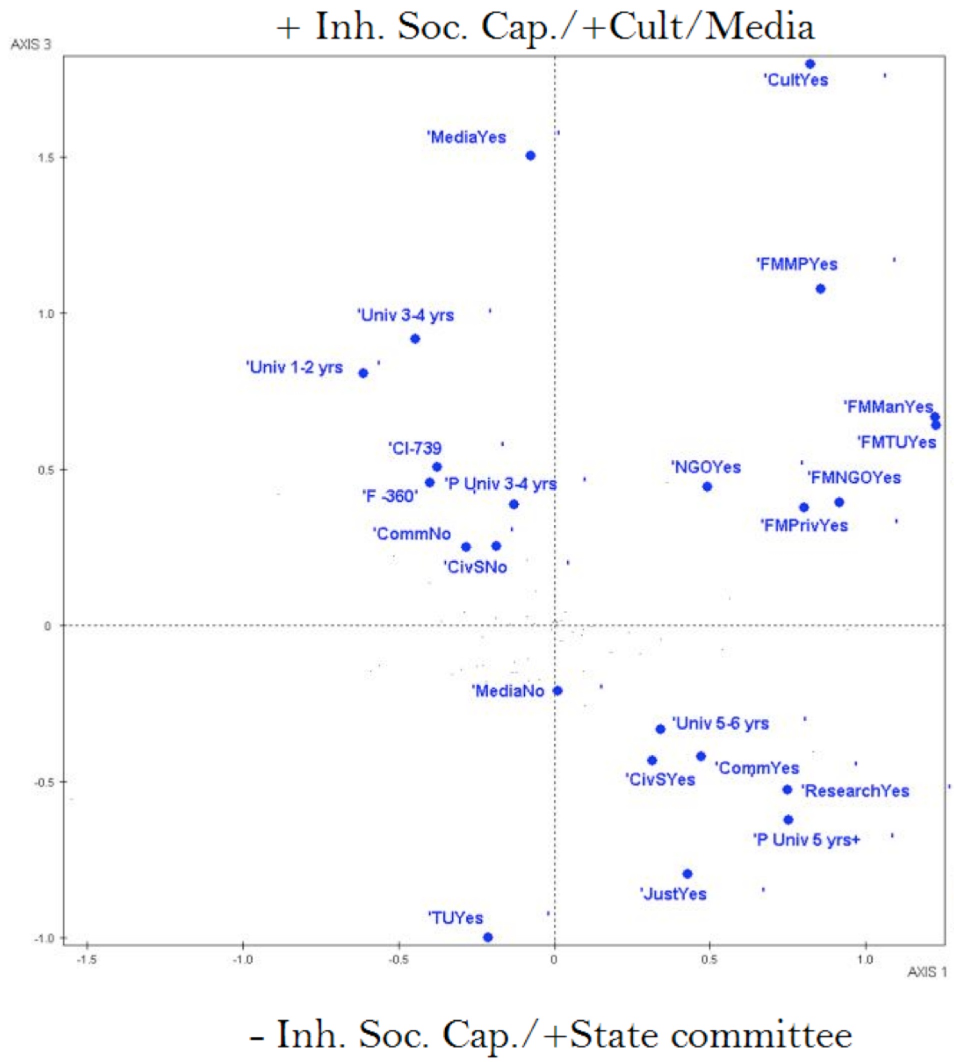

FIG. 5. Contributions to Axis 3, CSA.
Source: Authors' elaboration.

Experience from culture and media is opposed to experience from trade unions, civil service, research and justice. Furthermore, axis 3 describes:

a) An opposition between high and low volumes of inherited social capital;

b) An opposition between intermediate and higher volumes of personal educational capital;

c) An opposition between being/not being member of a State committee.

But given that the axis is more of a second order axis, we will put less emphasis on it when commenting on the sectorial oppositions internally among the women.

7. Sectorial Oppositions

The sectors' mean category points in factorial plane 1-2 in the space from the CSA are presented in the cloud of individuals in Fig. 6:

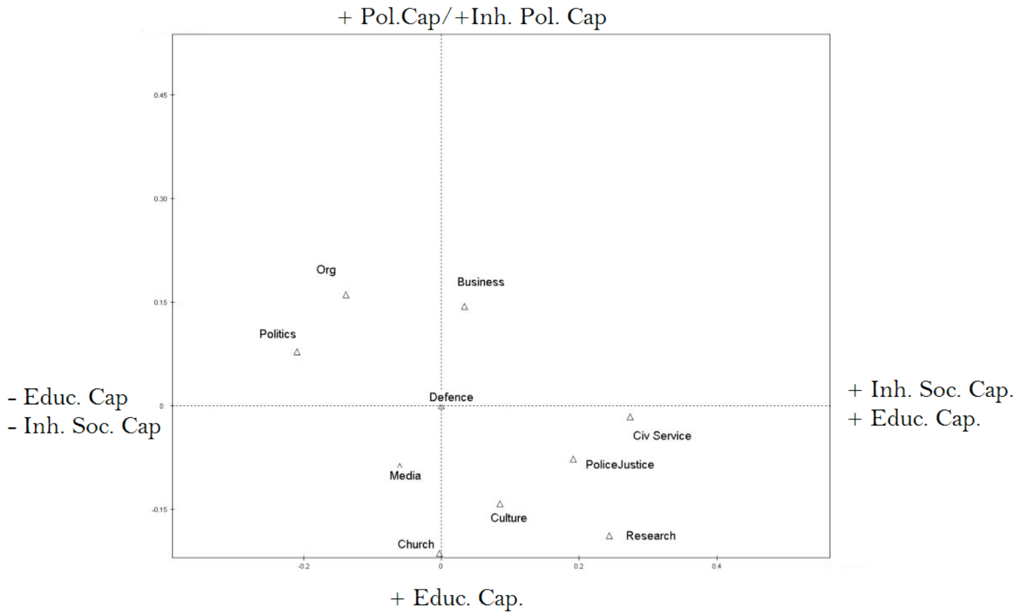

FIG. 6. Sectors in Factorial Plane 1-2. CSA.

Source: Authors' elaboration.

Along axis 1, the scaled deviation between having worked in politics or in organizations, and having had a career in civil service, in the police or in justice, or in research, is >1.0 SD [see Le Roux & Rouanet 2010, 71]. Furthermore, along axis 2, the deviation between organizations and business on the positive side of the axis (upper quadrants), and between church, culture and research is >1.0 SD. Along axis 3, the second order axis (not shown), the deviation between Media vs Police, Research and Organization is even larger, and stands at > 1.6SDs. Among the women, the degree of sectorial polarization is therefore notable. Clearly, "politics as a vocation" and "science [or law] as a vocation," to paraphrase Weber [1978 (1922)], turn out to be almost mutually excluding careers for the women in the field of power. And women in the media are separated, and in some respects one could even say structurally isolated, from the others. So far the results from CSA thus confirm our analysis of gender inequalities with respect to institutionalized social capital.

However, compared to the distribution in the global space, the sectorial oppositions in factorial plane 1-2 from the CSA display more of a bi-polar than a tri-polar structure, where positions in politics and in organizations are contrasted to positions in higher civil service, the judicial system and in research. These two poles also constitute two poles of what we might call "poles of internal circulation." One might have worked in both politics and organizations, or in higher civil service, academia and in the judicial system. But to cross the barrier between these two clusters is far more seldom.

To sum up, when measured by the number of sectors in which an individual has worked, the degree of multipositionality is at about the same level for men and women. But the *composition* of multipositionality, as this can be measured by work experience from specific sectors, differs between the two sexes. In this respect, the social capital assets tend to leave women with fewer options, and thus with a weaker potential for capital conversion, than men. Against this background, how many distinct subgroups of women can we identify within this subspace?

8. Groups of Women: Cluster Analysis

The subgroups within this élite sample have been identified by way of ascending hierarchical cluster (AHC] analysis based on Ward's minimum variance clustering method [Romesburg 2004]. The basis for the clustering is the individual women's factor-coordinates on all the dimensions in the CSA. The axes from the CSA are thus defined as variables in the AHC, and the interpretation of the clusters is based on the principles outlined in Denord *et al.* [2011].

We have retained three clusters for interpretation.

Cluster one (n=132) is the largest cluster, with 43.8% of the respondents. Respondents with low volumes of educational and inherited cultural and also inherited social capital are underrepresented, as are women with shorter university level educations. Women with experience from politics and/or organisations are overrepresented. Summed up, cluster 1 is the cluster of politicians, "outsiders" and "newcomers" in the field of power; a cluster of upwardly mobile women with low global capital volumes.

Cluster two (n=105) sums up 34.9% of the female respondents. Unlike cluster 1, respondents with the highest educations, with partners with the highest educations, with no own work experience from politics, but with work experience from research, from justice and from civil service, are all overrepresented. The volume of inherited cultural and inherited social capital is, however, low. This is therefore a cluster of what may be called "Meritocrats;" females in the field of power with the highest volumes of personal cultural capital, measured by their educational level, with low volumes of most other forms of capital. Both the members of cluster #1 and cluster #2 have upward mobility trajectories, but because of their high volumes of personal cultural capital, members of cluster #2 stand in sharp contrast to the members of cluster #1.

Cluster three (n=64) sums up 21.3% of the respondents. In this cluster, we find an overrepresentation of respondents with the highest volumes of inherited social capital and also the highest volumes of personal social capital, measured by the number of sectors to which a person is connected through regular and formal meetings. Respondents with high levels of inherited cultural capital are also overrepresented, as are women with work experience from NGOs, Culture and from Media. In many ways this is a cluster of "inheritors." Unlike the members of cluster #1, they have high levels of inherited capital, and unlike the members of cluster #2, their own educational levels are not the highest. Their main asset, the high volumes of inherited social capital, gives recognition in the field and also potential access to resources linked to networks based on their family of origin.

Summed up, these three clusters establish a clear-cut, tri-polar opposition among the women that is far less clear among the men. A nearby conclusion is therefore that the field trajectories that lead to either one of these clusters are more typical among the women than among the men, and that more trajectories and capital accumulation strategies are open to men than women.

9. Conclusion

As we have shown, Norwegians' societal perceptions stand out from the ones of other Europeans in that they hold a far more egalitarian view of their own society, and also differ from those of their Swedish neighbours. But when it comes to the gendered recruitment to élite positions, the differences are seemingly less important. As a recent Danish study indicates [Larsen, Ellersgaard and Bernsen 2015], the Norwegian case is not unique. Whereas both Denmark and Norway might be special cases of Hartmann's [2006 and 2007] more general model of élite recruitment, the recruitment to élite positions is strongly gendered in both countries. Also in Esping-Andersen's [1990] social democratic welfare state-regime, men dominate the élite recruitment to all sectors and to all positions.

But as our analysis also demonstrates, the Norwegian field of power is gendered in more than one way. The main tri-polar structural opposition in the field of power is clearly gendered, as it is the men who overwhelmingly occupy the positions in the economic pole in this opposition. At the same time it is gendered in the sense that the trajectories of women constitute its own tri-polar structure of oppositions within the main structure. And these gendered structural oppositions tend to reproduce each other: as long as women do not access, or get access to the economic pole, their trajectories will tend to reproduce their internal structural oppositions, and as long as these oppositions are reproduced they will not access the economic pole. The Telenor case illustrates how difficult it may be for women to change this pattern. But it also illustrates how it may be changed – by women.

Acknowledgements

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Women in the Field of Power

Abstract: This article analyzes capital structures among women in the Norwegian field of power, based on data from the Norwegian Power and Democracy Survey on élites. Inspired by Bourdieu's field theoretical approach, and by way of class specific multiple correspondence analysis and ascending hierarchical cluster analysis, we find that three main capital axes separate internally among the women, in contrast to four among the men. Whereas economic capital polarizes strongly internally among men and in the global field of power, this dimension is not a powerful capital dimension internally among the women. With respect to social capital assets, there are no major differences between men and women when it comes to the degree of endogamy, but sectorial differences are found between the women. Finally, three main subgroups of women are identified: "outsiders," "meritocrats" and "inheritors."

Keywords: Field of Power; Women; Bourdieu; Capital; Gender Inequality.

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Where is the Global Corporate Élite? A Large-scale Network Study of Local and Nonlocal Interlocking Directorates

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Where is the Global Corporate Élite?

A Large-scale Network Study of Local and Nonlocal Interlocking Directorates

by Eelke M. Heemskerk, Frank W. Takes, Javier Garcia-Bernardo *and* M. Jouke Huijzer

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1. Why We Should *Not* Study Transnational Corporate Élites

With the growing internationalization of business during the second half of the Twentieth century, critical scholars increasingly saw a development where the élites who own and control corporations cease to be organized or divided along national lines. Instead, they expect the formation of a "transnational capitalist class" [Burris and Staples 2012, 324]. They predicted that the national identities of corporate élites would be replaced by a common transnational identity with a shared sense of economic interests and an enhanced capacity for unified political action [Robinson 2004; Sklair 2001]. Robinson, for instance, holds in his *Theory of Global Capitalism* that the dynamics that caused the formation of national capitalist classes, are now unfolding on a transnational scale. After the hegemonic periods of respectively Holland, Britain and the US,

> the baton is being passed to an emerging transnational configuration [and] we are witness to an emerging transnational hegemony in a process that is contested and far from finished, the emergence of a new historic block that is global in scope and based on the hegemony of transnational capital [Robinson 2004, 77].

Robinson expects that the main contradictions that emerge in the process of globalization will be between the nationally oriented bourgeoisie and the élites that have an interest beyond the nation states boundaries.

Unfortunately, much of the literature on the emergence of a transnational capitalist class drew on a mixture of anecdotal evidence and theoretically informed speculation, as is rightly pointed out by Burris and Staples [2012, 324]. Notable exceptions exist however. Fennema [1982], for instance, was the first to empirically analyze the transnational network of interlocking directorates directors that sit on the boards of two companies and thus form a connection between the two firms. He found that by 1970 there was an Atlantic component of interlocking directorates, which had national clusters connected by international interlocks. By 1976 this network had become much more transnational; the number of international interlocks in the Atlantic component had increased by 50 percent. However, the transnational network of board interlocks was primarily established between neighboring countries in Europe, crossed to a lesser extent the Atlantic, and hardly connected upcoming economic regions in Asia or the rest of the world [*Ibidem*]. Board interlocks proved a helpful element in the empirical studies on social corporate élite organization. Scholars have argued that board interlocks serve to reduce economic uncertainty and secure resources from banks and suppliers. Others see them as a mean to maintain class cohesion [Mills 1956; Zeitlin 1974], integrate new élites and facilitate class-wide political action [Domhoff 1970]. Other perspectives hold that board interlocks together form a communication system and provide a "business scan" [Useem 1984] allowing for the spread of business strategies and information about (future) economic trends and challenges.[1] Of course, we should not reduce the entire (transnational) corporate élite community (and its various sources of integration) to the practice of interlocking corporate directorships. For sure, there are many key actors in the business community outside the set of corporate board members, such as lawyers, accountants, but also fund managers and perhaps even regulators. Yet, whatever their purpose, board interlocks are present in practically every country and, as such, are studied being a meaningful indicator of élite social organization [David and Westerhuis 2014; Scott 1991].

Most empirical work on business élite networks in the Twentieth century looked exclusively at connections within particular countries. The transnational corporate élite was debated and theorized, but, aside from the work of Fennema [1982] and Fennema and Schijf [1985], empirical research remained scarce. In the Twenty- first century, however, increased attention was paid to the transnational network. A follow up study on the pioneering work of Fennema [1982] by Carroll and Fennema [2002] on the transnational network found that twenty years after 1976, the transnational network of interlocking directorates remained remarkably stable. Although it

[1] See Davis and Greve [1997], or Mizruchi [1996] for a review.

was coined the age of globalization, by the mid-1990s the network of transnational corporate élites still comprised mainly corporate directors and executives from the leading capitalist countries in North America and Europe.[2] In the early years of the Twenty-first century, things start to change. By the mid-2000s the top of the transnational network also connected to élites in countries such as India, Mexico, Singapore, Turkey, Brazil and China, leading Carroll *et al.* [2010a, 233] to conclude that a transnational capitalist class was "in the making, but not (yet) made." Most recent empirical work underscores the resilience of the transnational network in the wake of the decline of national network cohesion and point at the increasing relevance of these transnational ties [Heemskerk *et al.* 2016]. A transnational corporate élite may have finally arrived.

A consistent but often overlooked finding is that the increase in transnational corporate networks typically does not connect far away regions in the world, but rather integrates business élites that are relatively nearby, such as in Europe, or North America [Carroll *et al.* 2010a and 2010b; Fennema and Schijf 1985]. And this may have important repercussions for those who expect a transnational corporate élite identity to emerge. After all it is fair to say that a board interlock between a German and a Dutch, an USA and a Canadian, or a Venezuelan and a Colombian firm is qualitatively different from ties that span different regions of the globe, and connect for instance firms in the USA with China, Spain with India, or Italy with Brazil. This begs the question whether these nearby ties, although they connect the boards of firms domiciled in different countries, are indeed the building blocks of global élite networks. This question is part of the more general problem of theoretical and methodological nationalism. Theoretically, "transnational" is always defined in relation to the "national." Empirically, we often only have data available that allows us to study and compare network patterns between countries. If our theoretical concepts are based on countries, and our empirical data is organized in countries, it may come as no surprise that we find that countries are important. For the literature on corporate élites this distinction in national and international has led to the search for élite networks that stand free from national business communities as a hallmark sign for the transnational corporate élite. But by assuming that global corporate élites emerge when they transcend national borders, one fails to acknowledge that corporate élite networks are often delineated by boundaries that not necessarily coincide with that of the nation state. Historical, cultural, geographical and political factors determine how and where the global corporate élites are organizing and whether the nation state is a meaningful spatial category to depart from. We should therefore make an effort to

[2] See also Kentor and Jang [2004].

develop theoretical and empirical approaches that leave behind the a priori focus on the nation state as the most relevant spatial category for corporate élite organization.

2. Local and Nonlocal Corporate Élite Networks

2.1. *The Reorganization of the Local*

In order to accommodate our effort to come up with an approach that does not container corporate networks a priori within the boundaries of the nation state, we turn to Kono *et al.* [1998], who introduced the useful distinction between local and nonlocal ties. This distinction is helpful because it allows the analysis of the structure of networks of interlocking directorates without presupposing that the nation state is the most important level of élite organization. The dominant approach in the contemporary literature is to think about national corporate élite networks as the local, and consider transnational ties that cross national borders as the nonlocal. But the increase in corporate élite network cohesion across Europe mentioned above points at alternative reading: it may well be the case that what is local for corporate élites is what is changing. And this would not be the first time either. From detailed country studies, we know that in the first half of the Twentieth century, corporate élites where typically organized around cities [Dooley 1969; Levine 1972; Allen 1978]. In the USA, the Boston banking élite was different from the one in New York [Pak 2013; Mizruchi 2013]. Even in a small country as the Netherlands, the pre-World War II corporate élite was organized in the distinct élite communities of Amsterdam, Rotterdam, The Hague (with ties to the Dutch colonies) and the textile industry around Enschede [Heemskerk 2007]. There is ample evidence of how these local élites organized their cohesion through upper class social interactions.

Drawing on urban growth machine theory of Molotch [1976], Kono *et al.* [1998] argue that well into the Twentieth century, the growth and business opportunities of most firms were predominantly a local affair, which required effective coordination by public and private actors within cities. To achieve this, corporate élites and state officials knit together in local growth coalitions in order to shape public policy that fosters local growth and as such advance their interests. If successful, some of the larger firms were able to expand their activities beyond the local growth coalition. This led to nonlocal ties between cities; sometimes in the same country, sometimes crossing national borders as well. According to Kono *et al.* [1998], local ties and nonlocal ties are differently motivated and established by different sorts of firms. Firms that depend on local growth interlock primarily with local firms. Conversely, firms with suppliers and production outside the local region are more likely to interlock with geographically more distant firms.

This organization of élite cohesion at the local city level changed over the course of the Twentieth century when corporate élites gradually integrated with other established networks within the boundaries of the nation state. In the second half of the Twentieth century we see how these separate local élite communities that were primarily centered around particular cities, gradually merge together in national corporate élites. This transformation is perhaps best exemplified in the mergers of banks that used to serve the interest of regional business communities and in the emergence of national networks of interlocking directorates [Heemskerk 2007; Mizruchi 2013; David and Westerhuis 2014]. What was considered as local for the business élite changed, and with it their networks changed as well. By the last quarter of the Twentieth century, social organization of corporate élites at the local level meant in most areas in the world social organization at the national level.

And with the change of the local, the nonlocal changed as well. The oil crisis in the 1970s prompted the now national corporate élites to invest in new nonlocal (and hence transnational) ties with corporations outside of their national business communities (as pointed about above). And in line with the expectations of Kono *et al.* [1998], firms that engaged in these nonlocal transnational interlocking were typically production firms with a global reach, such as the globally operating oil companies (Shell, BP, Gulf Oil and Imperial Oil), car producers (Ford, FIAT, General Motors) and steel firms (Rio Tinto, British Steel) [Heemskerk *et al.* 2016].

The local, thus, varies in scope over time and space. In this article, we do not hold a predefined conception of what is local and what is nonlocal, as we accept that what is local may differ across various areas of the world. That business communities knit together and reconfigure the local in one place, does not mean that the same processes are taking place elsewhere. That some subnational business communities transformed into national business communities does not mean that all business communities became national in scope, nor that this transformation always took place along national borders. Consequently, we maintain that what is local is to be inferred from the empirical, rather than forced upon the empirical.

2.2. *What is Local in a Globalized World?*

There are good reasons to expect that for the contemporary corporate élite, again a reconfiguration of the local is taking place in many areas in the world. At least three empirical observations point into this direction. First, as mentioned above, the increase in transnational board interlocks in the Twenty-first century [Carroll and Fennema 2002; Kentor and Jang 2004]. Here it is important to mention that transnational interlocking predominantly takes place within certain regions such as Europe and North America. Second, while transnational board interlocks used to be created by a small élite group of corporate directors, it has now become much more common practice among corporate élites. A study of the European network of board interlocks in 2005 and 2010 showed that the hard core of European corporate directors who created at least four Pan-European interlocks remains stable in size (respectively 16 and 17 directors), but their contributions to the overall network density drops from 46 percent in 2005 to 25 percent by 2010 [Heemskerk *et al*. 2013, 92]. In similar vein, for the global network of board interlocks between a group of top 176 global firms we see that the contributions of the big linkers (at least four positions) drops from 31% in 1976 to 20% in 2006 and 12% by 2013. The role of single linkers, directors with two positions, increases at the same time from 45% in 1976 to 57% by 2013 [Heemskerk *et al*. 2016, 78]. This suggests that it becomes more common for corporate directors to engage in transnational board interlocks, and that the transnational network is no longer the domain of a few super connectors. Third, a recent study of the global network of interlocking directorates among the largest one million firms in the world showed that although we see increasing density of the European corporate network over the past decades, the underlying network structure remains in fact very regionalized. Because this study was not restricted to the top 300 or 500 largest firms it provided a much more fine-grained perspective on the social structure of Europe's corporate élite. Where Carroll and Fennema [2002] concluded that by 1996 the transnational corporate élite network was still best described as a superstructure that rested upon rather resilient national bases, Heemskerk and Takes find a

> multilevel structure where, in between the national and the transnational, discernible regional clusters play a fundamental role in the network architecture [2016, 112].

In what follows we study the patterns of local and nonlocal corporate élite organization. In today's world, what is considered local may very well cross national borders. And conversely, there may be nonlocal ties within one country as well. Imagine emerging markets, where some parts of the business élite try to integrate with the western élites and others are more oriented to their respective states. The truly global part of the corporate élite network is that which connects across business communities, disregarding its geographic position or scope. This raises the question of how to distinguish between local and nonlocal ties, without using a geographic definition such as national vs. international. In what follows we use a network analysis approach of community detection as a means of locating local and nonlocal ties based on the properties of the network structure itself.

3. A Large-scale Network Analytic Approach to Spatial Élite Organization

3.1. *Community Detection*

From a network perspective, communities are groups of nodes that share more connections with each other than with others outside the community. Communities are dense interconnected pockets of a network, where its members have a high degree of interconnectedness. We can define local ties as the set of ties that connect nodes that are all a member of the same community. Local ties are intra-community ties, regardless of whether this community is bounded by subnational, national or regional boundaries. And in similar vein, ties that connect points across different communities can be designated as nonlocal ties. Following this approach of local and nonlocal we do not assume that geographic distance or political dividing lines such as national borders are crucial for the formation of communities. But at the same time we do not preclude it either. This approach allows us to make the extent to which the corporate élite is organized along national borders an empirical question. It also allows for diversity in the (multi-level) organization of corporate élites from place to place. The local business community may at some places be a network centered around a particular city, whereas in other regions it is centered around a country or a transnational region. Hence, we reveal the geographic organization of the global corporate élite, and to do so we do not start with a geographically informed notion of local and nonlocal.

Previous studies typically focused on the networks of board interlocks between a few hundred of the largest corporations. Here we take a different approach and study a database that covers millions of firms across the globe. The benefit of this approach is that it releases us from the need to look at the most likely places of élite integration, and actually study the entire universe of interlocking directorates. In our analysis we study the network of board interlocks between a set of over five million connected firms across the globe. As we are interested in the geographic organization of the corporate élite, we consider the city locations of the head offices of all firms. This allows us to study how these locations are clustered in communities and which cities play a more or less important role in the creation of the nonlocal network ties. Yet, studying this number of board interlocks without delimiting our sample to a predetermined subset of firms also raises a question on whether all ties under study can be considered as élite-ties. A board interlock between two large firms whose operations span the globe supposedly serves different purposes than a tie between two small private firms connecting two nearby cities. From a global perspective, the latter tie can hardly be regarded an élite tie, while at a lower level of analysis the tie may still reinvigorate local growth coalitions. Rather than identifying the different characteristics of various corporate élite ties, our effort consists of an attempt to geographically locate the ties that span current local growth coalitions and are therefore most likely to accommodate global or regional élite integration. Since this is the first time the global network of board interlocks has been studied in this scope we first describe and analyze its overall structure before we distill pattern of communities. Subsequently we investigate which cities are central in spanning the networks within and between communities.

3.2. *Methods*

To better understand our board interlock network, we use social network analysis techniques. First, we are interested in finding communities, a process commonly referred to as community detection. We choose to do so using modularity maximization. Modularity is a measure that indicates the quality of a division of the entire network into non-overlapping communities. A higher modularity value means that over the entire network, there are more connections between nodes in the same cluster than between nodes in different communities. Because the problem of finding the best division of a network into communities is NP-complete, community detection algorithms try to maximize the modularity value using heuristics and approximations. We use the common Louvain method [Blondel *et al.* 2008]. To assess the stability of the communities we find, we compared the results with some other modularity maximization algorithms that maximize the value using randomized methods. We observed no notable differences, apart from small artifacts of randomization.

Second, centrality measures allow nodes to be ranked based on their structural position in the network. We use degree, eccentricity and betweenness centrality. The degree centrality measure determines for each node a centrality value based on the degree (number of connections) of that node, where a node with a higher number of connections is assumed to be more central. Degree centrality only considers the local neighborhood of a city as it counts the number of direct connections. It does not consider how a city is positioned in the network at large, for instance if it is in the core or in the periphery of the network. For this we turn to the second centrality measure, eccentricity. For each node in a network, eccentricity considers the shortest paths to all other nodes in that network. The longest of such paths gives the eccentricity score. For example, city that has an eccentricity of five can reach all other cities in at most five steps [Takes and Kosters 2013]. Third, betweenness centrality considers a node to be more central if it is part of a relatively larger number of shortest paths between all other node pairs, i.e. if it is a bridge between communities [Brandes 2008].

3.3. *Data*

The data source is the ORBIS database of Bureau van Dijk. This database contains information on over 200 million private and public companies across the globe. The ORBIS database has frequently been identified as one of the best sources of information for research on corporate networks [Vitali *et al.* 2011; Compston 2013]. At the same time, we need to take into account the limitations of this data as well. It is sourced from various local information providers (such as national registers and chambers of commerce), and the quality of the data does differ with a bias towards better quality for richer countries. An exception to this trend is North America, whose data quality is moderate. Thus, our results may be downplaying the role of the United States in the global network For a more elaborate discussion on the quality of the ORBIS data, see Heemskerk and Takes [2016]. Notably, we do not limit ourselves to listed firms as that would exclude large parts of the economy. In this we follow common approach in the literature on global corporate board networks.

In selecting the firms and directors to construct the board interlock network, we proceeded as follows. In September 2015, we selected from the database all firms listed as “active” for which data on positions was available. For each firm, we acquired data on its positions, selecting only those positions listed as “current” and held by actual persons (and thus not by firms). We only selected positions listed as being the chief executive officer, highest executive, supervisory board, executive board, board of directors or member of a committee. This results in a set of 18,211,838 firms where 8,090,796 senior level directors hold positions such that an interlock is created between two firms. The cities of these firms are divided over countries as shown in Figure 1.

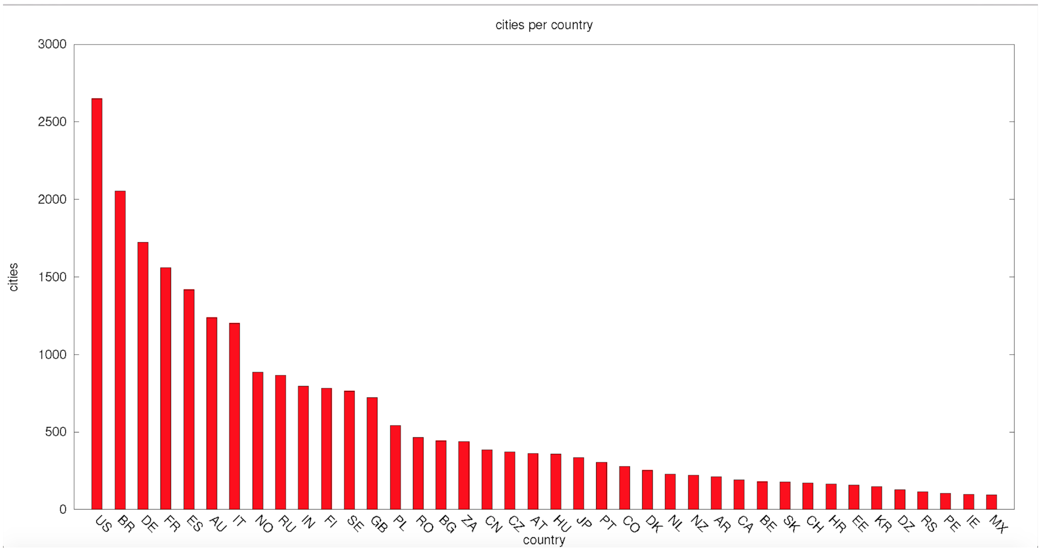

FIG. 1. Division of cities over countries
Source: Authors' elaboration

An increasingly important problem when studying board interlock networks has to do with rise in complex administrative holding structures that firms create for fiscal and legal purposes. In the myriad of legal entities that together constitute a firm or bank, it becomes very difficult to pinpoint what the proper delineation of the firm is, and which board we should consider in our analysis. Shell companies and brass plate companies in tax havens only add to this confusion. As a result, there is a fair share of board interlocks in the network that are administrative ties that exist on paper only, rather than social ties where people actually meet and participate in meaningful board conversation and decision making. It is difficult to filter out these different types of ties [Heemskerk and Takes 2016]. Here we have chosen a practical and effective approach to diminish the distorting effect of administrative ties. We eliminate the interlock ties that go hand in hand with an ownership relation of more than 50% (as registered in ORBIS), as this is then likely a parent-subsidiary or holding structure. Similarly, we ignored directors with more than 100 positions, because it is unlikely that such a person facilitates "real" interlocks.

The information on board positions is essentially a two-mode network of firms and officers linked through positions. From this we constructed a one-mode network in which the nodes represent firms and weighted edges represent shared senior level directors. The edge weight denotes the number of shared directors between the two firms the edge connects. In this firm-by-firm network, not all firms are connected to each other. In particular, the network contains multiple connected components. As is typical for these networks, there is one giant component. These 5,262,534 firms capture the majority of the interlocks. The second largest component in terms of size contains only 339 firms, and in fact 95% of the smaller components are of size smaller than 20. The majority of economic activity is captured by the giant component, and for the remainder of this paper we will therefore focus on this component.

So, we end up with a network of over 5.2 million firms that are connected by about 37 million board interlocks (the largest connected component in the network). For our analysis we consider the board interlocks between cities. To do so, we aggregate all firms that are domiciled in the same city in one node, and connect city nodes by means of a weighted edge indicating the number of interlocks between firms in these cities. Appendix A gives detailed information on how we aggregated the firms in city clusters.

4. Empirical Results

4.1. *Network Topology*

We study the network of 24,747 cities, connected through 874,810 distinct ties (which together carry the 37 million board interlocks). Because the network is an aggregation of the connected component of the underlying firm-by-firm network, all cities are connected in one component as well. On average, each city is connected to 71 other cities.

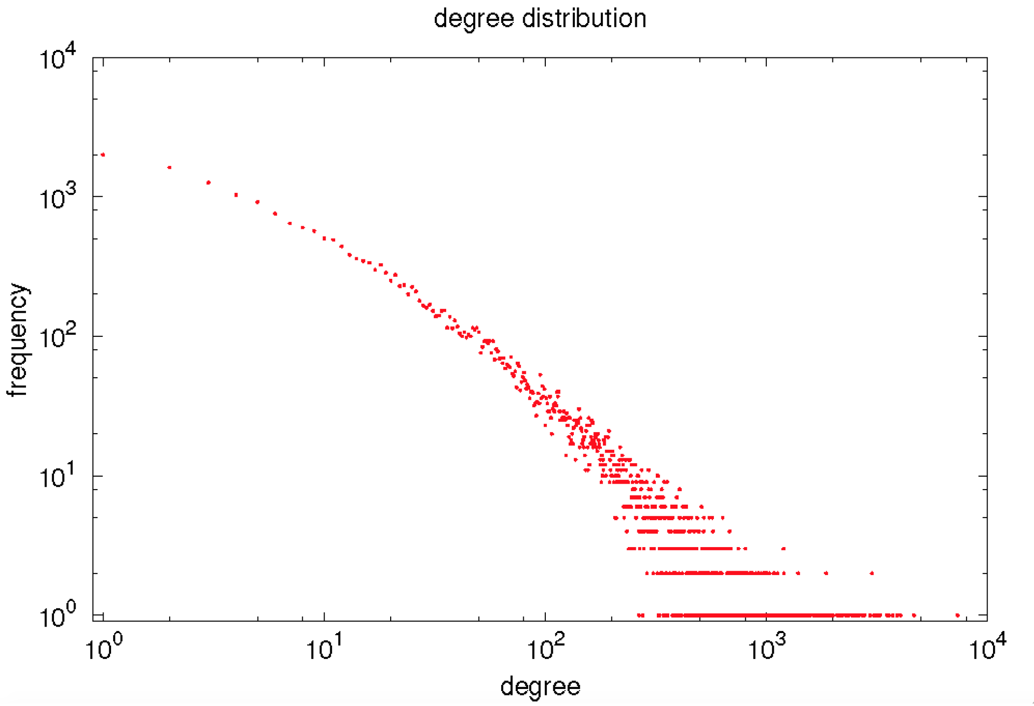

FIG. 2. Degree distribution of the city network
Source: Authors' elaboration

However, as displayed by Figure 2, there is a significant difference in the degree of connectivity of cities. A sizable group of cities have board interlock connections to no more than ten other cities, while a relatively small number of cities are super connectors, reaching out to over a 1,000 other cities. This power-law distribution signals the scale-free property of the network.

How globally connected is the corporate élite? The average distance measures the average number of steps to be traversed to get from one node to another node. It turns out that cities in the global network of interlocking directorates are interconnected with an average distance of only 2.83.

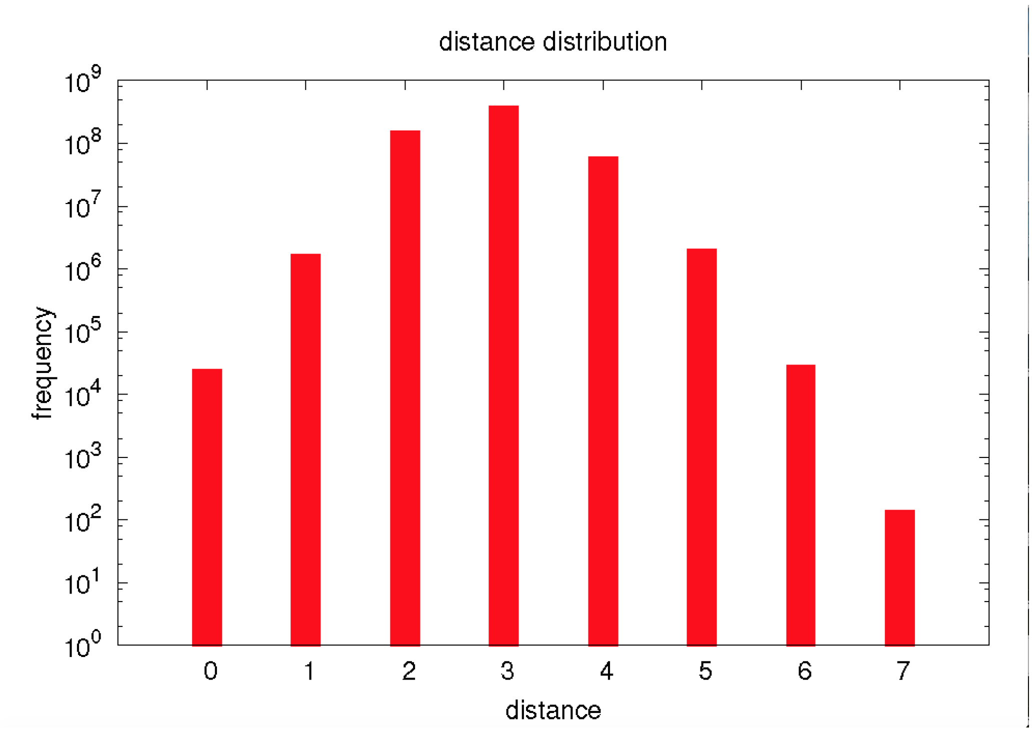

FIG. 3. Distance distribution of the city network

Source: Authors' elaboration

The distribution of average distances shown in Figure 3 indicates that the global city network is relatively well connected through interlocking directorates; it is indeed a small- world network [Kleinberg 2000]. A next step is to consider those cities that are most central in this global city network.

TAB. 1 *Eccentricity distribution of the city network*

Eccentricity value	4	5	6	7
Frequency	409	20782	3519	37

Source: Authors' Elaboration

Table 1 shows the distribution of the eccentricity values. On the rightmost end of the eccentricity spectrum there are the cities that are least well connected. The largest eccentricity score is 7, meaning that those cities are 7 steps away of at least one other city in the network. We can say these cities form the periphery. There are only 37 nodes in this periphery, which upon manual inspection appears to mainly consist of smaller businesses in rural areas of Russia and the United States. More interesting in Table 1 is the lowest value of eccentricity in the network. This value is called the radius, and the set of nodes with an eccentricity value equal to this radius are in the center of the network. The cities in the center of the network have an eccentricity of 4, meaning that they can reach all other cities in at most four steps. This group consists of 409 cities: 1.65% of the nodes in the city network.

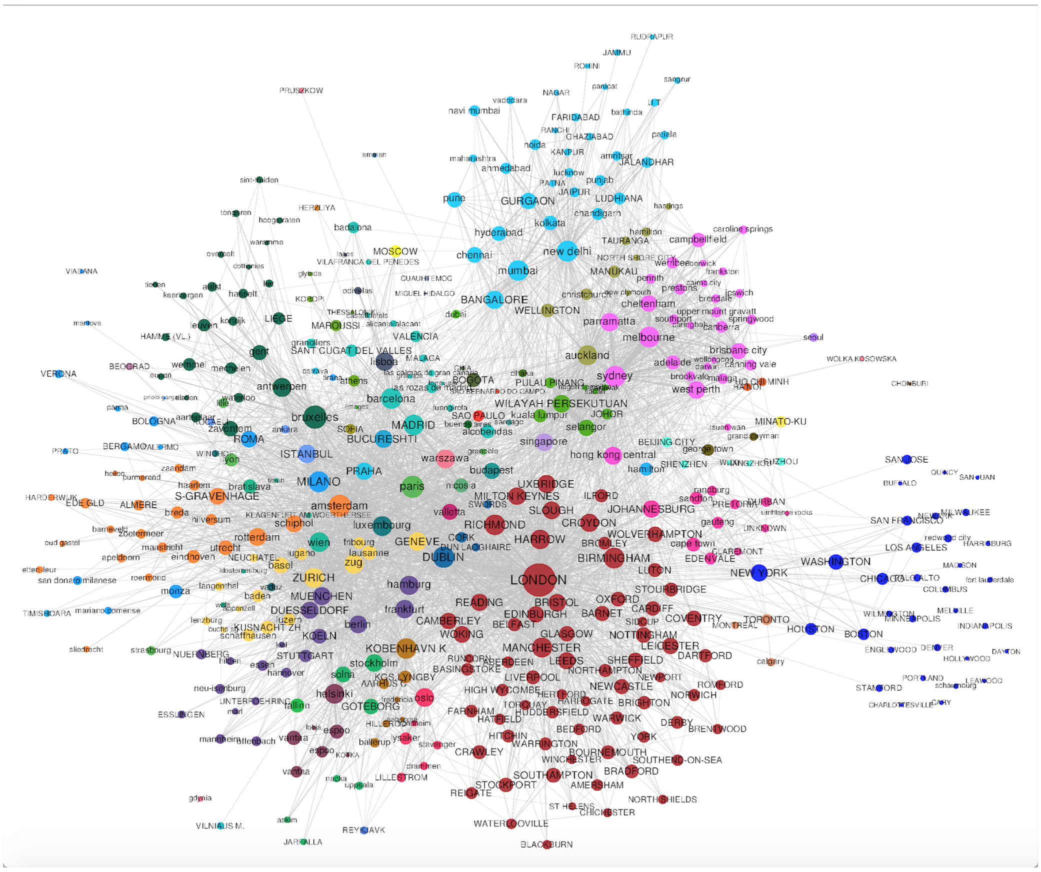

FIG. 4. Visualization of the center (eccentricity value 4) of the city network

Source: Authors' elaboration

Figure 4 shows the network between this set of central cities. For visibility reasons, we have chosen to only show edges when two cities are connected by more than 20 board interlocks. One observation clearly stands out: London is right in the center of this group of central cities. It is the most central city in the global board interlock network by both degree and betweenness measures (see Table 2).

It is followed by high degree centrality cities Paris, Madrid, Brussels, Milano, Luxembourg and Barcelona. Sao Paulo and Moscow score among the top five cities ranked by betweenness centrality, since they connect their emerging markets to the global corporate network. Cities in the United Kingdom are well connected as well, not only to other UK cities but also abroad. In fact, UK cities connect more to cities abroad than within the UK. This effect is largely driven by London, which is extraordinary well connected. This overrepresentation of international city ties is typically a feature of small countries where businesses are concentrated in a few cities, such as Belgium, Switzerland and Austria. A final observation is that although there is a fair share of USA cities in this central core, they form somewhat of a peripheral cluster, primarily connected to the rest of the world through New York, Washington and Los Angeles. However, low data quality in the USA may downplay its role in the global network (see section 3.2).

TAB. 2 *Top-25 most central cities in the city network*

Degree centrality	Betweenness centrality
London	London
Paris	Sao Paulo
Madrid	Paris
Bruxelles	Madrid
Milano	Moscow
Luxembourg	Melbourne
Barcelona	Sydney
Wien	Bruxelles
Amsterdam	Wien
Dublin	Barcelona
Oslo	Helsinki
Helsinki	Milano
Sydney	Oslo
Zurich	Bogota
Kobenhavn	Luxembourg
Melbourne	Rio De Janeiro
Hamburg	New Delhi
Auckland	Budapest
Stockholm	Auckland
Zug	Amsterdam
Berlin	Sofia
Muenchen	Washington
New Delhi	Praha
Frankfurt	Stockholm
Praha	Bucureshti

Source: Authors' Elaboration

4.2. *Local Communities in the Global Corporate Élite*

Now we turn to the key objective of this paper and distinguish between local and nonlocal network ties. As explained above, we use the method of community detection and define the ties within communities as local, and those between communities as nonlocal. When we apply the Louvain modularity maximization method for community detection at the default resolution, all cities in the network are grouped in 14 separate communities. This division in communities has a modularity value of 0.83. Previous work has studied in depth how the community structure of global networks of interlocks is hierarchically nested [Heemskerk and Takes 2016]. Here we choose to study the division in communities that generates the highest modularity value, that is, the partitioning in communities that optimizes the rule that nodes are better connected within a community than between communities.

A fair share of the board interlocks occurs between firms within cities. This means that in the network, there are self-loops which "connect" cities with themselves. Some of these self-loops have considerable weight. If we include these self-loops when applying community detection, the communities we find are slightly biased towards different countries' capitals, and fewer communities appear. London has an extraordinary strong self-loop. If self-loops are taken into account when applying community detection, London is considered as a separate community. Without the integrative power of London the rest of the British business community falls apart in 19 separate additional communities.

The cities in the UK in general and London in particular stand out in this respect. From the analysis with self-loops one can cautiously infer that the corporate communities are more sub-nationally structured than along national boundaries. Here we choose to exclude the self-loops for the community detection analysis because the large increase in communities makes our analysis of inter-community ties more difficult to interpret. Because of the hierarchically nested community structure, we do not throw away information but rather analyze the network at a higher level of aggregation. Figure 5 illustrates this by comparing how the communities with and without self-loops are hierarchically nested. The most leftward column shows for instance that the 20 separate British communities that are generated with self-loops are all part of the British community in the analysis without self-loops.

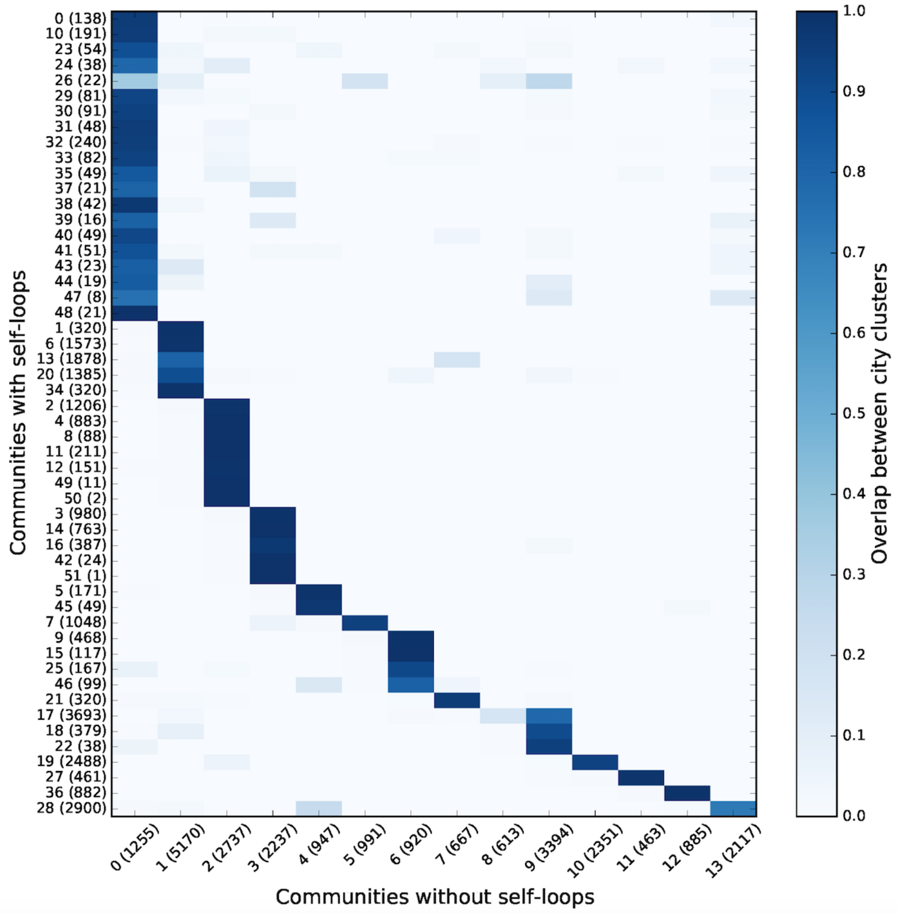

FIG. 5. Nested structure of communities with and without city self-loops
Source: Authors' elaboration

Figure 6 gives a representation of the spatial distribution of the community structure. The nodes are cities, positioned in space based on their longitude and latitude. Cities in the same community have the same color. There are a number of observations. First of all, we see that this color-coding of the communities clearly highlights particular countries. Portugal is clearly separated from Spain on the Iberian Peninsula (but in the same community as Brazil), the United Kingdom (and Ireland) stands out, as do South Africa and Finland. Note that the community detection algorithm only considered board interlocks between firms in cities and did not have any information on nationality. Nonetheless, the results show that national borders do still play a role for the organization of business élites. Second, at the same time there are communities that bring together firms and cities from neighboring regions and countries. In Europe we see a southwestern and a central European community, and in Asia there are two communities as well. A closer look reveals that countries from the former British Empire are still relatively close and therefore grouped in one community: India, Australia and New Zealand. South Korea and Vietnam also belong to this group.

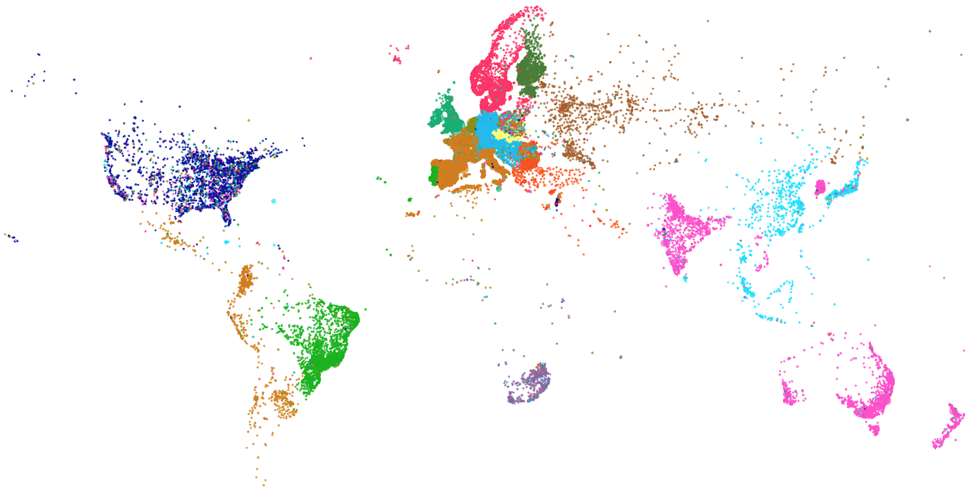

FIG. 6. Community structure of the global network of interlocking directorates
Source: Authors' elaboration

Figure 7 zooms in on Europe and gives a more detailed insight in the spatial level of corporate élite organization. The European corporate network clearly separates in distinct regional communities, but a visual inspection already shows that national borders still play an important role. Interestingly, some of the communities reflect geo-political structures now long gone. One business community follows the boundaries of Czechoslovakia; another resembles the original early Nineteenth century Kingdom of the Netherlands (the Netherlands, Belgium and Luxembourg). Among the Nordic countries, Finland separates from Scandinavia. Another interesting observation is that Poland is very divided. Poland seems to lack a cohesive business community as the German (or Central European) business community permeates Poland within the Nineteenth century German and Prussian borders. These observations suggest that the level of cohesion among business élites differs significantly across Europe.

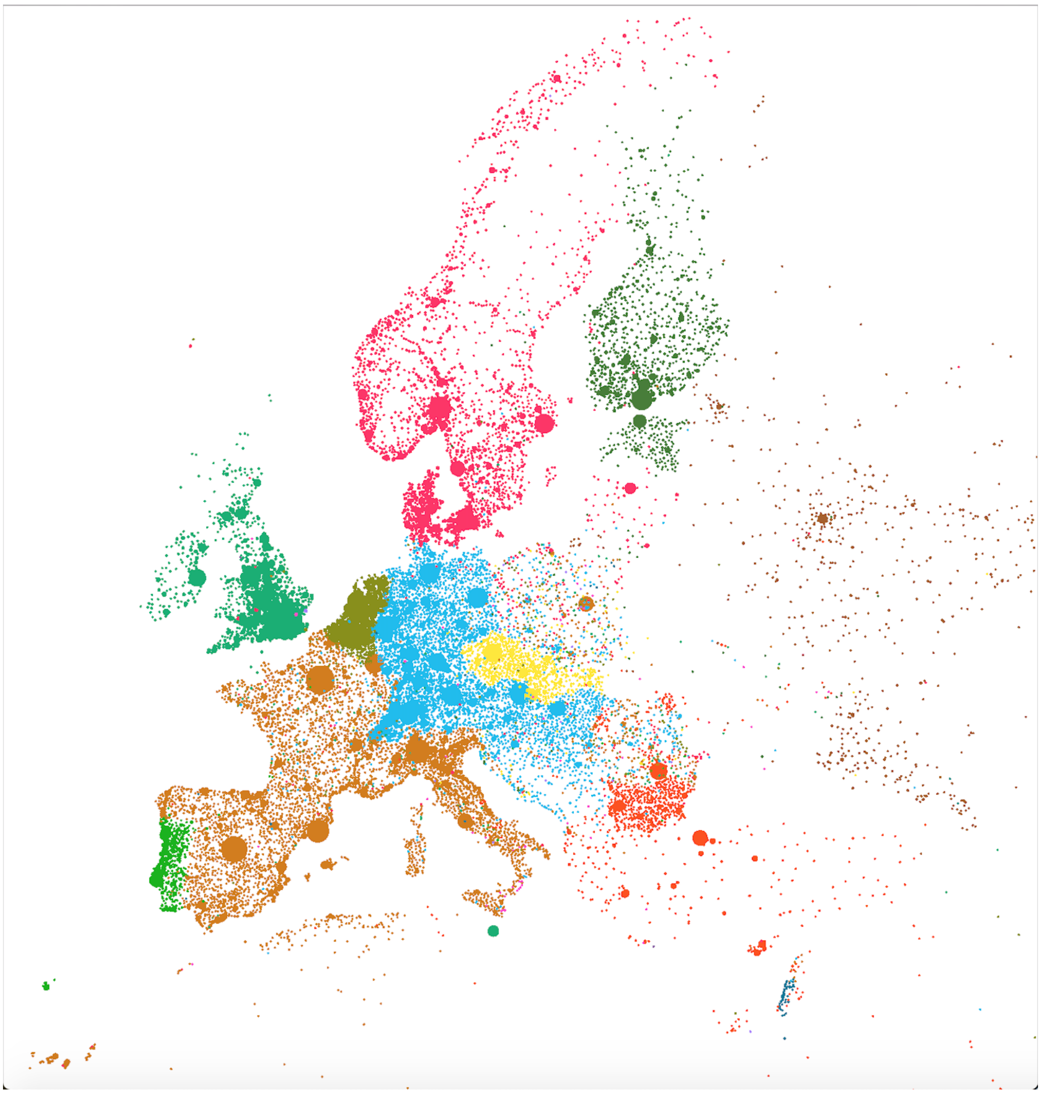

FIG. 7. Community structure of the European part of the network
Source: Authors' elaboration

For each community we can zoom in on the nationality of the cities that are part of the clusters (see Figure 8). The smallest communities are the ones around South Africa, the Czech and Slovak republics, and The Netherlands and Belgium. The Russian corporate élite is organized in a separate community, and Russian cities are absent from the other communities (with only a handful exceptions). This is in line with the high betweenness centrality of Moscow, reported above. Moscow connects the distinct Russian community to the rest of the world. Bulgarian and Romanian corporate élites dominate a South East European community, that extends south to regions in Turkey, Greece and Egypt. China and Japan together dominate the East Asian community, while Australia and India are the dominant countries in the more diverse and larger Asian community. This community also includes a number of North American as well as European cities. In Northern Europe, the Baltic countries are divided over the Scandinavian community (Latvia and Lithuania) and a Finnish one (Estonia). The latter reflects the deep cultural and language similarities. In a way the UK-USA cluster may reflect language and cultural similarities as well, although within the USA there is a division between locations oriented on the Anglo-American community; the Commonwealth Asian community, and a North American community. This North American community includes Israel as well, reflecting long standing political and social ties. Language similarity is also evident in the Brazilian-Portuguese community. Finally, there are two very large and internationally diverse communities in Europe. One is centered around Germany and extends south to the Alpine countries and east to Hungary, Croatia and parts of Poland. The largest community contains the business élites of the largest Southern European countries on the continent: Spain, France, and Italy.

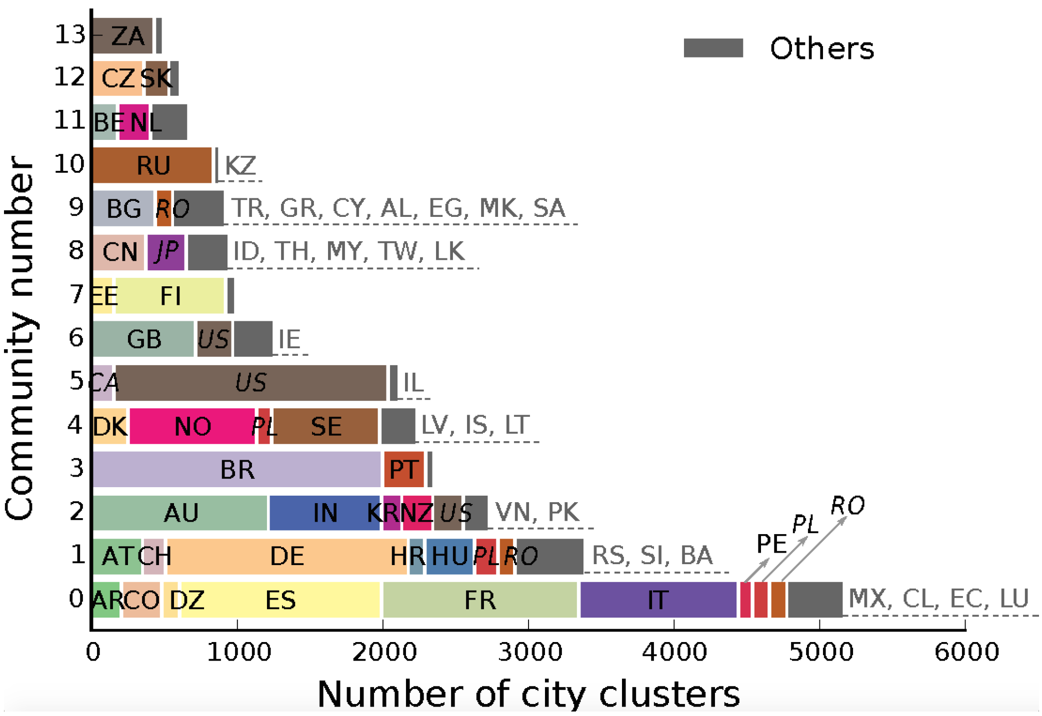

FIG. 8. National diversity of community composition

Source: Authors' elaboration

Reviewing the national composition of the communities, we need to conclude that there is considerable diversity. Some communities single out a particular business élite, such as the Russian one. Some bring together business élites from culturally similar regions, such as the transatlantic community; Scandinavia, and Portugal-

Brazil. Other communities however are more diverse in its composition and suggest a level of corporate élite organization that goes across national borders.

4.3. *The Nonlocal Network Ties*

The lion share of the board interlocks connect firms and cities that fall within the same community. If we only consider the binary network where cities are either connected or disconnected, 67 percent of all the connections are local and 33 percent nonlocal. If we count all board interlocks between cities (the weighted network), an impressive 92 percent of the network resides within the communities. Note that this is also reflected by the high modularity value. At the same time, the 8% of nonlocal ties contain no less than 2.84 million board interlocks. These nonlocal interlocks connect the communities, and Figure 9 shows what the global network looks like if we aggregate to the level of communities.

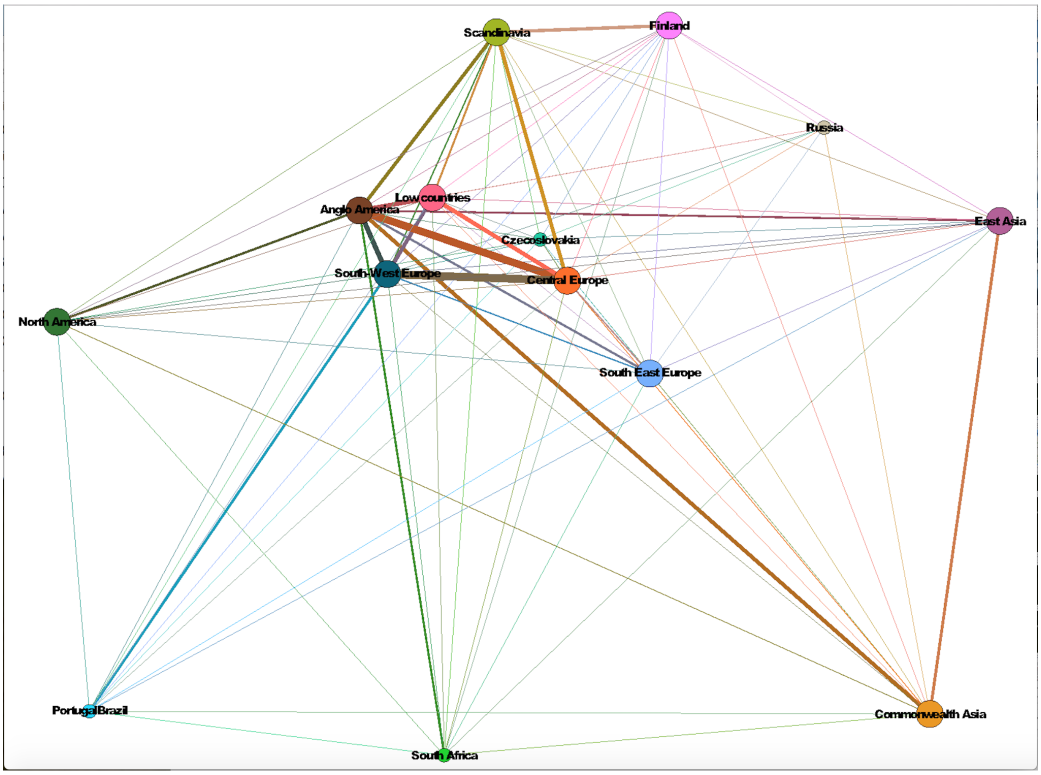

FIG. 9. Community by community network
Source: Authors' elaboration

To ease the interpretation, the position of the nodes is related to their geographic position vis-a-vis each other. As we can expect, the network is fully connected. But some communities are better connected than others, as reflected by the thickness of the tie in Figure 9. The strongest tie connects South West Europe with Central Europe. This is, indeed, the German-Franco axis that is so fundamental to the process of European integration. At the same time, there still is a clear separation between a French and German corporate sphere of influence. One may say that when the time comes that the German and French business élites are no longer distinct communities but part of the same community, the project of European Unification has come to the next level. Both the central and southwestern European communities are well connected with the Anglo-American community, with London as hub. The Commonwealth label of one of the communities seems justified given the strong tie it has with Anglo-America, in fact through the strong ties with London.

We already saw that London plays a key role in connecting business élites across the globe, and this remains the case when we consider the cities that are most important in spanning the global network of nonlocal corporate ties. Figure 10 singles out the network between the most central cities in the network of nonlocal ties, that is the group of cities that connect to at least 1,000 cities in other communities.

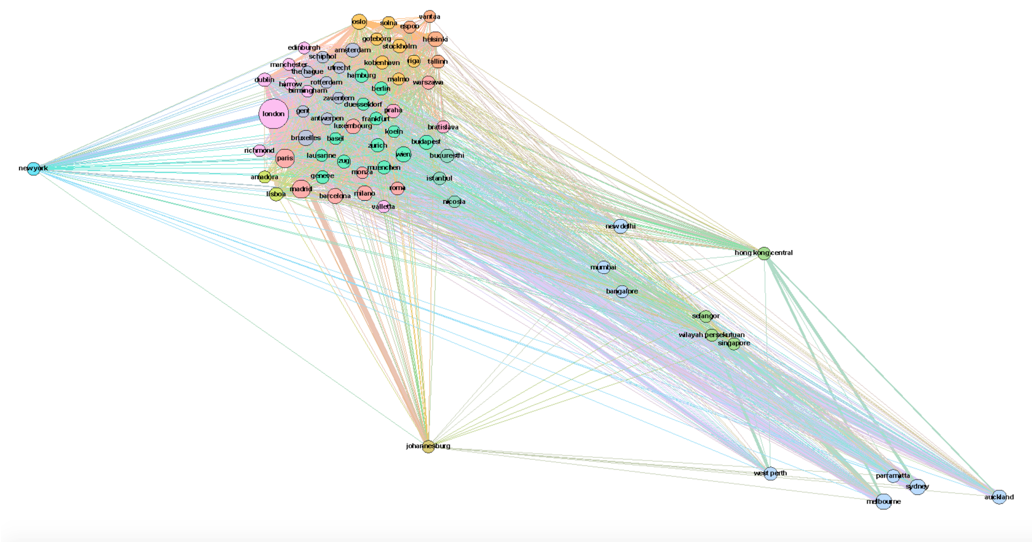

FIG. 10. Nonlocal network between the main networked cities

Source: Authors' elaboration

Given the relatively high density of ties in Europe and the larger number of European communities, it is to be expected to see a large number of European cities among this hard core. In Europe, the capital cities (Madrid, Paris, Berlin, Amsterdam, Brussels, Copenhagen and so on) are all part of the core as the network. We also see that major transportation hubs such as airports and harbors bring together the transnational corporate élite (Schiphol, Zaventem, Antwerpen, Rotterdam). Valetta, in south Europe, is the capital city of Malta. In Asia, it is noticeable that a number of Indian cities are part of the hard core of the network. Hong Kong singles out as a hub in Asia, reaching out to all other parts of the network. In Africa, Johannesburg remains well connected with a noticeable strong tie to London, as many other cities have as well. Interestingly, New York is the only USA city among this key group in the network in Figure 10. New York is the bridgehead of the USA to the rest of the world.

5. Conclusion and Discussion

We argued that in order to advance our understanding of the organization of corporate élites, we must not force the distinction between national and transnational upon the analysis. Business élites reconfigure their networks, from the city level, to the national level, and beyond. Here we asked what the current level of organization is. In order to develop an answer to this question we studied the worldwide network of interlocking directorates of over 5 million firms. We did so without assuming that the main distinction between corporate élites is that of the national – transnational level. Building on the theoretical distinction between local and nonlocal ties we used network analysis and in particular community detection to understand how corporate élites are organized in distinct business communities, and where and how these business communities are subsequently interconnected. Our large-scale network analysis rendered a number of insights.

First of all, national borders still play an important role for the organization of corporate élites. The community structure we uncovered shows that national borders still form cleavages for corporate élites. The community structure also echoes state delineations long gone, such as Czechoslovakia and the original Kingdom of the Netherlands, and also in part the mixture of communities in Poland that are partly structured along the old German border. Communities also reflect language and ethnic connections, for instance between Estonia and Finland or Portugal and Brazil. Second, we also find that what is local for the business élite is indeed changing from the national to the transnational plane. However, we see considerable heterogeneity in the level of élite organization across different regions in the world. In Russia, the local business community coincides with the state boundaries. In the USA in contrast we find three spheres of influence: one North American (including Israel) community, one community oriented towards Asia and one community oriented towards Europe, most prominently London. In this paper we only studied a snapshot image of the global network of interlocking directorates. A longitudinal study with similar setup could trace how these communities develop over time. In the case of the USA, this would render unique opportunities, for instance to study if the pivot to Asia in the USA foreign policy is also reflected in the orientation of the business élite. And, if it does, we can ask whether the business élite networks foreshadow the foreign policy change or follow its lead. Third, we found that the city hubs in the networks are very different in nature. London is the most central city in the network of the global corporate élite. The status of London within its community and the network as a whole is unmatched by any other city.

When analyzing trans-community or nonlocal networks, rather than transnational ones, we find that outside Europe, connections are primarily regional in nature and that the networks do not reach out much to the rest of the world. If the true "global corporate élites" are the ones that transcend their mostly regionally structured local business communities, then they can mainly be found in Europe or in the hubs that are well connected to London (often located in commonwealth territory). Beside the relatively low representation of North American cities, cities in China, Japan and Russia do not reach out much outside their local communities at all. This sheds light on how the transnational or global élite is socially configured and whether we will indeed witness the emergence of a truly "global corporate élite" or "global capitalist class." Despite claims on increasing interdependence of various economic regions in the world, corporate élites from Asia, Latin-America and even North-America, are not yet fully integrated in the corporate élite network that transcend local communities.

In sum, it seems warranted to conclude that our approach to study local and nonlocal corporate élite ties is a fruitful endeavor. We hope that our work shows that it is important to include space in the study of corporate élites. In studies on corporate élites, space has long been implicitly considered as a natural stage upon which social action unfolds [Friedland and Palmer 1994]. Although there existed some notions of spatiality in studies of corporate élites (see for instance Dooley [1969]; Levine [1972]; Allen [1978]; Mizruchi [1982]; Mintz and Schwartz [1985]), geographic proximity of inter-firm relations was mostly regarded to be something unsocial. Following Friedland and Palmer [1994] and Kono *et al.* [1998], we prefer to view space as a socially formed determinant, medium and outcome of social structure. Our approach shows that it is elementary, possible and helpful to study space without forcing a certain spatial category such as states upon the analysis.

At the same time, we recognize that our study is limited in a number of ways. Here we considered board interlocks as a telltale sign of élite organization. In the introduction we already pointed out that we believe this is an expedient, but necessarily limited approach for studying corporate élites. For one, it leaves out key actors outside the boardroom such as lawyers, accountants, but also investors and fund managers who arguable have an increasing role in todays financialized capitalism. We therefore do not want to claim that we have now investigated the corporate élite in its fullest extent. Another limitation is a direct result of the large scale of our analysis. Although the scale allows us to engage in a fine grained analysis of worldwide patterns of élite organization, it does so at the expense of a detailed understanding of its constituting individual components: the firms and directors. Our analysis is in that sense disconnected from the logics and interests that drive the formation of the networks that we study at the level of the actors out of which it is composed. And to make matters more complicated, we know that these logics and interests differ across different regions in the world. Board interlocks have a different meaning and function for firms in Asia, Latin America, or Europe. We do see very promising developments however in the area of modelling network dynamics (agent based and exponential random graph models) that may make it possible in the near future to comparatively study the generating mechanisms of board interlocks in the different communities that we uncovered. Finally, the large scale also means that we cannot be as confident about the quality of our data as we can when we manually collect samples. For instance, the low weight of the USA in the network may be due to lower data quality (3.2). This is an important concern, and with the increase of large scale corporate network studies we must devote more attention towards the development of tools and techniques to gauge and improve data quality.

An important benefit from our approach is that it allows for, and indeed uncovered, different levels of élite organization in different areas of the world. The community detection approach also allows for more fine-grained and detailed studies, in at least two ways. First, we can continue and investigate the particularities of the network structure within communities. How are the different communities in their topological properties? And how does this relate to our theoretical understanding of élite formation in these regions? Second, as explained in the methods section, we can further dissect the community structure and investigate the hierarchically nested structure. We now have the data available, necessary to conduct such fine grained analysis. We see this as a promising way forward for understanding the multilevel structure of élite organization as pointed out in Heemskerk and Takes [2016]. This brings us to a final and related shortcoming of our study. We argue against the national-international dichotomy in the study of corporate élites. And while our approach breaks free from theoretical and methodological nationalism, our suggested dichotomy of local and nonlocal leaves only little room for a proper analysis of the multi-level structure we encountered. Follow up work must make an effort to develop a more multi-level or nested approach of social organization of corporate élites.

We believe our approach also presents a promising avenue for developing an answer to a key question in global politics, international relations, and economic sociology today: do we see a relatively cohesive transnational corporate power élite or are there in fact factions with irreconcilable differences among such a transnational corporate élite? The distinction between local and nonlocal corporate élite networks allows us to reinvigorate the classic debate on élite power between elitists and pluralists at the global plane. Elitist scholars from the power structure research school already pointed out that the question is mainly a matter of local and nonlocal élite organization. Both Mills [1956] and Domhoff [1967] noted that, whereas at the local level there was room for competition between élites as pointed out in Price and Dahl [1962], the institutions that transcended the local level were dominated by a small number of people of a clearly discernible upper class. This suggests a research agenda where we investigate in depth the characteristics, motives and strategies of the firms, directors, and perhaps also cities that build the nonlocal élite networks.

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Appendix A

City Level Aggregation

As explained in Section 3.2., we study the network of interlocking directorates at the level of cities. However, if we simply merge firms from the same city into one node in order to create a city-by-city network, we run into a number of problems due to the noise and inconsistencies in the city information. For example, we would have to deal with spelling variations of city names, e.g., The Hague, the political capital of the Netherlands, is sometimes written as 's-Gravenhage. And for example Brussels, the capital of Belgium, is also written as Bruxelles (French) and sometimes as Brussel (Dutch). More importantly, small suburban areas close to a larger city may have a different name, but would by any expert be seen as belonging to the same metropolitan area. However, due to the sheer amount of information we are not able to manually correct this.

The aforementioned problems are solved by retrieving for each city its coordinates (latitude and longitude) using the *Google Maps API*, and then grouping cities with very similar coordinates into one node which we call a "citycluster." We used the well-known and established *MeanShift* algorithm [Fukunaga and Hostetler 1975] as implemented in the sklearn package in *Python* to cluster the cities. For one out of ten of the cities, we only had information on the country in which the firm is located, or we were not able to automatically determine the latitude and longitude, leaving us no choice but to disregard these firms in our study. The majority (90%) of these firms with missing location data were however located in Panama, leaving only 1% missing data for the remainder of the world. Typically, these firms were smaller businesses in rural areas, having mostly national interlocks, if any. These steps result in a citycluster-by-citycluster network in which cityclusters are connected by a weighted edge denoting the number of firms that are connected between two clusters. In some cityclusters we find cities from a border region of two different countries. In these instances, we split the original citycluster into two cityclusters, each containing the cities on one side of the border. In the text, we simply refer to cities instead of cityclusters.

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Where is the Global Corporate Élite?

A Large-scale Network Study of Local and Nonlocal Interlocking Directorates

Abstract: Business élites reconfigure their locus of organization over time, from the city level, to the national level, and beyond. We ask what the current level of élite organization is and propose a novel theoretical and empirical approach to answer this question. Building on the universal distinction between local and nonlocal ties we use network analysis and community detection to dissect the global network of interlocking directorates among over five million firms. We find that élite orientation is indeed changing from the national to the transnational plane, but we register a considerable heterogeneity across different regions in the world. In some regions the business communities are organized along national borders, whereas in other areas the locus of organization is at the city level or international level. London dominates the global corporate élite network. Our findings underscore that the study of corporate élites requires an approach that is sensitive to levels of organization that go beyond the confines of nation states.

Keywords: Corporate Élite; Transnational Élite; Corporate Governance; Business Networks; Interlocking Directorates; Community Detection; Network Analysis; Network Science.

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The Resurgence of Élite Research: Promise and Prospects. A Comment on the Symposium

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The Resurgence of Élite Research: Promise and Prospects

A Comment on the Symposium

by Mark S. Mizruchi

doi: 10.2383/85293

It took more than a decade after C. Wright Mills published *The Power Élite*, in 1956, for scholars to initiate a concerted effort to build on his work. Most famously, G. William Domhoff authored two seminal books, *Who Rules America* [1967] and *The Higher Circles* [1970], which attempted to address a major shortcoming of Mills' book: its inattention to actual politics, including the decisions of political actors. In the 1970s, a group of sociologists in North America and Europe began to apply a new approach - social network analysis - to the study of élites, with striking results.[1] Using (and in many cases, developing) a sophisticated series of techniques, and taking advantage of improved computing capability, these scholars published several important works, relying primarily on board of director links among corporations. These works provided several important findings: leading corporations were tied together in extensive webs of interlocks, suggesting the existence of a highly cohesive business community. At the center of these networks were the major commercial banks, suggesting the possibility that the prominence of "finance capital," noted by Hilferding [1910] and Lenin [1917] in the early Twentieth century, had reasserted itself in subsequent decades. Scholars also noted the possible existence of cliques of firms, tied together through shared financial connections, family relations, or geographic proximity. As Stokman, Ziegler, and Scott [1985] showed in the first major comparative study, these networks were pervasive in virtually all of the leading capitalist nations.

[1] See Fennema and Heemskerk [2016], for an illuminating discussion of the history of this field.

As valuable as these studies were, one problem remained: what I call the "so what?" question.[2] Much of the early work on corporate networks was largely descriptive. Although authors occasionally asserted or implied that the ties among firms had behavioral consequences, few actually demonstrated those consequences. This began to change in the late 1980s and early 1990s, and there is now a broad literature attesting to the effects of network ties on firm behavior.[3] Ironically, however, just as researchers were beginning to demonstrate the behavioral effects of interfirm network ties, the focus shifted to firm-level strategies rather than larger questions about the role of corporate élites in the society. Although a handful of scholars continued to study corporate networks in a political context [see, for example, Burris 2005; Dreiling 2001; Windolf 2002], interest in this area among sociologists, at least in North America, appeared to have declined by the turn of the century.

Fortunately, this is no longer the case. After a seeming lull, research on corporate networks is back, with better data and more sophisticated techniques. Evidence of this resurgence is plentiful. Responding to growing concerns about economic inequality, scholars have begun to study the role of business élites in a broad range of nations.[4] Conferences have been organized to address the topic. Student interest has increased. And even the popular press has directed its attention to the issue. Yet this resurgence has had a paradoxical outcome: those of us who study corporate élites seem to have returned to our earlier roots, with both positive and less-positive consequences. The promise and potential perils of the new research on corporate networks are illustrated by the four excellent papers on which I have been asked to comment. The authors of these works uncover fascinating new data from a range of countries. They deal with critically important substantive issues. They use sophisticated analytical techniques. And they provide a series of important findings. Where I hope the authors will go next – and what I eagerly await from their subsequent work – is a fuller response to the "so what?" question.

There is nothing wrong with descriptive work *per se*. In the hard sciences, the ability to describe a phenomenon such as protein folding or a process such as creating a cell line often constitutes a major contribution. We need to understand what exists and what occurs in the world before we can develop and test hypotheses about their consequences. What these authors are doing is therefore a necessary step. It is only a partial one, however, and I am hopeful that they will continue with their work and

[2] Other sociologists have also used this term, although to my knowledge I was the first to apply it to the area of corporate interlock research.

[3] See Mizruchi [1996] for an overview of the earlier work; but much has been done since that article appeared.

[4] See, for example, the book-length treatments by Kogut [2012] and David and Westerhuis [2014].

move it in a more analytical direction. In the remainder of this essay I will discuss these works, praise their authors, and raise some questions that I would like to see the authors consider as their work progresses.

I begin with the paper by Glucksberg and Burrows [2016] because it in some ways is the most preliminary of the four, although this makes it no less important. Increasing inequality is one of the most central developments of our time, and the fact that most of the increase has been due to the enormous growth of income and wealth at the top makes the issue of particular interest for élite scholars. How, Glucksberg and Burrows ask, do the super-rich manage their wealth? One answer is the rapid growth of an old institution: the family office, private offices that "take care of the family finances from cradle to grave" [Shelby White, cited in Dunn 1980, 45]. The most interesting feature of this paper is the discussion of Glucksberg's fieldwork, a result of her ability, as an anthropologist, to penetrate the world of the super-rich and provide a detailed look at its inner workings. Using a contact she had made in a wealthy London neighborhood, Glucksberg secured an invitation to attend a conference of family officers. Her descriptions are revealing. She notes, for example, that dealing with personal conflicts among family members is often as important as managing the family's wealth, that wealthy family members typically travel with no luggage (because all of their residences are stocked with everything they need), and the importance of having staff who live on-site, to ensure their loyalty and trustworthiness. The authors' main conclusion, however, is simply that we need more research on family offices, and here I believe they understate the importance of what they found.

Family offices in the modern era (as opposed to their medieval incarnation) arose in the late Nineteenth century to handle the wealth of the emerging business élite, particularly in the United States. At the time, corporations were dominated by their founders, either by stock ownership or through complex financial instruments. Although the dominance of family ownership has persisted in much of the world outside the United States and Great Britain [La Porta, Lopez-de-Salines and Shleifer 1999], a system of management control emerged in the United States after World War I and remained largely in place into the 1980s. Glucksberg and Burrows are unclear on whether the older family offices declined during the managerial period, as well as the extent to which a new class of experts has emerged to service the super-wealthy, on both sides of the Atlantic.[5] In fairness, as the authors note, data on the subject are scarce, and their call for further work on the topic is therefore fully warranted. A greater focus on the institution of family offices will undoubtedly shed further light on the ways in which the wealthy maintain their positions. Gaining

[5] See Winters [2011] for a discussion of this industry.

access will continue to be difficult, however, and we will ultimately want to know whether (and if so, the extent to which) members of these organizations engage in collective action in the political arena.

Unlike Glucksberg and Burrows, who rely on ethnographic data, the authors of the other three papers employ quantitative network techniques. Two of the articles, one by Lebaron and Dogan [2016] and the other by Hjellbrekke and Korsnes [2016], use multiple correspondence analysis (MCA), an approach widely-used in Europe by scholars influenced by Pierre Bourdieu, who himself used the technique. In Lebaron and Dogan's case, MCA is used to account for differences in monetary policy preferences among members of the European Central Bank. In Hjellbrekke and Korsnes' case, it is used to examine differences between women and men (and among women) in the Norwegian "field of power." Both articles share similar strengths, and both raise similar questions.

Lebaron and Dogan are interested in the extent to which élites' worldviews and positions on economic policy are affected by their personal biographies. They address this question in two ways. First, they examine the extent to which officers of central banks worldwide fall into clearly identifiable clusters based on background characteristics. Second, they examine the extent to which the backgrounds and experiences of officers of the European Central Bank can account for whether they adopt "hawkish" or "dovish" positions on monetary policy, where hawkishness refers to strongly anti-inflationary policies and dovishness the reverse. The authors begin at a global level, conducting a multiple correspondence analysis of 312 bank governors from 158 countries between 2000 and 2016, using a series of demographic variables such as age, place of birth, gender, education, and professional experience. The multiple correspondence analysis operates much like factor analysis, in which the researcher extracts a linear combination of variables attempting to maximize the explained variance and then repeats the process to extract as much as possible of the remaining variance. The focus is on identifying differences among the actors' profiles (their values on the variables) in order to extract a distinct set of clusters. In this case, Lebaron and Dogan examined the first two components, which together accounted for about 25 percent of the variation. They then used the clustered variables to classify the subjects into groups, which included academic economists, legal professionals, non-financial civil servants, "pure" politicians, and both national and international financial bureaucrats. The authors' primary goal here was to use the bankers' personal characteristics to identify a series of distinct "types," each of which, according to the authors, exhibits a particular *habitus*, in Bourdieu's sense.

Having identified clusters of bankers at the global level, Lebaron and Dogan then attempt to account for the policy positions of 62 members of the Governing

Council of the European Central Bank, since 1999. Relying again on a multiple correspondence analysis, the authors identify a series of groups based on personal background and experiential variables. They find that those with academic connections tend to be more dovish, while those from Germany tend to be more hawkish. None of the other variables was statistically significant.

This study deals with an important topic – the role of one's social background in economic policymaking, an issue that has been debated among élite researchers since the early 1970s. The study is based on an exhaustive and painstaking collection of data, and it contains two impressive analyses. I wonder, however, whether it was necessary for Lebaron and Dogan to conduct such an elaborate analysis to produce their findings. I suspect that they could have generated the same results and conclusions by simply taking the original background variables from their MCA, developing hypotheses about them, and inserting them directly into a regression equation. It is not clear to me that the authors' findings – that German bankers tend to be relatively conservative in their monetary policy and academics tend to be relatively liberal – warranted the enormous effort that it took to produce them.

Similarly, Hjellbrekke and Korsnes rely on an impressive data set to address the distribution of forms of capital among women élites in Norway. In 2000-2001 the Norwegian Power and Democracy Project conducted a leadership survey that included 1,710 respondents, more than 87 percent of those contacted (a strikingly high response rate). The authors identified 30 variables, based on a Bourdieusian conception of types of capital – economic, cultural/educational, social (personal), and social (inherited) – and subjected them to a multiple correspondence analysis. The analyses yielded three principal components (called "axes" in MCA) that accounted for about 73 percent of the total variance. The results of the authors' MCA are complex, and the descriptions of these findings are sometimes difficult to follow in both the Hjellbrekke and Korsnes and the Lebaron and Dogan papers. Several important ones emerge, however. Women clearly face disadvantages, but not in every respect. They are only slightly more likely than men to experience closure, for example, in terms of having connections to those in similar positions, and the women had worked in as many sectors as the men, indicating a comparable breadth of experiences. On the other hand, the men appear to be more prominent in organizations (especially economic ones) with a global rather than a local orientation, and the women within the business sector tended to have less breadth in their experiences than the men. Ultimately, power in Norway appears to follow the dominant global pattern, with women facing a series of disadvantages.

As with the Lebaron and Dogan paper, Hjellbrekke and Korsnes deal with an important issue, using a valuable data set and sophisticated techniques. As with the former paper, however, I wonder how necessary it was to perform the analytical gymnastics that Hjellbrekke and Korsnes undertook in order to reach the conclusions they did. I suspect that a set of regression models using demographic variables and forms of capital to predict one's location in various organizations would have yielded similar results. As for the findings themselves, it does not surprise me that élite Norwegian women experienced disadvantages in 2001 – although Hjellbrekke and Korsnes do an excellent job of demonstrating the systematic inequalities among the women themselves – nor would it surprise me if those disadvantages continued to occur today. I have no illusions about the difficulty involved in replicating such a study, but it would be interesting to know the extent to which things have changed over the past fifteen years.

The final paper on which I was asked to comment, the work by Heemskerk and his colleagues [2016], deals with a topic that would require an additional paper to adequately address: the possible emergence of a global corporate élite. The vast majority of studies of business élites have involved a single country. The classic work by Stokman, Ziegler, and Scott [1985] and more recent ones by Windolf [2002] and David and Westerhuis [2014] contain studies of élites in several countries, but in most cases the countries are examined one at a time. Some scholars have studied élite networks in two or more countries simultaneously. A recent compilation by Kogut [2012] contains several such studies. The question of whether the corporate élite transcends national boundaries is an entirely separate issue, however. The issue of a global élite was first introduced by Meindert Fennema [1982]. More recently, William K. Carroll [2010] has published an exhaustive study, and others [Kentor and Jang 2004; Carroll and Fennema 2002] have debated the issue. Heemskerk, who is well-known for his path breaking study of the Dutch élite [2007] and has also authored, with Fennema, an important history of research on corporate interlocks [Fennema and Heemskerk 2016], is well-positioned to address this topic.

In a sense, the early corporate network researchers in Europe and North America were among the first users of "big data." The data with which these scholars worked in the 1970s pale compared to what Heemskerk and his group use in their current study, however. Drawing on a major new database, the authors identified the boards of more than 18 million firms worldwide, which contained more than eight million directors who created ties between two or more of the firms. After the necessary data cleaning, Heemskerk *et al.* analyzed a network of more than 5.2 million firms connected by approximately 37 million interlocks. The authors' goal in this paper was to examine the relative centrality of cities, by focusing on ties between the cities in which the firms are headquartered. Although Heemskerk *et al.* acknowledge that the data on the United States might not have been as complete as the data from

Europe, they still found, interestingly if not surprisingly, that London was by far the most central city. American cities, including New York, by contrast, were, if not completely peripheral, certainly not a part of the core. Not a single North American city was among the 25 most central in the number of interlocks, and only one, ironically Washington and not New York, was among the 25 most central in terms of betweenness centrality [Freeman 1978-79]. One might argue that geographic distance was the main cause of the United States' relative isolation, but Sydney, Melbourne, Auckland, and New Delhi were among the 25 most interlocked cities. Most of the action in the global network is taking place in Europe.

Space considerations, as well as the reader's patience, prevent me from launching into a full-fledged discussion of the debates over the globalization of the élite. I am persuaded by Carroll that however globalized the corporate élite has become, most élite activity continues to take place within national boundaries, and Heemskerk *et al.*'s findings seem consistent with that notion. The implications of a globalized élite are of great potential significance, however, so this is an issue that will require further attention. In a recent work [Mizruchi 2013], for example, I argued that the corporate élite in the United States has largely abandoned its concern with the well-being of American society, an issue that had preoccupied the élites of the post-World War II era. The possibility that this élite's loyalties lie with its global counterparts rather than its own nation is one conceivable explanation for this abandonment of concern for the conditions of the larger public. Ultimately, we will need to examine this issue at a more grounded level, by focusing on the extent to which specific domestic élites are oriented primarily toward their own nations, or toward no one nation in particular.

Conclusion

The papers in this volume demonstrate that research on corporate élites is alive and well. This topic, which appeared headed toward extinction in the 1990s, has spawned a flurry of activity. The focus today is far less North American-centric than in earlier years, the attention to global processes is a welcome development, and the introduction of sophisticated techniques and valuable new data sources promises to greatly advance the field. We do need to be careful, however. In our enthusiasm to take advantage of these new opportunities, we run the risk of repeating some of the practices of the past. Two in particular are cause for concern: the focus on description rather than explanation and the tendency for techniques and data analysis to run ahead of our ideas. As I've already noted, there is nothing wrong with descriptive studies per se. We need to understand what the world looks like before we can begin to explain the processes within it. The élite researchers of the 1970s and early 1980s eventually began to address the "so what?" question. There is therefore good reason for optimism. Research on corporate élites is once again a hotbed of activity. Given the worldwide surge of inequality and the élites' locus at the top of the distribution, the resuscitation of this field has come not a day too soon.

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The Resurgence of Élite Research: Promise and Prospects

A Comment on the Symposium

Abstract: Research on business élites has experienced a resurgence in recent years. Although the methods used by contemporary scholars are more sophisticated than those of their predecessors, the current research shares many of the strengths, but also some of the pitfalls, of the earlier work. I discuss four papers from this volume, highlighting their contributions to our understanding of both national and international élite networks. I conclude with a plea that the authors use their subsequent work to more fully address the theoretical implications of their findings.

Keywords: Élites; Networks; Corporations; Interlocks.

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The Many Futures of Élites Research. A Comment on the Symposium

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The Many Futures of Élites Research

A Comment on the Symposium

by Shamus Rahman Khan

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It is a pleasure and an honor to comment on these four major contributions to the study of the sociology of élites. They represent an exciting intervention, in large part because they provide detailed, concrete empirical findings about what has been, until recently, a relatively understudied group. The papers do not advance new theoretical ground. This is not a critique; I mean it as praise. Rather than pontificate about how we might understand élites, they get down to work actually understanding them giving us a series of rich empirical descriptions. If we are to proceed to an understanding of élites this is where we must begin. The capacity to refine theoretical frameworks only comes with enough descriptive understanding; we are not there yet, but these works sent us firmly down that path.

I am completing this reflection rather late, in the immediate aftermath of my own nation's election of Donald Trump, not long after Britain's voting to exit the EU, and not long before a series of European elections that could herald in a new political and economic era, dominated by right wing ethno-cultural nationalism. It would not be an overstatement to say that I am horrified by the potential consequences of these developments. Trump has recently named a white nationalist, Stephen Bannon, to be a chief advisor to the White House, and his surrogates have indicated an interest in forcing all Muslims to register with the government.

Many are looking back at early fascist movements for insights into these developments. Sadly, they are likely correct in suggesting that authoritarianism is yet again an important category for understanding the political present in the West. The question for me, as someone who has written extensively on the sociology of élites in the United States [Khan 2011, 2012a, 2012b, 2015, 2016; Khan and Jerolmack 2013], is what élite theory can tell us about this moment. Worryingly, the answer is not readily clear. There is often a strong tie between élites and neo-liberal policies, but these recent developments could hardly be described in those terms. Further, while populist movements are often based in a critique of élites, élites have played a central role in reviving ethno-cultural nationalism within the West. But from within the current collection of papers we may well be able to fashion the sketches of an answer – one that might help guide us as we think through explanations of the present and anticipations of our future.

Roughly, the four papers make two major contributions. The first is to understand the ways in which social structures work upon élites; the second is to understand variations within the élite. These insights matter because in the first instance they help us better understand how and why institutions might matter to work for and against élites; and in the second, to recognize that there is no élite, instead there are élites who may be in conflict, have the possibilities of coordination, and can work differently within an institutional environment to realize different ends.

While some readers might think "of course élites are varied, and of course institutions and structures matter for élite," I would say that yes, this is obvious. But it is not the starting point for the vast majority of élite research. Sociologists tend to reserve structure for poverty, and culture and agency for élites. That is to say that there is a general reticence to deploying explanation of poverty that rest upon the cultural traits of poor people, or the kinds of action pathways they are likely to take. Instead, structural constraints are of primary interest. Élites, by contrast, are often thought of as existing as a kind of organized cabal – one might think of Mills' "*Power Élite*" – whose disproportionate concentration of power allows them to realize their interests through their coordinated activity.

Of course, analytically it is perfectly possible that the explanations of élite positions and the explanations of dominated positions are different. If we transcend linear thinking then we quickly see that *explananda* of oppositional positions need not be the inverse of one another, or, that explanations at one "end" need not be the same as those at the other "end" of a spectrum. Yet just how structures work upon élites is important for us to understand – in the case of the collected papers we see, for example, the impacts of the structures of finance and of networks. None of this is to say that power does not enable greater agency (though this is an empirical question), only to say that the suggestion that élites are in control of things like culture, or politics, and the economy and thereby able to act relatively more effectively given their interest posits of model of human action and agency that we would largely reject in other social contexts.

The sociology of Pierre Bourdieu gets us through many of these challenges – allowing us to conceptualize multiple élites who are contentious (that is, imagining a field of power as a field of struggle between different holders of different conglomerations of capital). Similarly, the Bourdieuian framework allows us to think about the structural properties that influence élites, by demanding that we consider the structured set of spaces that élites occupy and struggle within. But if there is a weakness to the Bourdieuian position it is in its inattentiveness to demographics. Bourdieu has little to say on gender, and is almost completely silent on issues of race. And yet it would be nearly impossible to understand our current moment without attention to these factors. The construction of an ethnic other, and the rise of ethno-cultural nationalisms happens within a context of deeply racialized and gendered politics. We may well amend Bourdieuian models to make sense of this. But Bourdieu's work itself has surprisingly little to say.

Fortunately, the collected papers provide a fuller path forward. Their rich empirical work provides us with insights of how to press forward. For the remainder of this reflection I do three things. First I reflect upon the insights of how structures work upon élites; I begin with the Glucksberg and Burrows [2016]. While this paper may not seem particularly "structural," what struck me was just how much wealthy families were not managing institutions, but instead managed by them. I then use the Heemskerk *et al.* [2016] to think in a different way about structure – in particularly the structure of social network relations, providing new insights for perhaps the oldest tradition of élite analysis, board interlocks. This paper leads nicely into my second point, which is to reflect upon how élites vary. The Lebaron and Dogan [2016] provide a wonderfully detailed account of this, showing how differences in biography produce differences in positions within central bankers. The Hjellbrekke and Korsnes [2016] push this even further, demanding that we being to take seriously demographic differences within élites, specifically the positions, experiences, and trajectories of women. I conclude by extracting from these to return to my opening, and to reflect, briefly, upon our present.

1. How Structures Work Upon Élites

Glucksberg and Burrows [2016] bring the reader into a world we rarely see: that of family offices. Even as an ethnographer of élites who has integrated into a variety of élite worlds, I was thrilled and amazed to see behind these offices and develop a far richer understanding of how dynastic wealth is managed from generation to generation. Yet if I were to take home a lesson from this unique work, it was how much money was protected from élite families. That is, we often imagine that money itself is a vehicle for élites to realize their interests. Yet in the case of what managers of family offices do, it seems that one – though certainly not the only – aim is to protect money from the capricious desires of heirs (and especially those who married into the family).

The very term, "family office" suggests that it is not people who are served, but instead, an institution – the family – to which individuals belong. They key dimension, that "you have to manage the family" of such offices suggests something important when thinking about how intergenerational wealth is maintained, and how family influence works. For élite families to become influential, in the long run, they must be institutionalized, with a professional class of lawyers, bankers, and managers who run this institution. The resultant vision is not one wherein élites are actors realizing their ends. Instead, they are structurally constrained in order to sustain other ends. These insights may well be bound to dynastic wealth – that is, the inheritors rather than producers of wealth.

We require further empirical insights to evaluate this. Yet given the enormously complex task of managing massive amounts of wealth, it is highly likely that organizational and structural forms work upon all élites in some of the same ways they work upon all of us. And if Piketty [2014] is correct, then the dynamics of dynastic wealth will become increasingly important for us to understand over the next generation. Understanding the logics of these institutional structures is an essential task for understanding élites. For élite scholars the primary insight is that we should not always imagine élites as engines of outcomes, but instead, often as subject to social structures. Glucksberg and Burrows have opened up some rich empirical insights into this form. But far more work is needed to know the range of institutional forms that mediate élites, and to understand the logic and mechanisms of structural constraint upon and construction of élite interests.

Heemskerk et al. [2016] guide us to consider another form of structure – related, but somewhat distinct: interlocking directorates. Since the pioneering work of Brandeis at the beginning of the Twentieth century, its extension by Lenin, this field has been one of the richest traditions within élite studies. I will assume that Mark Mizruchi, my fellow commentator [2016], will have far more to say about this, as he has done some of the most important empirical, technical, and theoretical work in this area over the last quarter century.

The empirical work that Heemskerk et al. have done is tremendous, providing a major advance in what is possible for us to empirically understand. This contribution alone makes this a massively important paper. There are, of course, certain concerns about the data – there always are – but we are in a better place today to understanding interlocking boards than we have ever been thanks to this kind of project.

Their specific question in this paper is about the relationship between local and nonlocal interlocking directorates. In more prosaic terms, the core question is whether or not élites are truly "global" and how their structural character may help us make sense of international economic dynamics. Their findings are reminiscent of the important recent work of Cristobal Young, who has shown that millionaires are astonishingly local [Young *et al.* 2016; Young and Verner 2011]. Young has used his work to suggest that taxation of millionaires at high rates is unlikely to yield their exit from national context, as they have social ties to particular communities, and can almost never simply "pick up and move" as an act of protest.

Heemskerk *et al.* affirm these basic insights, using a different data approach and a different empirical object (the unit of analysis is ties on boards, rather than individual people). In short, what they find is that,

> the increase in transnational corporate networks typically does not connect far away regions in the world, but rather integrates business élites that are relatively nearby [2016, p.3].

Even across "global" firms, ties tend to be largely "local." The structural arrangements of these different boards reflect different opportunities and interests. Within some regions élites are highly localized and nationally bound; within others they're highly localized and more international (say, in several European nations). And in still others, the structural arrangement of ties is far more global and international. Those within a local-national context may wish themselves to be more global-international, but they cannot simply will this to be. Global economic and social relationships structure opportunities for élites. Just as Glucksberg and Burrows suggest a set of institutional and structural constraints on dynastic wealth, here too we see the ways in which structures influence – which is to say both limit and enable – élite actors.

The second key finding from Heemskerk et al. is that these structures, and the élites themselves, vary. They find considerable regional heterogeneity in networks structure; for example, Russia is rather territorial bound, whereas in the US there are those oriented to North America (and Israel), those structured around Europe, and those structured around Asia. This insight pushes me to my second point, about variations within the élite.

2. How Élites Vary

The work of Lebaron and Dogan [2016] combines a Millsian understanding of the importance of biography and history with a Bourdieuian theory of position-taking within fields. Exploring the lives and trajectories of élite central bankers, they note how different personal and professional biographies generate what they see as somewhat consistent dispositions among bankers. No doubt too parsimoniously, they find, for example, being a PhD in economics leads to an emphasis on economic and financial expertise, providing technical assistance, and being located within a more international network of organizations. Importantly, such biographical elements are independently explanatory; they cannot be reduced to nation of origin, when, for example, explaining how "hawkish" one might be in relation to fiscal policy.

Lebaron and Dogan's work is richly descriptive and suggestive over several other dynamics; I look forward to their further research into family backgrounds and networks to provide a fuller empirical picture of these banking élites. This is not a criticism, for their capacity to develop four "types" of bankers within this particular empirical analysis is enormously important. If we are to leave the world of central banking for a moment, and draw out some more general implications, I would suggest that they key insight is that within this group of élite bankers there is considerable variation, and that this intra-group difference reveals dimensions of élite struggle and re-organization. If we step even further back and realize that such variation can be found even with a relatively small group of central bankers, then we can only imagine the diversity we might find within a broader "power élite."

Lebaron and Dogan note

> a growing conflict between a legalist orthodox view, losing support and practical relevance over time, and a more pragmatic and flexible economic conception, that has taken the lead since a few years [2016, p.35]

There is no élite. Instead, there are élites, with different interests, capacities, trajectories, backgrounds, and ties. While at certain levels of analysis it may well be justifiable to think about élites as a "group," there are dangers to implying such group-ness [e.g. Brubaker 2004]. The lesson I draw from Lebaron and Dogan is that instead of being assumed, élite coordination and collective action should be empirically established. And more important, when thinking about élites we should pay far more attention to their internal variations and contentions. This suggests how they might mobilize other groups, and be mobilized by them, for shared aims. In short, it points to not just intra-group variation, but intergroup alliances – which once considered, points to the problem of thinking about élites as a group at all. Finally, Lebaron and Dogan find a strong gender bias within the 312 bankers they studied. In order to better understand gender within position of power, let me turn, finally, to the paper by Hjellbrekke and Korsnes [2016] on women in the field of power.

I was thrilled to read the Hjellbrekke and Korsnes for two reasons: first I've long been interested in gender dynamics among the élite and second because of the paper itself, which takes so seriously its empirical analysis. It serves as a model for sociologists who believe fine-detailed empirical analysis to be the core building block of theoretical insight. The paper searches not for cute counterintuitive findings, nor does it demand that findings meet expectations. Instead it reveals a deep commitment to descriptive understanding through careful empirical work – one of the best things that any scientific work can offer. More specifically Hjellbrekke and Korsnes outline conditions where there are "no differences" between men and women, instances where there are, and instances where there are differences within women. In this last case, we see the same kind of general insight that Lebaron and Dogan provide – but instead of differences within central bankers, we see differences within kinds of élite women (meritocrats, outsiders, and inheritors).

The findings of this paper, as they are with all the collected papers, are too rich for me to fully review. Instead, I'll continue with extracting some general insights from what the authors discover. Hjellbrekke and Korsnes note that even in the context of social-egalitarian Norway, there is a strong gendered recruitment into the élite, across all positions and all sectors. Such masculine domination is not shocking, but it is surprising to see it so overwhelming within this particular case. What's also a compelling finding is how within women themselves there is a structural dimension of organization. As the authors note,

> the trajectories of women constitute its own tripolar structure of oppositions within the main structure. And these gendered structural oppositions tend to reproduce each other: as long as women do not access, or get access to the economic pole, their trajectories will tend to reproduce their internal structural oppositions, and as long as these oppositions are reproduced they will not access the economic pole [2016, p.24]

It's likely that these patterns, particularly the importance of access to higher levels of the economic pole, apply to other groups that are systematically underrepresented among the élite and within positions of powers. Yet we need more fine-grained analysis across a host of groups (racial and ethnic minorities, migrants, religious minorities, gay, lesbian, queer, and trans people, etc.) within a variety of national and local contexts to better understand the logics of the distribution of power. Even if the question of élites is not of interest, this connection between élites and power means that understanding how power is held, wielded, structurally located, and thereby accessible or deployed disproportionately requires the kind of work that Hjellbrekke and Korsnes – indeed all the authors in this volume – have provided.

3. The Implications for Understanding the Social World

Taken together these are four enormously exciting papers. I feel this way not because they advance new theories, but because they give us a far richer understanding of the world. While some areas of sociology are concentrating on outlining key causal pathways within fairly clearly delineated contexts, élite sociology is not at this stage of development. By this I mean that we still have an enormous set of descriptive work ahead of us before we can sufficiently narrow our scope to test which among a few variable pathways or mechanisms are explanatory. It is enormously refreshing to see four papers that undertake this essential empirical work. Each advances our knowledge in important ways by helping us better understand the world, and the world of élites.

I pivot from this happy position, to the far darker one of considering our current state of political affairs. While I often hesitate in my scholastic writing to reflect on things of the moment, for fear that such an orientation may quickly make my writings irrelevant or obsolete, the potential consequences of the political present seem so important that I feel it would be irresponsible not to push my fellow scholars to consider them.

The two general insights I have drawn from these papers are that we need to do deeper analyses of what structures work upon élites, and how they do so, and be more attentive to varieties of élite. Exploring how those varieties may mean thinking beyond "groupness" and considering the range of alliances between those we think of élites and others, in order to wield and arrange power in new ways.

As the reader might guess, I'm rather unwilling to speak across all national contexts, as I too quickly reach the limits of my own knowledge. But if there is a global concern, it is one of the loss, or at least decline, of the liberal model of nationhood. While liberalism's problems have been well rehearsed, the potential decline of Europe as an idea, and liberalism as an organizing model for nations in Europe, the US, and perhaps well beyond leaves us with few realized alternate models, which themselves are far from desirable (e.g. Russia and China). While authoritarianism and ethnic nationalism are often thought of as mass movements, élites are playing central roles in these processes. The questions are, which among the various élites promote such movements, how are such inter-"group" alliances built and maintained, and how are institutional and structural forms promoting or inhibiting these dynamics?

The curiosity within such "populist" ethno-nationalist movements is that, at their core, they are structured around a critique of élites, and yet they align with some sub-set of élites. This points to a few of our previous insights. First, that there are varieties of élites, some of whom may have deeply illiberal positions. Second, we may well want to be more attentive to how élites are subjectively understood, and not only scientifically described. This means understanding not just the objective conditions of the making of élites, but also the subjective conceptualizations of élites by élites and others, in order to see how different conglomerations are socially and politically possible. While some of my own previous work has been critical of the "attitudinal fallacy" – taking attitudes as proxies for behavior [Jerolmack and Khan 2014] – this does not mean that we should completely abandon attitudinal frames and their impacts on constructing worlds of possibilities within the social world.

Finally, thinking of this process helps us see something important. Liberal economic and political processes have often been intimately tied with élites. Even within conceptualizations of comparatively conservative élites, especially within the post-war era, a commitment to liberal economic policies is often presumed. Yet we are now witnessing the rise of a different set of élites, who are using ethno-national logics, underpinned by a commitment to white supremacy. These élites are certainly interested in their own economic dominance, but it would be hard to argue that a logic of liberal markets – a form of contemporary capitalism – drives their actions. To get through our present morass we must understand the interrelationship between these various élites, and the political and economic ideologies they deploy, in part through their work upon and work with other social groups. The appearance of these papers reflects an exciting and important contribution to understanding élites; with any luck scholars will learn from and build upon them and hope us better mediate the terrifying political climate that seems on the horizon.

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The Many Futures of Élites Research

A Comment on the Symposium

Abstract: In this paper I argue that the contributions collected in this issue make major advances in our understanding of élites by focusing on developing concrete empirical findings rather than theoretical contributions. These findings point to two things that scholars of élites should more attentive to: first, the structural conditions that work upon élites; second, the ways in which there is no élite, instead there are élites. This variation within élites pushes us to think less about élite "groupness" and more about the intra-élite conflict, how different structural forms work upon and are produced by different élites, and how inter-group collaboration, co-optation, and conflict are possible. Finally, I use these insights to reflect upon how it is that scholars of élites can contribute to our understanding of the recent turn in global politics against liberalism and toward ethno-cultural nationalism.

Keywords: Élites; Social Structure; Multiple Élites; Ethno-Cultural Nationalism.

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