
Bridging Different Worlds?

Economy, Politics and Brokerage Roles in Sweden

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abstract: This article examines economy and politics in Sweden from a network theoretical perspective. In Sweden, economic and political elites make up two distinct catnets that are largely separated from each other, although there are bridges between them. The article contributes to an understanding of what brokerage roles are at work within the institutional arrangements of corporatism and pluralism. For several decades Sweden was considered one of the prototypical examples of corporatism. Representative brokerage was common, and promoted a relatively high degree of system integration. However, Swedish corporatism has declined dramatically since the early 1990s. This article discusses the consequences for contacts between the economic and political catnets in Sweden, and how corporatism has affected the level of system integration and the creation of social capital. The article shows that the more pluralistic institutional settings that replaced corporatism have resulted in two simultaneous processes: one of fragmentation of the economic catnet, caused by a shift from interest organizations to singular corporations as the locus of contact with political decision-makers, and one of increased importance of professional lobbyists as brokers (of the liaison type).

keywords: brokerage ♦ corporatism ♦ economics ♦ elites ♦ lobbying ♦ networks ♦ politics ♦ social capital

Introduction

A variety of connotations attach to the concepts of economy and politics, and in order to avoid misunderstanding let me start by saying that this article is not about power and influence nor about governance in any traditional sense (i.e. how to create institutions that maximize efficiency and/or justice).¹ Instead, it is about system integration and the creation of social capital.

The idea that economy and politics largely belong to different worlds is not new (e.g. Weber, 1991; Bell, 1996). However, the same could be said of the idea that they are embedded in a larger system, society, in which they (are supposed to) work in a mutually beneficiary way (e.g. Parsons, 1951). In this article, I use network theoretical tools to discuss the degree of integration between economy and politics, with Sweden as the particular case. I argue that from a structural perspective the economic and political elites² in Sweden consist of two networks that are largely separate.³ Furthermore, both the economic and the political elite make up distinct categories, that is, the actors involved are conceived by others as well as by themselves to share salient, group-specific characteristics.⁴ Combined, therefore, the economic and political elites in Sweden can be seen as two separate catnets (the term is from Harrison White, and the definition is discussed later). Although a plurality of elites is often seen as beneficial

for a functioning democracy (e.g. Dahl, 1968), the decoupling of elites may also have some problematic implications.

Most important, it implies a rather low degree of system integration, at least with regard to economy and politics, both of which are crucial for a functioning society. Situations in which economic and political elites do not understand one another, communicate badly or not at all, or are even distrustful of one another, may be harmful for society. Catnets that are poorly connected hamper the flow of information and the creation of social capital and mutual trust among different groups and categories within a society.

However, although the economic and political elites in Sweden comprise two largely separate catnets, there are bridges between them. In this article, I focus on brokerage roles, that is, the process of mediation between the economic and political catnets. More specifically, I focus on how two dominant institutional settings, (neo-)corporatism and pluralism, have provided the framework for different kinds of brokerage roles. This also motivated my choice of Sweden as a case study for this discussion.

During most of the 20th century, and certainly so during the post-war years, Sweden was considered one of the prototypical examples of (neo-)corporatism (e.g. Rothstein, 2000). During the era of Swedish corporatism, representatives of the economic elite met frequently with the political elite. Representative brokerage predominated, and the institutional settings promoted a relatively high degree of system integration.

However, during the past decade, the importance of corporatism in Sweden has decreased dramatically, and we have witnessed a transformation towards a more pluralistic institutional setting (e.g. Hermansson et al., 1999; SOU, 2000; Naurin, 2001). This process of change raises the important questions discussed in this article: Are we seeing an increased de-coupling between the economic and political elites as a result of the decrease in direct contact between them, which used to be promoted by corporatist arrangements? Or are we seeing a corresponding increase in 'functional substitutes', such as indirect contact through professional lobbyists (i.e. has liaison brokerage replaced representative brokerage)? Or, a third alternative, are we seeing increased fragmentation and decomposition of the economic catnet as a result of a shift from interest organizations to singular corporations as a locus of political contact (i.e. are we witnessing a sort of individualization)? The second and third alternatives are not mutually exclusive, and in this article I argue that they combine into a relatively adequate picture of the Swedish case after the 'fall' of Swedish corporatism.

This article consists of two implicit parts. In the first, basic concepts such as networks, categories and catnets are defined and discussed. I present some network analytical concepts associated with mediation and brokerage between different actors. In the second part I discuss brokerage and mediation between the political and economic catnets in Sweden within the institutional arrangements of corporatism and pluralism/lobbying.

The main purpose of the article is not to present new data⁵ or to advance the theory of network analysis per se, my aim is much less ambitious, namely, to present an alternative way of understanding one of the most important changes within Swedish society during the post-war era – the 'death' of corporatism – and to point out the consequences this may have had. I hope that this article may also fulfil a brokerage role by contributing to a tighter coupling between network theory and political sociology – two fields that so far have been sadly decoupled in Scandinavian sociology – and put me in a position to raise questions that have been disregarded in earlier research on the demise of corporatism.

Networks, categories and catnets

The basics of networks and network theory are very simple: it is assumed that actors are parts of larger social structures, and that their positions in these structures influence their actions.

The focus is on relations that link actors. Such a connection can be directed as well as undirected, and direct as well as indirect – that is, actors A and C can be linked directly or indirectly through actor B (Scott, 2000). It would not be particularly controversial to state that the economic and political elites in Sweden form such networks; the actors operating at an elite level within these realms are largely connected with one another, directly or indirectly. As we saw above, these two networks are largely separated from each other.

Moreover, it could be argued that while the economic and political elites comprise two networks, they are also *categories* in the full sense of the term. Following Harrison White (1965: 4), I consider a category or *cat* in this context to be ‘a bunch of people alike in some respect, from someone’s point of view’. Of course, we all belong to a multitude of different categories (based on gender, occupation, class, religion, ethnicity, life styles, etc.), and the salience of these categories is bound to vary according to context. However, a full-fledged category – which is used as a theoretical construct in this discussion – contains people who all recognize their common characteristic at the same time as all bystanders recognize their sharing of these specific characteristics (White, 1965: 4; Tilly, 1978: 62). In other words, the category will have to be both ascribed and self-understood.

The theoretical contribution of Harrison White (1965, 1992) was to bring together the notions of *net* (network) and *cat* (category) in the concept of *catnet*. A *catnet* is ‘a set of individuals comprising both a category and a network’ (Tilly, 1978: 62; cf. White, 1965: 7). The implication of this is that a group of people constituting a *catnet* is more likely to mobilize around common goals and to act collectively than is a group of people comprising only a network *or* a category. In Charles Tilly’s words, the ‘more extensive its common identity and internal networks, the more organized the group’ (1978: 62–3; cf. Knoke, 1990: 42).

The fact that people tend to develop relations with others who are like themselves in one way or another applies not only to economic and political elites. As several scholars have noted (e.g. Blau, 1977; Granovetter, 1982; Burt, 1992, 2002; Lin, 2001), ‘wealthy people develop ties with other wealthy people. Educated people develop ties with one another. Young people develop ties with one another’ (Burt, 1992: 12). This phenomenon, termed *homophily*, which has been ‘proved’ empirically solid in several studies (e.g. Marsden, 1987; Burt, 1990; Blau, 1994), has several causes. First, socially similar people may share similar interests. Second, even when they do not share common interests, socially similar people tend to spend time in the same place (housing area, clubs, workplace, and so on). Third, most people tend to find others with similar tastes to be attractive (Burt, 1992: 12). Hence, for reasons of both ‘opportunity and interpersonal attraction, relations are observed more often between people similar on socially significant attributes’ (Burt, 2002: 344).

However, these common tendencies to homophily risk resulting in a segregated society in which people interact exclusively with people of their own kind. Such a situation hampers the creation of reciprocal trust between people belonging to different classes, categories and social groups (Putnam, 2000). We also know that people who interact only with others of their own kind tend toward a certain narrowness and intellectual inflexibility (e.g. Erickson, 1982). And, these people may not receive new and innovative information to the same extent as others, because such information often diffuses through weak ties connecting disparate networks (Granovetter, 1973, 1974).

A decoupling between the economic and political elite may contribute to a lack of mutual understanding, or even to mutual distrust, which could be politically and economically damaging in the long run. According to Bell (1996), following Weber (1991), although the spheres of politics and economics are highly interconnected, they are also partly autonomous, which means that to some extent they ‘respond to different norms’. The economic realm is characterized by functional rationality and the obligation to be efficient and economical, whereas the political realm is characterized by the striving for legitimacy and the obligation

to be deliberative and to some degree egalitarian (Bell, 1996: 10–12). As Pierre (1999: 12) has put it, politics ‘is a deliberate process; debates that include a large number of actors are seen as a goal in itself, as well as the best way to make decisions about distributions of public goods’. The economic marketplace, on the other hand,

... is automatic and gives priority to the content of decisions rather than to their form. The decision making process of politics is slow and rule-governed, whereas the decision making process of the economic market is short and extremely fast. (Pierre, 1999: 12)

The likelihood that such differences promote misunderstandings and distrust increases in situations in which economic and political elites have little knowledge about each other’s working conditions as a result of being poorly interconnected.

Bridging catnets

Yet, as will be shown in the Swedish case, although economic and political elites constitute separate catnets there are in fact bridges between them. This makes it necessary to consider the theoretical literature discussing bridges, a discussion that casts useful light on this phenomenon and help us to better understand the Swedish case. Although different concepts have been used, such as brokerage (Marsden, 1982, 1983), betweenness (Freeman, 1977, 1979), structural holes (Burt, 1992), and bridging social capital (Putnam, 2000), we will see that there are overlapping understandings of what mechanisms are involved.

Granovetter’s idea of weak ties may provide a useful point of departure. According to Granovetter, weak ties (i.e. acquaintances we do not interact with regularly) are more powerful than strong ties (i.e. kin, close friends, etc., with whom we interact frequently) for diffusing new and innovative information. The reason is that weak ties tend more to bridge different networks than do strong ties (Granovetter, 1973, 1974, 1982). As Granovetter has noted, the existence of weak ties has both micro- and macro-related effects: ‘From the individual’s point of view, [...] weak ties are an important resource in making possible mobility opportunity’ (1973: 1373). The macroscopic side, on the other hand, is that ‘social systems lacking in weak ties will be fragmented and incoherent. New ideas will spread slowly’ (Granovetter, 1982: 106). Hence, weak ties are important for creating social cohesion and integration. Weak ties not only tend to bridge networks more often than strong ties, but also different catnets. This is because strong ties, unlike weak ones, tend to be highly concentrated within particular groups and catnets (Granovetter, 1973: 1376; cf. 1982: 108).

Building on Granovetter’s ideas, Burt (1992) introduced the concept of the *structural hole*. For Burt (1992: 17–18), a structural hole is a concept for the ‘separation between nonredundant contacts’. Redundant contacts, in turn, are contacts that lead to the same people, that is, a group of people who know most of the others in the group. To link this to the discussion above, we may argue that a high density of redundant contacts often characterizes catnets. As mentioned above, and as indicated by Burt (1992, 2001) without using the term, catnets and other clusters of redundant contacts with strong relations tend to hamper the spread of new information. Ties that connect such clusters, that bridge structural holes, therefore become crucial. In addition to creating opportunities and information benefits for strategically placed actors – who find opportunities to act as brokers or intermediaries because of the existence of a structural hole – such bridges also create bridging social capital and contribute to increased system integration.

This thread could be further developed by using Putnam’s (2000) conception of *social capital*. For Putnam (2000: 19), social capital ‘refers to connections among individuals – social networks and the norms of reciprocity and trustworthiness that arise from them’.⁶ Putnam made an important distinction between two forms of social capital: *bridging* (or inclusive) and *bonding* (or exclusive). Bonding social capital results from network contacts between people

who are alike in some respect (what in this article is called a catnet), whereas bridging social capital results from contacts within networks that involve two or more salient categories. Bonding social capital is 'inward looking and tend[s] to reinforce exclusive identities and homogeneous groups', whereas bridging social capital is 'outward looking and encompass[es] people across diverse social cleavages' (Putnam, 2000: 22). Although bonding social capital may be good in mobilizing identity and strong in-group loyalty, it also 'bolsters our narrow selves' and 'create[s] strong out-group antagonism'. Bridging social capital, on the other hand, may generate more general identities, trust and reciprocity (Putnam, 2000: 22–3).⁷ As we saw above, the Swedish economic and political elites constitute – in many respects – two separate catnets. Hence, we can assume that the social capital resulting from their network contacts is mainly of the bonding type. As has been repeatedly stressed above, this is not an optimal situation: it may increase narrow self-interest and in-group loyalty, and at the same time hamper the development of reciprocal trust and system integration. Such a situation may even be costly for society; as Putnam (2000: 288) has argued, social capital of the bridging type 'greases the wheels that allow communities to advance smoothly'. When people – and I see no reason not to include elites here – are trusting and seen as trustworthy, transactions are less costly. This kind of trust is created from bridging social capital.

However, there are bridges between the two elites. Certain organizations and other actors have been given – or have sometimes claimed – brokerage roles. The forms and contents of these bridges are socio-historically given and, hence, have changed over time. As discussed in a subsequent section, both corporatist and pluralist institutional settings have created organizational bridges, albeit of different kinds.

The idea of brokerage has a long and rich tradition within the literature on network theory. The ideas of Granovetter and Burt have been discussed above, but there are other contributions that will cast additional light on this discussion. In discussing *point centrality* in networks, Freeman (1977, 1979) coined the term *betweenness*. His argument was that a point located between other points or clusters of points may be structurally central even though it is of relatively low degree. The reason for this is that it can 'facilitate, impede or bias the transmission of messages', which means that it has great power potential as a broker or gatekeeper (Freeman, 1977: 36; see also Scott, 2000: 86). In a somewhat more concrete sense, Marsden (1982: 202) defined brokerage as a process 'by which intermediary actors facilitate transactions between other actors lacking access to or trust in one another'.⁸ Hence, he saw brokered transactions as a 'functional substitute for direct accessibility' (Marsden, 1982: 206; cf. 1983: 691). Gould (1989) and Gould and Fernandez (1989) have argued – while agreeing on Marsden's definition at large – that brokerage in this sense should apply for all types of exchange (in fact, any form of instrumental relations) and not just transactions. I will adopt that position.

The discussion below presents reasons for our assuming that the need for such functional substitutes for direct accessibility between the economic and political elites has increased – because of the decreased importance of corporatist arrangements – in Sweden over the past 10 to 15 years. However, before moving on to that discussion I believe it is useful to introduce the typology of brokerage roles presented by Gould and Fernandez (1989). This typology is interesting because it deals with brokerage between catnets, although the authors do not use that term (but see Knoke, 1990), and I believe it captures two of the most important forms of bridging that have characterized the Swedish case: corporatism and lobbying.

Gould and Fernandez (1989) presented five different ideal typical brokerage relations, which all take account of the actors' catnets (see also Knoke, 1990: 144).⁹ In contrast to the above discussion of brokerage, Gould and Fernandez (1989: 91–2) stressed that not only 'the subgroup [i.e. catnet] affiliations are relevant', but also 'the affiliation of the broker'. Among these five types, two are of particular relevance here: the *liaison role* and the *representative role*.

The *liaison role* is perhaps the type of brokerage we intuitively think of when we hear the

term brokerage. In this brokerage role, the broker is a third-party outsider in relation to the two catnets. Following Knoke (1990: 144–5), we can assume that the liaison broker has no ‘partisan stake in the outcome of the negotiated deal except to see that it goes through and he gets his cut’. In the representative broker role, on the other hand, one catnet group delegates one of its own members to ‘communicate information to, or negotiate exchanges with, outsiders’ (Gould and Fernandez, 1989: 92–3). These two ideal types are shown in stylized form in Figure 1. The actors are represented by points, whereas the circles show categories (and, we assume, catnets) to which actors belong.

I argue that the liaison brokerage role is an approximation of lobbying through (external) professional lobbyists – since the broker/lobbyist has no non-economic stake in the interaction – whereas the representational brokerage role is an approximation of corporatism, where vested actors fill the brokerage role. With this typology in mind, below I discuss the effects the decreased importance of corporatism in Sweden have had on the level of system integration.

Corporatism

Corporatism has been defined in a variety of ways (see, e.g., Schmitter, 1974; Cawson, 1986; Williamson, 1989). In discussing the decreased importance of Swedish corporatism, it might be useful to consider Hermansson et al.’s (1999: 23) definition of corporatism as an arrangement in which organized interests in *institutionalized forms* take part in public decision processes.

Sweden was for long considered one of the prototypical (neo-)corporatist countries. Schmitter and Lembruch (1979: 17), for instance, mentioned Sweden when defining corporatism:

Sweden [. . .] [has] singular, non-competitive, hierarchically ordered, sectorally compartmentalized, interest associations exercising representational monopolies and accepting (de jure or de facto) governmentally imposed or negotiated limitations. (Cf. Schmitter, 1974)

In traditional Swedish corporatism, business representatives met regularly – and in institutionalized forms – with representatives of the unions in formal organizations that in one way or another were linked to the state. In addition, the Swedish Employer’s Confederation and other representatives were – along with other interest organizations – represented in civil service departments and similar bodies of public administration, and were regularly involved in official investigations and reports. Working committees in Sweden have been an important

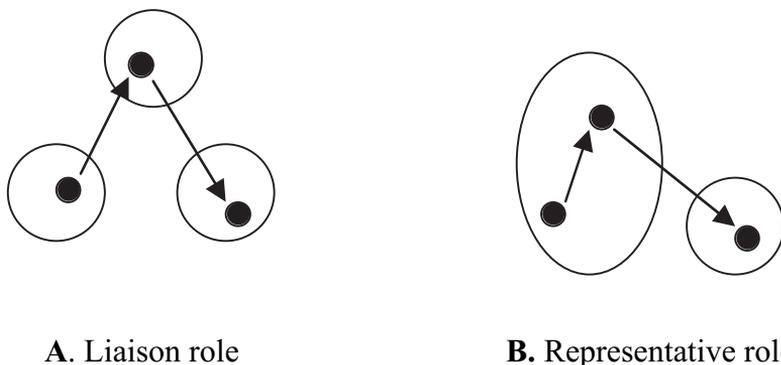


Figure 1 Brokerage roles. (From Knoke (1990: 145) building on Gould and Fernandez (1989))

locus for interest organizations meeting one another and an effective way of exerting power (e.g. Hermansson et al., 1999: 11, 28).¹⁰

Hence, considering the two catnets discussed in this article, Swedish corporatism was an inclusive form of governance, promoting system integration. In the Swedish case, representatives of the economic elite met frequently with the political elite in a double sense, since both the unions and – with the exception of the years 1976–82 and 1991–94 – the government was part of the (labour movement-based) political elite.

However, during the past decade several important changes have taken place. Most importantly, in 1991:

[T]he Swedish Employer's Confederation unilaterally decided to withdraw its members of the board from central civil service departments and similar bodies of public administration. On its own statement, it took a unilaterally farewell to corporatism. (Rothstein and Bergström, 1999: 7–8; cf. Johansson, 2000)

As a result, all formal representation of interest organizations on the boards of civil service departments came to an end in 1992 (Hermansson et al., 1999: 36). In addition, official committees are composed differently today: whereas rather extensive committees with representatives from several interest organizations (not least from business and from the unions) were an integral element of Swedish corporatism, today it is much more common to have one-person investigations (Hermansson et al., 1999: 29). Therefore, several leading Swedish political scientists have concluded that Swedish corporatism – as we knew it – is essentially dead (SOU, 1990; Lewin, 1992; Hermansson, 1993; however, see Hermansson et al., 1999: 22 for a critique).

Lobbyism

Following Marsden (1982: 206), we can assume that actors 'will prefer a direct connection if one is available' to indirect ones. Since Marsden was discussing transactions, he identified reduced brokerage costs (in the form of commissions) as the principal reason for this. Of course, money matters when discussing professional lobbyists, which involves a transaction, but we should, in my opinion, also mention control and trust. In direct contact, the actors can maintain a high degree of control over the situation; this is not equally possible in indirect contact, which makes trust imperative. The best (i.e. less costly) alternative is to have a trusted person whom you already know, or whom someone whose opinion you trust has recommended, to use as an indirect contact. If such a trustworthy person is lacking, another alternative is to hire an indirect contact (where trustworthiness in a way is stipulated in a contract) or – for a corporation, etc. – to create a permanent in-house lobbying staff (see also Knoke, 2001: 246). A professional lobbyist is such a hired indirect contact and, hence, is a functional equivalent to direct contacts. As argued above, there are hypothetical reasons for assuming that the need for such contacts increased as a result of the decline of Swedish corporatism.

The brokerage or bridging role of lobbying has been an intrinsic part of the definition for a long time. Milbrath (1963: 8), for instance, defined lobbying as 'the stipulation and transmission of a communication, by someone other than a citizen acting on his own behalf, directed to a governmental decision-maker with the hope of influencing his decision'. For reasons discussed in the Introduction, I leave power (of which influence of course is a part) out of this article. Moreover, much of what lobbyists do does not involve direct contact with decision-makers; media contact also plays an important role (e.g. Baumgartner and Leech, 1998: 34). This aspect, too, is omitted from this article. Of interest here is the extent to which lobbying activities bridge the catnets of the economic and the political elites.

When discussing the economic catnet as a unifying concept, it should be noted that four main forms of direct contact between the economic and the political elite may be expected.

Contact can be initiated either by a particular corporation or by one of the economic interest organizations, of which the Swedish Employer's Federation or any of the industry umbrella organizations are the most important, and they may be directed at either the Social Democratic elite – that is, to the government or to any of its MPs at the local, regional, national or EU level – or to the elite within the Swedish Trade Union Federation or any other of the major organizations within the labour movement. As discussed earlier, Swedish corporatism focused on contact between major interest organizations. As we see below, there are indications that more contact today goes directly between major corporations and the political elite, which makes it necessary to ask whether we are witnessing a fragmentation or even decomposition of the economic catnet. At the same time, however, personal contact and networks have become more important as a result of the decreased importance of the corporatist arrangements. The authors of the Swedish official democracy report see indications of a professionalization during the past decade, and conclude that corporations and interest organizations are increasingly establishing in-house lobbying staffs, and that professional lobbyists – in the shape of consulting firms – have emerged in Sweden. The number of these firms has also increased lately (Hermansson et al., 1999: 48–50; SOU, 2000).

However, there are also indications that direct contact between corporations and government and state departments has become increasingly important since the 1980s, at the expense of contact between the interest organizations and the governmental departments (Pettersson, 1989: 145). In 1998, for instance, 25 per cent of the members of parliament stated that they had frequent contact (i.e. at least once a week) with corporate representatives, whereas 13 per cent had frequent contact with the Swedish Employer's Confederation (Hermansson et al., 1999: 52).

When we look only at the political contacts of the 500 biggest Swedish corporations during the late 1990s, direct contact is more common than indirect contact through hired lobbyists. Fifty-four per cent of these corporations stated that they contacted political decision-makers 'a couple of times per year' (and 26 per cent 'once a month'), whereas only 6 per cent hired lobbyists 'a couple of times a year'.¹¹ However, 43 per cent did so at least 'occasionally' (Hermansson et al., 1999: 58). Much of this contact is made by in-house lobbying groups, which have become more common (doubled since the late 1980s). This is especially true for the biggest corporations: 65 per cent of companies with more than 5000 employed stated that they had a separate department of public relations, which Hermansson et al. (1999: 64–8) saw as evidence of in-house lobbying groups, whereas only 15 per cent of the small companies (with fewer than 500 employed) had such a department (Hermansson et al., 1999: 64–8). This size effect can also be observed when looking at the propensity to hire external lobbyists: the bigger the company, the more common it is to hire lobbyists. Hence, at a micro-level, indirect contact through professional lobbyists cannot be seen as a substitute for direct contact: corporations that hire lobbyists also have in-house lobbying groups, and have frequent direct contact with political decision-makers (Hermansson et al., 1999: 59).

On the other hand, when looking at various interest organizations' direct and indirect contact with political decision-makers, Hermansson et al. (1999: 62) showed that the economic interest organizations are at the top of the list. It is not very common for these organizations to hire external professional lobbyists: trade and industry organizations contact political decision-makers directly on average seven times per year, but they hire external lobbyists only once a year. Similarly, employer associations contact decision-makers directly on average six times per year, but hire external lobbyists only once a year. Many economic interest organizations have also established in-house lobbying groups: around 40 per cent of them had separate public relations departments in the late 1990s (Hermansson et al., 1999: 62–6).

These findings suggest that the decline of Swedish corporatism has resulted in a decentralized and 'individualized' system of many autonomous direct contacts managed by in-house

lobbying groups, rather than any increased importance of 'functional substitutes' in the form of professional (external) lobbyists. This appears to herald fragmentation of the economic catnet – which could, in the longer run, result in a decomposition process – rather than in a decoupling between the economic and political catnets. Yet, the fact remains that professional lobbying firms have been established in Sweden, and have beyond doubt gained in importance during the past decade. It is therefore necessary to take a closer look at the phenomenon. To what extent do they fulfil a brokerage role, bridging between economy and politics?

First, there is no doubt that professional lobbyists themselves believe they fulfil such a role. Some professional lobbyists have stated as much. Annika Sundström, for instance, a senior lobbyist at the consulting firm Idétorget, has stated:

Unfortunately, economy and politics have few natural contact interfaces. [. . .] Hence, there is a need for cross-fertilization, in which representatives of business and politics meet. [. . .] We act as brokers of different interests and can be an important link between politics and the economy. (Sundström, 1998: 14; cf. Carlberg, 1989: 19)

Hermansson et al. (1999: 101) have in fact presented supporting data indicating that this kind of professionalization creates favourable conditions for the emergence of more permanent – or at least long-term – contact between the two catnets. More specifically, they have shown that there are examples of formal and informal cooperation between the catnets (i.e. that wage-earner unions cooperate with corporations or with trade and branch organizations in efforts to influence policy).

Second, we know that professional lobbyists often try to make use of already established personal informal networks. Many of the senior lobbyists at the big PR firms have been recruited from political parties, or have worked politically in one way or another. As part of the official inquiry on democracy, Hermansson et al. (1999: 142; cf. Lund, 1999) studied the 16 biggest lobbying and PR firms in Sweden, their data showing that 27 per cent of the lobbyists had held political positions of trust (i.e. they had been elected at some level), 7 per cent had been employed by a political party, and 9 per cent had been employed by the Secretariat of Governance. This indicates that professional lobbyists often have access to informal political networks, and that they know the language of politics and understand its logic. Both these resources are becoming increasingly important for economic actors wanting to influence policy as politics have become more 'informalized'. Although direct contact between the economic and political catnets is more common than indirect contact, all professional lobbyists interviewed by Hermansson et al. (1999: 168; cf. Lund, 1999) stated that the corporations' demand for lobbying services had increased during recent years.

In sum, we may conclude that we have seen indications of two separate processes, one of fragmentation of the economic catnet – as a result of the shift from interest organizations to singular corporations as the locus of contact with political decision-makers – and one of an increased importance of professional lobbyists as brokers.¹²

Concluding remarks

In this article, I have discussed Swedish business and politics from a network theoretical perspective. I have demonstrated that the economic and political elites in Sweden make up two distinct catnets, to a large extent separated from each other, and I have discussed the bridges that nonetheless exist between them. The main objective was to see what network theoretical tools could contribute to a theoretical as well as an empirical understanding of what brokerage roles are at work within the institutional arrangements of corporatism and pluralism – and what consequences such brokerage roles have had on system integration and the creation of social capital.

For several decades Sweden was considered one of the prototypical examples of (neo-)corporatism. In this sort of institutional setting the representative brokerage role is readily used, as this article has shown. It also promotes a relatively high degree of system integration. However, Swedish corporatism, as we used to know it, has been 'dead' since the early 1990s. The second main objective of this article, therefore, was to ask what consequences this fact has had for the potential of contact between the economic and political catnets in Sweden (which in turn influences the level of system integration and the creation of social capital). The answer identified was that the more pluralistic institutional settings, which have replaced corporatism, have resulted in two simultaneous processes: one of fragmentation of the economic catnet, caused by a shift from interest organizations to singular corporations as the locus of contacts with political decision-makers, and one of an increased importance of professional lobbyists as brokers (of the liaison type).

Hence, concerning system integration and the potential for the creation of social capital, this article fails to come to an unequivocal conclusion. On the one hand, fragmentation and individualization evidently do not promote system integration – quite the contrary. Still, the potential for the creation of bridging social capital (and, hence, of reciprocal trust) may be enhanced by a decentralization of the contact between economic and political actors. The main reason for this is that the number of contacts has grown (i.e. the number of direct contacts has increased as a result of the diminished role of the representative brokerage actor).

Notes

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1. The reason for omitting power and influence is mainly practical: their inclusion would make this article too long. Furthermore, most similar studies focus (often exclusively) on power, whereas the sorts of questions posed here are less frequently discussed. For the interested reader, I recommend Emerson (1962) and Scott (2001) on power and influence generally, and Knoke (1990) and Gould (1989) on power in brokerage relations.
2. Hence, elites are the subject of this article. An elite 'is any group or category of people in a social system that occupies a position of privilege or dominance' (Johnson, 1995: 93). Examples relating to this article would be chief executive officers of corporations, major stock owners or members of boards of major corporations, leaders of major economic interest organizations, top party officials, leaders of major wage-earner unions, etc.
3. As established in the Swedish official report on power (SOU, 1990: 305), there are two dominant power blocs in Sweden: the political power dominated by the labour movement, and economic power, consisting of the major corporations and interest organizations. According to Petersson (1989: 137), who was director of the official power investigation, these two blocs are largely distinct from one another, and are characterized by differing cultures. In the Swedish official report on democracy, conducted 10 years later, Hermansson et al. (1999: 246, 253) concluded that there 'are still two elites, one economic and one consisting of wage-earner unions' (cf. SOU, 2000). Hermansson et al. (1999: 246) also concluded that representatives of the big corporations and the major economic interest organizations (such as industry organizations and the Swedish Employers' Confederation) are part of the same or similar networks. The same applies to representatives of unions and other major organizations within the labour movement. As a result, the authors found good reason to argue that these two power blocs in fact form two distinct elites. As several powerful executives within the Swedish economy have admitted, there is mutual scepticism and distrust between the two elites (Sjöstrand and Petrelius, 2002: 56–7). Furthermore, they are not just living in different worlds, they also come from different worlds. The official report on power makes clear that the two elites have separate social bases (see SOU, 1990: 324).

4. The directorships of the major Swedish corporations are interlocked to a relatively high degree. In June 2001 there were 335 exchange-listed companies in Sweden. Among these, 305 shared at least one member of the board with other exchange-listed companies: 14 of these were connected in pairs, while the remaining 291 were connected in a single network (Bohman, 2002; see also Edling, 2002: 238).
5. The reason for this is mainly the lack of network data, that is, data collected for the purpose of rigorous network analysis, and the considerable costs and difficulties associated with collecting such data.
6. Hence, social capital refers to connections among individuals (Putnam, 2000: 19; for similar and alternative definitions of social capital, see, e.g., Coleman, 1988, 1990; Burt, 1992, 2001; Baker, 2000; Lin, 2001).
7. However, the categories of bonding and bridging social capital are not always exclusionary: 'Many groups simultaneously bond along some social dimensions and bridge across others' (Putnam, 2000: 23). Hence, even if we find network links that bridge the economic and political elites, they may still bond by gender.
8. However, for Marsden 'the happenstance fact that two peripheral actors communicate with a common third party' is not a sufficient condition for deeming it brokerage behaviour. The third part, the broker or intermediary, also has to 'take into account the needs of the peripheral actors for sending information to and receiving it from one another' (Marsden, 1982: 205–6).
9. Although the authors do not use that concept themselves, the reason for taking catnets into account is, according to Gould and Fernandez (1989: 19), to distinguish between flows of information within groups and flows of information between groups. Only brokerage between groups seems to make a difference, even in terms of the influence of the broker. Hence, consistent with the earlier discussion in this article, they argue that there is a qualitative difference between brokerage between two catnets, on the one hand, and between two ordinary networks, on the other.
10. In addition, the Swedish Employers' Confederation and the Swedish Trade Union Confederation met during the era of neo-corporatism in central negotiations over wages. Since the Saltsjöåden agreement in 1938, there was mutual understanding that neither party would appeal to state power to settle potential conflicts. These negotiations were to a large extent characterized by consensus-seeking and an effort to reach beyond narrow interests. Moreover, they created personal networks that bridged the two separate catnets (see, e.g., Rothstein, 2000).
11. However, it should be noted that about half of the economic elite's political contacts were with civil servants rather than with politicians (Hermansson et al., 1999: 86).
12. There are also other bridges between the economic and political catnets. One is the Association for Politics and Economy (SPN), which was founded in 1980 by the Federation of Swedish Industries in collaboration with the then four biggest political parties (the Social Democrats and the non-socialist parties). The purpose of the association is to promote dialogue and relations between business and members of parliament. They organize courses and study tours on matters of interest to both politicians and businessmen (Carlberg, 1989: 13; www.iabp.org/members/Sweden.htm). Unlike the situation in some countries (e.g. the United States) there is no tradition in Sweden of politicians being represented on the boards of businesses (Sjöstrand and Petrelius, 2002: 70). Still, during the past decade, two former Social Democratic ministers have gone over to the business side: both were recruited to the major media and telecom corporation governed by the late Jan Stenbeck.

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