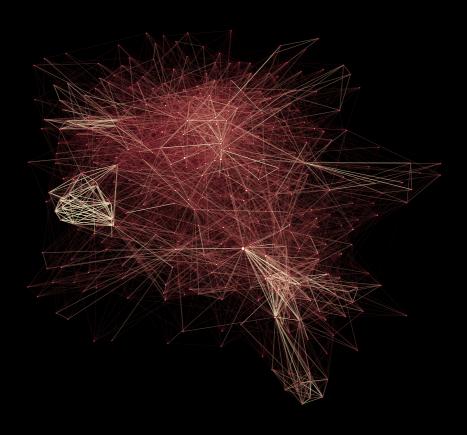


Elites in Denmark

Identifying the Elite



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Ph.D. Dissertation
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Holbæk, February 2015

Anton Grau Larsen

Dansk resumé:

Hvem er medlemmerne af den mest magtfulde gruppe i det danske samfund? Det er det centrale spørgsmål i denne afhandling. Med netværksanalyser finder og undersøger vi kernen af det danske magtnetværk – magteliten – og erhvervselitens inderkreds. Med korrespondanceanalyse undersøges forskellene internt i erhvervslivets top.

Betydningen af hvordan eliten defineres eller identificeres diskuteres op imod den dominerende tilgang til nationale elite studier. I positionsmetoden defineres elitens størrelse og sammensætning på forhånd. Vi fremlægger en ny data sensitiv metodik, der identificerer en sammenhængende elite ved hjælp af social netværks analyse. Det giver muligheden for at analysere på sammensætningen af eliten og afgøre i C.W Mills ånd, hvad de afgørende institutionelle ordner i Danmark er.

Når man skal identificere grupper ved hjælp af social netværks analyse eller analysere forskellene i en korrespondanceanalyse er det afgørende hvordan man teoretisk og metodisk forstår sociale afstande. I en korrespondanceanalyse har alle individer en afstand til hinanden, men det forholder sig væsentligt anderledes i social netværksanalyse. Her er de sociale afstande grundlæggende binære, enten er der to personer forbundet direkte eller igennem andre eller så er afstanden imellem dem uendelig. Det har stor betydning for hvor mange individer man kan inkludere i analysen uden at resultaterne bliver markant anderledes. Derfor er social netværks analyse bedre til at identificere en elite, fordi individer der er isolerede eller perifære ikke nødvendigvis har indflydelse på gruppeindelingerne. Uden denne egenskab kunne man ikke benytte så relativt meget data som vi gør i vores datasæt, Det Danske Elitenetværk.

De 100 vigtigste danske topdirektører kortlægges i den første og anden artikel. I den første artikel vises hvilke karriereveje, der leder til toppen af erhvervslivet sammenlignet med Tyskland, Frankrig og Storbritannien. Med klyngeanalyse findes 4 typiske karriereveje for danske direktører, der dog alle går gennem mange år i erhvervslivet: firmaets mand, arvingen, eksperten og sælgeren, hvor den sidste er særegen for dansk erhvervsliv. Danske topdirektører stammer ligesom deres udenlandske kolleger i høj grad fra den øvre middelklasse eller overklassen, ofte fra direktørhjem. Men topdirektørerne er meget forskellige, når det kommer til uddannelsestyper og længde på tværs af lande. Det tyder på, at det er mere afgørende at passe ind i den nationale erhvervskultur end at have kvalifikationer og erfaringer, der passer til ledelse på tværs af lande.

Topdirektørernes nuværende status og netværk kortlægges i den anden artikel. Det viser sig at høj status i form af omtale, royale anerkendelser som ordner og invitationer til bal og ledelsespriser hænger endog meget tæt sammen med, om direktøren inviteres ind i de netværk, der forbinder dem med andre dele af magteliten. Selv blandt de 100 vigtigste direktører er der store forskelle i, hvor stor prestige, man har og hvor godt man er integreret med de øvrige magtmennesker.

Sammenhængen mellem netværk og status gjorde det oplagt at se endnu nærmere på det danske magtnetværk. Vi indsamlede en stor database bestående af 5.233 netværk med 62.841 poster besat af 37.750 mennesker. Databasen indeholder virksomhedsbestyrelser, bestyrelser og underudvalg i organisationer med høringsret, ledende organer i statslige institutioner, kommissioner, udvalg, råd og nævn, fondsbestyrelser, andre netværk og begivenheder som kongelige baller. Indsamlingen er udførligt beskrevet i den femte artikel.

Bestyrelsesposterne i de 1.037 største danske virksomheder bruges til – med udgangspunkt i Michaels Useems teori - at finde en inderkreds i den danske erhvervselite i artikel 3. Her findes 171 mennesker, der ikke bare sidder på de centrale poster i dansk erhvervsliv, men også langt hyppigere end de øvrige bestyrelsesmedlemmer har poster i andre prestigefyldte eller magtfulde magtnetværk så som erhvervsorganisationer, statslige råd og nævn, universitets- og kulturbestyrelser, eksklusive netværk som VL-grupper, fonde og royale begivenheder. Inderkredsen ligner desuden direktørerne i kraft at have eksklusiv social baggrund, samme smalle uddannelsesbaggrund og dele livsstil med hinanden. Det giver denne gruppe alle muligheder for at være den politisk aktive del af den økonomiske elite eller kapitalistklassen om man vil.

Hvor artikel 3 om inderkredsen fokuserer på individerne ser artikel 4 på de 1.0037 største danske virksomheder og hvilke egenskaber der har betydning for om en virksomhedsbestyrelse har forbindelser på tværs af sektorer. Der er meget stærke korrelationer mellem omsætning og hvor mange forbindelser virksomheden har indenfor syv forskellige sektorer. Men det er primært de 250 største virksomheder, der forbinder med andre sektorer. Det vises også at udover økonomisk størrelse så har det også en positiv betydning hvor omtalt en virksomhed er, om det er en finansiel virksomhed, om den er den største virksomhed indenfor sit felt og om den er en del af andelsbevægelsen. Modsat er danske afdelinger af Global 500 virksomheder væsentligt dårligere integreret i den danske elite.

For at kunne identificere magteliten i Danmark udvikles der i artikel 6, en ny metode, der anvender k-kerne dekomposition. Ved at tage alle potentielt magtfulde netværk med og herefter udvikle teknikker til at vægte de meget forskellige typer af netværk – lige fra virksomhedsbestyrelsens alvorlige atmosfære til pragten ved det kongelige bal – bliver kernen af netværket ikke bestemt af forskerens fornemmelse for magt, men af hvem der faktisk interagerer mest i magtnetværket. På den måde findes en magtelite på 423 personer.

Disse 423 mennesker og deres netværk kortlægges så i den sidste artikel. Først vises, hvordan det for alle sektornetværk gælder at det at have centrale poster i et sektornetværk, fx statslige institutioner, råd og nævn, betyder at man også oftere har centrale poster indenfor et andet sektornetværk, fx fagforeninger. Desuden bliver det klart, at de centrale poster i netværket akkumuleres blandt meget få personer. Herefter ser vi nærmere på magtelitens sammensætning. Over halvdelen er enten fra det private erhvervsliv eller fra erhvervsorganisationer. Men både fagforeningsledere, topembedsmænd, politikere - især med ledelsesposter, altså ministre og borgmestre – og videnskabsfolk, særligt universitetsrektorer og økonomer er med i kernen af magtnetværket. Kerneaktørerne i den danske model er alle tilstede. Retsvæsen, kulturadministratorer og mediechefer udgør meget små minoriteter, mens de gejstlige, kunstnere samt journalister og andre mediepersonligheder er helt udenfor. Men ikke kun sektortilknytning betyder noget. Ved at se på enkeltpersoner forklares det, at for at blive en del af kernen, så må man spille på dennes præmisser, hvilket grundlæggende betyder at acceptere sine med- og modspilleres ret til at være der. Endelig ses der nærmere på magtelitens kendetegn. Næsten alle de 423 er ledere, tæt på halvdelen kommer fra kun 8 universitetsuddannelser og det store flertal klumper sig sammen i helt bestemte områder. Magteliten foretrækker særligt at bo nord for København tæt på skov eller vand. Magtelitens lukkethed vises ved, at færre end en ud af fem - 19 % - er kvinder og at den sociale rekruttering er meget skæv. 94 % af de fra magteliten, vi kender den sociale baggrund på, kommer fra samfundets mest privilegerede 20 %. Og mere end dobbelt så mange har forældre nævnt i Blå bog, som der kommer fra de resterende 80 % af den sociale rangstige. Med andre ord bindes kernen af magtnetværket ikke blot sammen af deres tætte netværk, men af at dele livsstil og erfaringer. De udgør, trods de interne modsætninger, en sammentømret gruppe, der koncentrerer magten indenfor kongeriget på få hænder.

Studierne af de danske topdirektører, inderkredsen i dansk erhvervsliv samt de største virksomheder viser altså samstemmende at en meget lille gruppe koncentrerer og akkumulerer en voldsom mængde ressourcer helt i toppen af det danske samfund. Denne gruppe er på kryds og tværs bundet tæt sammen i et vidtforgrenet netværk. Kernen i dette netværks sammenhængskraft øges af den store lighed – både hvad angår livsstil og social baggrund – der findes både blandt topdirektører og i hele magteliten.

English Summary

Who are the members of the most powerful group in the Danish society? To answer this question, we explored the elite through two different methodological approaches. Using correspondence analysis, we charted the oppositions structuring two exclusive groups, the 100 most important Danish CEOs and the 1,527 elite individuals identified in the Danish Power and Democracy Study in 1999. Through social network analysis, we identified and explored the integration of a core of the power network in Denmark – the power elite - and the inner circle of the corporate elite.

The importance of how the elite is defined or identified is discussed in relation with the most widely used method for the study of national elites. With the positional method the size and composition is defined as the data is constructed. We propose a new data sensitive method that identifies a cohesive elite with social network analysis. This lets us analyse the composition and like C.W. Mills identify the key institutional orders in Denmark.

How you theoretically and methodologically define and measure social distance is crucial when you try to analyze or identify groups with social network analysis or multiple correspondence analysis. In a correspondence analysis all individuals are given a distance to each other. In social network analysis it is very different. Here the social distances are binary, two people are either connected directly or through others or they are unconnected and then the distance between them is infinite. This is important for how many individuals you can include in your analysis without changing the results dramatically. This is one of the reasons social network analysis is very good at identifying an elite, because isolated do not influence the detection of groups. Without this property of social network analysis we would not be able to use the relatively large and inclusive dataset, The Danish Elite Network, to identify the elite.

The first and second articles map the 100 most important Danish CEOs. In Article I, we show which career trajectories lead to the top managerial positions, compared with Germany, France and the UK. Four typical career paths are identified using cluster analysis: the organisational personnel, the inheritors, the experts and the salespeople. Of these, the last is typical of Danish business; however, all of these pass through many years in the business world. Like their foreign counterparts, Danish CEOs hail mostly from the upper—middle class or the upper class, often from homes in which the father himself was an executive. However, when it comes to types and level of education across countries, the top managers are very different. This suggest that it is more important to fit into the national business culture than to have qualifications and experience useful in management across countries.

The status and prestige of the top CEOs are charted in Article II. High status levels are tied very closely to whether or not the manager is invited into the network, tying them to other parts of the power elite. Such status takes the form of media coverage, royal recognition in the form of decorations and invitations to royal balls, and leadership prizes. Even among the top 100 CEOs, there are substantial differences in the levels of prestige and the degree of connections to other powerful individuals.

The association between network ties and status highlighted the need to further explore the Danish power network. A large database was constructed from 5,322 affiliations, with 62,841 positions held by 37,750 individuals. The database contains corporate boards, boards and subcommittees in organisations officially recognised by the state, boards of state institutions and commissions, foundations boards, other networks, and events such as royal balls. The database is described in depth in Article V.

Article III describes how, from the positions on the boards of the 1,037 largest Danish corporations, we identified an inner circle of the Danish corporate elite corresponding to Michael Useem's inner-circle concept. We identified 171 individuals sitting not only in the central positions in the Danish corporate world, but also frequently in other prestigious or powerful networks, such as business organisations; state committees; boards of education, research or culture; exclusive networks such as the groups under the Danish Management Society (VL); foundations; and royal events. The inner circle are similar to the top CEOs in having prestigious social backgrounds, the same narrow educational profile, and sharing lifestyles. This leaves this group with every possibility of being the politically active part of the capitalist class.

In order to identify the power elite in Denmark we develop, in article 6, a new method that uses k-core decomposition. The analytical strategy makes it possible to approach the size and composition of the elite empirically. By including all potentially powerful networks and developing weights to handle the heterogeneity of these diverse networks – ranging from the serious atmosphere of the corporate board meeting to the splendour of the royal ball – the core of the network is decided not by the researchers' preconceptions and assumptions about the nature of power, but by who actually interacts most frequently in the power network. In this way a power elite of 423 individuals are found in the core of the power network.

These 423 individuals and their networks are charted in the Article VII. First, we show how, for all of the sectoral networks, central positions in one of the sectoral networks (e.g. central state institutions and committees) leads to central positions in other sectoral networks (e.g. unions). Furthermore, central positions are accumulated by a very small group. When looking at the composition of the power elite,

more than half come from either business or business associations. However, also part of the core of the power network are union leaders, senior civil servants, politicians - especially those with leadership positions such ministers or mayors – and scientists, especially university principals and economists. The key actors in the corporatist Danish state are all present. The juridical system, administrators of culture, and media directors are tiny minorities, whereas the clergy, artists and journalists or other celebrities are completely excluded. But not only is affiliation to a certain sector important. By looking at particular individuals it is shown how, to become part of the core of the elite network, one must play the game of the power elite, essentially by accepting the legitimacy of claims to power of all the other members of the power elite. Finally, we explore the social characteristics of the power elite. Almost all of the 423 hold a position of authority at the top of an organisation. Close to half come from just eight university programs. The vast majority cluster in the gilded ghettos, in particular near the sea and parks in Northern Copenhagen. The social closure of the power elite is evident in the gender profile (less than one in five [19%] are women) and the highly selective social background. More than 90 % of those in the power elite for whom we have social background information come from the most privileged 20% of society. Power elite members who have parents mentioned in Kraks Blå Bog (the Danish equivalent of Who's Who) outnumber the remaining 80% on the social ladder more than two to one. Thus the core of the power network is tied not only by their interwoven network, but also by shared lifestyles and experiences. In spite of internal differences, they compose a cohesive group that concentrates power in Denmark in the hands of very few indeed.

The studies of the Danish top CEOs and the inner circle in Danish business, together with the largest corporations and the power elite in Denmark, presented in this disseration all show that a small group concentrates and accumulates a large volume of resources at the very top of Danish society. This group is densely interlocked in a widespread network. The cohesion of the core of this network is strengthened by the similarities in lifestyle and social background of the top CEOs and in the power elite as a whole.

Introduction: Identifying the elite

Few things are as important to a society as how and by whom it is governed. Countless are the struggles over dominance. Few ambitions of man have made a trail of more sorrow and suffering than the ambitions of elite families. Most wars have not been the result of spontaneous sparks of hatred among common folk, but the results of unmet ambitions of elite families insulted by power claims by other elite families. If the status struggles become violent, struggles between elite factions can split a society into pieces. As Pareto(1991) notes, 'history is the graveyard of aristocracies'. No country other than Pareto's Italy could better exemplify that nations rise and fall with their elites.

Nevertheless, according to Roberto Michels (1949), not all elites go down with a struggle. Incumbent elites will often incorporate challengers from competing elites into a united faction, creating an amalgam of the old and the new. The character of elites is therefore not a given dictated by economic factors, religious practices or ethnicity; it is instead the sum of former struggles. The elite are a mirror of the particular history that formed that particular nation-state. There is considerable national and historic variation in the composition and character of national elites. In China, the communist party is the single, all-dominant organisation, from which even the new capitalist class is recruited. In Egypt under Mubarak, a large part of society was controlled by the Egyptian army either directly or by former military leaders who were appointed to leading positions (Nassif 2013). Hundreds of years after the social upheavals that gave birth to parliamentary democracies in Europe, several European countries are still, formally, monarchies. In these countries, it is common that the royal families play central roles in the form of elite networks, act as contacts to foreign dignitaries and distribute symbolic goods in the form of decorations. Many of the families are some of the largest landowners in their respective countries. Even in the most modern societies in the world we still find nobility, and with it, inheritance of social status and titles.

If competing elites can reach a peaceful agreement in an elite settlement (Burton and Higley 1987), all parties may keep some of their power and privileges while giving room and influence to new members of the elite. In modern societies, there may be a tendency towards peaceful elite negotiations and the establishment consensually united elites. This can be by general taming of economic elites, a process first described by Gaetano Mosca (1939) and revisited by Jeffrey Winters (2011), in which oligarchs settle disputes over land and wealth by way of law and sack their hired guns, thus accept the role of the sovereign state as the state with the monopoly on legitimate force. However, even if the wealthy have

accepted demilitarisation, according to Winters, they are still the dominant faction within the elite. In the long run, wealth is a more exchangeable and reliable form of power than, for instance, control over the mobilised masses. Through lobbyists, charity and structural necessity the wealthy elite are able to influence other elites and defend a structure that benefits the class of the wealthy.

But the idea of an elite settlement, an agreement that is written into law and ending periods of conflict, may underestimate the importance of the day to day struggles over positions and dominance within an elite. These conflicts were analysed by Pierre Bourdieu (1996) and conceptualised in the notion of the field, specifically in the field of power. In the field of power, agents from diverse fields struggle over the exchange rate of their forms of capital. The struggle over how much influence and privilege their specific resources are worth vis-a-vis the other elite members slowly changes the state of the field and thereby, how and by whom society is dominated.

Bourdieu was wary of the 'naive' question of who rules (Bourdieu and Wacquant 1996), as it is the study of populations instead of positions within a structure. By studying the structure and positions within a field, we can get to the dominant principle of domination within society and the ways in which it is legitimised. But in the same breath, he admits that it is only possible to investigate structure and positions in a field by looking at the characteristics of the individuals within the structure. This places even more importance on the definition and selection of the elite population, as it no longer answers merely who rules, but also how they legitimise their dominance. Pierre Bourdieu (1996) relied partially on what is called the positional approach in his studies of elites However, he insisted that fields must be constructed in a reflexive process (Bourdieu and Wacquant 1992) and that populations must be defined in a back and forth hermeneutic process (Bourdieu 2005:99). In this way, his methodological approach was quite similar to that of C. W. Mills(1956).

Mills (1956) defined the power elite, a concept similar to Bourdieu's field of power (Denord, Lagneau-Ymonet, and Thine 2011), as the overlapping circles of the key institutional orders. The central difference between the two concepts is the emphasis on actual interaction. The power elite meet, regularly, and through these meetings, they struggle over the right to dominance. Mills was criticised for relying on interaction in his definition of the power elite, while in the eyes of the critics not lifting the empirical burden of showing their unity, for not defining the elite as a group and for not showing how it influenced decisions (Dahl 1958). All elite studies that rely on the positional method are vulnerable to this critique. Why should we assume that the people the researcher has lumped together in his or her dataset have anything to do with each other?

Mills did not work within the framework of social network analysis, even if he drew on concepts such as the social circle, which is within the vocabulary of social network analysis. Even if he had, the social network analysis of the 1950s was neither theoretically nor methodologically sophisticated enough to solve the boundary specification problem (Emirbayer 1997) at the heart of the study of the power elite. Now, several decades later, there has been substantial progress in both group detection and centrality measures in social network analysis. By identifying the overlapping social circles proposed by Mills, it is now possible to use social network analysis to find the power elite. Moreover, this distinct group would be bound together by interaction, putting to rest much of the criticism raised against Mills.

By identifying the elite and with it, the key institutional orders, it is possible to see the state of the field of power, to see the factions within the elite and examine the elite settlement. Which are the key institutional orders? Is there an emerging counter-elite? Is there a dominant faction within the elite? Are the elite unified? What is the social character of the elite?

When the power elite are defined, you can see their social character. As to the profiles of the power elite: Where are they educated? Where do they live? How many come from elite families? How many women are included? What is their lifestyle? Is there a shared culture?

The social character and how the elite are reproduced is, according to Raymond Aron (1950a, 1950b), one of the central elements in the description of any society. The change from aristocratic rule to bourgeois parliamentarianism is as much a change in social character of the elite as a change of constitution. Although the composition of the power elite – its key institutional orders – is related strongly to its social character, they are two independent phenomena. First, when the educational profile of the elite changes, it may signal a change in the techniques of dominance. Second, if the social background of the elite is becoming more exclusive, even among union leaders, it is because the elite is closing itself off (Michels 1949; Mosca 1939), a process that increases the distance between it and the general public. These changes may occur even without a change in the number of union leaders, politicians and CEOs in the power elite.

With the small welfare state of Denmark as a case, this dissertation will attempt to address both questions about the composition of the power elite and the social character of its members. Three articles investigate the dominant fraction of the dominant class, the corporate elite, within both a field-theoretical perspective and a social network analytical framework. From the outset, a new methodology based on social network analysis is proposed for identifying the power elite. In the final article, the Danish Elite Network comprising more than 5,000 affiliations, 60,000 positions and 30.000 individuals was used to identify a central core. The core of 423 people integrates the heads of the most prominent organisations in