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Investigating Élités. 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 capitalism¹ 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]. Élités 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 Élités. 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: *Élités; Financialization; Value Extraction; Networks; Super-rich Class.*

Filippo Barbera is associate professor at the University of Torino where he teaches “Local Development” and “Applied Sociological Theory.” His research interests are local development, sociology of markets, and economic sociology of capitalism. His recent publications include: “Development,” in G. Ritzer (ed.), *International Encyclopedia of Sociology*, London: Basil Blackwell [2016]; (with J. Dagnes) “Building Alternatives from the Bottom-up: The Case of Alternative Food Networks.” *Agriculture and Agricultural Science Procedia* 8: 324-331 [2016].

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 Élités.” *Sociologija* 58(2): 181-202 [2016].

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