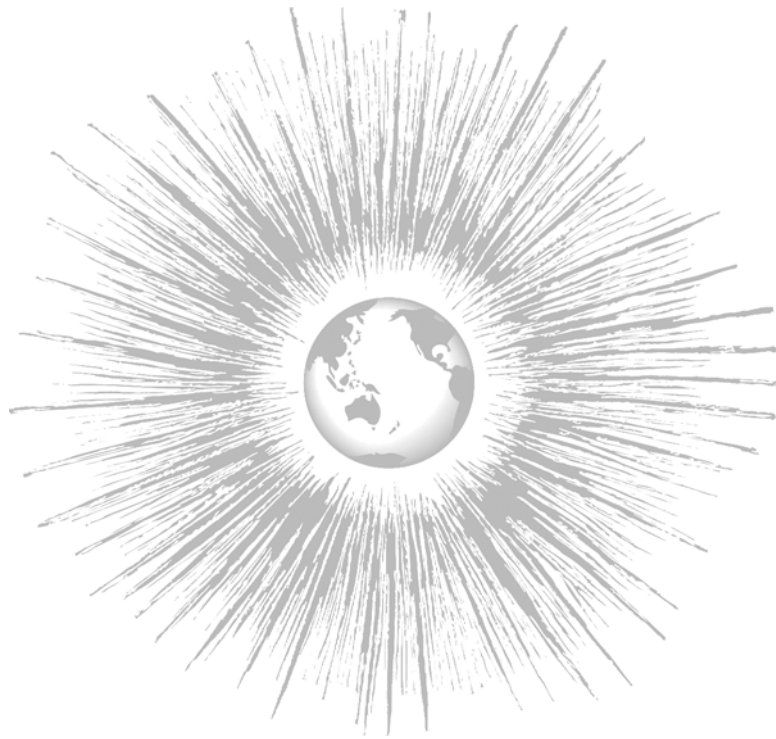


FORGING A NEW HEGEMONY? THE ROLE OF TRANSNATIONAL POLICY GROUPS IN THE NETWORK AND DISCOURSES OF GLOBAL CORPORATE GOVERNANCE*

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ABSTRACT

This study situates five top transnational policy-planning groups within the larger structure of corporate power that is constituted through interlocking directorates among the world's largest companies. Each group makes a distinct contribution toward transnational capitalist hegemony both by building consensus within the global corporate elite and by educating publics and states on the virtues of one or another variant of the neoliberal paradigm. Analysis of corporate-policy interlocks reveals that a few dozen cosmopolitans—primarily men based in Europe and North America and actively engaged in corporate management—knot the network together via participation in transnational interlocking and/or multiple

policy groups. As a structure underwriting transnational business activism, the network is highly centralized, yet from its core it extends unevenly to corporations and individuals positioned on its fringes. The policy groups pull the directorates of the world's major corporations together, and collaterally integrate the lifeworld of the global corporate elite, but they do so selectively, reproducing regional differences in participation. These findings support the claim that a well-integrated global corporate elite has formed, and that global policy groups have contributed to its formation. Whether this elite confirms the arrival of a transnational capitalist class is a matter partly of semantics and partly of substance.

INTRODUCTION

In recent decades the development of a transnational phase of capitalism, said to include the global integration of national economies, the mobility of capital and global reach of accumulation circuits, and the growing role of organizations like the World Economic Forum (WEF) and the World Trade Organization (WTO), has claimed the attention of legions of social scientists. With this interest has come a concern to theorize the segment of the world bourgeoisie purported to represent transnational capital and the ideology, neoliberalism, which seems to underwrite its expansion. These issues have gained additional salience as scholars such as Robinson and Harris (2000) and Sklair (2001) have discerned the formation of a fully transnational capitalist class (TCC).

A range of theoretical perspectives on transnational capitalist class formation now exists. In the early 1970s, dramatic increases in direct foreign investment through multinational corporations led Hymer (1979) to observe that “an international capitalist class is emerging whose interests lie in the world economy as a whole system of international private property which allows free movement of capital between countries” (262). In the 1980s, the Gramscian turn in IPE, advocating a “historically grounded conception of the dialectic totality of structure and agency” in processes of class formation and world order (Overbeek

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2000), demonstrated that while the mechanisms of international trade and investment furnished structural conditions for global capitalist expansion, they could not provide the long-term vision needed for capitalist class formation. Van der Pijl (1998) and Overbeek and van der Pijl (1993) situate transnational class formation in the context of restructuring and stabilizing capitalist fractions (bank, commercial, industrial capital) under the global economic hegemony of neoliberalism. Of specific interest is the development of strategic vision in the social networks of the directors of corporations, banks, and planning groups of various sorts (van der Pijl 1998, 5). Cox (1987), Gill (1990, 1992), and Robinson and Harris (2000), describing similar practices in relation to transnational state apparatuses, view the TCC as both an embodiment of transnational capital and an expression of political power manifest by transnational (or interstate) institutions such as the International Monetary Fund (IMF), and the WTO. "World hegemony," as such, "is describable as a social structure, an economic structure, and a political structure; and it cannot be simply one of these things but must be all three" (Cox 1983, in Overbeek 2000, 176). In a somewhat separate vein, Sklair (2001) places significant emphasis on the ideological awareness of transnational executives and views the dissemination of a culture-ideology of consumerism as integral to transnational capitalist class formation.

Robinson and Harris (2000) draw on many of these perspectives to announce the emergence of a fully transnational capitalist class whose "organic composition, objective position and subjective constitution...[is] no longer tied to the nation state" (14). As might be expected, the claim of such an epochal shift has forced a closer assessment of how the TCC is identified. Indeed, the collection of critiques that followed the article's publication brings to light several unresolved issues and questions, including the extent of the TCC's geopolitical scale—particular emphasis is placed on the recalcitrance of a North/South divide—and its alleged autonomy from national contexts.¹ From all sides of the current debate it is agreed that more direct evidence is needed.

In fact, precious little systematic empirical data have been marshalled to date. However, a recent longitudinal study of the social structure of the international business community by Carroll and Fennema (2002) does speak to several of the key issues raised in the aftermath of Robinson and Harris's (2000) intervention. While network analysis has long contributed to an empirical understanding of elite integration (and, by extension, class formation) at the national level (Useem 1984; Domhoff 1998), it was only with Fennema's (1982) study of international

¹ The Transnational Ruling Class Formation Thesis: A Symposium. *Science & Society*, 65, 4, Winter 2001-2002, 464-469.

networks of banks and industry that this analysis took transnational scale. Carroll and Fennema's research builds from Fennema's earlier work to examine changes in the network of interlocking directorates between 1976 and 1996, a period associated with the most recent surge in economic globalization. Among their key findings were, on the one hand, moderate increases in transnational integration via weak ties that transect national borders, but on the other, recalcitrant national patterns of organization—thus their characterization of the transnational network as "a kind of superstructure that rests on rather resilient national bases" (2002:414). Carroll and Fennema conclude that while corporate interlocks within countries are often associated with the strategic control of capital, "transnational corporate interlocking is less about intercorporate control than it is about the construction of an international business community" (2002: 415).

Such a community would be a rather pallid affair if it were confined to the corporate boardrooms. In fact, given the persistence of national corporate networks, we might say that *the articulation of a transnational capitalist interest requires sites beyond the boardrooms*—places where business leaders can come together to discuss issues of shared concern, to find common ground and to devise strategies for action. Business activism of this sort would seem an integral aspect of community development at the higher reaches of corporate power. The significance of such arrangements is only enhanced by processes of globalization and the search for new forms of governance. In recent years these conditions have indeed prompted a range of scholarly attention on institutions of private authority and their self-regulatory potential (Ronit 2001:562; Keck and Sikkink 1998).

Building on the concept of an international business community, and asserting the basic premise that those who direct the largest corporations are the leading edge of a capitalist class, this article situates five global organizations of elite consensus-building within a larger structure of corporate power that is constituted through interlocking directorates. The elite policy-planning groups operate within an incipient "global civil society" (Shaw 2000) that is distinct from both state power and economic power yet intimately linked to both. It is from these sites that the strategic and moral visions and policy frameworks informing a transnational capitalist interest have been forged. By mapping the corporate-policy network we hope to shed light on the role that global policy groups are playing in the formation of a transnational capitalist class.

POLICY GROUPS AS SITES FOR CONSTRUCTING TRANSNATIONAL NEOLIBERAL HEGEMONY

In the years since World War Two we can trace the development of a neo-liberal tendency within a differentiating global field of elite consensus formation.

Set in motion with Friedrich Hayek's convening of the Mont Pelerin Society in 1947, its austere market-monetarist orientation gained a distinct, yet still marginal, voice in an organizational ecology dominated by corporate liberal tendencies—a regulatory strategy upheld at the time by the first truly North Atlantic planning body, the Bilderberg Conferences (1952). Rising to dominance decades later under the regimes of Reagan and Thatcher, undiluted neoliberal doctrine responded to structural shifts that beleaguered the post-war Keynesian-Fordist state and accelerated the spread of transnational corporations, the expansion of foreign direct investment and the interpenetration of capital. Lending sanction to the distinctly global regime of accumulation that was taking shape were the policy imperatives of privatization, trade liberalization, deregulation, tax reform, and the introduction of market proxies and benchmarking into the public sector—a grouping of corrosive neoliberal initiatives that John Williamson (1990), World Bank Chief Economist for South Asia (1996–1999), termed the “Washington consensus.”

Integral to the political and cultural reproduction of this new order has been a synthesis of public and private elements from the states and civil societies of the capitalist world in several new private international policy groups, most notably the World Economic Forum (1971), the Trilateral Commission (1973), and the World Business Council for Sustainable Development (1995). While such groups make distinct strategic contributions to the field of transnational neoliberal policy, they share three critical attributes. Each inhabits a space within civil society as “embedded elements of a social network, within which neoliberal business activism [takes] shape and form” (Carroll and Shaw 2001, 196). They also act as vehicles of international elite integration, linking capitalists to a political-cultural community where class extremes are mediated and a “collective will” thrashed out (van der Pijl 1998). Finally, all, to varying degrees, endeavor to “translate class interests into state action by defining and promoting lines of policy that ensure the stability and reproduction of a system shaped by capitalist social relations” (Peschek 1987:216). In these ways, neoliberal policy groups can be said to function as “collective intellectuals”—‘deputies’ or agents of the capitalist class “entrusted with the activity of organizing the general system of relationships external to...business itself,” as Gramsci described (1971:6).

Still, the struggle to spread the neoliberal economic project on a global scale has been far from straightforward, and has experienced several major setbacks over the course of the last decade, including global recession and crises,² and the

² These include Mexico in 1995, Asia in 1997, and Russia and Brazil in 1998.

emergence of new forms of civil resistance crystallized around opposition to the legal incursions of capitalist globalization, including the MAI, the WTO, and World Bank and IMF initiatives. In turn has come “increasing concern with how best to co-ordinate actions to promote and consolidate it on different scales, with its social and environmental costs and their adverse political repercussions, and with identifying and pursuing flanking measures that would help to re-embed the recently liberated market forces into a well-functioning market society” (Jessop 2000). Indeed, by the mid-1990s neoliberal order was increasingly fragmented around the question of how best to assure long-term stability and reproduction of transnational capital.

For Robinson and Harris it is precisely this new regulatory positioning within the neoliberal paradigm, and the tensions this creates among globalizing elite, that have given rise to a transnational capitalist class defined both by economic structure and strategic-political rule—a class both in-itself, and for-itself (21).³ Their analysis very usefully divides the globalist policy field into three neoliberal fractions, which we will employ to help frame our discussion of the projects of transnational policy groups. The first fraction is *free-market conservative*. Influenced by economist Milton Friedman, this fraction calls for a complete global *laissez-faire*, drawing on fundamental neoliberal tenets of monetarism, state deregulation, “spontaneous order” of market relations, and possessive individualism. Reigning as neoliberalism’s singular voice under the so-called Washington consensus, the project would be splintered and somewhat marginalized amidst the global economic crises of the 1990s. Stemming from these actualities, the fraction that according to Robinson and Harris (2000) is now dominant, *neoliberal structuralism*, advocates a “global superstructure that could provide a modicum of stability to the volatile world financial system...without interfering with the global economy” (43). Following progenitors Bill Clinton and Tony Blair, its politics are distinctly “Third Way”—“finding a synergy between private and public sectors” as Giddens put it (1998:99–100). Gill (1995), notably, has discerned a very similar policy shift in the ‘new constitutionalist’ discourse, launched during the G7 Summit in Halifax, Nova Scotia, in June 1995 (413). Responding to the Mexican crisis of 1994–95, G7 members opted to “strengthen [economic] surveillance mechanisms under the aegis of the IMF, World Bank, and the BIS” (413). Contrasting with the position of free-market conservatives the new perspective held that “ideology and market power are not enough to

³ Sklair (2001), quite similarly, sees ‘proactive global corporate citizenship’ as a cornerstone of contemporary processes of transnational capitalist class formation.

ensure the adequacy of neoliberal restructuring...[and must be] institutionalized at the macro-level of power in the quasi-legal restructuring of the state and international political forms" (Gill 421). The third fraction is *neoliberal regulationist*. This current, exemplified by Joseph Stiglitz (1998), calls for a "broader global regulatory apparatus that could stabilize the financial system as well as attenuate some of the sharpest social contradictions of global capitalism" (Robinson and Harris 2000: 43). Although each globalist fraction is divided on the amount of structural interference that should occur in the new 'global economy', all three are neoliberal in that "none question the essential premises of world market liberalization and the freedom of transnational capital" (ibid).

THE FIVE INTERNATIONAL POLICY GROUPS

In this article we focus on five organizations that have come to comprise a field of transnational policy formation, two with longstanding histories, and three whose origins lie within the contemporary wave of economic globalization. That field has taken an historically stratified and pluralistic shape as the groups have developed around specific visions, issues and networks.

The Paris-based *International Chamber of Commerce* (ICC), founded in 1919, is the oldest of the business policy groups discussed here and the only one to maintain a primarily free-market conservative strategic vision. It is also the largest, grouping some 7,000 member companies and associations from over 130 countries. As a forum for transnational capitalist consultation launched by investment bankers in the shadow of World War I, the ICC has historically functioned as the most comprehensive business forum committed to liberalization, and now even refers to itself as the 'World Business Association'. Although it has made forays into humanitarian and environmental policy issues,⁴ the ICC remains a bastion of global neoliberal doctrine, and has "long been a triumphant lobbyist for global economic deregulation in fora such as the WTO, the G8 and the OECD" (Balanyá *et al.* 2000:166).

The ICC's primary function is to institutionalize an international business perspective by providing a forum where capitalists and related professionals (*e.g.*, law firms and consultancies, national professional and sectoral associations) can assemble to forge a common international policy framework in arenas ranging from investment to specific technical and sectoral subjects. Since the mid-1990s its efforts to institutionalize an agenda of corporate self-regulation have fostered close working relationships with international institutions such as the WTO,

⁴ For instance, see the *Building Cooperation in Africa Report* (December 2001) and the *ICC Business Charter for Sustainable Development* (April 1991).

UN Conference on Trade and Development (UNCTD), and the UN General Secretariat (ibid, 166–174). The ICC's secondary function is to knit national chambers throughout the world into a single global network through its World Chambers Federation (WCF). The WCF also provides a vertical organizational link between the network of transnational capitalist interests carried by the ICC membership and the untold numbers of small- and medium-sized businesses which comprise the ranks of local national chambers of commerce. It is, however, a combination of the group's free-market conservative vision, its institutionalization of transnational business practices, and its incorporation of local-level business into a global capitalist perspective, that gives the ICC a unique niche within the organizational ecology of global policy groups.

Offering a counterpoint to the austere, free-market conservative vision of the ICC, the Bilderberg Conferences have provided a context for more comprehensive international capitalist coordination and planning. Founded in 1952, the Bilderberg, named for the Hotel de Bilderberg of Oosterbeek, Holland, "assembled, in the spirit of corporate liberalism, representatives of Right and Left, capital and organized labor" (van der Pijl 1998:121). Activities have typically revolved around issues of long-term planning and international order, and to this end Bilderberg Conferences have furnished a confidential platform for corporate, political, intellectual, military, and even trade union elites from the North-Atlantic heartland to reach mutual understanding. With its unique capacity to draw on these elite interests, the Bilderberg has helped to ensure that consensual policies were adopted by the transnational system of the West in general, and signatories to the NATO Alliance in particular (Mendes 1994). The group is run by a chairman, and a small, permanent steering committee, which invites approximately 115 participants to the yearly Conference.

Compared to the ICC, Bilderberg's lack of guaranteed membership, the breadth of its elite constituency, and its historically less doctrinaire political agenda have made it a more flexible vehicle for transnational class formation. A good indication of this is the group's migration from a predominantly corporate-liberal strategy, to one that in recent years appears more aligned with neoliberal structuralism. Indeed, by the mid-1990s organized labor was all but excluded—the single invited delegate being John Monks, General Secretary of the British-based Trades Union Congress. While labour was effectively shut out, neoliberal intellectuals—including Timothy Garton Ash of the Hoover Institute, Michael H. Armacost of the Brookings Institution, and William W. Lewis of the McKinsey Global Institute—have attended in numbers.⁵

⁵ *The Spotlight Special Bilderberg Issue 1995–1996.*

Emerging at the watershed of recent economic globalization in 1973, *The Trilateral Commission* (TC) was launched from within the Bilderberg meetings by David Rockefeller as a forum to foster effective collaborative leadership in the international system and closer cooperation among the core capitalist regions of northern Europe, North America and Japan—the “triad.” It maintains a consultative ruling class tradition, bringing together transnationalized fractions of the business, political, and intellectual elite during several yearly meetings, which it convenes at the national, regional, and plenary levels. Unlike the secretive Bilderberg, however, the TC “sought to develop a profile with greater transparency, public activities and sophisticated publications, responding to the greater sensitivity towards public relations” (van der Pijl 1998:124). Consistent with this strategy, its magazine, *Dialogue* (first published in October 1973), pioneered what has become a mainstay in the cultural arsenals of transnational business policy groups: the widespread dissemination of neoliberal opinion and analysis, as in the World Economic Forum’s *World Link* magazine. A director, three regional chairmen, and three regional executive committees guide the TC; its 350 members are chosen on a national basis.

In marked contrast to the ICC, the TC’s attempts to enshrine the discipline of capital have generally favored elements of regulation. In this regard, its influential 1975 report, *The Crisis of Democracy*, called for stronger economic planning measures, including job training and active intervention in the area of work, all in the service of “sustained expansion of the economy” (quoted in Wolfe 1980, 298). Deeply motivated by the 1970s energy crisis, the TC has also lobbied for integrating capitalism’s (semi-)periphery into contexts of international regulation, including “allowing the neocolonies a symbolically greater voice in organizations like the IMF, [and] tying neocolonial economies even closer to Western finance” (see Frieden 1980:72). An influential series of “Task Force Reports” (or *Triangle Papers*) on this issue have been delivered over its three-decade history (e.g. Watanabe *et al.* 1983). Overall, the TC’s project is to institutionalize elite economic, political, and intellectual/cultural bonds between the North-Atlantic heartland and the Asia-Pacific and to expand the regulatory sphere of capitalist discipline to incorporate metropolitan labour and (more recently) peripheral states. These aims draw it in line with Robinson and Harris’ (2000) neoliberal structuralist formulation.

Founded two years earlier, *The World Economic Forum* (WEF) convened Europe’s CEOs to an informal gathering in Davos, Switzerland to discuss European strategy in an international marketplace. Organized by renowned business policy expert, Klaus Schwab, the meetings were intended to secure the patronage of the Commission of the European Communities, as well as the encouragement of Europe’s industry associations. By 1982 the first informal

gathering of ‘World Economic Leaders’ took place on the occasion of the Annual Meeting in Davos, bringing cabinet members of major countries and heads of international organizations (including The World Bank, IMF, GATT) together with a burgeoning core membership of top international capitalists.

The WEF moved beyond the TC to establish “global initiatives” that distinguish it as the most paradigmatic example of neoliberal structuralism. Initially, the Forum promoted a free-market conservative agenda, but by the mid-1990s persistent capitalist crisis forced it to adopt a more regulatory tack, a shift signaled when, “on the eve of the 1997 meeting, financier George Soros unexpectedly denounced ‘the destruction of those values which do not produce commercial return’ and ‘the totalitarian tendency of unregulated market capitalism’” (quoted in van der Pijl 1998, 134). By early 1997 the new mood was expressed in a project on ‘human social responsibility’, followed by a litany of ‘social issue’ task forces culminating with the *Global Health Initiative* (2001) and the *Global Governance Initiative* (2001). These initiatives crosscut with the widespread practices of Corporate Social Responsibility (CSR) among TNCs and the rise of a culture of ‘global corporate citizenship’ Sklair (2001) considers integral to transnational capitalist class formation.

Unlike the ICC, Bilderberg, and TC, the WEF is organized around a highly elite core of transnational capitalists (the ‘Foundation Membership’)—which it currently limits to ‘1,000 of the foremost global enterprises.’ Invited ‘constituents,’ however, represent a variegated range of globalist elites, including members of the scientific community, academics, media leaders, public figures, and various NGOs. Constituents populate a hodgepodge of policy work groups and forums, including the InterAcademy Council, the Business Consultative Group and the Global Leaders of Tomorrow. Like the ICC, however, the WEF actively extends its geopolitical reach and influence. It has done so primarily through yearly meetings apart from Davos and beyond the triad, as in the 1996 meetings in Turkey, China, and India (*Annual Report* 1995 6:6). To formalize this expansionist agenda—or to, in its own words, “advance regional development and cooperation in the global economy”⁶—the WEF recently established a distinct operating body called the Centre for Regional Strategies (CRS). Accordingly, Robinson and Harris (2000) have described the WEF as the “most comprehensive transnational planning body...and a quintessential example of a truly global network binding together the [TCC] in a transnational civil society” (30).

⁶. <https://members.weforum.org/site/homepublic.nsf/Content/Our+Organization%5CForum+Centres> (site unavailable 4/1/03).

The last group to have taken up a niche within the field of global elite policy-planning is the *World Business Council on for Sustainable Development* (WBCSD), founded in 1995. It is also the only group that can be characterized within Robinson and Harris' (2000) typology as neoliberal regulationist. Formed in a merger of the Geneva-based Business Council for Sustainable Development and the Paris-based World Industry Council for the Environment (a branch of the ICC), it instantly became the preeminent business voice on the environment. By 1997, WBCSD membership comprised 123 top-TNC chief executives.

A child of the UN's Conference on Environment and Development (UNCED) 1992 Rio Earth Summit, the WBCSD reflects a maturing elite awareness that entrenchment and expansion of transnational enterprise must be coupled with consensus over environmental regulation. Drawing primarily on the expertise and prestige of senior transnational executives, it articulated a critical connection between neoliberalism and regulatory struggles over the environment, especially those associated with the UN Environmental Programme (UNEP) and the UN Conference on Trade and Development (UNCTAD). What makes the WBCSD unique in the global policy field are its efforts to surpass the prevailing dualism of "business versus the environment" by forwarding a more comprehensive vision of capitalist social and moral progress—anchored by its central axiom of 'eco-efficiency.'⁷ Within this retooled version of sustainable development business, governments and environmental activists make concessions around a general interest in sustaining both the health of the natural world and the "health" of the global economy.

The discourses and strategies of the WBCSD work to advance a global regulatory perspective (Robinson and Harris 2000) which moves beyond neoliberal structuralism. The WBCSD's reflexive discursive and organizational frameworks endeavor to draw realms free-market conservatives call 'externalities'—from employee relations to the health and safety of consumers—into an inclusive regulatory regime. The practices and discourses of corporate environmentalism—now employed by TNCs from Procter & Gamble and Mitsubishi to Monsanto and Broken Hill Proprietary—are vital in this regard, and have in their own right contributed to a persuasive globalizing capitalist ideology (Sklair 2001). What the WBCSD furnishes is a reflexive orchestration of these corporate initiatives into a class-wide hegemonic project.

⁷ "Eco-efficiency" was first coined by the BCSO in 1992. In its 1997 *Annual Review*, the WBCSD defined eco-efficiency as "a management approach ... that allows companies to improve their environmental performance while meeting the demands of the market...[by increasing] economic and ecological efficiency" (8).

With these five policy groups we can see how variants of transnational neoliberalism have found organizational bases in the policy-formation field. Only the International Chamber of Commerce functions from the perspective of free-market conservatism and speaks for and to a strictly business-centered constituency. The Bilderberg group, Trilateral Commission, and World Economic Forum in their own ways incorporate broadly neoliberal structuralist perspectives. The most recent addition to the field, the World Business Council for Sustainable Development, orients itself primarily in terms of neoliberal regulationism. Taken as a whole, these global policy groups can be regarded as agencies of transnational capitalist class formation. They provide intellectual leadership that is indispensable in the ongoing effort to transform transnational capital from an economically dominant class to a class whose interests take on a sense of universalism. The empirical questions to which we turn now concern the social relations that embed these groups within a structure of global corporate power.

THE GLOBAL CORPORATE-POLICY NETWORK

Our empirical analysis maps the social structure of the global corporate elite, the collection of leading corporate directors who participate in the network of major corporations and transnational policy groups. This elite is not coextensive with Sklair's "transnational capitalist class." His conception of the TCC goes further and includes transnational executives, a globalizing state fraction, a globalizing technical fraction, and a globalizing consumerist fraction (2000: 17). Yet our global corporate elite does include the major capitalists who exercise the investment and top-level management functions within the world's largest corporations, as well as the organic intellectuals whose advice, as outside directors, is sought by the same companies. We are interested in this corporate elite's participation on the directorates of global policy groups, and in the contribution that such participation makes to overall elite integration. To date there has been no systematic study of the network of leading corporations and policy groups at the global level. Research carried out in national contexts suggests that corporate-policy interlocks contribute substantially to elite integration and to the hegemony of corporate capital (Useem 1984; Domhoff, 1998; Carroll and Shaw, 2001). Case studies such as Gill's (1990) and anecdotal analyses such as van der Pijl's (1998) suggest that much the same applies in the global field. To explore this issue, our analysis poses three research questions:

1. *At the level of individuals*, who are the corporate directors at the centre of the corporate-policy network and how do their group affiliations create an inner circle of corporate governance and policy planning?
2. *At the level of organizations*, what is the basic shape and form of the

interlocking directorates among the policy groups and between them and the world's largest corporations?

3. What contribution do the global policy groups make to transnational corporate-elite integration?

The point of the analysis is to investigate one dimension of transnational capitalist class formation—the corporate-policy network—with an eye toward what it tells us about the structural sources of elite integration as well as tension and possible fissure.

SAMPLE AND DATA

Our research design obliged us to achieve a substantively representative sample of the leading corporations and global policy groups in the world capitalist system, and to depict the interlocks between these organizations at a single moment (circa year end 1996). The five organizations discussed above provide a reasonable instantiation of the leading policy groups.

In selecting corporations, we needed to achieve an adequate representation of the various sites in the world economy where corporate head offices are domiciled. This meant combining quantitative selection criteria with qualitative considerations around regional and sectoral representation. As Fennema (1982) found when he carried out the first study of the transnational corporate network, selecting firms purely according to size can yield a sample that is entirely skewed toward the dominant economies in the world system. In our research, a strict size criterion would have selected into our sample a fairly balanced range of corporations based in the triad—Europe, North America, and Japan—but a paucity of corporations from the rest of the world. Since we wanted to explore the network positioning of leading companies based in different national domiciles, it was important that the sample include sufficient numbers from countries beyond the triad.

The sample of corporations was constructed on the basis of a number of sources, beginning with the Global 500 published in the June 1997 issue of *Fortune*, which ranks firms by sales or revenue.⁸

A drawback in the *Fortune* listing is that revenue is not a particularly good measure of the size of financial institutions, some of which have relatively small

⁸ Other sources consulted were Standard & Poor's *Register of Corporations, Directors and Executives* (1997), the top 1000 banks listed in *The Banker* (July, 1997), the Global 1000 listed in *Business Week*, the *Times 1000*, and individual corporate listings in *Moody's International Manual*.

Table 1 – Composition of the Global Top 350 Sample

	INITIAL SAMPLE		ADDED TO INITIAL SAMPLE		TOTAL
	Biggest Non-Financials	Biggest Financials	Smaller Non-Financials	Smaller Financials	
European Non-Financials	71	0	17	0	88
North American Non-Financials	71	0	7	0	78
Asia-Pacific Non-Financials	51	0	2	0	53
Semiperipheral Non-Financials	17	0	14	0	31
European Financial	0	44	0	0	44
North American Financial	0	24	0	0	24
Asia-Pacific Financial	0	22	0	1	23
Semiperipheral Financial	0	0	0	9	9
TOTAL	210	90	40	10	350

revenue streams (often equivalent to net income) compared to their asset size. The latter is a far more appropriate measure of the concentration of capital within financial institutions; thus we divided the sample into two strata and selected from the sources at our disposal all financial institutions with assets of \$100 billion or higher and all non-financial corporations with revenues of \$14 billion or higher. All values were taken for the time closest to year end 1996 and denominated in US dollars. This yielded a sample of 300 corporations, summarized in the first two columns of Table 1.

To this initial sample we added 50 companies, in an attempt to represent domiciles and sectors that by the size criterion alone were thinly represented:

1. The most serious deficiency had to do with the semi-periphery. Only 17 companies were selected into the sample according to size, and 10 of these were industrial companies based in South Korea. To achieve a broader representation, we relaxed the quantitative criteria and selected the next-biggest 14 non-financials (the smallest of which had 1996 revenues of \$5.7 billion) and the nine biggest financials based in the semi-periphery (whose assets ranged from \$80 billion down to \$30 billion), for a total of 40 firms based outside the centre.

2. The low value of the Canadian dollar at the time of the study meant that only one non-financial company based in Canada qualified for the sample in terms of its size. To enable a global network analysis that would include the largest Canadian non-financials, we selected seven additional such companies, bringing the Canadian total to eight non-financials and four financials.
3. To achieve the same number of British-based companies as in Fennema's (1982) study,⁹ we selected an additional 17 non-financials, bringing the British total to 26 non-financials and eight financials.
4. To round out the portion of the sample domiciled in Japan we added two non-financials and one financial institution, whose sizes very nearly met our initial criteria, bringing the Japanese total to 51 non-financials and 22 financials.

Our sample, then, combines quantitative and qualitative considerations in representing the leading corporations worldwide. According to a strict quantitative criterion one could say we have over-represented non-financial corporations based in the UK, Canada and the semi-periphery, as well as financial institutions based in the semi-periphery. However, given our primary concern with the social structure of the corporate elite, including the patterning of interlocking across regions, this over-representation is a methodological necessity.

We next identified the corporate directors who as of year end 1996 held positions in two or more organizations (whether corporations or policy groups), thus *carrying* interlocks between the organizations. This meant first recording the full names of all directors of our 350 corporations, including, in the case of two-board systems such as Germany's, both the supervisory and the management board.¹⁰ The directors of the five policy groups¹¹ were recorded into the same file, and the names were then alphabetically sorted, with apparent or suspected

^{9.} Since research related to this one (Carroll and Fennema, 2002) endeavored to replicate Fennema's study of the global corporate network, it was also important to include sufficient numbers of firms from the countries featured in Fennema's sample, which purposively over-represented certain domiciles, in particular Britain.

^{10.} Sources included Standard & Poor's *Register of Corporations, Directors and Executives* (CD-rom version, 1997), *Moody's International Manual* (1997) and corporate annual reports, whether hard copy or downloaded from websites.

^{11.} In the case of the Trilateral Commission, which functions as a large board, we included all members as of October, 1996. For the ICC we included the Executive Board. For the WEF we included both the Foundation Board and the Members' Council. For the WBCSD we included the Executive Committee as well as the individuals designated

multiple directorships later verified by cross-checking sources.¹²

Our analysis is restricted to what we consider **the global corporate elite**—those directing at least one corporation and one other organization in our sample (whether corporation or policy group). These 622 individuals are a subset of the 6,751 directors of the world's major corporations, 92% of whom held only one directorship in a sample organization at year end 1996. Many of the individuals holding single directorships may be important business leaders in national contexts, and may thereby extend the *reach* of the global network into diverse national settings. However, they do not contribute to the global network's *coherence*, which is our prime concern. Similarly, although some of the 53 corporations lacking any interlocks with other organizations in our sample may be ultimately connected to the global network via interlocks with other companies not included in this study, the focus here is on the firms that contribute one or more directors to the global network. Thus, our analysis features the 622 corporate directors and the 302 organizations (five of them policy groups) that constituted the global corporate-policy network at year end 1996.

RESULTS 1: A GLOBAL CORPORATE ELITE?

Our first research question directs attention to the individuals who carry the transnational network: who are they and how do they create social structure through their group-affiliations? Table 2 categorizes the global corporate elite into eight types, based on (a) position in the network of corporate affiliations and (b) position in the network of policy-group affiliations.

The first five types (a–e) depict the network's *inner circle of cosmopolitan linkers* (cf. Useem 1984)—105 corporate directors whose affiliations span national borders, or link global policy boards to each other. These directors are cosmopolitans much in the sense originally employed by Gouldner (1957): they are oriented not toward particular national firms and networks but toward a

as representatives of the member companies. In the case of the Bilderberg Conference (which has no membership), only people who attended in both 1996 and 1997 were included. Information on policy-board membership was obtained either directly from the group, from the group's annual report, or (in the case of Bilderberg) from published listings of attendees, as in Reuters's listing for 1997.

^{12.} For Japanese and South Korean names, whose translated versions in English sometimes vary, colleagues from these countries kindly assisted with the verification procedure. We are grateful to Professors Koji Morioka (Kansai University), Unno Yahiho (Kanazawa University), and Bokhyun Cho (Taejon National University of Technology, Seoul) for their indispensable assistance.

Table 2 – Positions in the Corporate-Policy Network

Type	Description	N of Cases	%
a	Transnational linker, 2 or more policy boards	6	1.0
b	National linker, 2 or more policy boards	5	0.8
c	1 corporate board, 2 or more policy boards	6	1.0
d	Transnational linker, 1 policy board	14	2.3
e	Transnational linker, no policy board	74	11.9
f	National linker, 1 policy board	34	5.5
g	1 corporate board, 1 policy board	83	13.3
h	National linker, no policy board	400	64.3
	Total	622	100.0

wider field of action. The next three types (f–h) describe directors whose affiliations position them on the *periphery* of the global network.

From this typology we can note that:

- *Most of our global corporate elite have corporate affiliations only within one country.* The contribution that the 400 purely national corporate linkers (type h) make to elite integration is indirect at best and contingent upon their serving on common boards with members of the inner circle.
- At the other end of the spectrum, *the most cosmopolitan directors are the six people who sit on multiple policy boards and whose corporate directorships cross national borders* (type a). Indeed, it is clear that the international network is primarily a configuration of national corporate networks, integrated for the most part through the affiliations of a few dozen individuals who either hold transnational corporate directorships or serve on two or more policy boards. It seems that Carroll and Fennema's (2002) characterization of the transnational corporate network as a superstructure resting upon resilient national bases applies also to the corporate-policy network.
- *There is an unsurprising relationship between participation in the transnational corporate network and participation on the policy boards.*¹³ Individuals well-connected in the world of global corporate business

¹³ While 22% of the transnational corporate linkers have one or more policy-group affiliation, only 9% of national corporate linkers, and only 0.14% of all single-corporation directors do. This last percentage is calculated on the basis of all 6,129 single-corporation directors.

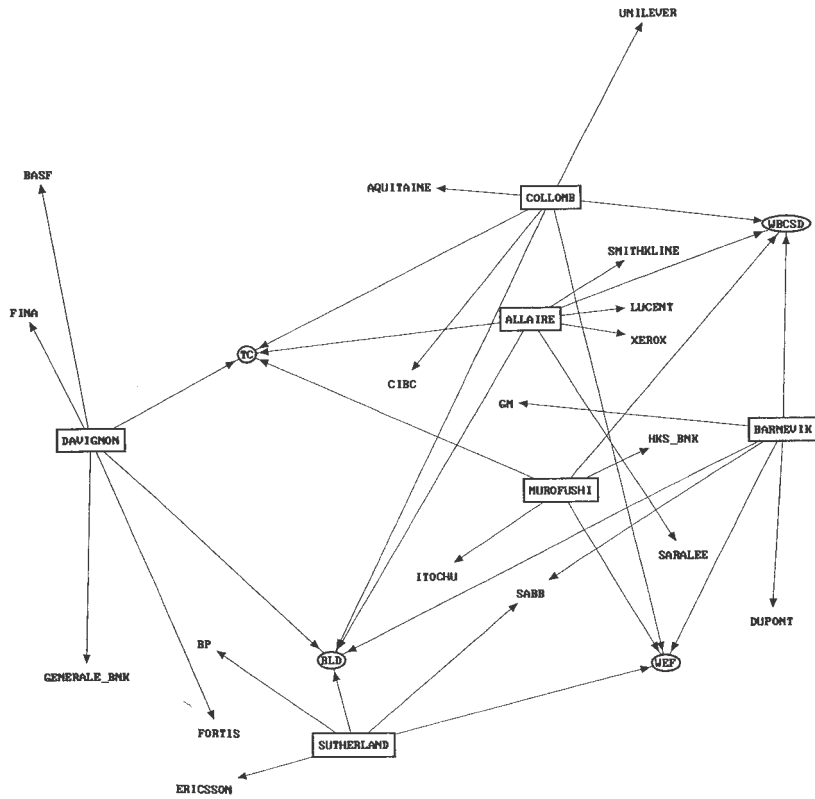
also tend to be well-connected in the world of elite policy-planning and consensus formation, suggesting a highly centralized corporate-policy network.

- Notwithstanding this relationship, *the policy groups draw a number of "locals" into a field of global governance.* Of the individuals who direct two or more companies that are all within a single country, five serve on multiple policy boards, and 34 direct one policy group. Finally, among those with only one corporate directorship, six direct multiple policy groups and 83 serve on single policy boards.

As a transnational structure, the network is carried by a few dozen cosmopolitans—94 transnational corporate linkers (types a, d and e) and an additional 11 directors whose corporate affiliations are not transnational but who sit on multiple global policy boards (types b and c). Through their networking, these 105 individuals make the most immediate structural contributions to transnational class formation. One way of displaying these contributions is to examine successive "layers" of the inner circle of cosmopolitan directors. In Figure 1 we show the configuration of 18 corporations and four policy groups that is knit together by six individuals comprising type a of Table 2. We have drawn the lines from the persons (enclosed in rectangles) to the organizations (the policy groups are enclosed with curves): the arrows point to the organizations with which each person is affiliated. This most cosmopolitan *nucleus* is densely packed. Most of the six directors sit together on multiple policy boards. Indeed, Bertrand Collomb, (president of Lafarge, a French-based TNC not large enough to qualify for our sample, and 1997 "manager of the year" according to *Le Nouvel Economiste*) sits on all four policy boards and thus meets Minoru Murofushi, Chair of Itochu Corporation, on three of them. However, with the exception of Percy Barnevik (president of Swiss-based Asea Brown Boveri [ABB]) and Peter Sutherland (vice chair of BP and also a director of ABB), there are no interlocking corporate directorships among the six. Within this nucleus the integrative function of the policy boards is clear: without them these transnational linkers would be for the most part detached from each other; with them they comprise a tightly-knit social unit, with representation from the USA (Paul Allaire, president of Xerox), Britain (Sutherland), Japan (Murofushi), and continental Europe (Barnevik, Collomb, and Etienne Davignon [deputy chair of the management board of Fortis]). In all, eleven European, six North American and one Japanese company are linked into this nucleus.

In Figure 2, the network is extended to all corporate directors having two or more policy-group affiliations, including the 11 non-transnational linkers that comprise types b and c in Table 2. This addition brings in 14 more corpora-

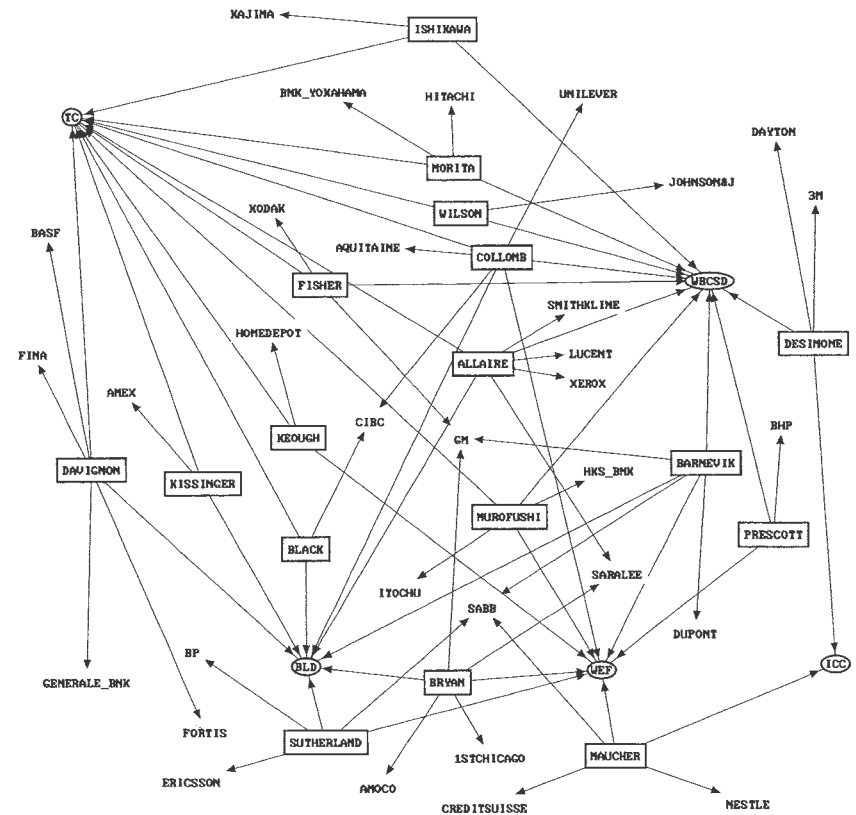
Figure 1 – The Nucleus of Six Transnational Linkers and their Multiple Policy-Group Affiliations



tions—eight from the USA, three from Japan, two from Europe and one from Australia, and furnishes a picture of the corporate-policy network’s densely-connected *core*. The integrative role of four policy groups stands out: each is a meeting place for between eight and eleven of the 17 corporate directors, with the Trilateral Commission being the most centrally positioned. The TC and WBCSD serve as transnational meeting points for all three of the Japanese directors, but equally, these individuals serve as ambassadors between the fields of global policy work and of Japanese corporate governance, while also linking the TC with the WBCSD.

The corporate-policy core includes the fifth policy group—the ICC—on which sit Livio Desimone (chair of the WBCSD and CEO of 3M), and Helmut Maucher (vice president of the ICC, CEO of Nestle and director of the WEF).

Figure 2 – The Core of 17 Corporate Directors with Multiple Policy-Group Affiliations



Maucher’s directorship with ABB further underscores the importance of this company in the global network: all three ABB directors in the network core also direct the Swiss-based WEF (in fact, all three sit on the 12-man Foundation Board at the heart of the WEF’s planning process), and two of them also are regular attendees at Bilderberg. Other centrally positioned corporations in the network core include US-based General Motors (itself interlocked with ABB via Barnevik) and Sara Lee (interlocked with GM via Sara Lee president John Bryan), and Toronto-based Canadian Imperial Bank of Commerce (CIBC).

As a group, the 17 corporate directors whose group affiliations place them at the core of transnational class formation show an obvious Euro-North American bias. Corporations sited on the semi-periphery are entirely absent from the network, and only five Asia-Pacific companies (four of them Japanese) are repre-

Table 3 – Distributions of Companies and Individuals by National Domicile

Domicile	Percent of Firms	Percent of Inner Circle	Difference
Canada	3.4	5.7	+2.3
USA	25.7	21.0	-4.7
Netherlands	2.6	7.6	+5.0
UK	9.7	16.2	+6.5
Germany	9.1	14.3	+5.2
France	7.1	11.4	+4.4
Italy	3.7	1.9	-1.8
Switzerland	2.0	3.8	+1.8
Sweden	.9	2.9	+2.0
Belgium	1.1	5.7	+4.6
Spain	1.1	1.9	+0.8
Norway	.3	0.0	-0.3
Australia	.9	1.9	+1.0
Japan	20.9	5.7	-15.2
Brazil	1.4	0.0	-1.4
Mexico	.6	0.0	-0.6
Venezuela	.3	0.0	-0.3
Argentina	.3	0.0	-0.3
Russia	.9	0.0	-0.9
Turkey	.3	0.0	-0.3
South Korea	3.7	0.0	-3.7
Hong Kong	.9	0.0	-0.9
Taiwan	.6	0.0	-0.6
Singapore	.9	0.0	-0.9
Malaysia	.3	0.0	-0.3
India	.3	0.0	-0.3
South Africa	1.1	0.0	-1.1
Total	100.0	100.0	0.0

sented. At this point, we approach the limits of visually depicting the entire set of relations among persons and organizations. Yet, these top layers are part of a deeper structure that includes, in particular, the 88 transnational corporate linkers who do not sit on multiple policy boards. Before moving to a structural analysis of the entire network, it is worth considering the national, class, and gender composition of the inner circle of 105 cosmopolitan corporate directors.

Although the inner circle's members are indeed cosmopolitans, this does not render them rootless. Analysis of their corporate affiliations and other biograph-

ical details provided ample bases for categorizing each into a 'national' affiliation. For executives, we took the national domicile of their home firm to indicate their national base of operations; for outside directors we considered other biographical information, including the locus of their careers and residence. Table 3 compares the national composition of our sample of corporations with the national composition of the inner circle. At the centre of things, Europeans and North Americans entirely predominate. Although our sample includes the 40 largest companies of the semi-periphery, corporate directors based outside the centre of the world system are completely absent from the group of 105. This implies that whatever interlocks link the network's inner circle to its margins emanate from the centre, not the semi-periphery, of the world system.

It is also noteworthy that certain national sites are over-represented among the cosmopolitans—especially such middle powers as Belgium, the Netherlands, Switzerland and Canada, along with three major EU powers, Britain, Germany and France. Conversely, three advanced capitalist states are under-represented—the USA (slightly), Italy (more so) and Japan (extremely). Thus, while Belgium and Japan each contribute six directors to the inner circle, Belgium's proportionate contribution is far greater than Japan's.

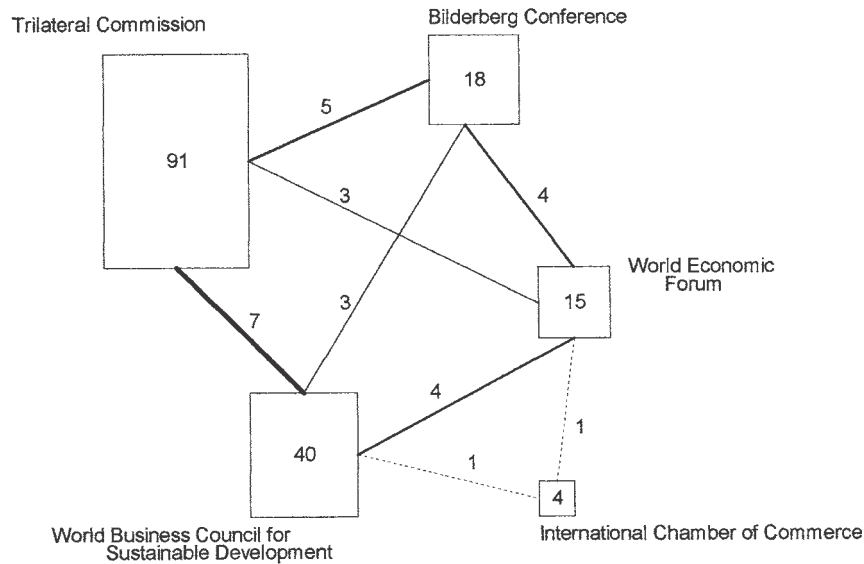
A rudimentary analysis of class positions revealed that 39 cosmopolitans were executives in a Top 350 corporation and 26 were executives in other companies. The remaining 40 were corporate advisors, 12 of whom were retired corporate executives serving as outside directors to various firms. The inner circle is primarily a collection of leading corporate capitalists, directing some of the world's largest companies as well as companies not in our sample. A further cross-classification showed that proportionately more corporate capitalists than corporate advisors tend to be on the policy boards. Leadership in the policy domain has not been delegated to a separate stratum of organic intellectuals, or, put another way, top global capitalists serve also as organic intellectuals.

Finally, a look at gender confirmed that male dominance continues to be the order of the day at the very top of the global corporate world. Only six members of the inner circle were women, and four of these were advisors to corporations, not executives.

RESULTS 2: THE NETWORK AS AN INTER-ORGANIZATIONAL FIELD

We now move to our second research question, and to a representation of the corporate-policy network as a set of inter-organizational relations. Such relations can be traced *among* the policy groups and *between* them and the corporations. We saw in Figure 3 that the group affiliations of just 17 cosmopolitans generate many interlocks among the policy groups. These are displayed as an

Figure 3 – Number of Interlocks Among Five Global Policy Groups



Note: Boxes are proportionate in size to the number of corporate-elite members affiliated with each group (indicated within each box). Line thickness reflects the number of shared elite members.

inter-organizational network in Figure 4. TC emerges as a central meeting point for the transnational corporate elite, but the WBCSD also plays a highly integrative role. The Bilderberg conferences and the WEF each bring more than a dozen major corporate directors together,¹⁴ but the International Chamber of Commerce's board has a lower profile in the transnational corporate elite. This must be understood in terms of the ICC's specific position in the organizational ecology of transnational neoliberalism. In contrast to the other four groups, the ICC's distinctive contribution to transnational class formation is to integrate capitalism's centre with its margins; hence the ICC board blends a smattering

¹⁴ In addition to the 18 people who attended both the 1996 and 1997 Bilderberg meetings, 12 attended the Conference in 1996 but not 1997 and nine attended in 1997 but not 1996.

¹⁵ Specifically, its 1996 executive board of 27 members and international officers included 12 corporate directors based on the semi-periphery, 11 based in Europe, three in the USA or Canada, and one in Japan.

of the global corporate elite with various representatives of national and local capital.¹⁵

As for the inter-organizational relations, the 17 interlocking directors establish close relations among four of the five policy groups. For instance, four of the 15 leading corporate directors who sit on the WEF board are also regular attendees at Bilderberg. Extensive overlapping memberships among four of the five groups suggest that inter-group differences in policy and strategy do not make for cleavages within the corporate elite.

If direct interlocks among policy boards provide some basis for elite consensus-formation across organizations pursuing distinct yet complementary agendas, another source of elite integration can be found in the extent to which the *social circles* of the policy groups intersect. Do the same corporate boards that interlock with one policy group also interlock with another? Such overlaps would point to another source of corporate-policy group symbiosis—pulling the policy boards closer to each other via the mediation of corporate boards, and *vice versa*, and collaterally integrating the lifeworld of the global corporate elite. A key issue in this regard is which corporations—and which “national fractions” of capital—are centrally positioned in the structure of overlapping social circles. To highlight the main corporate participants in the policy-group social circles, Table 4 lists the 27 corporations maintaining at least three directorship interlocks with the policy groups.

Heading the list is Zurich-based industrial conglomerate ABB, whose directors serve on all five policy boards. Interestingly, eight of the nine corporations that are most interlocked with the policy boards are industrials, the exception being the CIBC; and seven of those nine have one or more directors on each of the four most central policy groups. Although there is no one “nationality” that predominates in the policy-board social circles, the North Atlantic presence is striking. There are also some interesting patterns in the group-affiliations. The board of the World Economic Forum is interlocked with a good many European firms; the Bilderberg Conference and World Business Council for Sustainable Development recruit from both European and American firms; and the TC includes directors from all regions of the world-system's core—most remarkably, four directors from Osaka-based Kansai Energy. The TC is interlocked with all but one of the 27 corporate boards, and it maintains “thick” (multiple-director) interlocks with a number of financial institutions, including Chase Manhattan. In contrast, the WBCSD tends to share directors with industrial companies such as Xerox, GM, Nestle, BP, Unilever, and ABB. There thus appear to be elective affinities between large financial institutions and the TC on the one hand, and certain industrials and the WBCSD on the other.

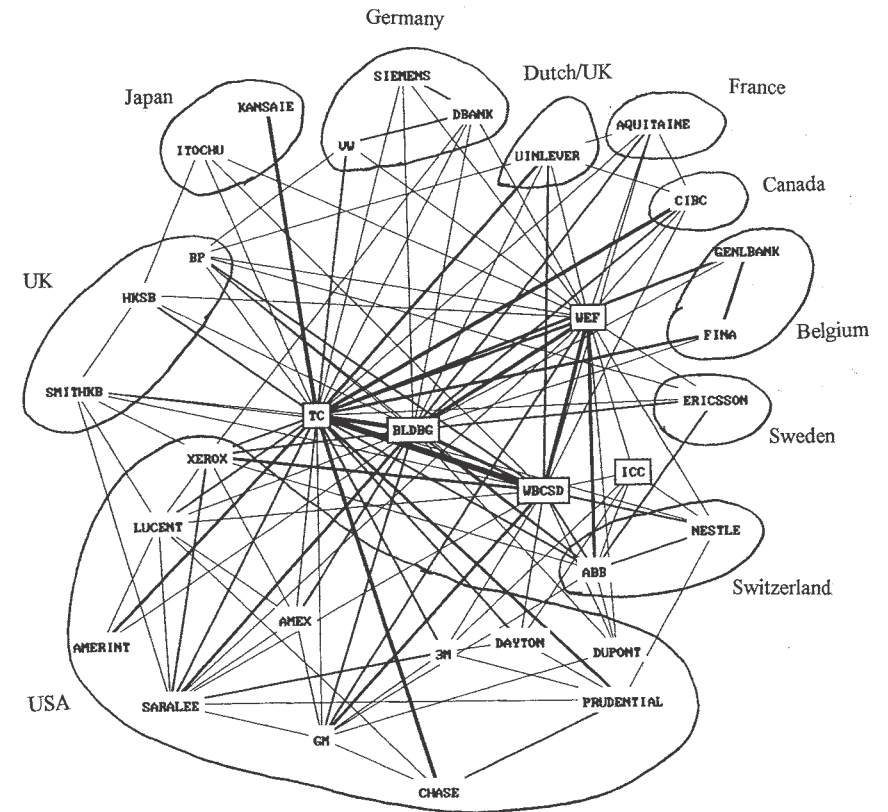
The network of interlocking directorates among these 27 corporations and

Table 4 – Numbers of Corporate Directors on Five Global Policy Boards, 1996

Corporation	Domicile	TC	WBCDS	BLD	WEF	ICC	Total
ABB	Swiss	2	2	2	3	1	10
CIBC	Canada	4	1	2	1	0	8
GM	USA	1	3	2	2	0	8
Unilever	Dutch/UK	3	2	1	1	0	7
Sara Lee	USA	2	1	3	1	0	7
Xerox	USA	2	3	2	0	0	7
BP	UK	1	2	1	1	0	5
Aquitine	France	1	1	2	1	0	5
Nestle	Swiss	1	2	0	1	1	5
Hong Kong Savings Bank	UK	2	1	0	1	0	4
Fina	Belgium	3	0	1	0	0	4
Generale Bank	Belgium	3	0	1	0	0	4
Ericsson	Sweden	1	0	2	1	0	4
Kansai Energy	Japan	4	0	0	0	0	4
3M	USA	2	1	0	0	1	4
American International	USA	3	0	1	0	0	4
Chase Manhattan	USA	4	0	0	0	0	4
Dayton Hudson	USA	2	1	0	0	1	4
Lucent	USA	2	1	1	0	0	4
Smithkline Beecham	UK	1	1	1	0	0	3
Deutsche Bank	Germany	1	0	1	1	0	3
Siemens	Germany	1	0	1	1	0	3
VW	Germany	2	0	0	1	0	3
Itochu	Japan	1	1	0	1	0	3
American Express	USA	1	0	2	0	0	3
Dupont	USA	0	1	1	1	0	3
Prudential	USA	3	0	0	0	0	3

five policy groups is shown in Figure 4, where we can see the extensive ties that converge on four of the groups, each heavily interlocked with the others. Although some of the corporate boards interlock transnationally—e.g., Unilever, ABB, BP—most share directors only with companies based in the same country, and this is especially the case for thick ties such as those between Xerox and Sara Lee or Deutsche Bank and VW. This persistence of national networks in conjunction with a modest transnationalization of interlocking has already been reported by Carroll and Fennema; what our analysis adds is a sense of how, amid the persistence of national corporate power structures, the global policy groups fulfill an integrative function, bringing together corporate directors and capitalist

Figure 4 – Interlocks Among Five Global Policy Groups and 27 Centrally-Positioned Corporations



Note: National domiciles are indicated by closed curves.

interests from various quarters of the world-system's centre.

Extensive interlocking with policy boards is the prerogative of the relatively few corporations listed in Table 4, all but two of which interlock with multiple policy groups. The 27 corporations, barely eight per cent of our sample, account for 128 of the 305 directorship interlocks between all corporations and the five global policy groups. Moreover, corporations whose boards overlap with the policy groups also tend to be central in the network of corporate interlocks: among our 350 corporations, the Pearson correlation between *n* of interlocks with policy groups and *n* of interlocks with other corporations is 0.434. Evidently, the corporate-policy network is quite centralized. Yet it also spreads out to include a great many companies whose directorates are only weakly linked to the policy

groups or to other major global corporations. Beyond the 27 centrally-positioned corporations are 52 companies with two directorship interlocks to the policy groups and 73 firms with one policy-group interlock. However, 198 of our 350 corporations, including nearly all companies domiciled in the semi-periphery, share no directors with the policy groups. This exclusion of the semi-periphery has been built into the declared constituency of the Bilderberg group and the TC (neither of which included in 1996 a single director of a semi-peripheral firm), but it largely applies to the other groups also.¹⁶ The only really salient regional fracture in the network is the massive divide between the world's system's centre and its (semi-)periphery.

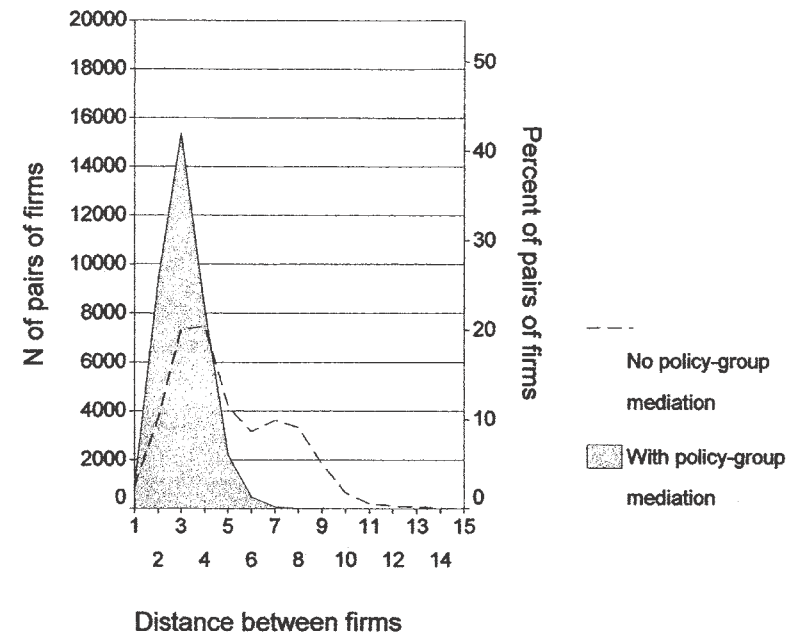
RESULTS 3: THE INTEGRATIVE CONTRIBUTION OF ELITE POLICY GROUPS

To test the integrative impact of policy-board affiliations we began with our entire corporate elite (622 individuals) and our entire sample of organizations (355). Since 53 of the 350 firms did not interlock with any organizations in our sample, this network has 924 points: 622 people, 297 corporations and five policy groups. *All but eight companies and five people are ultimately connected*, forming a dominant component that includes nearly all the persons and organizations that participate in the practice of interlocking directorships in one way or another. The network core that we mapped in our initial sociograms reaches to include most of the world's major corporations.

We next determined the size of the dominant component based purely on intercorporate ties. Leaving the policy-group affiliations aside, the dominant component shrinks only slightly, losing 18 companies and 23 people grouped into 11 small components. Although the *n*'s are small, these results show that some major corporate boards (like Toshiba, Sumitomo, NEC, Samsung, Montedison, Anglo-American Corp., Compaq, Cargill, and Koc Holdings), and some countries (like South Korea, Turkey and South Africa) are brought into the transnational network purely through policy-group interlocks. The global policy boards have definite local impacts, as they establish portals into the transnational busi-

¹⁶ The WBCSD is interlocked with 51 corporate boards, but shares a director with only one semi-peripheral firm (Seoul-based Samsung Electronics); the WEF is interlocked with 27 corporations, but shares a director with only one semi-peripheral firm (Johannesberg-based Anglo-American Corp.); the ICC is interlocked with seven corporations, but shares a director with only one semi-peripheral firm (Istanbul-based Koc Holdings, the investment vehicle of ICC President Rahmi Koc).

Figure 5 – Distribution of Intercorporate Distances in the Dominant Component, With and Without Mediation of Policy-Group Ties



ness community. Yet even without these mediations the intercorporate network extends to most of the world's leading firms.

As a more systemic test of the policy boards' impact, we calculated the extent to which corporate interlocks with the five groups *reduce the distance between corporations* in the global network. Given the centralized character of the corporate-policy network, and the extensive interlocks and overlaps among the policy boards, we might plausibly expect the policy boards to function as "hubs," pulling the corporations more closely together as corporate directors collaborate in the policy field.

With this working hypothesis, we examined the geodesic distances between points in the inter-corporate network, with and without the mediating ties provided by policy-group affiliations. At this systemic level, the contribution of the policy groups to overall network integration is quite striking (see Figure 5). The density of interlocking for the entire dominant component of 271 corporations is .024; i.e., 2.4% of all pairs of companies are directly interlocked. However, only 10.1% of pairs of firms can reach each other via a third firm (distance=2). Yet when we include relations that are mediated by corporate ties to common

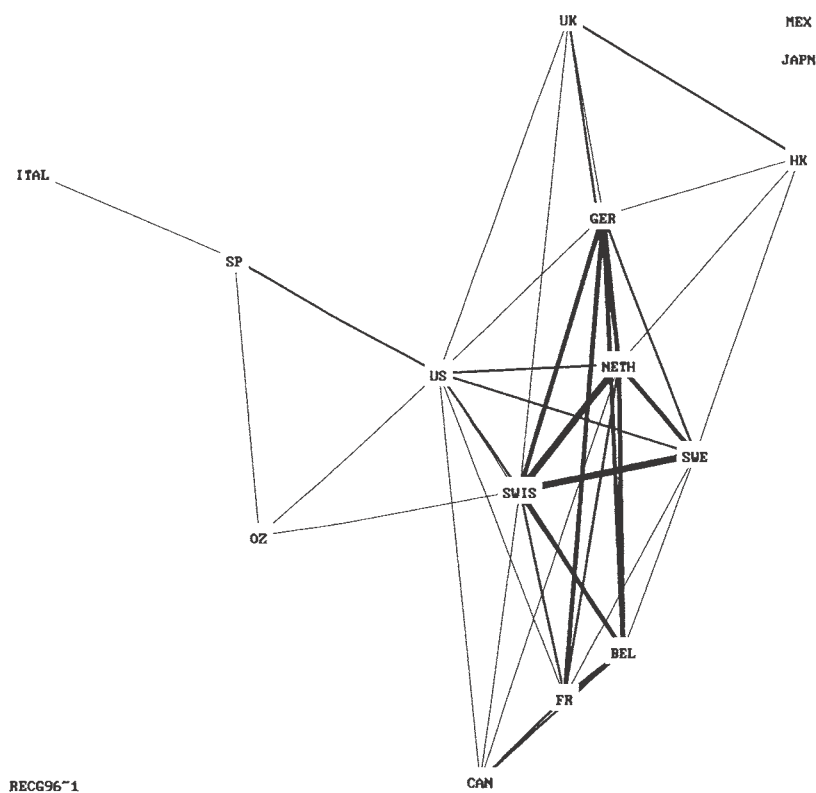
policy groups, fully 25.8% of pairs of firms are linked at one remove. And whereas through corporate boards alone, only 32.6% of all pairs of firms are connected at two removes or less, 72.2% can reach each other by no more than two intermediaries when paths running through the policy boards are included. At the outer reaches of the component, the diameter drops from 15 to nine when paths running through the five policy boards are included in the calculation of distances.

A key issue is whether the broad pattern of participation in the policy groups draws corporate capital sited in particular locations in world system into the international business community. Do corporate-policy interlocks reduce the average distance among corporations based in different countries? Figures 6 and 7 present aggregated sociograms in which each point represents the set of firms domiciled in a given country and line thickness represents the mean proximity between firms based in two countries. These plots depict inter-national proximities based on a non-metric scaling of mean distances; hence within each two-dimensional space the distances correspond fairly well to actual mean distances between domiciles.¹⁷

When, in Figure 6, only corporate interlocks are considered in calculating distances it is north-west continental Europe that is most transnationally integrated: mean distances among the German (GER), Dutch (NETH), Swiss (SWIS), Swedish (SWE) and Belgian (BEL) networks are often less than 3.0. For instance, the mean distance between Dutch and Swiss firms is 2.44—not much higher than the mean distance among Dutch firms (1.86) or among Swiss firms (1.60, the lowest mean distance in the network). France (FR) is also part of this continental bloc, with relatively close ties to corporate Belgium (mean distance=2.57) and Germany (2.86). However, on average, firms sited in Britain and the USA are not as proximate, either to the European continent or to each other, perhaps reflecting looser business systems organized more around “exit” options than around the exercise of “voice” within stable relations of corporate control, as on the continent (Carroll and Fennema 2002). The mean distances among Canadian-based firms (CAN, 1.91) resemble those of north-west Europe, and the ties linking Power Corporation and the CIBC to Belgian and French corporations make for a certain propinquity among these domiciles. Spanish (SP)

¹⁷ Note that the thickest lines represent mean distances less than 2.5; the thinnest represent mean distances between 3.5 and 3.999. Mean distances greater than 4 are represented as absent ties, although in fact all corporations in the component are, by definition, ultimately connected. The full matrices of mean distances are available from the first author.

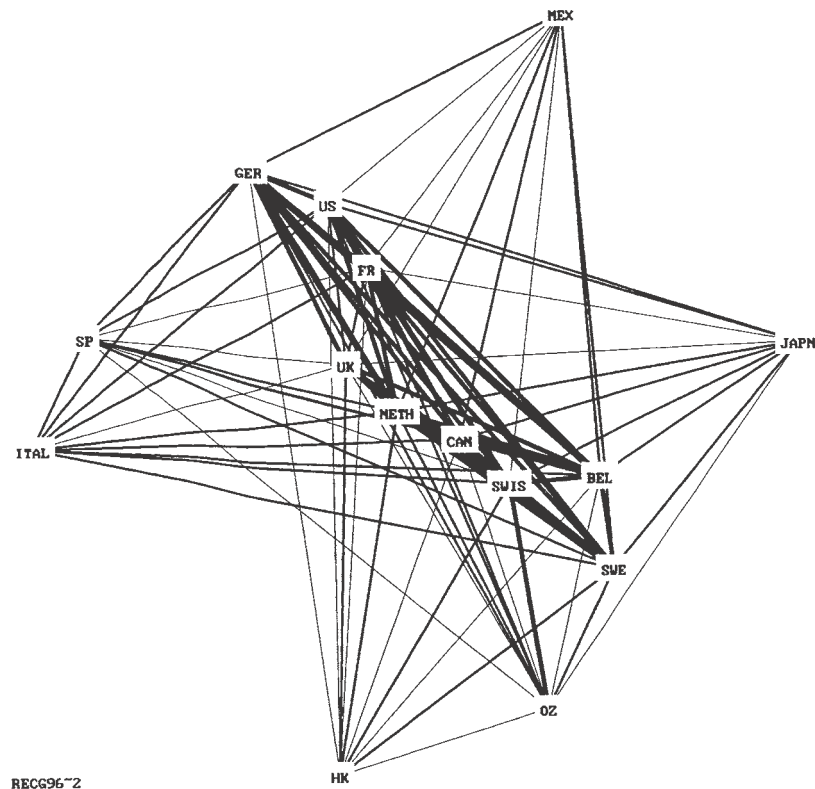
Figure 6 – Mean Inter-National Distances Among 271 Corporations, Based on Corporate Interlocks Only



and Italian (ITAL)–based firms and companies based in Australia (OZ) and Hong Kong (HK) are relatively peripheral. Mexican and Japanese corporations are very peripheral, the largest mean distances in the international network being 9.88 between Italian and Japanese firms and 9.33 between Mexican and Japanese firms.

When the corporate-policy interlocks are included as indirect, mediating ties, in Figure 7, mean distances decrease sharply. Companies sited in the three Anglo-American countries—heavy participants on the policy boards—become fully integrated with the continental European block, whose own transnational proximities thicken. However, firms domiciled in southern Europe or outside the North-Atlantic heartland remain relatively peripheral. Thus, the basic pat-

Figure 7 – Mean Inter-National Distances Among 271 Corporations, Including Paths Mediated by Five Policy Groups



tern of differential regional participation in the network is maintained, even as the absolute distances drop. The largest mean distance, in an aggregated network that now includes Mexican and Japanese firms, is only 4.5 (between Mexico and Hong Kong and also between Australia and Mexico); the mean distance between corporate Japan and corporate Italy drops from 9.88 to 4.08. Indeed, it is clear that for corporate Japan the policy groups play an important bridging role into global management. By virtue of the participation of Japanese corporate directors on the policy boards, the mean distances between corporate Japan and firms domiciled in the North Atlantic drop from a range of 6.15–8.00 to a range of 3.33–3.64.

The one Australian based firm in the component can serve to illustrate how the mediation of corporate-policy interlocks pulls the transnational network together. J.B. Prescott, CEO of Broken Hill Proprietary, a major transna-

tional mining company and Australia's largest industrial firm, sits on both the WBCSD and WEF boards, thereby establishing a representation of Australian-based resource capital within the two Swiss-based policy groups. These boards, as we have seen, are staffed with directors of a great many corporations based primarily in Europe and North America, but also Japan. As we saw in Figure 2, the WEF board alone includes three major directors of three Swiss corporations; hence Prescott's participation in WEF governance establishes ties at one remove between BHP and these Swiss companies. Since the Swiss network is itself highly integrated Prescott's WEF and WBCSD directorships have the effect of reducing the mean distance between BHP and the seven Swiss-based companies from 3.50 to 2.67. The impact with regard to Japan-based corporations, several of whose directors sit with Prescott on the WBCSD, is even more dramatic. When the mediating impact of policy-group affiliations is included the mean distance between BHP and the Japan-based members of the component plummets from 8.40 to 3.75.

DISCUSSION

In conclusion, let us first revisit our three research questions and take stock of what we have learned. The first question we posed concerned the role of key individuals at the centre of the network. We have found that a few dozen cosmopolitans—primarily men based in Europe and North America and actively engaged in corporate management—knit the corporate-policy network together by participating in transnational interlocking and/or multiple policy groups. This inner circle creates the interlocks that make the network a transnational formation. A mere 17 corporate directors, some of whom serve on as many as four policy boards, create a plethora of relations among the policy groups. As a structure supporting transnational capitalist class formation, the network is highly centralized in terms of the individuals and organizations that participate in it. Yet from its core it extends unevenly to corporations and individuals positioned on the fringes of the transnational network.

Our second question focused on the organizational level, at which we found that the policy groups differ markedly in the extent to which the directors of the world's leading corporations participate on their boards. The International Chamber of Commerce (ICC), whose contribution to transnational capitalist class formation is focused around the integration of the centre with its margins within a discourse of free-market conservatism, is least involved at the core of the network. In contrast, the other four groups, which advocate more structuralist or regulationist variants of neoliberalism, are deeply enmeshed within the global corporate elite. They are substantially interlocked with each other as well as with

common corporate boards, a small number of which account for two-fifths of all the corporate-policy links. Most significantly, while the North Atlantic is especially well represented in the contingent of interlocked corporations, corporate capital domiciled outside the world system's core states is almost entirely detached, suggesting that van der Pijl's (1984) image of a North Atlantic ruling class has retained its cogency to the close of the twentieth century. Compared to this dominant pattern, other elements of possible fractionation—as in the elective affinities that appear to attract financial capital to the Trilateral Commission (TC) and industrial capital to the World Business Council for Sustainable Development (WBCSD)—barely register.

Finally, although the practice of interlocking corporate directorates already links most of the world's leading corporations into a single network, corporate-policy interlocks make a dramatic contribution to global corporate-elite integration. This additional layer of social structure, within which leading corporate capitalists step beyond their immediate economic interests to take up matters of global concern, pulls the directorates of the world's major corporations much closer together, and collaterally integrates the lifeworld of the global corporate elite. But if the policy groups mediate and thereby strengthen inter-corporate relations they do so selectively, in a way that reproduces regional differences in participation. Thus, even as the presence of 27 Japanese corporate directors, distributed among three of the five policy boards, pulls corporate Japan closer to the network's North Atlantic centre-of-gravity, that centre becomes even more tightly bound through the heavy participation of North Americans and Europeans on the policy boards.

These findings support the claim that a well-integrated global corporate elite or business community has formed, and that global policy groups have been instrumental in its formation. Whether this elite confirms the arrival of a transnational capitalist class is partly a matter of semantics and partly a matter of substance. From one perspective, it is striking how selective participation in the corporate-policy network is, and how centralized its structure is. Within an already elite group of leading corporations and corporate directors, those who actually constitute the network comprise a small core of cosmopolitan individuals and corporations, with a strongly Euro-North American bias. In contrast, most individuals who participate in the global network do not hold elite positions beyond their home nation. As a mode of business activism, the network evokes the image of a vanguard more than a mass movement. Yet as we have seen, it comprises a single connected component, with considerable reach, and the policy boards effectively draw the national sub-networks into an integrated transnational structure. Moreover, claims about the formation of a transnational capitalist class do *not* depend exclusively on the structure of elite networks.

Sklair (2001), for example, points to cultural practices—the worldly assumption of social responsibility, the shared ideology of consumerism—as integral aspects of transnational capitalist class formation. As Gramsci understood, class formation involves both structure and culture, and although network analysis gives some purchase on the former we have done no more than telegraph some of the discursive elements of neoliberal globalization as a hegemonic project.

However one might assess the thesis of transnational class formation, conspicuously absent from the corporate-policy network are corporations and capitalists based on the periphery and semi-periphery of the world system, and in this sense the network seems to present one facet of a collective imperialism, organized so as to help manage global capitalism from the centre (see Steven 1994). In the blending of persuasion and coercion that such management entails, the policy groups clearly seek to persuade. They operate at one remove from the structural adjustment programs, “poverty reduction strategies” and other enforcement mechanisms, including the capacity for military intervention, that are the province of statist bodies, whether national or international. They foster discussion of global issues among members of the corporate elite, often in combination with other influential political and professional elites. They facilitate the formation of a moving elite consensus that is framed within one or another variant of neoliberal discourse. They educate publics and states on the virtues of the neoliberal paradigm. In short, they are agencies of political and cultural leadership, whose activities are integral to the formation of a transnational capitalist class.

The network of interlocks between policy boards and the world's major corporations forms an important communication structure in this process. All five of the policy groups are embedded in the global network, and with extensive interlocking among four of them and a key elite-level connection between the most “regulationist” and most “free-market” group,¹⁸ there is no evidence of political fracture along the lines of Robinson and Harris' (2000) typology. By the same token, each group has its own history and modus operandi, occupies a unique niche in the organizational ecology of transnational neoliberalism, and finds a distinctive location in the network. We have seen that the ICC is comparatively marginal to the life of the global corporate elite as we have defined it, yet its policy work sustains a very broad network that links local capital from sites throughout the world system into the centre, in a hard-line project of free-

¹⁸ See Figure 2, which shows that the Chair of the regulationist WBCSD is also an *ex officio* director of the ICC, owing to the ICC's founding sponsorship of the WBCSD.

market conservatism. In contrast, the Bilderberg Conference is exclusively Euro-North American and well ensconced in the corporate network, and its gatherings bring business leaders together with political leaders in informal discussions that have tended to promote a neoliberalism that retains a managerial role for the state. The World Economic Forum (WEF) and Trilateral Commission (TC), both strongly integrated with the corporate network, champion a similar project, but they render it more tangible in the activities of various working groups and the issuance of extensive policy documents and other texts. Both groups bring together agents and interests beyond the Euro-North American core and beyond the corporate elite *per se*, in explicit attempts to articulate a global political-economic interest. Finally, the WBCSD extends the general interest to the peaceful coexistence of capitalism and nature, and like the WEF and TC, draws Japanese business leaders into the network. Instead of political fracture, we submit that neoliberalism's own pluralism, as enunciated by the different groups, ensures that the consensus is a loose and variegated one, not a monolithic doctrine.

Although our systematic data refer to 1996/1997, subsequent developments suggest that the policy groups have continued their efforts to articulate a general transnational interest within a broadly neoliberal paradigm, but not without significant contestation, beginning with the "Battle in Seattle" that raged around the World Trade Organization's 1999 Ministerial meeting and continuing through the mass protests that have greeted meetings of the IMF and World Bank in Washington (April 2000) and in Prague (September 2000), and the World Economic Forum in Davos (2000) and New York (2002). Against these delegitimizing moves from below, we can note that in July 1999 the UN Secretary-General and the President of the ICC announced a "global compact" between the UN and the private sector "to spread the benefits of globalization;" that as of 2000 the Trilateral Commission was restructured to include representation of the Asia-Pacific semi-periphery (People's Republic of China, Taiwan, Thailand); and that in 2000-2001 the World Economic Forum began to include NGOs representing "civil society" in its annual deliberations and designated a Non-Governmental Organizations Council. For its part the World Business Council for Sustainable Development continued to expand its project of corporate environmental hegemony, forging a crucial regulatory alliance of transnational capitalist development. The structural analysis we have presented here provides only a glimpse of a contentious formation that is very much under construction.

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