

# Interlocking Directorates and Political Mobilization among Corporations and Corporate Elites: Evidence from the U.S.

Val Burris  
University of Oregon, USA  
vburris@uoregon.edu

	Interorganizational Perspective (Firm-to-Firm Network)	Intraclass Perspective (Director-to-Director Network)
<b>Equivalence / Centrality</b>	<p><b>Hypothesis:</b> Centrally located firms (those with most ties) exhibit distinctive political behavior that is more consistent with long-term classwide interests (Useem 1984).</p> <p><b>Evidence:</b> Central firms are more pragmatic (less conservative) in their contributions to political candidates (Burris 1987, 1991, 2001; Burris and Salt 1990; Clawson and Neustadt 1989), and are more active in lobbying for free trade (Dreiling 2000).</p>	<p><b>Hypothesis:</b> Centrally located directors (those with most ties) exhibit distinctive political behavior that is more consistent with long-term classwide interests (Useem 1984).</p> <p><b>Evidence:</b> Central directors express more conservative political attitudes (Useem 1978), and contribute to more conservative political candidates (Burris and Salt 1990; Burris 1991, 2001; Broyles 1993).</p>
<b>Cohesion / Proximity</b>	<p><b>Hypothesis:</b> Proximate firms (those with direct or indirect ties) exhibit similar or cohesive political behavior (Mills 1956; Domhoff 1967; Useem 1984).</p> <p><b>Evidence:</b> Proximate firms tend to contribute to the same political candidates (Mizuchi 1992), lobby on the same side on legislative issues (Muzruchi 1992), and contribute to the same policy and advocacy organizations (Burris work in progress).</p>	<p><b>Hypothesis:</b> Proximate directors (those with direct or indirect ties) exhibit similar or cohesive political behavior (Mills 1956; Domhoff 1967; Useem 1984).</p> <p><b>Evidence:</b> Proximate directors tend to contribute to the same political candidates (Burris 2005).</p>

## **Interlocking Directorates: Points for Discussion**

### **What do we capture when we measure or model interlocking directorates?**

- Processes taking place through social interactions on corporate boards.
- Proxies for diverse, but less formal and more difficult to measure social ties.

### **What is the mechanism by which interlocking directorates have a political effect?**

- Sharing of information that alters individually rational political calculations.
- Enforcement of the prevailing group norms of political behavior.
- Exposure to historically situated political currents, discourses, and ideologies.

### **Corporations (organizations) and capitalists (classes) are very different species of political actors, and the effects of interlocking directorates are distinctive to each.**

- Example: central directors are more conservative than the average; central firms are more moderate/pragmatic (less conservative) than the average.
- Example: individual capitalists appear to be more strongly influenced by the behavior of proximate others than firms are.
- Generally, firm-to-firm interlocks have received much more attention in the literature than director-to-director interlocks. This needs to be remedied.

### **The effects of interlocking directorates are relative to the institutional context of different forms and sites of political action.**

- Examples: campaign spending vs. lobbying vs. policy planning; presidential vs. congressional politics.
- For this reason we are likely to encounter cross-national variation in the political effects of interlocking directorates. What factors best explain this variation?

### **Interlocking directorates are only one thread in a much denser fabric of social ties among corporations and corporate elites; hence it is important not to reify or isolate director interlocks from the other social networks within which they are embedded.**

- Importance of parallel research on ties formed through exclusive clubs, schooling, kinship, trade and policy associations, other non-corporate boards.
- How do these different networks complement and/or reinforce one another?

### **Historical shifts are occurring with respect to the composition and functioning of corporate boards; studies of the political impact of interlocking directorates need to be sensitive to these shifts.**

- Declining centrality of commercial banks within the interlock network; bank boards no longer as important as meeting places of the corporate inner circle.
- Pressure to reform corporate governance coming from government, media, stock exchanges, corporate policy associations, institutional investors, investor and other advocacy groups. Increased public scrutiny of interlock relations.
- Reduction in the average size of corporate boards; more “independent” outside directors; efforts to limit number of outside board memberships held by CEOs.
- Increased representation on corporate boards of women and minorities, often from non-corporate backgrounds.
- Do these changes reduce the political significance of interlocking directorates?