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ORIGINAL ARTICLE

From local champions to global players: A long-term perspective on Swiss companies' connections across territorial scales

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Abstract

Corporate interlocking at the national and transnational scale has received substantive scholarly attention. Less is known about companies' ties to the cities and regions in which they have their seats. In this paper, we conduct a long-term analysis of the multilevel ties that companies maintain with the local and the national context they are embedded in. To do so, we adopt a positional approach and identify the directors of the major companies in the three largest Swiss cities (Basel, Geneva, and Zurich) and study company directors' ties to local and national organizations in seven benchmark years between 1890 and 2020. Our analysis documents the rise and fall of company directors' ties to national organizations over the course of the 20th century, and it highlights the continued persistence of companies' ties to the local level and their region until the new millennium, when companies' ties with national and local organizations vanish, coinciding with the transnationalization of company boards.

KEYWORDS

business networks, corporate interlocking, elites, multilevel governance, multipositionality, urban areas

INTRODUCTION

The most recent wave of globalization that took up speed at the end of the 20th century has fundamentally transformed the corporate world. In the post-war growth era, companies from the same country were closely knit together through interlocking directorates—that is, a board member or executive director of one company sitting on the board of another (Carroll & Fennema, 2002). Globalization goes along with an increase in transnational corporate interlocking. Companies have shifted their gaze from the national scale to the global scale—with increasing multinational activity—and hence interlocking across national borders is on the rise (Carroll, 2009; Heemskerk et al., 2015), while at the same time national company networks loose significance (Mach et al., 2011; Mizruchi, 2013; Schnyder et al., 2005).

The decline of national company networks—and indeed the national scale as a relevant focal point for multinational companies' corporate strategies—goes along with the rise of global centres of corporate activity, so-called 'global cities' (Sassen, 1991). Economic activity, and indeed contemporary capitalism, is increasingly concentrated in a few urban centres across the globe—such as London, New York, or Singapore. This raises the question whether companies located in such cities are also increasingly connected among one another and whether we thus witness a reorientation of corporate interlocking not only beyond, but also below the national scale.

While some scholars have assessed to what extent cities across the globe are connected through 'their' companies' corporate interlocks—revealing the dominance of a few cities, such as London, in the global corporate network (Carroll, 2007; Heemskerk et al., 2016; Valeeva, 2022)—we know little about companies' ties *within* a particular city. Can we observe an increase of ties between companies that have their seat in the same city or region? Or does the shift from the national to the transnational scale also go along with a dissolution of local corporate networks? A second aspect missing from studies on corporate interlocking is directors' ties with organizations other than companies—such as business associations, parliaments, or universities. Yet, analysing these ties is key to better understand company directors' strategies to exert direct influence at a particular territorial scale, and it allows to bridge studies on corporate interlocking with research on elite integration more generally (Ellersgaard et al., 2019; Rossier et al., 2022). Finally, current studies on corporate interlocking often focus on single time points or short time periods. To get a better understanding of the current phenomena, an assessment of the historical evolution of company directors' ties with different territorial scales provides new insights for understanding the rationale behind the relations developed by companies and their directors.

In this paper, we engage in a long-term analysis of corporate directors' multipositionality over the last 130 years. We shed a particular light on corporate elites' ties with different territorial scales—the local and the national—at different time points. Focusing on the three main economic hubs of Switzerland (Basel, Geneva, and Zurich), we analyse the extent to which directors of major local companies have established ties with companies and other organizations at the local level, that is, in the same city or region, and across the country.

This analysis will allow us to get a better understanding of cities' place in past and contemporary capitalism. In particular, it will be interesting to see which scale corporate directors entertained ties with during the first wave of globalization—which abruptly took an end with World War I—and how this compares to the current wave of globalization. Do we find a corporate elite that entertains local ties at the beginning of the 20th century? And do we witness a renewed rise of local ties nowadays? Or have company ties not only with the national but also with the local level weakened since the millennium? While we cannot analyse *transnational* interlocking due to a lack of available data for the historical period, we hint at the role of transnationalization by looking at the proportion of foreign directors and the ties they entertain with local and national organizations in different benchmark years. In doing so, our study complements existing research on transnational corporate interlocking by analysing the ties companies entertained with the local and the national scale since the end of the 19th century and by studying not only corporate interlocking, but also companies' more general integration at different scales.

CORPORATE NETWORKS AT DIFFERENT TERRITORIAL SCALES

The study of corporate interlocking has a long tradition. Numerous studies have assessed the possible causes and consequences of ties between firms (Mizruchi, 1996). In doing so, the principal focus has been on national level corporate networks in specific countries. More recently, scholars started to look beyond the national scale and have studied corporate interlocking across national borders. A landmark study in this respect is Carroll and Fennema's (2002) piece on the emergence of a transnational (North Atlantic) business community. They show how the shift from voice- to exit-based forms of corporate governance is linked to the emergence of transnational corporate interlocking. At the same time, however, their study also points to the resilience and longevity of national corporate networks. In more recent studies, these authors—together with other colleagues—show that transnational interlocking, and with it maybe transnational class consciousness (Carroll, 2009), has become more widespread and less hierarchical over the past 20 years. The transnational network now depends on a growing number of individuals and not just on a few big linkers as it used to (Heemskerk et al., 2015). Beyond the corporate sphere, scholars have also analysed the transnationalization of the professional world more generally and discuss under which conditions professionals depend on specific organizations and territorial contexts—highlighting the role of sectoral and institutional factors, as well as individuals' endowment with different forms of capital (Harrington & Seabrooke, 2020; Henriksen & Seabrooke, 2021). Yet, also in the professional world more generally, territory remains rather sticky: Ellersgaard et al. (2019) show that among the Danish power elite, 70% have never worked abroad in their career and 65% have spent almost their entire career in the Copenhagen region. Moreover, in their study of upper-middle class professionals, Andreotti et al. (2013) show that even those professionals with transnational experience are more locally rooted in particular cities than commonly assumed.

While the transnationalization of corporate, and other, elites has received considerable attention recently, the local dimension of corporate elite networks, their ties *within* cities, has been studied less. Some scholars have focused on the place of cities in corporate networks. In a nutshell, these studies aggregate all companies and/or directors that have their seat in a particular city into one node and then examine the links between these city-nodes (Carroll, 2007; Heemskerk et al., 2016; O'Hagan & Rice, 2018; Rice & Semple, 1993; Valeeva, 2022). These studies are interested in assessing the (changing) role of certain cities in interurban corporate networks. For example, Rice and Semple (1993) and O'Hagan and Rice (2018) show that Western Canadian cities such as Vancouver and Calgary have gained in connectedness and centrality in the Canadian interurban corporate network over time, while Montreal's importance decreased over the last 100 years and particularly in the 1980s. At the global scale, Carroll (2007), Heemskerk et al. (2016), and Valeeva (2022) look at the interurban connections, highlight the centrality of London as one of the most connected corporate headquarters, and show that regional transnational clusters exist—also in intercity networks.

Beyond these interurban corporate connections and the comparison of cities' centrality in corporate networks, Kono et al. (1998) engage in an analysis of the determinants of *intra*-urban ties. They find that the presence of exclusive social clubs in a city as well as the concentration of a company's production facilities within the same region increase intra-urban ties. More recently, Dahlin and Patel (2022) have analysed intraregional corporate elite networks in Sweden and show that more peripheral regions have denser local networks. These studies resonate with research that explicitly focuses on the urban realm. At the city level, many scholars have analysed local power structures, that is, the question 'who governs', and have debated whether cities are governed by a 'power elite' in the Millsian sense or whether urban governance is characterized by a plurality of competing elites (Dahl, 1961; Hunter, 1953). These studies do not explicitly focus on corporate elites, but the latter still play an important role—particularly in analyses of long-term coalitions between business and political elites termed urban regimes or urban growth machines (Stone, 1989). More specifically, Schulze (1961, p. 22) has explicitly analysed the evolution of local connections of 'economic dominants', that is, those leading the largest companies in an American city. He concludes that the era of 'local capitalism', lasting until the beginning of the 20th century, is marked by the 'wedding' between the economic dominants and those holding local public office, whereas the subsequent period is characterized by the disinvestment of economic dominants from local affairs. In contrast to the studies focused on corporate interlocking, these studies thus explicitly examine corporate actors' and business elites' relations to other elites *within* a particular local context and they are interested in the extent to which corporate elites can influence or participate in making political decisions.

The studies reviewed up to here give interesting insights into companies' ties beyond the national scale, at the interurban and intra-urban levels. Yet, they leave some important questions open. First, the studies on interlocking directorates only assess ties between companies but not with other organizations, such as business associations or political institutions. However, such connections play an important role in studies that aim for a more holistic assessment of corporate power at the national or local levels (Dahl, 1961; Mills, 1956; Stone, 1989). Second, only few studies simultaneously assess companies' insertion at the local compared to other territorial scales. Notable exceptions are the studies by Carroll (2009) and by Kono et al. (1998), which assess companies' insertion both into local and nonlocal networks. Yet, the need for a 'more multi-level or nested approach of social organization of corporate élites' has been expressed by Heemskerk et al. (2016, p. 25). Finally, only few of these studies take on a long-term perspective, spanning several decades, and trace the evolution of the corporate elite's multilevel embeddedness. In what follows, we will develop such a holistic, multilevel, and long-term perspective on corporate elites' ties with different territorial scales for the Swiss case.

MAJOR SWISS COMPANIES BETWEEN LOCAL ROOTEDNESS AND GLOBAL EXPANSION

The Swiss economy, and its major companies, represents a crucial case to analyse how companies develop connections across territorial scales in a long-term perspective. Major Swiss companies are subject to and engaged in countervailing scalar dynamics, which represent two major characteristics of the Swiss economy: its early export orientation and development of multinational companies on the one hand, and the regional diversity and local rootedness of its major economic sectors, on the other hand.

Because of the limited size of its domestic market, Switzerland, like other small European countries, has developed its export orientation early on, and has become largely dependent on international markets (Katzenstein, 1985). Companies expanded their international activities to sell their products and services. Already at the beginning of the 20th century, the Swiss economy was among the most internationalized in Europe based on indicators such as the share of exports in relation to national gross domestic product or the proportion of foreign workers in the country (Bairoch, 1990). Swiss companies were also pioneers when it comes to foreign direct investment in the 19th century, and they hence figured among the first multinational companies worldwide (Schröter, 1993).

The Swiss economy is not only characterized by its export orientation, but also by its regional diversity and differentiation, with its major economic sectors strongly rooted in particular regions. The federal, decentralized, and fragmented political system, with strong local and regional cultures and politico-administrative structures, mirrors the economic diversity of the country. Apart from the financial sector, mainly located in the major cities of Basel, Geneva, and Zurich (and to a lesser extent Lugano), the four main industrial branches of the 19th and 20th centuries are characterized by their strong geographical anchoring: the textile industry, historically concentrated in the east of Switzerland, the watchmaking industry mainly present in the Jura and Geneva region (Donzé, 2017), the chemical-pharmaceutical industry which dominates the Basel region (Zeller, 2010) and, finally, the machine industry, which is more dispersed, but mainly located in the Zurich region (Bärtschi, 2011).

These regional clusters, forming the backbone of the Swiss economy, have already emerged in the 19th century, a period marked by the weakness of the federal state which was only founded in 1848 and had little legislative and administrative capacities at the beginning. Indeed, Swiss cantons were, and still are, highly relevant actors when it comes to attracting business. Since the early 19th century, Swiss cities and cantons compete for wealthy taxpayers—both firms and individuals—by combining fiscal advantages with touristic offers for the wealthy (see Guex, 2021; Schröter, 1993). Moreover, Swiss cantons are extremely stable territorial units: since 1848 there has only been one

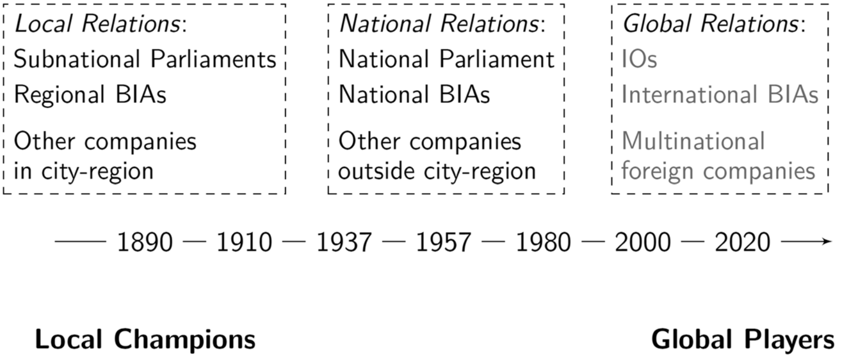

FIGURE 1 Expectations regarding the multilevel embeddedness of major companies

major change to the cantonal structure—the creation of the canton of Jura in 1979. One consequence of this persistent federalized political structure is that companies need to be active both at the national and regional/local levels if they want to influence political decision-making. Thus, major Swiss companies need to be involved with different territorial scales to cope with the simultaneous challenges of transnational business activity and local anchorage.

What does that imply for Swiss companies' ties to different territorial scales at different moments in time? Previous studies on the Swiss company network in a long-term perspective have shown that the largest Swiss companies and their corporate elite formed a dense national network during most of the 20th century (David et al., 2015; Schnyder et al., 2005). This network emerged at the beginning of the 20th century and exhibited a long period of high density and stability between the 1930s and 1980s, marked by the central position of universal banks and national business interest associations (BIAs), as well as the strong connections of business elites to the national political and administrative spheres. However, since the 1990s, board members of the largest Swiss companies are clearly less connected to national level organizations than before—presumably to privilege integration into global business networks (David et al., 2009; Mach et al., 2016).

Less is known about Swiss companies' insertion into local and transnational networks. Our study adds an assessment of Swiss companies' local ties in different historical periods. For major Swiss companies, we can witness a progressive 'upscaling' from 1890 to 2020: companies transform from 'local champions'—important companies rooted and predominantly active in a particular region—to 'global players'—companies which still have their seats in the same region but are active and connected globally with production and research centres in multiple sites (Zeller, 2010). For corporate boards' ties, this means that until World War I, we expect them to be predominantly local. This expectation is buttressed by recent research on Swiss urban elite networks: Strebel et al. (2021) find these networks to be strongest and most cohesive at the end of the 19th and the beginning of the 20th century compared to later periods in the 20th century. From the interwar period until the fall of the Berlin wall, we expect that companies particularly establish ties with national institutions and companies located in other regions. For this period, we also expect diminished ties of company directors to local organizations. Finally, since the new millennium, we expect a clear disinvestment in national ties, which coincides with the transnationalization of corporate interlocking (Heemskerk et al., 2015). We leave it open, whether local ties re-intensify, and we hence witness some kind of corporate 'glocalization', or whether they continue to follow the 'disinvestment path'. Figure 1 summarizes our main expectations.

We want to reiterate here that the transnational dimension cannot be treated in the same way as the local and national one, since we lack systematic data for companies' transnational ties for the whole period and since there are no organizations at the transnational level—other than companies—that existed throughout the period of study. We will thus focus the analysis on the local and national ties (see next section on data) and, in a second, explorative, step, bring in the transnational dimension through an analysis of foreign directors and their ties to local and national organizations.

We also need to note that our interest here lies in the analysis of the ties that *a set* of major companies in the main economic hubs of Switzerland entertain with different scales and not in explaining differences between individual companies' or between individual directors' multilevel connections.

RESEARCH STRATEGY, DATA AND METHODS

The major companies of Basel, Geneva, and Zurich

The focus of our study lies on the most important companies that have their seat in the cities or cantons of Basel, Geneva, and Zurich and are active in their main respective economic sectors. These three regions represent the main economic hubs of Switzerland since the 19th century. In addition to their important financial sector—banking and insurance—they also cover the four major (historical) branches of the Swiss industry: textile, watchmaking, pharmaceutical, and machine industry.

In all three regions, our selection includes all major banks[1] and insurance companies for the financial sector. In addition, we also include companies that represent the main industrial cluster of each region. For Basel, this is clearly the chemical-pharmaceutical industry nowadays, with big multinational companies such as Novartis and Roche. Historically, however, the textile industry was also important in Basel, and we thus include major companies from this sector until 1937. In Zurich, the main industrial sector—aside from financial services—is the machine industry, with companies such as Sulzer and Oerlikon-Bührle. Finally, for Geneva, the situation is more complex. While major luxury watch brands—such as Rolex and Patek Philippe—have their seat in Geneva, other sectors, such as the machine and the chemical industry, also have an important standing in the region and we also included the two major companies each from these two industries.

The major companies of these economic sectors were selected based on one or several of four criteria (depending on data availability): nominal share capital, turnover, number of employees, and market capitalization.[2] For seven benchmark years from 1890 until 2020 (1890, 1910, 1937, 1957, 1980, 2000 and 2020), we included the major companies of each benchmark year. The company sample, thus, varies between benchmark years, which ensures that we capture the major companies of each specific date. In total, our sample comprises between 34 (in 2020) and 49 (in 1890) companies and between 310 (in 2020) and 383 (in 1910) directors in each benchmark year. Both the total number of companies and directors decreases from 1890 to 2020. We initially aimed to have a comparable sample of around 40 companies total, stemming from the different sectors, for each benchmark years. Yet, to accurately represent a particular sector in a particular region and year, we sometimes needed to include or exclude companies based on a triangulation and validation of company lists with secondary literature and monographic studies. The decrease of the overall sample size over time is mainly due to concentration processes (mergers and acquisitions) as well as bankruptcies, especially in the banking sector. The concentration in the banking sector alone accounts for most of the decrease in the number of companies between 1890 and 2020 (−12). Table A1 in the Supporting Information gives an overview of the number of companies and company directors (executive directors as well as company board members) by region and sector for the seven benchmark years, and Table A2 presents a list of all companies included in our study. In all three regions, some of the companies are present in all seven benchmark years, whereas others are only present on one or two dates. Moreover, some of them have become real 'global players', large multinational companies such as Novartis, Credit Suisse, and Rolex, while others' scope of activity has remained predominantly local, like the publicly owned cantonal banks.

To capture the ties company directors entertain with other organizations at the local and national level, we rely on two large, systematic, databases on local and national elites in Switzerland. Both identify elites based on positional

[1] This involves all the large universal banks (like UBS or Credit Suisse), private banks (like Pictet or Sarasin) as well as publicly owned cantonal banks.

[2] More information on the selection and identification of major companies in the Supporting Information.

criteria—that is, holding a position of power in the academic, administrative, cultural, economic, or political sphere. Individuals holding such positions were identified for the same seven benchmark years as company directors. The database on local elites of the three major Swiss city regions (Basel, Geneva, and Zurich) includes the directors of the major companies, the executive committee members of the regional chambers of commerce, members of the city and cantonal parliaments and governments, the full professors at the local universities as well as the executive committee members of local art societies.[3] The database on national elites includes board members and main executive directors of the 110 largest Swiss companies (again identified based on the four indicators mentioned above), members of the executive committee of the seven major national, peak-level and sectoral, BIAs, members of the Swiss bicameral parliament and government, full professors at all Swiss universities, and members of advisory expert committees to the federal administration.[4]

Defining local and national ties

Since we are interested in the multipositionality of the three regions' company directors at different levels, we include all the positions they hold in other companies and institutions in the same benchmark year—both locally and nationally. A key step in our analysis is thus to classify positions into local and national ones. In the case of positions in local and national institutions, that is, organizations that are not companies, the assignment of a position to the local or national level is straightforward. For example, we can easily say that positions are local if directors are members of the city/cantonal parliament in which their company has its seat or when they are executive committee members of the regional chambers of commerce. Similarly, if directors are board members of a nation-wide BIA or members of national parliament, these positions are unequivocally national.

The classification of positions as local and national is more complicated for corporate interlocking. Companies cannot easily be assigned to a particular scale, since they can operate at several scales—local, national, or global—at the same time. Here, we follow Kono et al.'s (1998) definition of local and nonlocal positions. They define (non-)local interlocking directorates as those interlocks that exist between companies that have their seat in the same (a different) city. To differentiate 'local' and 'national' corporate connections, we equally adopt a geographic criterion: does the company in question have its seat in the same region, city or canton, as the director's company? If this is the case, the company is considered a 'local company'; if this is not the case, it is considered a 'national company'—given that it is based somewhere else in Switzerland.[5]

In sum, we distinguish four different types of positions: (i) local institutions, (ii) national institutions, (iii) local companies in the region, and (iv) national companies outside the region (see Table 1, for an overview).

Indicators for local and national ties

To assess companies' ties with the local and the national scale in a given benchmark year, we use indicators both at the director level and at the company level. At the director level, we calculate two measures of connectedness for each of the four types of positions identified above. The first measure of connectedness is the average number of a particular type of position that directors hold. We take the total number of, for example, positions in local institutions held by the directors and divide this number by the total number of directors. This measure gives us an idea of the *intensity* of the ties directors maintain with a certain type of organization at a certain territorial scale. However, this

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[3] For more details, see https://wp.unil.ch/sinergia-elites/.

[4] For more details, see https://www.unil.ch/obelis/en/home/menuinst/the-observatory.html.

[5] We also consider the canton, and not only the city, as part of the local scale, because cantons set relevant regulations for companies. Moreover, cantonal territories have remained unchanged since 1890 which facilitates diachronic comparisons.

TABLE 1 Four types of positions

Position	Description
Local institution	Position in a **local** organization or institution—**other than a company**—located in the same region *Academic sphere*: professors at the three cantonal universities *Administrative sphere*: – *Economic sphere*: executive committee members of local/cantonal business associations (chambers of commerce) *Political sphere*: members of local and cantonal parliament/government
National institution	Position in a **national** organization or institution—**other than a company** *Academic sphere*: professors in all other universities and the two federal technical universities *Administrative sphere*: members of expert commissions of the federal administration *Economic sphere*: executive committee members of national business associations *Political sphere*: members of national parliament/government
Local company	Directorship in **another company** that has its seat **in the same region**. This can include directorships in other major companies of the same region
National company	Directorship in **another company** that has its seat **outside of the region** in which a major company is located. This can include directorships in other major companies of other regions

measure does not allow us to make a statement about how widespread holding a particular type of position is among directors, since it only gives an average value of the number of positions held. A high average value might indicate that many directors hold one additional position, *or* it might indicate that few of them hold many additional positions. To differentiate these two scenarios, we also look at the percentage of directors that hold a particular type of position in a given benchmark year. This gives us an idea of the *spread* of a certain type of multipositionality among local champion directors. In combination, these two indicators allow us to establish a comprehensive picture of how well directors of major regional companies are integrated in local and national networks at specific points in time.

At the company level, we calculate the percentage of all ties that companies entertain with local or national institutions/companies in a given benchmark year. While this indicator does not tell us anything about the absolute importance of ties to a particular scale, it allows us to gauge the *relative* importance of local or national ties for companies in a particular benchmark year. Together, these different indicators at the director level and the company level allow us to establish a comprehensive picture of local champions' ties with a particular territorial scale in different historical moments.

RESULTS: THE MULTILEVEL TIES OF MAJOR SWISS COMPANIES

How do major companies' ties with local and national organizations differ across benchmark years? In a first step, we will assess the positions that directors hold at the local and national level. To do so, we examine directors' ties graphically. Figure 2a–f shows the average number of positions per director (left column, intensity) as well as the percentage of directors that hold a position (right column, spread) for the four different categories of positions (a and b: local/national institutions; c and d: local/national companies) as well as the combination of both type of positions (e and f: local/national institutions and companies) across the seven benchmark years. The figure shows the aggregated results for all three regions (see Tables A1–A3 in the Supporting Information for graphs by region and Table A4 for network visualizations). Since we find similar trends across regions, we do not further compare the three regions with one another.

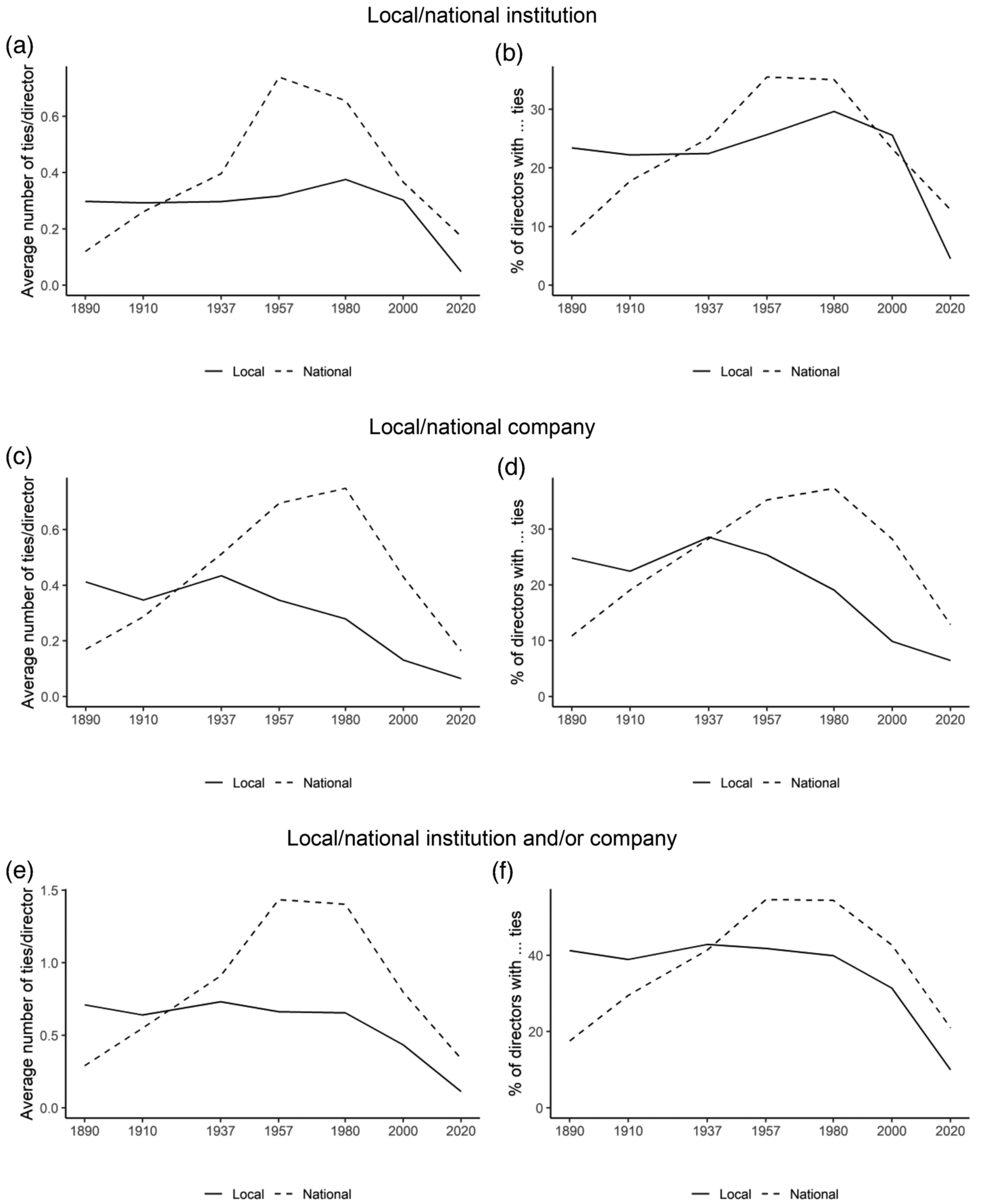

FIGURE 2 Local and national ties of director cohorts; local/national institution

In each of the six subfigures of Figure 2, the dashed line represents the connection to national level organizations, whereas the solid line shows the connection to local level organizations. In general, Figure 2 shows relatively similar trends for both institutions and companies, with stronger connections to local than to national organizations in 1890 and 1910, then a period of higher connectivity with national organizations until 1980 followed by a clear decline in 2000 and 2020 of both local and national ties. This is in line with previous studies that have found very dense local networks in Swiss cities at the end of the 19th century (Strebel et al., 2021) as well as with research on the rise and decline of the Swiss national company network (Schnyder et al., 2005). After 1910, national connections gain in importance and exceed the degree of connection to the local/regional level. This is partly explained by the creation and growing importance of some national institutions, such as national BIAs (e.g. the Swiss employers association, created in 1905, and the Swiss Bankers Association, created in 1912, but already included in the 1910 cohort), as well as the growing number of national expert committees for the federal administration since 1937. This second period—1937 to 1980—thus represents the heydays of national corporatist institutions (David et al., 2009).

If we examine the two levels separately, we see a similar dynamic for the national connections across all six subfigures: directors at the end of the 19th century were only weakly connected to national institutions and companies outside of their region, then directors in 1910 and 1937 both entertain more national connections than their predecessors, a development that peaks in 1957 and remains stable until 1980 before a staggering decrease—both for the 2000 and the 2020 director cohorts—in national ties sets in. Since the pattern is very similar across both connectivity measures (intensity and spread), this suggests that the increase in the average number of positions over time is not due to a few directors that accumulate many positions in a benchmark year, but to a substantive percentage of directors (more than 50% in 1957 and 1980) that hold a position in a national institution or in a company outside of their region. In the post-war decades until the fall of the Berlin wall, different cohorts of major company directors were, thus, part of a very cohesive national network, with a high intensity and a high spread of holding multiple positions. Moreover, this inverse u-shaped relationship also ties in with the findings of earlier studies on the integration of the Swiss national business elite (David et al., 2015; Schnyder et al., 2005).

Turning to directors' ties to the local scale, we find more unexpected patterns. Subfigures a and b (directors' multipositionality in local institutions of the same region; solid line) show that both the 1890 and 1910 director cohorts were more connected to local than to national institutions. It is only afterwards that the national integration of the business elite takes up speed. Surprisingly, however, the different director cohorts are equally present in local institutions until the year 2000. The results from subfigures c and d—ties to companies inside and outside a local champions' region—tell a different story. Here, we find that interlocking with companies in the same region was strong and relatively stable until 1937, but then starts to decline steadily. This is the case both for the intensity and the spread of holding multiple mandates. While directors of different cohorts thus continued to maintain ties to local institutions until 1980 to a similar, or even somewhat larger, extent than in 1890, director cohorts from 1937 onwards maintain fewer ties with local companies and seem to favour connections to national companies. In sum, these findings suggest that different cohorts of directors continued to invest in local networks beyond local companies throughout the 20th century—even during the heydays of the Swiss 'alpine fortress' in the post-war years (David et al., 2015). Only since the new millennium ties to local institutions started to decline sharply—like those to national ones. At the same time, we find evidence for a certain 'zero-sum' relationship between local and national company ties. Once the integration of the national company network takes up speed, directors move their focus to the national scale at the expense of the local one.[6]

At the level of companies, we find these patterns confirmed. Table 2 presents the percentage of the total number of ties companies entertain with local and national institutions and other companies in a given benchmark year as well as the percentage of companies that entertain ties with the local and/or the national scales. First, we can see that the overall number of ties grows until 1957, then remains stable until 1980 before it sharply declines. The percentage of total ties companies have with local institutions remains relatively stable until 2000 and then declines, whereas the percentage of ties to national institutions is low in the first benchmark years and then grows significantly. For the ties to other companies inside and outside the region, we also find the patterns found for the directors largely confirmed. In 1890, a staggering 55% of ties were with other companies in the same region. Then, this percentage

[6] As a robustness check, we also did an analysis only with those companies that were present in the sample in at least six out of seven benchmark years (companies that are in bold in the list in Table A2). The results remain robust to this alternative specification (see Figure A5) and hence suggest that our results are not driven by the composition of the sample in a particular benchmark year.

TABLE 2 Companies' ties with different scales

				Percentage of total ties companies maintain to …						Percentage of companies that have … ties		
Year	N Cs	N Ds	N ties	Local Is	Local Cs	Local Is + Cs	National Is	National Cs	National Is + Cs	Local	National	No
1890	49	359	640	21.72	54.84	76.56	8.28	15.16	23.44	95.92	77.55	4.08
1910	46	383	640	20.31	39.06	59.38	19.38	21.09	40.47	93.48	84.78	6.52
1937	45	343	885	15.37	35.82	51.19	22.37	26.33	48.70	84.44	88.89	11.11
1957	45	335	1063	13.26	25.12	38.38	31.98	29.63	61.62	86.67	84.44	8.89
1980	38	351	1002	17.37	20.86	38.22	26.95	34.83	61.78	84.21	86.84	10.53
2000	40	344	501	22.75	16.97	39.72	28.14	32.14	60.28	90.00	85.00	5.00
2020	34	310	152	10.53	17.76	28.29	36.84	34.87	71.71	58.82	70.59	17.65

Note: 'Percentage of total ties' columns contain row percentages, grey-shaded columns represent the sum of the two columns to the left of them, the two grey-shaded columns sum up to 100%. 'Percentage of companies' columns do not sum up to 100% because a company can be both present in the 'Local' and the 'National' columns.
Abbreviations: Cs, companies; Ds: directors Is: institutions.

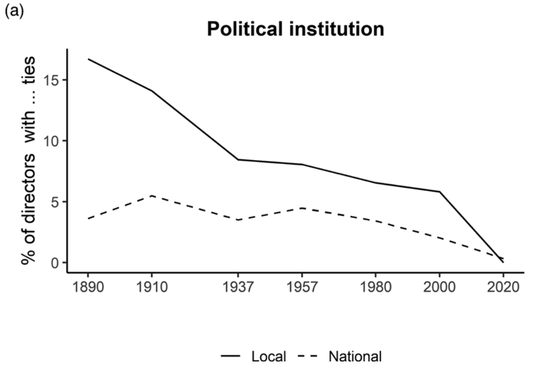

FIGURE 3 Positions in local and national political institutions and business interest associations

continuously decreases until it reaches a meagre 18% in 2020. For the ties to companies outside of their region, we again find a steady increase and a peak towards the end of the 20th century. In sum, this also suggests that major companies continue to invest in local institutions but that they withdraw from local company networks at the expense of the national one.[7]

A closer look at the *kind of organizations* director cohorts are connected to beyond the corporate sphere at the local and national levels points to corporate elites' changing strategies to exert political influence. In line with Schulze's (1961) results, directors were heavily invested in local and regional parliaments at the beginning of the 20th century. In 1890, the 359 directors held 63 positions in local and regional parliaments. Their successors in the subsequent cohorts were continuously less involved with these institutions. Yet, they remained involved in business associations—both at the local and national levels (Figure 3). Subfigure 3a shows the evolution of the percentage of directors who hold a position in local/regional or national parliament, and subfigure b shows the percentage of directors who hold a position in a regional chamber of commerce or in a national BIA. We can clearly see a retreat from local politics from subfigure 3a as well as the comparatively low percentage of directors who sit in the national parliament across cohorts. Subfigure 3b, however, shows the continued importance of the regional chambers of commerce. Until 2000, at least 5% of directors in each cohort were also sitting in the executive committee of their regional chamber of commerce. The decline set in only after 2000. Yet, it should be mentioned that for the two last benchmark years, CEOs of the Swiss subsidiary of the new 'global players' seem still well represented in the regional chambers of commerce.[8] In addition to the continued importance of regional chambers of commerce, we also clearly see the rise of the national BIAs in the 20th century. This suggests that the corporate elite of major Swiss companies exerts their political influence mainly indirectly through their involvement in BIAs and less so through direct involvement in political institutions. Interestingly, this is not at all a new phenomenon, but seems to be the dominant pattern since the 1930s (on this issue for the national level, see David et al., 2009).

A puzzle that remains is the staggering disinvestment of companies from local and national organizations since the new millennium. As mentioned before, we do neither have data on companies' ties to inter-/transnational institutions nor on their transnational corporate interlocks. Yet, we can look at the presence of directors who have a transnational background in different cohorts and at how having such a background coincides with having ties to the local and

[7] The last three columns of Table 2 indicate that these changes are not owed to the behavior of particular companies or the composition of the company sample. Rather, until the year 2000, more than 80% of the major companies had local ties and more than 80% national ties. Moreover, until 2000 the share of companies that do not have any ties at all fluctuates between only two and five companies until 2000. Only in the year 2020, the share of companies with local ties drops to 60% (N = 20), the share of those with national ties to 70% (N = 24), and the share of those without ties increases to 17% (N = 6).

[8] For example, the CEO of Novartis Switzerland sits on the executive committee of the Basel chamber of commerce in 2000 and 2020. However, he is not a board member of Novartis International, and thus not part of the database on the directors of major companies. Such changes in the recent period might slightly underestimate the connections of the new "global players" to local or national BIAs in the recent period, which are more informal and less visible than it was the case before.

TABLE 3 Proportion of foreigners/dual nationals among directors and their ties

Year	N directors	Percentage of foreign-ers/ dual nationals	Percentage of ties created to … by foreigners/dual nationals					
			Local Is	Local Cs	Local Is + Cs	National Is	National Cs	National Is + Cs
1890	359	11.98	0.00	7.43	4.31	0.00	9.84	5.77
1910	383	12.53	0.00	9.02	4.90	2.00	3.64	2.86
1937	343	5.90	0.00	4.03	2.40	2.21	2.27	2.24
1957	335	2.99	0.94	1.72	1.35	0.81	0.43	0.63
1980	351	3.72	0.76	1.02	0.87	0.43	0.76	0.61
2000	344	23.55	0.96	8.89	3.36	5.56	10.14	8.03
2020	310	57.61	20.00	35.00	28.57	29.63	45.10	37.14

Note: 'Percentage of ties' is calculated on the total of directors' ties *to a particular scale/organization*, not on the overall total of ties. Therefore, columns 'Local Is' and 'Local Cs' *do not sum up* to 'Local Is + Cs' and columns 'National Is' and 'National Cs' *do not sum up* to 'National Is + Cs' because a director can have ties to a local/national I and C at the same time.
Abbreviations: Cs, companies; Is, institutions.

national level. Table 3 presents the evolution of the share of foreigners and dual nationals—the latter being foreigners who have obtained Swiss citizenship or are Swiss with double nationality—among directors, as well as the percentage of ties they establish to local and national institutions or companies. If a Swiss and a foreign director would account for a similar number of ties, we should see that the percentage of foreign directors roughly equates the percentage of ties with local/national organizations they account for. Yet, this is by no means the case. While the percentage of foreign directors was growing extremely fast since the 1980s until they make up the majority of directors in the 2020 cohort—itself strong evidence for a substantive transnationalization of the corporate elite of large Swiss companies since the end of the 20th century (Mach et al., 2011)—they account for a significantly lower percentage of ties, particularly at the local level. This suggests that it is mainly Swiss directors who establish ties between the three regions' major companies and other organizations and that foreign directors do not play an important role in local and national networks. This is particularly true for ties to local and national institutions, and somewhat less for corporate ties. This might be explained by foreign directors being less familiar with local and national organizations, seeing less value in engaging in these organizations, but also finding it more difficult to obtain a position in some of these organizations due to their nationality. Moreover, from the strategic perspective of the new 'global players', holding positions in these organizations might be less vital to a company's interests in a globalized economy than it used to be during the heydays of local and national corporate networks.

From Table 3, we can also clearly identify two periods of transnationalization, a first one before World War I and a second one after the 1980s. In the pre-World War I cohorts, 95% of foreign directors were nationals of neighbouring countries—among which many Germans, especially bankers. This highlights the close financial and personal relations between German and Swiss companies (Schröter, 1993) and suggests that transnationalization at that time was mainly a *regional* phenomenon. After the 1980s, the staggering increase in transnational backgrounds among corporate directors is also accompanied with a diversification of nationalities: around 25% of foreign directors are non-European in 2020. This suggests that we are dealing with a more *global* transnationalization phenomenon compared to the first wave of globalization. These foreign directors are often 'transnational professionals' as defined by Harrington and Seabrooke (2020), with specific educational and professional backgrounds that can provide new resources for a multinational company. This particularly applies for the financial sector, with the appointment of new directors with long international experience in the various domains of financial markets. As illustrated by different individual examples, changes in the ownership structures, towards more international institutional investors, contributed to the 'denationalization' of the board of directors of some new 'global players'.

CONCLUSION: THE CHANGING MULTILEVEL EMBEDDEDNESS OF THE CORPORATE ELITE

In this paper, we have studied major companies' connections to different spatial scales over a 130-year period. Our analysis uncovers different phases of corporate elites' multilevel connections. In a first phase, from 1890 to World War I, director cohorts were strongly rooted in their respective cities and entertained close connections with local parliaments and business associations. At the same time, a non-negligible percentage of them also had a transnational background. This early transnationalization in the 'first wave' of globalization until 1914 also ties in with previous research. Schröter (1993) highlights the early transnational connections that major Swiss companies entertained and Jones (2005, pp. 28–29) states that:

> […] a great deal of international business in the nineteenth century was 'cosmopolitan' and not easily fitted into national categories. The place of registration, the nationality of shareholders, and the nationality of management could and quite often did point in different directions before 1914. In the twentieth century cosmopolitan capitalism was replaced by much sharper national identities.

In line with Jones' statement, this fundamentally changed after World War I: in the cohorts from the interwar period until the 1980s, company directors entertained close connections with national institutions and with Swiss companies outside their region. This nationalization of the corporate elite, of corporate networks, and of major companies is a more general phenomenon that can be observed in several countries (Jones, 2005). Yet, and somewhat surprisingly, ties to local institutions continue to be valued by the corporate elite throughout that period and were not replaced, but completed, by national ties. It remains an open question whether this stability in local ties can also be observed in other countries or whether this is a Swiss particularity. Similar patterns might exist in other federal states that also have a rather regionalized and decentralized economic and political system, such as Germany or the United States. Unitary and more centralized states might, however, follow different trajectories. Countries such as France and the United Kingdom have witnessed decentralization and devolution processes over the last 50 years (see e.g. Hooghe et al., 2010). To the extent that they concerned companies' business activity, these politico-administrative authority shifts might also have been accompanied by a change of companies' focus away from the national to the regional and local scales. Whether this is indeed the case remains for future research to be determined.

In Switzerland, the decline of local noncorporate ties only sets in after the 1980s, which marks the transition to the third phase which coincides with the 'second wave' of globalization. Both local and national ties dramatically decrease. The observation of a disintegration of the national corporate network—which seems to be largely owed to the growing transnationalization of corporate elites—is equally in line with previous research (Heemskerk et al., 2015; Mizruchi, 2013). What is important to note, however, is that it is not *only* the global players and the largest multinational companies that disinvest in local and national ties. The same phenomenon applies for the remaining 'local champions' whose business activity has a strong focus on the regional or national levels—such as the publicly owned cantonal banks of the three regions.

What are the implications of these results? First, there does not seem to be a zero-sum game between corporate elites' insertion at different spatial scales—at least when it comes to their involvement in noncorporate organizations: when they start to integrate at the national level, their local ties remain strong. Second, however, we also do not see local ties regaining importance as directors of recent cohorts are less involved with national organizations. In other words, we do not see a 'glocalization' process of the corporate elite—even if our analysis includes global cities such as Zurich, which ranks among the most important cities in the global corporate network (see Carroll, 2007; Heemskerk et al., 2016). Our results suggest, third, that there is no linear evolution from local rootedness to global activity. Rather, during the first wave of globalization at the end of the 19th century, we can observe that corporate elites have strong local connections, but a significant proportion also has a transnational background—even if these directors were not at all involved in local networks. Finally, we can also clearly see, however, that the prioritized scale of activity has shifted over time. And here, the picture seems to be more one of a linear evolution from local to national—and possibly global in the contemporary period.

Our study has some limitations. First, it only incorporates formal connections—established through the occupation of formal institutional positions in organizations. However, our analysis might look different, if we considered more informal ties between the corporate elite and organizations at different territorial scales—as they are established in social clubs or at high society events—or, for the most recent period, new intermediaries, such as public relations officers, which play a growing role in the communication and advocacy strategies of large multinational companies.

Second, our analysis does not distinguish between different *types* of companies. We could for example imagine that corporate elites from the financial sector behave differently than those from the producing industry, that multinational companies, such as Novartis or Roche, show a different connection pattern than cantonal banks, or that the degree to which a company is transnationalized (e.g. in terms of its number of employees and sites abroad) is linked to its multilevel embeddedness. In addition, a company's ownership structure might also be linked to the ties it entertains with different territorial scales. If a company is owned by a local family, we might, for instance, find stronger ties than when a company is owned by (international) shareholders. Finally, the fact that our analysis focuses on the most important companies means that we might underestimate the strength of local company networks involving small and medium enterprises (see Dahlin & Patel, 2022). They might have taken the place of major companies in local networks when many of the latter became multinationals. Examining such propositions and explanations is beyond the scope of this paper and represents promising avenues for future research.

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CONFLICT OF INTEREST

The authors declare no conflict of interest.

DATA AVAILABILITY STATEMENT

Data and replication material for this article are available via the SwissUbase data repository (https://doi.org/10.25597/29g9-tx69).

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