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Familjedynastier: så blev Sverige rikt [Family dynasties: How Sweden became rich] by Hans Sjögren [Book review]

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Familjedynastier: så blev Sverige rikt [Family dynasties: How Sweden became rich] by Hans Sjögren, Stockholm, Volante, 2017, 190 pp, 203 kr, ISBN 978-91-88123-92-3.

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Sweden is a famous example of a Nordic welfare state, where tax rates are high, the public sector extensive, and where social democrats have a lot of political power. In this kind of country, capitalism and capitalists have less freedom than in, for example, the United States or the United Kingdom. Yet Sweden is also a land of strong family business dynasties, as Professor Hans Sjögren of the Stockholm School of Economics and Linköping University shows in his new book. The same applies to other Nordic countries as well. According to Sjögren, no fewer than 15 of the 500 biggest companies in the world are Nordic family companies. Clearly, the Nordic countries have been a particularly fertile ground for these types of companies. This seems to still be the case: the traditional Swedish family companies are growing and strengthening their position. Their success is not, however, guaranteed: many leading families have lost their top position in the economy over the decades, even though this does not necessarily happen in the third generation in the fashion of Buddenbrooks, as it is often claimed.

In the preface of his book, Sjögren argues that stories of how Sweden became rich have been overly focused on material things like forests, ores and water power as well as on government policies and less on flesh and blood. Sjögren's desire to focus on the latter is of course not entirely unique, as numerous books have been written on famous Swedish families such as the Wallenbergs. Family companies are also a popular topic among business historians and many other scholars. Sjögren has been able to utilise this earlier literature. Even so, a new book summarising and analysing some of the characteristics of the Swedish families (and to lesser degree other Nordic ones) is a welcome addition to the literature. Sjögren has also written an English-language version of the book, which is expected to see publication in 2018.

But what are business dynasties? How to define the concept? Sjögren includes families that have survived at least four generations as important owners of companies and have controlled enterprises that are global leaders in their sectors. The families also have to have substantial influence in their own countries. The last point is important, because Sjögren places a lot of emphasis on the political role of business dynasties. Socialists, in particular, have often criticised private capitalists, but Sjögren underlines the co-operation between politicians – including social democrats – and family dynasties. They often shared an interest in promoting Swedish exports and employment. As the subtitle of the book shows, Sjögren argues that family dynasties have had an important role in promoting Swedish economic growth. The same applies, to a great degree, to other Nordic nations. Sjögren's book contains numerous references to non-Swedish family dynasties such as the Ehrnrooths and Herlins of Finland, the Kristiansens of Denmark and the Schibsteds of Norway.

Close co-operation between politicians and family companies is not always beneficial for the country as a whole. The most important business dynasties have also managed to acquire substantial power and connections, often by hiring former politicians. With the help of such links and active lobbying, they can, for example, change the “rules of the game” in society to their advantage. Founders of dynasties were often innovative persons who developed new products or business models. Yet, after acquiring wealth and power, the families can also become obstacles to the entry of new competitors.

Family companies are often not transparent: decisions are frequently made in internal social gatherings rather than formal board meetings, and family links and loyalty matter a lot. Therefore Sjögren tries to shed light on the inner life of business dynasties. His view of what happens behind closed doors does not significantly differ from what we usually learn from other books and press reports. The picture is deeply human: the book includes stories of families that work hard, educate new generations, and adapt to changing circumstances, but also describes struggles and conflicts between relatives as well as eccentric personalities. Feelings are as much a part of the history of family companies as rational business thinking and sophisticated strategies.

Traditions are important: many dynasties have unwritten rules and key principles, which new generations inherit from their elders. These were often formulated by the founders and contained useful statements like furniture seller Ingvar Kamprad's "Profit gives us resources" and Stenbeck business group's "Always Hire the Best". On the other hand, some of the principles are simply scary, like "Thou shalt obey", also from the patriarchal Stenbeck group.

Family companies are often conservative in the sense that they try to maintain traditions, but they are not immune to changes in wider society. Nor do they try to be. One of the biggest changes has happened in gender roles. Oldest sons do not necessarily inherit the company any more. Daughters often do so now instead.

This is a short book, aimed mainly at the general audience. It offers insights and information in easily digestible form. However, Sjögren does not go very deeply into the issues he covers. Some of the stories he tells about individual families in Nordic countries must also be familiar to readers living in the same country as they do. In many cases, the reader is left with a desire to learn more, but hopefully this book will inspire other scholars to study more closely the links between wealthy Nordic business dynasties and the supposedly highly equalitarian countries they live in.

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