

## BROKERAGE

Brokerage is a process in which individuals (brokers) act as intermediaries between individuals or groups who do not have direct access to each other. The broker provides a link between these segmented or isolated groups or individuals, so that access to goods, services or information is enabled. Brokers possess specialist knowledge or resources that enable them to act more effectively than individuals or groups could themselves. In some cases, brokers may have specialist knowledge that gives them access to resources or services that clients would not otherwise be able to access; in other cases, brokers may simply be trusted by different parties who do not trust each other, or be able to operate across multiple cultural systems. A crucial element of brokerage is the broker's monopoly of exchanges between separate domains. Brokers facilitate exchanges, but their central position also confers power since they control information flows and communication between isolated groups or individuals.

Brokerage studies have developed out of various strands of research. One was social network studies in social anthropology, sociology and social psychology, which focused on individual or ego-centered social networks and the ability conferred by a person's central position in a community or organizational network to control flows of information and communication between isolated groups or individuals (Mitchell, 1969; Wasserman & Faust,

1994). Another strand examined brokerage and social inequality, especially in developing societies. In these societies, brokerage linked citizens and elites via informal, voluntary, and asymmetrical relationships, and was part of a broader system of political clientelism (Schmidt, Guasti, Lande, & Scott, 1977). These exchanges fulfilled crucial economic functions, but were overlaid with imputed moral qualities such as friendship or kinship which disguised the inequality which created the need for such exchanges. The distinction between broker and patron is an analytic one; both have a monopoly over resources which clients need, but patrons directly control the resource while brokers provide the resources which are under someone else's control. Finally, studies of ethnicity highlighted brokerage links between ethnic groups (Barth, 1969). This has been further elaborated by studies of social capital which focus on the role of bridging capital in maintaining social consensus in culturally diverse societies (Putnam, 2000). Brokerage has also been significant in electoral systems (especially urban political machines), as political brokers trade their control over allocations of public goods for clients' political and electoral support, and brokers may also derive private advantage from their access to public resources.

In contemporary societies, brokers provide informal linkages within policy making communities and also link policy communities with external groups such as community groups and special interest groups (Fernandez & Gould, 1994). Brokers act as proxies for groups whose interests or values they are

familiar with, and the process makes it easier to get the support of outside groups. It is sometimes argued that diverse values and beliefs are inevitable in societies with distinctive ethnic, policy, or practice groups. In this context, brokers act as cultural translators and so reduce misunderstandings.

Brokerage, as bridging capital, encourages cohesion and stability, and maintains a broad social consensus in segmented societies. However, in so far as such segmentation implies inequality or power differentials, brokerage can also obscure such differentials.

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see also: clientelism, social capital, social network theory

Further Readings and References:

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