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2007

[Link to publication](#)

Citation for published version (APA):

Sellerberg, A. M. (2007). *Receivers of (dis)trust: Administrators in bankruptcy*.

Total number of authors:

1

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Receivers of (dis)trust: Administrators in bankruptcy

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ABSTRACT

Analyses of economic actions often proceed from a consideration of how trust serves as a basis for the interaction of economic agents. A bankruptcy entails a breach of the relations of trust in an economic network. Receivers are the lawyers appointed by Swedish courts to investigate and ultimately resolve bankrupts disputes. The article demonstrates how the manner in which receivers characterise their work becomes a way for them to articulate the very particular kind of knowledge they need in these networks in trouble, which are – as they themselves put it – tricky. Their way of interpreting their work also becomes a way to create a kind of stability in these shaky networks.

KEY WORDS

Assertiveness, bankruptcy, receivers, trust, work descriptions

About the Author

Ann-Mari Sellerberg is a full professor of sociology at the University of Lund, Sweden. She is the author of a number of books on the sociology of consumption. She has written *A Blend of Contradictions* (1994), on Georg Simmel. Sellerberg has published reports and articles on subjects as varied as social work, bankruptcy, organisations for the disabled, and the sociology of food.

Introduction

A bankruptcy entails a breach of the relations of trust in an economic network. A firm (or a person) is unable to pay its debts. In some cases the bankruptcy was preceded by the inability to pay for the services of an auditor; maybe last year's accounts are 'in a carrier bag' (a common expression), far removed from approved practices in economic networks. Things 'haven't worked out', and the firm may owe tax debts and other liabilities to agents in its surroundings. A firm in receivership finds itself, at least in part, *outside* the economic embeddedness whose prevalence is so often emphasised by scholars (Parker 2004; Granovetter 1985). The receivers' networks with all different kind of actors cannot be founded upon this kind of embedded relations. Receivers are the lawyers appointed by Swedish courts to investigate and ultimately resolve bankrupts disputes and they operate these often shaky networks. The article demonstrates how the manner in which receivers characterise their work becomes a way for them to establish the particular kind of knowledge they need in networks. Firstly, they emphasize their particular quality as being *chosen*. Secondly, they describe how they manage to keep the correct attitude towards the network parties. They are *insiders* with a *distanced* view and thirdly, they describe how their extensive *personal experiences* have taught them the generally valid way to carry out their duties. Receivers by describing their work in this way are supposed to formulate or "verbalise" a degree of stability and security in these emotionally volatile economic networks.

The profession of receiver in Sweden

When a District Court announces a bankruptcy, it also appoints a receiver. In Sweden, a receiver is a lawyer who has been ordered to resolve the frequently discordant processes that are characteristic of these networks in the interests of society. In many cases there are a large number of parties involved in the process. Their respective interests differ; sometimes they are directly

opposed. The end product, from a purely documentary point of view, is an Administrator's Report, which is then handed over to the local enforcement office. The process up to this final document is a sensitive one, involving plenty of negotiation; naturally enough, it often breeds discontent and causes complaints of time and money wasted, above all from the person declared bankrupt. It is not unusual for the process to leave some participants with a sense of lasting dissatisfaction. In the interviews with the 22 entrepreneurs who had been through a bankruptcy, views on the receivers who had been in charge of their bankruptcies were sometimes formulated in pungent terms (Sellerberg 1997). Receivers in bankruptcy have a special role in the Swedish labour market in that they are private entrepreneurs as well as being persons invested with official powers. The administrator of a bankruptcy is in a particular legal position because his work comprises certain functions, which entail the exercise of public authority. For instance, he takes care of the employees' right to a guaranteed salary, making decisions on these matters against which complaints may be lodged in a court of law (see the rules and regulations of the Swedish Society of Receivers in Bankruptcy. *Konkursförvaltarföreningen*). There are particular ethical guidelines for the conduct of receivers, as well as a supervisory authority whose job it is to scrutinise them and their actions; see Chapter 7, Section 27 of the Swedish Act on Bankruptcy and Receivership (1987:672). The Swedish Act on Bankruptcy and Receivership prescribes that a person appointed by a court of law to serve as a receiver in bankruptcy shall be a person with sound legal knowledge of insolvency and business law, as well as of a number of other relevant legal areas such as employment law, incorporeal rights, and criminal law. In addition, it is stated that a receiver must be able to manage a business well, running everyday activities -- including buying and selling, staff management, and book-keeping -- correctly. Finally, a receiver in bankruptcy must possess such personal qualities as "sound judgment" and a high level of integrity.

Data and materials

The present analysis is based on two empirical materials, firstly on interviews with 22 entrepreneurs whose firms went bankrupt (interviews conducted in 1994) and secondly, on interviews with three receivers in bankruptcy (conducted in 1995 and 1996). The analysis in this article is primarily based upon the latter material. Two of the receivers had handled over 500 completed bankruptcy cases and the third over 400; these interviews lasted for two to three hours each. Results from the entrepreneur interviews were reported in Sellerberg (1997) and Sellerberg (1999). However, the empirical basis in the interviews with receivers has not been presented before. The three receivers, all lawyers and Members of the Swedish Bar Association, had been working as receivers in bankruptcy for a long time and were all active in communities with between 20.000 and 40.000 inhabitants.

Tricky networks

Interactions within bankruptcy networks are described by both debtors and receivers as difficult to control, characterised by scepticism and withheld information – or at least by a suspicion that information may have been withheld (Sellerberg 1997). If we look at the receivers they have to, despite this, be in control of the interaction in the network. According to the receivers in bankruptcy who were interviewed for this study, the characteristics and properties found in the networks they are involved in *differ* from perspective that are usually brought out an from embeddedness perspective. A receiver must start out in a somewhat suspicious frame of mind; he or she (for the sake of convenience, the pronoun 'he' is used of the receiver in the remainder of the article) is obliged by law to make any necessary investigations into any illegal acts that may have been committed, and he must consider the possibility that the bankrupt party should be banned

from doing any further business. On the other hand, he will not be able to co-operate closely with the other parties in the receivership network unless he is able to express a modicum of trust in them. The interviewed receivers describe a pronounced strategic confidence in certain network parties. The receiver's job includes investigating how the business was run, observing breaks in the normal pattern of activities, spotting any dishonest (or, for that matter, foolish) dealings, and, above all, examining the accounts, which are often faulty. These are sensitive matters, and they describe the process as 'sulky'. Sometimes, they have to keep 'nagging' a debtor 'for months'. An element of contentiousness is understandable on both sides. In interviews with debtors most described their lack of trust, though, complaining that the receiver had wasted too much time handling the bankruptcy merely in order to line his own pockets, sold the firm too cheaply, and so on (Sellerberg 1997).

Talk as stability creation

In another study I have analysed how those practising alternative medicine in front of their patients verbally described the different treatments following each other, emphasising how patients explicitly could see, know and feel when a treatment actually had any effect (Sellerberg 1991:191-205). They expressed their reliability, the legitimacy of their profession. In another investigation the talk of midwives in front of pregnant patients was analysed. Their speech was creating normality in situations when the women were worried (Bredmar 1999; Sellerberg 1999). The analysis of the interviews with the receivers showed other ways in which certainty and stability was formulated or talked out of uncertain situations in tricky networks.

Analyses of economic networks usually show how written documents like accounts, reports and statements create a kind of stability and some sort of -- albeit flexible -- order. Networks of

receivership, however, lack these features to some extent. Stabilisation, and the possible re-integration of the debtor, must also be created by other, complementary means. – It is in this context it becomes important how receivers almost unanimously talk in the same way about their work. The basic idea behind the notion of a 'speech act' is that when we say something we are always also *doing* something (Cameron 2001:69). Cameron calls her chapter, 'Doing things with words' and alludes by that to the title of the philosopher J.L. Austin's early work – *How To Do Things With Words* (1962). Austin identified a class of utterances, which he called 'performatives', because they perform a particular action in and of themselves. The present article thus describes alternative forms of stability creation. Statistics, tabular statements and documents are looked upon as structure creating in e.g. banking organizations. Preda and a number of other researchers describe how reports, statements, the compiling of customary accounts and final summaries (in our case the Administrator's Report) create a certain structure in banking networks. These mundane parts of the work create stability and structure. Researchers have singled out accounts and account ledgers as a special class of economic documents: not only do they register and document business transactions but also organize economic realities, reduce uncertainties about the outer world, and create routines -- that is, stable paths of economic action (e.g. Carruthers 1995, 315-17; Carruthers and Espeland 1991; Covalski and Dirsmith 1988)' (Preda 2002:239). The carefully compiled, 'secure' documents described by Preda (2002) -- accounts, for instance -- are often lacking in the context of bankruptcy.

The three receivers interviewed for the present project speak about their work in similar terms. The "facts of the case" and the "people" and "actions" which constitute them are made meaningful only by their place within a narrative economy which articulates an occupational mythology of personal experience, assertiveness and know-how (Campbell 2003:295). (For a discussion of

professional mythologies, see e.g., Atkinson et al. 1977). Describing what Campbell (2003, 1999) has, in her account of police work, called discretionary decisional choices; they build up professional 'mythologies' about the ways in which their particular discretionary choices are made.

If we start out from the prevailing embeddedness perspective, debtors broke the relationships of trust when they were unable to discharge their obligations; but the reasons for their failure vary. One might say that the economic system also faces (and the receivers as executors) the very sensitive problem of securing a just discrimination. Receivers' work descriptions that are presented below have to do, in various ways, with their demonstrating assurance in this discrimination process. The network may be difficult and unstable; but receivers express how they possess secure knowledge of how the discrimination process should be handled. The receivers underline their being selected by trusted parties and their duty to society, they stress their outsider status as well as their insider insights: they are personally aware of just how the people involved will act (the way such people usually act), making the point that 'this is what happens in these cases'. In other words, receivers present the personal knowledge they possess as being generally valid. The receivers also point out preventively so to say that they interpret phenomena and situations *differently* from the other parties that form part of the network. Time and again, receivers read cases 'the other way around' -- but it often turns out, they claim, that they were the only ones who were 'realistic' in their own words. We could talk about a professional rhetoric of certainty. The receivers talk out their assurance in these unstable networks Lingard et al (2003:603-616). The interviewed receivers stressed their competence where routines and distinctions between right and wrong are concerned, outlining how they came to possess such abilities.

The analysis showed that they in their way of describing their work lay particular stress on the following:

- a) I, as a receiver, am selected and have a duty to society;
- b) I, as a receiver, have a position as 'insider with the right distanced view';
- c) My knowledge as a receiver is personally acquired, but has it also proven to be generally valid.

a) Selection and duty

The interviewed receivers emphasised the significance of the confidence that authorities place in them, authorities select them and they are selected because of their suitability for the particular case at hand. The supervisory authority is aware, they say, that a certain receiver is just right for a particular case -- the people at the authority in these towns possess personalised knowledge of what is, in turn, the personalised knowledge of receivers. Knowledge of other people and local knowledge is an important aspect of economic, as embodied, knowledge (see Preda 2002:216). Consequently, according to the receivers, the authority that appoints a certain receiver does so because the authority's staff has selected him as the right person for the job. Having been asked to 'take care of' a case, a receiver is of course free to refuse; but the interviewees said that their response would often amount to an acceptance conditioned by a feeling that one should 'do one's bit for society'. A case is not taken on for commercial reasons but as a duty, they stress. The feeling of having been selected because the relevant authority knows about and respects the receiver's ability and local knowledge plays a part here (Knorr Cetina, and Preda 2001; Preda 2002:210). In the interviews, receivers describe how a 'matching' of cases and receivers takes place. In some cases, the local enforcement office sees insolvency approaching and prepares the way; now and then an auditor, knowing that a firm he or she works for is heading for bankruptcy,

hints to a receiver that his particular services may soon be needed; a bank will sometimes take contact, saying that a certain client 'is in a bad way'; or the debtor himself/herself may suggest a particular receiver as being the best administrator in his/her case. The interviewed receivers stress that they are sought after for their own sakes, because the local authorities and local people know what, and whom, they know.

b) Insiders with a distanced view

The receivers frequently stressed the complexity of the networks of bankruptcy, pointing out that a receiver often faces a situation where he has to make decisions, which will favour one party but damage the interests of another. If a receiver is to be successful, the creditors must have confidence in him, they stress. Receivers contrast their own approach to circumstances and events with those of other people. The other agents in the network are, in their view, too closely involved to be able to take a realistic view of what is going on. Conversely, people in general are too far removed from it all and have no idea of the complexity of the case, they state. Receivers describe themselves as 'outside' in a different way from the man or woman in the street. But they also describe themselves, as not be so much 'inside' as to be challengeable, which is expressed institutionally though the ascertaince that before a person is appointed to administer a bankruptcy he may be disqualified owing to inappropriate connections with the case. Thus the receivers verbally talk out their impartiality. Then, they do not say, in explicitly words, that they are impartial; they mark their suitable outsider-insider position in other ways. As Adelswärd points out, on the basis of her study of employment interviews, claiming that one possesses a desirable characteristic is far less convincing than allowing it to be *illustrated* (Adelswärd 1988:162; Thelander 2006). Indeed, every deliberately broadcast signal, which purports to create confidence, tends to engender suspiciousness the moment the deliberateness becomes apparent (Sellerberg

1994:38). Receivers illustrate their impartiality by *contrasting* their own approach with those of other people, stressing how others attempt to undermine objectivity whereas they themselves have no axes to grind. Receivers give many examples. Receiver II is careful to emphasise the *contrast* between his own viewpoint and what 'everyone thinks':

- *Everyone has the idea that* bankrupt debtors withhold property, drive off with stuff, and clean the place out before the bankruptcy is a fact. Well, *I've always taken the view that* if a firm has filed a petition in bankruptcy, they won't be such damned fools as to remove stuff after they've been declared bankrupt, in that case they'll have done it before. Receiver II

When receivers describe their work, they lay emphasis on their ability to implement what they regard as 'sensible' and realistic *against* those who are actuated by personal interest only. Aware of what the other parties will be prepared to give and take, they know 'what things are really like'. External valuation experts may be brought in and submit wishful-thinking estimates; the receiver is the one who must be 'realistic'. Illustrations of their own realistic approach towards others are commonplace in the interviews.

Receivers also stress the importance of a close and candid relationship with the bankrupt entrepreneur, the debtor. They describe a strategic kind of confidence from a position of proximity with a distance. Such a relationship allows a receiver to gain inside knowledge -- the debtor does not keep him in the dark -- while maintaining the necessary distance, sometimes using information received to back away from the debtor.

- Well, one does see a lot of that person. If you're going to get a reasonable outcome in a bankruptcy you must nearly always have a good close relationship with the person who

represents the bankrupt firm. There have been times when I've felt a bit of a rascal because one is, well I am, usually quite matey with the representative, one has to be because there's an awful lot of information that isn't in any documents but in that person's head, and a receiver needs to get at it to have a reasonable outcome, and if you get off on the wrong foot right away you're never going to get it. Receiver II

Agents in the process *only* see their own side of things -- the people who are, receivers claim, too narrowly 'inside'. Receivers often call such agents 'private persons' and deplore the way in which they utilise the formal system to their own personal advantage (appealing, suing, and so on).

- I'd say, on the whole, things are functioning pretty well. There are different types of debtors; of course, they vary from being tremendously forthcoming and helpful to those that are enormously hard to get at. You have to drag things out of them ... they won't tell you a thing.

- Well, that sounds difficult.

- In other words they want to make trouble, for receivers and for the authorities and for others too, they're really awkward.

- I see ... so you have to be able to get on the right side of them, or, well.

- That's right that matters a lot. The first time you meet them you've got to act so they feel they can trust you, that you're not some bloke in a suit who's only out to get the debtor himself, take away everything he's got, like. Receiver III

One of the receivers describes that this proximity, his position as the *non-involved insider*, the 'person in the know', may become problematic.

- When you get to the point where you have to write your final report, you have to state whether you suspect criminal activity and that. Some representatives say they've been stabbed in the back. That if they'd known this sort of thing would come out of it, they wouldn't have done everything they could to help. After all, the main idea is to get as good an economic result as possible out of the liquidation. Receiver II

The receivers' presentations of themselves as practitioners of objectivity command an essential defence function in this conflict process (Tuchman 1972). In a conflict situation, a receiver may defend himself by invoking vocabularies of neutrality against criticism (Clayman 1988:489). One way for receivers to underline their "right" distance is through the uses of *extreme cases* formulations (Pomerantz 1986). Receivers tend to present these cases in a particular way. Unlike the data gathered by Pomerantz in our case the extreme cases are often 'translated' and in that *diminished*. When a receiver plays down a dramatic situation by referring to it as 'a snag', he implies his non-involvement and that the seemingly dramatic happening is in fact just an everyday occurrence. The receivers use everyday language with more than a hint of understatement. In a case involving Receiver II, the debtor had claimed SEK 11 million (approx. USD 1.5 million) compensation from the receiver in his bankruptcy.

- And then things take time sometimes because you do get unruly debtors in bankruptcy and that makes things go slowly.

- Sorry, you said unruly, in what sense.

- Well, I can tell you that I was in the District Court of X-Town today because I've been sued, there's a complaint, a protest against the final report ... that sort of thing isn't all that

unusual, and the representative of this bankrupt firm has protested against the receiver's bill, that was the first thing, and then the amount on the bill was granted by the Court and then he appealed against that to the Court of Appeal, and then he objected and claimed that the receiver should be made to pay, I don't know, it might have added up to 11 million or something like that. Receiver II

In minimising terms, signalling their distance, receivers mention the criticism that is typically directed against their work in bankruptcy -- it takes too long: 'most people go on about how long it took forever (laughter)'.

One aspect of their work that receivers often refer to is its variety. The scope and variety (you have seen most things by now) also mark a form of distance. Receivers speak of this variety in minimising, also downplayed terms. 'You get the odd spot of embezzlement' or 'a bit of buying and selling on the side'; these things 'add a certain zest to everyday life'. You are not tied to or especially close to any particular type of business. This emphasis on variety is combined with the downplaying make it clear that the interviewees know what they are talking about. The receivers emphasise the sheer range of their professional experience, claiming that it invests them with the objectivity of distanced and independent outsiders. They characteristically invoke the range of their experience and their ability to make adequate distinctions, fusing the outsider's ability to take an overview of the situation with the insider's knowledge of what usually happens. They mark their insider status by telling the interviewer how debtors and other involved agents *think*. Beginning by illustrating their well measured ways of establishing distance by their varied experience they also stress how they know "their" actors, their processes of thought and their personalities. In describing their wide-ranging experiences they also express their capacity for

”reading” the *personalities* involved. They describe how they *understand* the parties, both debtors and other agents, getting the measure of them as people, grasping what hang-ups. Even people who are otherwise easy to get along with may be difficult in situations of this kind, they say, and those are characterisations that receivers frequently return to. Not only debtors can be 'difficult'; one receiver describes how enforcement-authority staff poses obstacles because they feel the receiver ought to be able to dispose of property on more advantageous terms:

- I had to put pressure on them, I said I won't administer this bankruptcy any longer if I find the property unsaleable, and if you won't accept the right price it is that. So I'm handing it right back, (laughter) then you're in a pretty mess, aren't you, and they realised that, so they accepted it.

... Oh, right ... what did the debtor himself have to say about that?

... Well, the debtor in that case was a limited partnership and they didn't give a toss.

Receiver I

A recurrent dimension in receivers' accounts is thus that they *see through* other people, a procedure that calls for both proximity and distance. They understand what other agents, with interests of their own, are thinking; but thanks to being able to view the situation from a distance, they are also able to make the right distinctions. Getting the measure of a person and a situation without delay is important -- a receiver needs to be able to 'see what's going on here' straight away. Are we dealing with a certain kind of business, such as a modest-sized restaurant or construction firm? Does the case concern someone who is known to be unreliable in economic matters? An inexperienced receiver who relies on the relevant legal rules as a 'weapon' from the start takes a distancing risk, according to the interviewees: the necessary closeness and candour

will suffer when the formal system is used against the bankrupt party on whom, after all, the receiver depends. In the words of Receiver I, 'things can go really pearshaped' if the receiver does not realise the importance also of closeness.

c) While their knowledge is personally acquired, it is also presented as generally valid

A thoroughgoing theme in the interviews is receivers' *personal experience*, expressed in a variety of ways. Receivers stress their direct personal experience that there have been handled many bankruptcies, of many different kinds, and that they are able to distinguish and see through situations that others fail to penetrate. In addition, receivers point out that they are familiar with the subjects of contention that commonly crop up in these circumstances, marking the significance of personalised knowledge. At the same time, receivers maintain that their experience is not just a matter of personal knowledge: a 'translation' takes place; their personal knowledge is *generally valid*, too. Regardless of the relevant line of business ('from porn clubs to manufacturing industries'), some bankruptcy cases can, according to the receivers, be settled much more swiftly than others, and an able receiver immediately sees the difference between the time-demanding jobs and those where there are no assets to speak of and the whole procedure is over in a matter of weeks. That is presented as one aspect of their professional ability.

- I've helped to run restaurants in bankruptcy, though that's a hairy business and best avoided.

- Why's that.

- Well, it so easily happens that a sale isn't entered in the till ... in such a line of business it's easier I think than in others, I mean, it's harder to keep control of, you're never really on top of what foods have been bought or discarded as leftovers. Did those vegetables rot and how

many helpings were served exactly? As a receiver, you can't know unless you're standing there all the time, and that would be too expensive. Receiver II

A receiver will have to adopt very dissimilar approaches depending on the state the accounts are in and he must immediately discern which approach is the right one. Some debtors have their books in good order; others have next to no bookkeeping, and in that case the receiver himself can introduce adequate procedures. The most troublesome bankrupts are those, "in between", whose accounts are the lousy ones, one of the receivers states:

- I mean, if you have a well-run company, with proper accounts, which may have hit trouble because of bad debts or something like that, well, that's an easy job to sort out. And then you get the debtors who've stayed away from anything that looks like an accounts ledger, well, that's easy too, because you get precisely nowhere, and all you can do is state that what we've got here is an accountancy crime. But then there are those whose accounts are sort of lousy, and those are the really tricky ones. Receiver I

Receivers draw in their descriptions attention to the sensitive nature of the moves they make. An inexperienced negotiator may, for instance, destroy inside relations by dragging in superior formal agencies and in that creating too great a distance and by that, undermining the form of strategic confidence that receivers stress must exist in relation to the debtor:

- Sure, you can always contact the local enforcement office. But it's not something you want to do if you need the debtor so you can co-operate about the liquidation. Then you try, well at least I try, not to be too rough, because I don't want to damage the relationship. If you do,

that's the end; you can't run the business any further. Receiver I

A receiver must be able to distinguish between different types of bankruptcies, they say. If a debtor in bankruptcy is economically active, he or she *may* cause problems; but he/she could also improve the financial outcome, and it is important to know (with certainty) when to stay close to him/her to ensure that the latter is what happens:

- You have this little business with a couple of employees and the debtor is the one who runs the show. If you don't want it all to go down the drain. You'd lose every chance of getting something for the property. I won't say you're dependent on the person exactly. But you do want a healthy climate of co-operation. Receiver I

According to the receivers' accounts of their work, a receiver must be able to make the necessary distinctions quickly and take rapid action while remaining on good terms with the debtor. He must get hold of the firm's accounts, report them if they contain anything illegal -- and at the same conduct a well-functioning working relationship. Receivers stress that they being outsiders is necessary for being able to discern what has to be done, and their being strategically close is necessary in their work.

To begin with the personal knowledge: The receivers provide examples of the kind of (tacit) knowledge that is required, multi-faceted knowledge, which can only be acquired through experience (as Preda (2002) writes about bankers working according to their respective routines, '[t]hey were embodying a specific knowledge'). In their descriptive modes, receivers mark their personally acquired knowledge in different ways. Thus, for instance, a person with

experience will know which jobs a receiver has to tackle straight away and which are best dealt with during a more quiet spell; a person with experience will know when he must act quickly and when he can afford to take his time; and when one may be a little negligent and when the utmost accuracy is required. Receivers mark their knowledge of the special 'rhythm' of their work. This rhythm consists of stages, each of which has particular jobs attached to it -- jobs such as inspections of accounts, the compilation of reports, inventory proceedings, and attempts to collect debts. Describing the various types of work involved, interviewees would use everyday, personal language, including such expressions as 'picking up the pieces'.

These personal experiences form the core of receivers' narratives. A clear sign of the importance of experience is that even their professional association's description of what a receiver in bankruptcy is states that such a person has extensive experience of administering bankrupt businesses (which may seem a little peculiar in that every receiver has to start some time -- with very limited experience). A broad personal experience is, however, not enough. It also has to be generally valid. The following question, in Preda's words, becomes important. 'How can personal knowledge be objectified [in professional networks]?' and '[h]ow is the leap from private to collectively shared knowledge achieved?' (Preda 2002:214).

The receivers, like Preda's bank employees, draw attention to the highly personalised mix of routines and skills -- a mix comprising mastery of procedures and knowledge of persons -- that they bring to their job. While recognising the element of personal experience, the interviewers 'translate' this mix, giving it the status of generally applicable knowledge. In doing so, they employ three main approaches: a) first, they emphasise the *routines* that apply in their job; b) second, they point out that certain kinds of knowledge are *necessary* for bankruptcy

administration to be possible; and c) third, they describe *feedback* situations, in the course of which they received confirmation that what they knew was correct and their assessments were adequate. One form of translating the personal into the generally valid is seen in the insistence of interviewees that they say they knew in advance what would happen, and true enough, so it did (a sub-category of the feedback narratives). In the accounts submitted by receivers, these modes of transforming private knowledge into general wisdom are interwoven, operating simultaneously; hence the ensuing presentation is not organised under sub-headings.

The interviewees describe *typical measures, rhythms, and stages* (routines), as well as the typical hazards involved in them. Thanks to personal experience, a receiver claims to know in advance when a situation is going to become problematic. His work is outlined in everyday language, with references to his advance knowledge of other agents -- 'one usually talks to the bank'. A special kind of social knowledge pertaining to networks in receivership is invoked as well. Receiver II talks about common chain-reaction patterns in these networks:

- The entrepreneur, the representative, usually has a guarantee from the bank, so the bank puts on the pressure as well. That's what's called a good-conduct guarantee, it's not an awful lot of money, but it's a big enough amount to make a difference to the bank. If the guarantee is called in, the bank will often say, you know, can you help with this, can you sort out the liquidation, and can we talk about how this guarantee thing is to be solved. Receiver II

Receivers are apt to stress that they have been doing this kind of work for a long time -- 'in this situation, I always feel ...' (Receiver II). It has become a routine. Looking through the three interviews, receivers used 'always' a great number of times. The aspect of anticipated developments, 'this sort of situation will always be tricky', is frequently brought up, and so is the

notion of regularity -- 'as a rule', 'in nine cases out of ten'. Receivers use many different expressions to signal their long-standing experience -- 'when you've been in this game for as long as I have', 'these things do happen from time to time', 'you become sort of an authority'.

Routines are marked by certain expressions -- 'if you've got a food store', for instance, a certain kind of swift action is in order, one interviewee stress. The importance that receivers attach to their knowledge of routines (small and big) is striking, too. These routines are articulated in objective terms and attached to different stages of the working process, with an emphasis on habit -- 'that's how it's done, you see'. Expressions of the latter kind are often associated with comments purporting to demonstrate the advantages, proved by experience, of doing things in a particular way. They often describe the order in which they perform their various duties.

-The first thing I do is to find out who I'm dealing with here. And then, is the business a going concern, and if it is I need to get involved that same day if possible, or the next day if I can't before. ... [but] if I get indications that matters aren't all that urgent, I write to the debtor and tell him to contact me. Receiver I

Economists have pointed out that firms are dependent on 'habitual patterns of behaviour embodying knowledge that is often tacit and skill-like' (Arena 1999:17). Receivers must according to their own descriptions be able to grasp the situation in the individual case immediately and start their professional routines -- at the appropriate levels -- accordingly. They stress their routines and the very fact of highlighting existing routines acts stabilising.

Preventive knowledge provides direct evidence that the personal was indeed right and generally

valid. Receivers illustrate in the interviews how their knowledge prevented things from going wrong. Thus personal experience is turned into proven generally valid knowledge. Receivers point out that they must *always* be on their guard in certain situations. If you do not act quickly, 'there will *always* be trouble with payment'. (Receiver II) Expressions along the lines of 'this is what normally happens' are thus frequent when receivers describe the stages in the process as well as commonly occurring problems and obstacles. Being familiar with the ordinary rhythm is not enough; one also needs to be familiar with common problems, which prevent the ordinary rhythm from establishing itself. There are pitfalls in the routines and thanks to their experience they point out that they are well aware of them. The ordinary rhythm of a bankruptcy process may be disturbed and the process halted, as in the following case involving unrealistic mortgage holders. The following quotation also illustrates the third type of general validation of personal experience (feedback): as events unfold, it turns out that the receiver was right all the time, whatever other people may have said.

- It was rented property, a small trading company or a limited partnership. It took me two and a half years, but that was because I couldn't find a buyer for the property who'd have been prepared to pay what those mortgage holders wanted. I was at loggerheads with them for ages to make them realise that this rat-hole isn't worth what they think. Receiver I

One variant of feedback confirmation is the assertion of 'realism'. A receiver needs to have a 'feeling for' what the real values are, and in the end the values he proposed turn out to be 'right' ones. The personal becomes generally valid when the receiver is ultimately seen to be right and others (such as the mortgage holders above) wrong: tested by reality, his assessment, not theirs, is shown to be realistic.' 'Realism' is also manifested in the fact that a sale takes place at all. The

receiver sets the price, a price that reflects his own knowledge. As Robert Prus (1989:147) has noticed with respect to the ways in which managers set retailing prices, these prices have a reactive quality, reflecting the price-setter's own knowledge. Receivers' accounts mention the variety of price-setting operations involved. The goods they price may be chair legs one day and chickens the next, and in every case they need to be able to make realistic assessments. As Smith (1996) writes an object is in a sense produced interindividually, and the realistic price is interindividually confirmed by the fact that the purchase takes place.

Unruly bankrupts are one occupational feature; downright blackguards are another. Receivers observe, with considerable satisfaction, that their work sometimes gives them feedback on the most important of all assessments, the ones that have to do with deciding whether somebody is a crook or not. A person whom the receiver classifies as a blackguard will usually 'turn up again', the ultimate feedback evidence:

- He can talk all right, oh yes. And pinstriped suits. Might seem confidence inspiring. But do you know what sort of person that is? Those who are purchasers in Sweden, these fiddlers, because you meet them in a number of bankruptcies.

- So you're saying it's a handful of persons then?

- Yes, well, a handful isn't enough, there are a bit more than that. But the names are there, so I had a case with bankruptcies back in 1988, there was someone called Mats Karlsson, you'll have to strike that out later. He represented the company. I proposed that he should be banned from doing business. That didn't happen, actually. He turned up again, and then his name was Per-Olle Falk. And he's one of those who have had the largest number of bankruptcies in this country. But he seems to have a sense of humour somewhere for I heard

that he has a company in Linköping, real estate, bankrupt, and that company was called Asimpov Limited. Sounded quite nice really. So they asked someone, this Asimpov thing, what sort of language is that? [The Swedish original word, 'Adilum', has a Latinate ring to it, and the inquirer wondered whether it was in fact a Latin word.] No he said, it's an abbreviation. Of what? Absolutely Straight Into My Pocket Zero VAT (laughter). That sort of thing gives you a kind of insight, you know you want to steer clear of them when you do business. For they tend to turn up again. Receiver II

Concluding remarks

Business activities are frequently analysed from an embeddedness perspective, embeddedness standing for trust, pooling of resources, and so on. The exchange, in a spirit of confidence, of information and goods on mutually advantageous terms is at the core of commercial networks. As Parker writes, 'Research in this field is concentrated [to a large extent] on the beneficial or enabling aspects of networks. Networks provide trust, enable critical brokering functions, access to capital and means of mobilizing essential resources (Light 1972; Bonacich & Modell 1980, Light 1994; Bonacich, Chin *et al.* 2000)' (Parker 2004:21).

The kind of network that arises when a business is handed over to a receiver in bankruptcy is hence one variant of these networks-with-a-difference. The exchanges that take place between agents in a network of this type start out from a business failure. Conflicts tend to characterise interactions in the network of receivership. It is the receiver's job to manage these interactions between different categories of debtors, creditors, and so on, up to the end -- an end which the people involved may by no means regard as a legitimate conclusion. The work of receivers is not necessarily a matter of dealing with parties who desire a solution (at least not the same solution).

According to the interviewed receivers, suspiciousness characterises some of the exchange-based relationships in this context. Balanced books may be lacking, too, in which case one natural prop for the stability and continuity of exchange processes is non-existent (Preda 2002). Consequently, as the preceding analyses have shown, economic interaction in a receivership network is of a different kind from what we find in typical trust-and-pooling-of-resources networks.

Against this background the article analyses how receivers, through the ways in which they describe their work, their way of talking, assert their assurance and fixed routines. The receivers describe a process where assessments and distinctions have to be made: by virtue of this process, certain debtors -- people who may be causing problems in the current situation -- should be given a chance to return to the 'ordinary' trust networks of the market at some point in the future. What receivers mention as particularly memorable, and a professionally gratifying feedback evidence, are cases where a debtor who may simply have had a run of bad luck was able to make a new start as an 'ordinary' entrepreneur, becoming embedded in a network of trust. The interviewed receivers emphasise their acumen: they are able to distinguish businesses that may thrive economically in the long run, and they have an accurate eye for problems and dishonesty. They demonstrate that they are the people who know how to do these things and discriminate in this process. In this sense, their descriptions bring complementary (in that they complement the formal system) 'reinsuring' and stabilising forces to bear on these shaky economic networks.

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