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Nouveau riche, old guard, established elite: Kinship networks and control of Vivendi Universal

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ABSTRACT

This paper explores the forced resignation of Jean-Marie Messier as CEO of the major French company, Vivendi Universal, in 2002. Messier's ousting arose from a struggle for control involving kinships, interlocking directorships and business alliances; and the interplay between a nouveau riche (Messier), an influential old guard shareholder family (the Bronfmans), and an established elite (a board controlled by prominent representatives of French capitalism). Collusion between the French business establishment and the Bronfman family created a locus of control that managerialist and agency theories explain inadequately. We show that extra-economic factors played an important role in determining board of director membership, core strategic issues, and control of a major corporation.

Keywords: board, control, kinship, networks, Vivendi Universal