Nouveau riche, old guard, established elite:

Kinship networks and control of Vivendi Universal

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Words: approximately 9700

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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

1. Introduction

We explore the quest for control of Vivendi Universal [VU] by analyzing how the board of directors was implicated in the forced resignation of CEO and Chairman, Jean-Marie Messier, in 2002. We reveal how kinship networks and related factors influenced the control dynamics of a modern corporation. Using an analytical framework based on Zeitlin (1974) and Palmer and

Barber (2001), we find that a coalition of influence comprising an *old guard* family and the *established elite* of French business operated to dismiss an upstart, unpatriotic, *nouveau riche*. We find also that managerialist and agency theories provide inadequate explanations for how control was exercised in a large complex corporation, VU.

In July 2002, Jean-Marie Messier was announced as *Time* magazine's person of the week. Messier was 'a former water company executive who became a French business celebrity by turning a sleepy water utility *Compagnie Générale des Eaux* [CGE] into a $51 billion global media giant, Vivendi Universal' (Coatney, 2002). However, Messier rankled the French establishment because it perceived him to be an ambitious, garrulous showman who courted celebrity status (Clark, 2004). For his part, Messier alleges he was the victim of a conspiracy orchestrated by 'prominent members of the French business establishment' (Clark, 2004). Nonetheless, in the prelude to his forced resignation, Messier did not endear himself to many French people. He confronted French pride and nationalism because he dismissed 'French cultural exception', embraced English as the official language of VU, and advocated the adoption of American business culture.

Our analysis highlights the difficulty of defining the locus of control in a major company. We query the helpfulness of agency theory in assessing where control of a modern corporation resides. Agency theory seems to promote two illusions: first, by inferring belief in market sovereignty, the democratization of capitalism, and the idea that corporations are answerable to their owners (Rowlinson et al., 2006); and second, by promoting the idea that control stems from the collective power of capital markets to assess the value of firms publicly (Aglietta, 2000).

We reveal that control of VU was won as a consequence of the collusion of the French established elite and the Bronfman family to create a locus of control that managerialist and agency theories struggle to identify and explain. The resignation of Messier and the ensuing re-configuration of VU were controlled remotely by a group of individuals who were not members of the board of directors of VU. Their shareholdings were below widely advocated proprietary cut-off points that are claimed to be indicative of corporate control (variously 20%, 10%, and 5%).

Messier's autonomy to act as CEO was no different to that of any other CEO's: that is, he was 'constantly assailed by influences from the world around him' (Dowding, 2006, 140). However, the assailing influences on Messier (of an old guard family and an established business elite) were 'exogenously defined by their place in society [and were partially] constructed by institutions through which they lose or gain' (Dowding, 2006, 141). The actions to remove Messier as CEO were consistent with Lukes' (2005) first two dimensions of power: they represented power exercised 'to achieve one's subjective interests over others' subjective interests'; and represented power to 'keep certain interests from getting on the agenda' (Ron, 2008, 272). We show that Messier's demise in controlling VU was 'coordinated by sectional interests of the capitalist class … [who were very mindful of]… each other's interests through an intricate network of general social interactions and actual kinship relations' (Rowlinson et al., 2006, 696).

We do not provide a comprehensive operational micro-analysis of the inner sanctum of corporate power. Rather, we adopt a broader perspective by presenting a case analysis of the economic geography involved: in particular, of the dynamic interrelationship between elite groups and the struggle for organizational control of a major French company. Thus, we map the relationships between the relevant social players to reveal an exercise of power and influence. Given the interpretive nature of this study, readers should be mindful that the social situation documented is complex and fraught with a 'plurality of plausible explanations' (Ron, 2008, 291).

The following section outlines the general business climate in which VU operated and the broad circumstances of the control crisis at VU. In order to provide a facilitative analytical framework, we then elaborate on relevant aspects of managerialist and agency theories. Thereafter, consistent with Palmer and Barber (2001), we introduce the three classes of key players involved (*nouveau riche*, old guard, and established elite). Then, we analyze the quest for control of VU principally against a backdrop of managerialist control theory.

2. The control crisis at Vivendi Universal

Throughout the 1990s, media conglomerates (such as VU) engaged in cross-industry mergers, acquisitions and strategic alliances. These resulted in a higher concentration of ownership in the media sector. Such actions were facilitated by government deregulation of the telecommunications industry, digitalization in telecommunications, and competition in satellite, cable, analog and digital terrestrial diffusion. Media conglomerates sought to secure stronger competitive positions through mergers that offered the potential to control the distribution of content.

By 2000, the media market in the US and Europe had become dominated by large, integrated, diversified companies (such as Time Warner, Disney-ABC, Viacom-CBS, News Corp, Sony and Bertelsmann) who served diverse audiences through multiple distribution channels and multiple technologies. There were strong incentives for them to acquire complementary assets, to pursue vertical integration, and to acquire content-production capacity, TV networks, distribution capacity, and consumer electronic device marketing. In 2000, the mergers of Vivendi with Universal (to form VU), and AOL with Time Warner (to form AOL Time Warner) were prominent examples of global multimedia convergence strategies. However, the VU merger failed. To understand the main reasons for this failure, and what happened subsequently, it is important to explore how VU developed and expanded.

VU had emerged from a French water and waste management utility whose core business had been conducted by *Compagnie Générale des Eaux* [CGE] since 1853. CGE adopted the name Vivendi in 1998 when Messier became its Chairman. Messier accelerated CGE's diversification into the communications field by making significant investments in mobile telephony and new media technologies. Major events in the history of VU are summarized in Table 1.

Insert Table 1 about here

In June 2000, Vivendi acquired Universal (including Universal Studios in Hollywood) through its purchase of the Canadian alcoholic beverages producer, Seagram. This gave Vivendi interests in movie production, cinema operation and music rights. The merged company, Vivendi Universal, became the world's second largest media group after Time Warner. Thus, a French company became owner of a major American movie studio and the world's principal music publisher. The merger made strategic sense because of the vertical integration between *content* (the contributions of Universal and Canal+ on film, music, fiction, documentary, and video games) and *distribution* (television, Vizzavi portal, mobile phones).[1] The integration was intended to develop economies of scope between all divisions of VU and to take advantage of many strategic possibilities: for example, music sold by Universal Music could be distributed on the Internet via Vizzavi and downloaded as a ringtone through SFR.

Although the core business of Vivendi had been water and waste management, Messier was responsible for a strategic decision to diversify into *unrelated* activities. This was in contrast to the *related* diversification undertaken by AOL Time Warner (Chan-Olmsted and Chang, 2003). Although Vivendi tried to adapt to an emerging environment of convergence, many cultural and political issues made such adaptation difficult to manage.

By 2002, VU had sustained severe financial losses. Messier was accused of causing the financial distress. His forced resignation as CEO on June 30, 2002 raises many issues regarding the exercise of corporate control. We contend his resignation was not prompted by any strategic mistakes on his part, but was the consequence of a control struggle involving the exploitation of kinships, interlocking directorships, and business alliances. In explaining this struggle, we focus on a diverse cast: a *nouveau riche* (Messier); an *old guard* influential shareholder family (the Bronfmans); and an *established elite* (a board of directors remotely controlled by the elite of French capitalism).

3. Analytical Framework

According to Weber (1995), control of a corporation allows an individual (or to an identifiable group of proprietary interests) to realize their objectives over time because of the structure of

[1] Vizzavi Portal added nearly 14 million subscribers to Canal+ in Europe, 8 million subscribers to the mobile

ownership and inter-corporate relationships, even in presence of resistance from rivals. Some managerial theorists regard developing an understanding of corporate strategy to be the starting point for understanding organizational control (Berle and Means, 1982). They contend that control may arise also through the power to select board members or to dictate corporate policy. According to Zeitlin (1974, 109; 1989), rather than considering strategic facts, some managerialists, including Berle and Means (1982), assume that 'once a cohesive ownership interest having at least a minimum specified proportion of the stock … disappears, the corporation slips imperceptibly and inevitably under management control'. The proprietary control cut-off point of 20% used in a seminal study in 1932 of the 200 largest US companies by Berle and Means (1982) has been replaced in more recent research by a 10% required minimum. This is because share ownership now is usually dispersed more widely. But this revised minimum cut-off point is questionable because it is unconducive to discerning different modalities of corporate control that could really exist and which are not easy to categorize (Zeitlin, 1974; p. 1090). Hence, the conclusion that control has shifted to managers is questionable.

Our analysis of the "struggle for control" of VU is "structural" one. We consider whether structural conditions existed that would allow the exercise of power – we do not focus on "behavioral" aspects. in conformity with Zeitlin (1974; p. 1091). For the purpose of our analysis, the question of control within a corporation like VU is considered with regard to the pattern of holdings and their evolution, the relationships between VU and other corporations and institutions, the forms of personal union or interlocking relationship between corporate officers,

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network SFR, and 48 million subscribers to Vodafone mobile networks.

directors, and principal shareholding families. We contend that the web of kinship relations binding apparently unrelated individuals forming boards should be analyzed to determine the locus of control. Thus, central to our study of control at VU is the connections people have with banks as “financial institutions” and as the agents of specified propertied interests. Moreover, we explore whether a “family sphere of influence” existed , through various personal and business connections and complicated business structures and other “eleemosynary arrangements” (Zeitlin, 1974; p. 1098). A small proportion of the stock in the hands of an influential family carries different implications and control potentialities than when held by a single individual with no other major resources and institutions to buttress her position (Zeitlin, 1974; p. 1098–1099). We contend that family dominated capitalist dynasty is more resilient than managerialist theory suggests; this it is able to exercise control at lower levels of proprietary ownership by virtue of its strong kinship networks. This is consistent with many studies of corporate ownership which have reported that family control of large corporations is ‘very common …[and that]… families often have control rights over firms significantly in excess of their cash flow rights’ (La Porta et al., 1999, 502).

Corporate elites are actors whose interests arise not only from their institutionally prescribed position in organizations (Palmer and Barber, 2001). Corporate elites attain their positions of power in a multidimensional social class structure because ofthe extent to which they own the means of production, the social status into which they are born, the educational credentials they attain, and the social network ties they forge with other elites. Therefore, corporate decisions are motivated preponderantly by the will to improve their personal wealth and status. Palmer and Barber (2001) used this analytical framework to analyze the propensity of top managers to pursue diversifying acquisitions in the 1960s in USA. They concluded that the wave of mergers and acquisitions was motivated strongly the social status by of top managers and the desire of these “self-made men” to increase their wealth and status. Nonetheless, , Palmer and Barber (2001) argue that to pursue active corporate acquisition strategies successfully, these top managers needed to overcome the resistance of an established elite. Such an elite would be disinclinedto engage in diversifying acquisitions on the grounds that it would threaten their current business interests. Top managers also needed to be free from the constraint of the old guard of “owning” families who consider themselves less likely to benefit from acquisitions.

Using Zeitlin (1974) and Palmer and Barber (2001) as our analytical framework, we explore the institutional setting and the class structure in which VU is situated.

Consistent with (Palmer and Barber, 2001), the social class structure in France regarded people from families of lower status, such as Messier, as the *nouveau riche*. The *established elite* were regarded to be an inner group that defended the existing order. Althoughdescendants of high-status families (old guard), the established elite is composed of individuals who are embedded in social networks by attending exclusive schools, frequenting exclusive organizations and social clubs, and serving on boards of directors. In this context, knowledge of interlocking relationships between companies is very important in understanding how elites can exercise control through decision-making authority.

Despite being a well-networked CEO, Messier was of dubious social status. To pursue his corporate acquisition strategies successfully Messier had to overcome resistance from the established elite – they were fearful that he would jeopardize their current business interests.

Furthermore, Messier's diversifying acquisition strategy also needed to be free of the constraints of the the old guard of 'owning' families (the Bronfmans) who were likely to regard his corporate strategy to not be in their interest.

Aspects of corporate ownership and control

The separation of ownership and management in large corporations has clouded understanding of the source and nature of control. Managerialist theories claim that ownership of large corporations has become dispersed widely among unrelated owners; and that, as a consequence, no individual or family is able to exercise control. Thus, the separation between ownership and control (Berle and Means, 1982) implies that control can no longer belong to an old guard of founding families but rather belongs to managerial elites (Galbraith, 1989). It also implies that control belongs to managers who form a new class of servants of capital or *Organization Men* (Dahrendorf, 1972). Because top managers have the capacity to nominate a compliant, obedient board of directors and thereby abrogate control by shareholders, this is a passive instrument of management control (Galbraith, 1989). Such a shift has been said to eliminate the former capitalist class by promoting a sort of 'capitalism without capitalists' (Dahrendorf, 1972). Thus, it is claimed that control and business decision-making in modern corporations has shifted from personal property ownership by wealthy families and business dynasties, to business bureaucracies. This is an overly simplistic view – one that we contest.

Large corporations such as VU found diversification popular because it offered potential economic gains. The guiding institutional logic was to gain competitive advantage through diversification. However, instead of reinforcing competitive advantages, mergers and acquisitions have led to management abuse and have encouraged prestige-seeking empire building, accompanied by disappointing returns to shareholders (Jensen and Meckling, 1976). As a consequence, the strategy of diversifying into conglomerates lost institutional and cultural legitimacy (Whittington and Mayer, 2000).

Agency theory is also a likely useful explanator. It is imbued by a new market-centered spirit that extends 'sovereignty' over property from control by managers to control by the whole of society through shareholdings. Agency theory promotes the view that private property rights will help restore economic liberty.

Recent decades have been characterized by a shift of shareholdings from individual households to institutional investors. This shift has rendered it more difficult to discover the locus of control in large corporations. The larger the company and the wider the distribution of its shares, the more difficult it is to dislodge a controlling minority (Berle and Means, 1982) and to discover the actual beneficial owners (Zeitlin, 1974; 1989). To locate the ruling class in such configurations, shareholders should not be regarded as beneficial owners. Indeed, much recent empirical research has concluded that ownership of US companies is highly concentrated. From a representative sample of US public firms Holderness (2006) found that 96% had blockholders (each owning more than 5% of common shares). As demonstrated in the VU case, even though the old guard shareholding family had voting rights under 5%, it was able to exercise control over the corporation.

Critics of capitalism contend that owners and managers have a 'brotherly' interest in maintaining capitalism and exploiting the working class; and that owners and managers are bound together by overriding commitments to class cohesiveness and domination. Nonetheless, the Marxist metaphor of ‘the band of warring brothers’ conjures an image of owners and managers competing to put each other out of business in order to obtain a greater share of surpluses (Lavalette and Pratt, 2005). The metaphor promotes a view that social classes are produced, structured, and perpetuated by institutional forces. Consistent with Schumpeter (1972), ultimately control remains with owning families because the true unit of class is the family. If so, then intermarriage is a key factor in producing dominant classes of wealthy families committed jointly to the preservation of decision-making power.

4. Method

We draw on primary data from VU’s published reports relating to its capital structure from 2000 to 2004; and to the composition of its board of directors before and after the resignation of Messier. We use qualitative research methods, including document analysis procedures. We follow the principles of Miles and Huberman (1994) in analysing qualitative data collected from company annual financial reports, using a methodological process that involves the elements of data reduction, data display, and conclusion drawing. Secondary data were accessed from a variety of bibliographic sources, including scholarly journals, case studies, internet websites, French and American newspapers and periodicals. Only information duplicated or corroborated independently in two or more of such individual sources is relied upon. We draw contextualizing information from a biography of Messier by Orange and Johnson (2004) and from an account of the ‘rescue’ of VU by Rebiere (2004). The secondary data were analysed concurrently with analysis of the primary data. Those data were used subsequently as well to corroborate the factual content of statements derived from the document analysis.

5. Findings: the struggle for control of VU

Application of our analytical framework based on Zeitlin (1974) and Palmer and Barber (2001), in the French context, has revealed a web of kinship relationships, interlocking directorships and networking that we regard to be highly significant factors influencing Messier's resignation and in determining the locus of control of VU.

In 2001, French law on New Economic Regulations (NER) recommended independent directors be appointed so that a few large shareholders and banks did not dictate company policy. Despite this, French companies persisted in sharing the services of their CEOs reciprocally through interlocking board memberships. In 1999, 50% of French corporations were involved in reciprocal interlocking directorships (Yeo et al., 2003). Membership in two, three, or more corporate boards indicated the existence of an inner-circle elite of persons who were more likely to have attended the 'right' schools, belonged to the 'right' clubs, and be from the 'right' social background (Kadushin 1995, 203).

In 1995, Kadushin reported that 23 elite persons together held 214 board directorships in France[2]; and that they exerted strong control over the companies composing the CAC 40. In 2001, the French business elite held about 160 board directorships of major companies.

[2] The list included Bernard Arnault (LVMH), Patricia Barbizet (Artémis), Claude Bébéar (AXA), Jean-Louis Beffa (Saint-Gobain), Daniel Bernard (Carrefour), Michel Bon (France Telecom), Bertrand Collomb (Lafarge), Thierry Desmarest (TotlaFinaElf), Michel François-Poncet (ex-Paribas), Jacques Friedman (ex-UAP), Henri Lachman (Schneider), Jean-Marie Messier (Vivendi Universal), Gerard Mestrallet (Suez), Lindsay Owen-Jones (L'Oréal), Michel Pébereau (BNP Paribas), Jean Peyrelevade (Crédit Lyonnais), Didier Pineau-Valencienne (ex-Schneider), Baudouin Prot (BNP Paribas), Bruno Roger (Lazard), Edouard de Rouyère (Air liquide), Ernest-Antoine Seilliere (Wendel Investissement, MEDEF), Serge Tchuruk (Alcatel), Marc Viénot (ex-Société Générale).

Consistent with suggestions by Zeitlin, four obvious networks of influence were identified to be centered on the insurance company AXA (founded by Bébéar) and three large banks:

- AXA network: including Bébéar, Breton (Thomson), Fourtou (Aventis), Lachman (Schneider), François-Poncet (BNP Paribas).
- BNP network: including Pébereau, Bébéar, (AXA), Beffa (Saint-Gobain), Friedman (UAP), Messier (VU), Owen-Jones (L'Oréal).
- Société Générale network: including Bouton, Tchuruk (Alcatel), Messier (Vivendi Universal), Desmarest (TotalFina-Elf), Viénot.
- Crédit Lyonnais network: including Lagardère (Lagardère), Bouygues (Bouygues).

The links between elitist educational institutions and major financial and industrial companies partially explain the protection French corporations enjoy from hostile attacks by institutional investors. The French elite, from the prestigious *Grandes Écoles* and from *les corps de l'Etat*, benefit too from government-supported institutional arrangements to maintain the insider model of capitalism through cross-shareholdings and interlocking board directorships (Whittington and Mayer, 2000). However, from about the end of the 1990s, the pressure exerted by institutional investors diluted cross-shareholdings and prompted a shift to an economy based on financial markets (Morin, 2009).

The demise of Messier should be analyzed against this backdrop to identify the locus of control of VU. Consistent with the approach adopted by Palmer and Barber (2001), we first analyze the key players and their role. Then, following Zeitlin (1974), we seek to understand the "struggles for control" by analyzing whether the required structural conditions existed; and whether the destabilizing factors allowed for each actor to exercise, or to not exercise, power.

The structural analysis is complemented by some “behavioral” aspects, such as the tactics used by the different actors; and the mistakes they made that had the capacity to mitigate or accentuate the exercise of power.

5.1. Messier, the Nouveau Riche, the Bronfman Family, and the Old Guard

Messier was the incarnation of an upstart challenger. The established elite frowned on him because ‘he came too fast too soon’ (Ward, 2002, 210) and because of the turbulence he instigated. He was born into a family of modest status in Grenoble in 1956, the son of a chartered accountant and the grandson of a chauffeur (Orange and Johnson, 2004). He networked well and progressed to study at the *École Polytechnique (X*), and the *École nationale d'administration* [ENA]. After appointments in the French Economics Ministry during the 1980s, and at the Lazard Frères investment bank in 1989, he joined CGE in 1994, becoming its chairman in 1998. (For fuller biographical information see the *Encyclopedia of Business,* accessible at http://www.referenceforbusiness.com/biography/M-R/Messier-Jean-Marie-1956.html).

In 2001, Messier’s annual income was estimated at €5.1 million. He flaunted his wealth and was accused of arrogance and social climbing. His relationship with actress Sophie Marceau, his private A319 Airbus, and his luxurious penthouse in New York, were the subject of many articles in French newspapers and magazines. When in New York, Messier behaved like a show business celebrity, much to the chagrin of many French people, especially the French business elite. Messier acknowledged he had erred but explained his behavior as over-compensation for the shyness he suffered in his youth (Jean-Marie Messier: les six mois de chute, *Le Monde*, July 2, 2002, http://www.lemonde.fr/).

In 2000, the creation of VU with a stock market capitalization of €100 billion heralded the arrival on the VU share register of a very wealthy and influential family, the Bronfmans. This family had prospered largely because of the business acumen of Samuel Bronfman (1889-1971) and the large fortune he had made in Canada in the alcoholic distilled beverage business (Seagram Company). Samuel, the son of refugees from Czarist Russia, married Saidye Rosner (1897-1995) in 1922. They had four children, all of whom were well-connected and influential: Aileen Mindel Bronfman de Gunzburg (1925-1986); Phyllis Bronfman (1927-); Edgar Miles Bronfman (1929-) and Charles Rosner Bronfman (1931-).[3]

The Bronfmans were substantial philanthropists committed to advancing social, cultural and educational causes, principally in Canada. They funded the Bronfman Building at McGill University (1971); created the McGill Institute for the Study of Canada (1993); and donated the Seagram Building in Montreal to McGill University (2002). In 1996, they founded the Edgar M.

[3] Samuel Bronfman, President of the Canadian Jewish Congress 1939−62, was made a Companion of the Order of Canada in 1967. Aileen Bronfman was married to a prominent banker, Baron Alain de Gunzburg. Phyllis Bronfman married Baron Jean Lambert, a banker and cousin of the Rothschilds, in France. She was a generous benefactor to the Canadian Centre for Architecture; and was appointed Companion, Order of Canada (2001), Grand Officer, National Order of Quebec (2005), and *Officier, Ordre des Arts et des Lettres de France*. In 1981, Edgar Bronfman was elected president of the World Jewish Congress. In 1999, he was awarded the U.S. Presidential Medal of Freedom. Charles Bronfman was Chairman of a family of charitable foundations operating in Israel, the USA and Canada. He was founding co-chairman of Historica, a Companion of the Order of Canada, and an Honorary Citizen of Jerusalem. He was awarded honorary doctorates from the Hebrew University of Jerusalem, McGill University, Concordia University, University of Waterloo, University of Toronto and Brandeis University.

Bronfman center for Jewish Student Life at New York University. The family was also prominent in campaigns to compensate victims of the Holocaust. Edgar Miles Bronfman drew international attention to the Nazi past of [then] United Nations Secretary-General Kurt Waldheim.

Prior to 2000, the Bronfman family had been the majority owner of Seagram, a diversified conglomerate. However, at the instigation of its [then] CEO, Edgar Bronfman Jr., Seagram expanded into the entertainment and music business. In 2000, it agreed with Vivendi to create Vivendi Universal [VU]. As part of this deal, 59% of Seagram's capital was transferred to shareholders of Vivendi, 12% became owned by shareholders of Canal+, and 29% by shareholders of Seagram. Eight per cent of the share capital of VU and eight seats on the VU board of directors were allocated to the Bronfman family, making them the dominant shareholder of VU in 2000. Importantly too, the creation of VU made of Edgar Bronfman Jr. and Jean-Marie Messier business associates. Allegedly, both dreamt of building a world media colossus. They were men of similar ambitions but were from different social spheres.

Edgar Bronfman Jr., the second of five children of Edgar Bronfman Sr., had a passion for the entertainment business. At an early age he was a film and Broadway producer and a songwriter. Edgar Jr., who managed the family fortune from the early 1980's, was keen to shift Seagram's interests from alcoholic beverages to media. Based on his advice, Seagram acquired 15% of Time Warner in 1993. Two years later, Edgar Jr. convinced the family to resell his 24% stake in the DuPont Company to fund the purchase of Universal Studios from Matsushita Electric.

Messier's dream was to found a company that 'could be the world's preferred creator and provider of personalized information, entertainment and services to consumers anywhere, at any time and across all distribution platforms and devices' (Coatney, 2002). On October 13, 2000, Messier declared proudly that 'the old Vivendi group had died' and that, because of the merger with Seagram, a French company had entered the 'forbidden city' of Hollywood (Les cinq métiers du nouveau géant, *Le Monde*, October 16, 2000 http://www.lemonde.fr/).

5.2. *Destabilising Factors*

At least four de-stabilising factors affected the newly configured VU. First, after the merger with Seagram, VU announced losses of €13.6 billion in 2001 and €23.3 billion in 2002 − the worst ever [then] reported losses for a French company. These losses were due, in part, to expensive asset acquisitions made by Messier (about €100 billion) and flagging sales revenues, in a context of the bursting of the dot-com bubble. This background shook also the confidence of investors and raised doubts about convergence strategies. The financial problems of VU's major competitor, AOL Time Warner, sowed seeds of doubt about the sagacity of VU's convergence model. AOL Time Warner recorded a loss of about $US100 billion in 2002. This was the largest loss ever posted (to that time) by a company in the United States. Yet the fate of AOL Time Warner was less dramatic than the one of VU. This constitutes unblemished evidence that the tumble of Messier is not the result of market governance mechanism as might be suggested by agency theorists. However, at that time, Messier was confronted with the formidable challenge of proving the efficacy of his vision, the coherence of his strategy, and the quality of assets he had purchased.

Second, rumors and short selling of VU shares in June 2002 caused a sharp decline in share price. On June 24, 2002, VU shares lost 23.3% and closed at €18.75. However, this decline should be analyzed in the context of the dot.com crisis. During 2002 the French stock market index, CAC 40, lost 33.75% of its value. On June 24 alone the decline was 19.9%.[4] At a meeting of the board of directors held three days later, Messier was under pressure. Financial magazines and newspapers accentuated a wave of panic by propagating rumors. Many commentators maintain there was an orchestrated putsch for Messier to resign at the board meeting on June 27, 2002 (La Bourse de Paris au plus bas depuis septembre 2001, *Le Monde*, June 26, 2002, http://www.lemonde.fr/). (Messier resigned three days after this board meeting.)

Third, from the first half of 2002, the board of directors (see Table 2) seemed determined to force Messier to resign. They were not enamored by temporary financial solutions and were impatient to realize the expected synergies of the convergence with Seagram. The board negotiated additional financial facilities from the group's banks on June 28. Those negotiations were made easier because Deutsche Bank, Société Générale and BNP Paribas were heavily committed to VU; and because two directors (Thomas and Viénot) were honorary presidents of two major French banks. However, all of the financial facilitation VU received was made on one major condition: that Messier would resign.

Insert Table 2 about here

What was critical in the events of 2002 leading to Messier's resignation was the pressure the French business elite applied to dismantle the empire he had built. The established business elite campaigned to persuade the VU board that it would never get operational control of

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[4] The CAC 40 index on January 2 was 4580.44 and 3669.24 on June 24. NYSE Euronext website: http://www.euronext.com/trader/download/instrument-3047-FR-FR0003500008.html?selectedMep=1

American assets; that it should sell those assets to American interests; and that it should preserve Vivendi Environnement (that is, *Compagnie Générale des Eaux*).

5.3. The Role of the Established Elite in the Resignation and Replacement of Messier

Before exploring the role of the established elite, we first expose the tactics and mistakes of Messier which increased the number of his enemies.

Messier's Tactics, Mistakes and Enemies

Messier avoided criticism of his leadership. He presented VU's poor financial performance as a logical consequence of the bursting of the dot-com bubble. During the autumn of 2001, he purchased 5.5% of VU shares for €4.6 billion to lessen the risk of share price volatility after the attacks of September 11, 2001. Messier and his chief financial officer (Guillaume Hannezo) were criticized by the AMF (the French SEC) for this purchase (see decision of November 3, 2004 with regard to Messier, Hannezo and VU, http://www.amf-france.org/).

Messier held Canal+ responsible for the group's poor financial performance and forced its popular CEO (Pierre Lescure) to resign on April 16, 2002. The firing of Lescure 'wakened a sleeping giant in the form of venerable French businessman Claude Bébéar, who decided that urgent intervention was needed … [Bébéar] is the 'godfather' of French business; the chairman of AXA …' (Ward, 2002, 210).

Although Messier had managed cultural differences between the North American and French directors expertly for two years, in 2002 he seemed to become overly confident and arrogant. During the 2002 General Assembly, President Chirac stated publicly that Vivenedi

Environnement should remain French. Messier replied by committing to do so. However, despite concerted pressure by the Minister of Finance (Laurent Fabius) and lobbying by André Santini (trade union leader of water industry employees) and Jean-Paul Delevoye (President of the Association of the Mayors of France), Messier reneged. VU's interests in Vivendi Environnement fell to less than 50% in April 2002. By the end of 2002, VU's ownership in Vivendi Environnement had fallen to 20.4%. As a consequence, Chirac declared that Messier was no longer a desirable person in the Elysée (Jean-Marie Messier: les six mois de chute, *Le Monde*, July 2, 2002 http://www.lemonde.fr/).

Messier's behavior was not helped by a significant change in the internal dynamic of the board. On June 27, 2002, with the share price in decline, Bernard Arnault (CEO of LVMH), a strong supporter of Messier, resigned. This compounded Messier's difficulties in controlling the board because four other directors who had supported him (Jean-Louis Beffa, René Thomas, Philippe Foriel-Destezet and Pierre Lescure) had left the board earlier in the year. The board was now balanced evenly with 7 French directors (including Messier) and 7 foreign directors. This encouraged the foreign directors to propose that Messier be replaced as CEO by Edgar Bronfman Jr.. Messier responded by appealing to French patriotism. Metaphorically at least, he brandished the French flag against the Bronfman family. He rallied the French directors to protect the company's French interests (Rebiere, 2004).

Messier's numerous enemies were very concerned about his insensitivity to Gallic pride and culture in declaring English to be the company's official language and in advocating American business culture. His 'throwaway comment' that French 'cultural exception' was an outdated idea was highly inflammatory (Ward, 2002, 209). This idea was deeply rooted in the French psyche and was one of the major principles underlying grants provided by the French government to domestic filmmakers and artists. Such a stance, from a prominent French CEO, shocked the people of France and financial analysts (Coatney, 2002). Messier's stance alarmed the French entertainment industry and French President Jacques Chirac (Ward, 2002, 209). But, perhaps worse was Messier's announcement before the CSA (French Federal Communications Commission) that he would discontinue funding support for the French cinema.

To compound Messier's problems, the Bronfman family appeared convinced that the century-long dynasty built by Samuel Bronfman was about to crumble. They regarded Messier and his convergence strategy to be a suitable scapegoat for their ills (Bronfman dynasty confronts its future, *New York Times*, July 7, 2002). The Bronfmans allegedly asked an American law firm (Wolf Haldenstein Adler Freeman and Herz) to inform the French directors of VU that they risked a class action law suit if they continued supporting Messier. The Bronfman's strategy appeared to be to not co-operate with Messier and to conspire with his adversaries to remove him as CEO. Prominent among these adversaries was Bébéar.

After a board meeting on May 29, 2002, a governance committee was created, co-chaired by Edgar Bronfman Jr. and Marc Viénot (one of the French directors co-opted by Messier). At the same time, Samuel Mintzberg (a board representative of one of the two branches of the Bronfman family) collaborated with Bébéar to orchestrate Messier's resignation. Mintzberg advised Bébéar that the Bronfman's had agreed that Jean-René Fourtou should replace Messier. The Bronfman family and Bébéar campaigned strongly against Messier, supported by two French directors of VU who were factional allies of Bébéar (Jean-Marc Espalioux [Accor] and Henri Lachmann [Schneider]).

On June 27, the French directors met after being informed of the intention of Moodys to lower the rating of VU securities to junk bond status. During this meeting, Marc Viénot and Jacques Friedman changed their allegiance *from* support for Messier. Serge Tchuruk, the CEO of Alcatel was the last director to support Messier.

The board of directors asked Messier to resign as CEO in favour of Fourtou (whose appointment had been supported by the cabinet of Prime Minister, Raffarin). Messier duly resigned on June 30, 2002 on condition that he would be awarded $20 million to help refund a loan of $25 million he had taken out to purchase shares of VU (Rebiere, 2004). Fourtou, vice-president of the supervising board of Aventis and a close friend of Bébéar, was then appointed CEO of VU. Bébéar was put in charge of the Finance Committee. Lachman was appointed to chair the Strategy Committee. Members of the influential *Club Entreprises et Cités* (discussed later) now dominated the board of directors of VU.

Fourtou concentrated on improving VU's profitability. He disposed of non-strategic assets. This yielded €24.6 billion in three years.[5] He retained only high added-value businesses and invested €24.1 billion in other businesses. The group reduced its net financial debt by about €20 billion. VU continued to be a major company in media and telecommunications. Importantly, Fourtou did not change the strategic orientation Messier had adopted – apart from transferring 80% of VU's interests in Vivendi Universal Entertainment to NBC in 2004 to reduce VU's financial debt by a further €5.3 billion. This gave VU a 20% interest in NBC, valued at €4.9 billion (VU annual reports for 2002, 2003, 2004, http://www.amf-france.org/). Disposal of the

[5], VU realized €6.7 billion from asset disposals in the second half of 2002, and €3 billion in 2003.

American assets aroused strong tensions because control of the American studios was strategic and emblematic.

5.4 The Kinship of the Apparently Unrelated Directors: Messier against the established Elite and the Old Guard

Fourtou's appointment as CEO was the culmination of a putsch orchestrated by the Bronfman family and Bébéar. As shown in Table 3, the board of directors of VU was dominated by members of the *Club Entreprises et Cités*, a conservative business lobby group.

Insert Table 3 about here

If the 10% criterion for control that is advocated by many managerialist theorists is applied, control by the Bronfman family cannot be established. It is easier to demonstrate their control using Burch's (1972) criteria: first, family members were affluent and held 4% to 5% or more of the voting stock; and second, family members had been on the board of directors over an extended period of time (see Table 4). They could be considered 'inside shareholders' (Jensen and Meckling, 1976).

Insert Table 4 about here

Although only a small proportion of the shares of VU was held by the Bronfman family, the family's sphere of influence within the board and with other institutions (such as the SEC) was very strong. A decisive factor which enabled the family's control, and its ability to remove Messier, was the conduct of Bébéar and his factional allies in the established elite. The support of this group allowed the Bronfmans to influence the policies and configuration of VU.

In analyzing the struggle for control, several structural conditions facilitated the exercise of power (Zeitlin, 1974, 1091; 1989). One was the relationship between large banks, insurance companies, and corporations in France. Understanding this relationship is essential in determining the locus of corporate control. Generally in France, large banks and insurance companies hold stakes in large corporations and are represented on boards of directors. Those boards also contain many influential individuals and families as the principal shareholders; and thus, often a small circle of persons has the capacity to exert concentrated power because of a community of interests (Zeitlin, 1974; 1989). In view of this, we now examine the kinship relations that united the apparently unrelated individuals on the board of VU.

In 2001, under Messier as CEO, there were 19 directors on the VU board. The 12 French directors included some very influential personalities in French capitalism (Table 2). Because the VU board in 2001 was large, Messier could manage differences between antagonists and reinforce his control. According to agency literature on corporate governance, the board of directors is a control instrument to protect shareholders' interests in the value distribution process. However, managerialist theory conceives the board variously as a management tool in running a business for value creation, or as an instrument to help the organization deal with its environment (Pfeffer, 1972). Irrespective of one's conception of the board of directors, in the case of VU, the interlocking directorships facilitated VU's access to resources and helped reduce environmental uncertainty. The board was a vehicle to co-opt important external (mainly financial) organizations and was a source of prestige and business contacts for its CEO.

In 2000, Messier was one of the established elite and had been at the heart of a network of 39 directors and some loosely coupled sub-networks (Guieu and Meschi, 2008) that represent the two tendencies in the French capitalism we explain later. After Messier's resignation in 2002, the only significant network that remained was composed of Pébereau, Fourtou, Breton, Roger, Bébéar, Roulet, Poncet, Friedmann, Calvet and Lachmann (Guieu and Meschi, 2008).

Bébéar, Friedman and Pébereau were representatives of the French finance industry. Finance capitalists such as them are claimed by Zeitlin (1989) to coordinate the policies of financial institutions and industrial corporations to maximize the net returns. Lachmann, the former CEO of Schneider Electric, was a close friend of Bébéar and Chirac and shared a love of rugby with Bébéar. Of the other French members of the board of directors of VU in 2003, Bébéar, Fourtou and Collomb had each attended *École Polytechnique (X),* the most prestigious school in the unique French system of *Grandes Écoles*. Attendance at this school had a history of leading to membership of the elite *grands corps* of the French civil service (*Corps des Mines*, *Conseil d'État, Cour des comptes* and the *Inspection générale des finances*) − breeding grounds for the 'inner group' (Kadushin, 1995).

Two other factors were critical in defining friendships in the inner group: political tendencies, and class solidarity (Kadushin, 1995). Messier's replacement as CEO, Fourtou, had been a close friend of Bébéar for more than 30 years (Jean-René Fourtou: un profil de redresseur, *Le Figaro Economique*, July 2 2002, http://www.lefigaro.fr/). Fourtou and Bébéar were born in Gascogne in the south-west of France to teacher parents. They shared common passions for gastronomy, wine and rugby. Bébéar successfully championed Fourtou to succeed Messier in spite of pressure by the *Corps des Inspecteurs de Finance* to install Charles de Croisset, chairman of the CCF.

Lachman, Fourtou and Bébéar had many influential friends in common, including Serge Kampf (Capgemini), Michel Pébereau (BNP Paribas), Thierry Breton (former CEO of Thomson and France Télécom), Daniel Bernard (former CEO of Carrefour), Gérard Mestrallet (Suez), Martin Bouygues (Bouygues). These friends had ample opportunities to caucus informally and discuss business-related matters. They often met at the opera or the theatre. Every winter the many rugby fans among them were invited by Serge Kampf and Pierre Dauzier, ex-owner of Havas (a multinational communications group), to fly in private jets with the former champion rugby player, Jean-Pierre Rives, to watch Six Nations Championship rugby games. Many of them dined together regularly.

The choice of Fourtou to replace Maessier was not surprising in view of empirical findings reported by (Zajac and Westphal, 1996, 84) that boards are likely to appoint CEOs who 'resemble themselves' so as to be able to 'rely on demographic similarity as a way to reduce [performance] ambiguity and [social] uncertainty.'

Institut Montaigne and Club Entreprises et Cités

Lachman, Fourtou and Bébéar were also prominent members of the privately-funded *Institut Montaigne,* a self-proclaimed 'liberal' (here meaning pro-conservative, pro-business) think tank created by Bébéar in 2000. *Institut Montaigne* was comprised by CEOs, public personalities, academics and representatives of the civil society who sought to influence major public policy issues confronting France. Its membership included about thirty CEOs who collectively controlled approximately 50% of the companies comprising the CAC 40.

In 1983, Bébéar, assisted principally by Lachman and some other CEOs, created *Club Entreprises et Cités* to lobby in support of private enterprise, as a response to the formation of a socialist government by Mitterrand in 1981. It brought together about 30 CEOs who were strong supporters of free market ideology and the non-Gaullist centrist UDF party of Valery Giscard d'Estaing. In 1986, with the formation of a right wing government by Jacques Chirac, the club participated actively in the wave of privatizations of major French companies and banks.

There was strong solidarity between members of *Club Entreprises et Cités.* At the time of Messier's resignation, the board of VU included five French directors who were members. In September 2002, when Fourtou, as the newly-installed CEO, sold VU's interests in Canal+ Technologies to Thomson Multimedia for €190 million, many analysts concluded that the price had been underestimated − a few months later Canal+ Technologies was resold by Thomson Multimedia for a gain of €110 million. Some analysts have described this as an exchange of gifts between two members of *Club Entreprise et Cités*, Fortou and Breton.

The Bébéar clan was the first arm of the *established elite* committed to the good functioning and protection of French capitalism. They viewed Messier as a threat to their interests and the existing institutionalized instruments of French society. To them, Messier was a well-networked *nouveau riche* who had assaulted French pride in exceptionalism and who had confronted the French with the enduring dilemma of how to respond to Americanization (Whittington and Mayer, 2000).

But Messier was considered as a threat by the second arm of the established elite in France, graduates from the *grands corps* of engineering schools, such as Jean-Louis Beffa, chairman of Saint-Gobain and the founder of the Cournot Center for Economic Studies. Most of the top French managers with engineering or scientific careers like Beffa focused on their core business. They were uncomfortable with the corporate detachment involved in working in conglomerates and unrelated diversifications. They are also prominent advocates of a version of capitalism, colbertism – that is based on the need for industrial innovation to sustain economic and social development using “great programs” involving the State and its *grands* corps (Cohen, 2007). They were not enamoured with the virtues of the market place. In contrast, Bébéar, who was a prime-mover in Messier’s resignation, was a fervent defender of *ultra-liberalism,* and a strong critic of the *Grands Corps* and their harmful consequences for free enterprise. Like Bébéar, Messier was an advocate of a free market ideology. However, Messier was a product of the Corps and its mentality.[6] For both groups of elite, he had been prepared to dispense with established cultural and economic values in order to succeed with a broader strategy of global convergence. Messier had brought turbulence to the Parisian business world. He was viewed as dangerous. He was sidelined by the established elite.

6. Conclusions

Our focus on the forces influencing the resignation of Messier as CEO of VU provide insights to features of corporate control that have not received much attention from prior researchers. The interests of the *old guard* Bronfman family coincided with those of the *established elite*. This commonality of interests shifted the locus of control to the wealthy owning [Bronfman] family (despite it having less than 5% of the voting capital) and the Bébéar clan (despite most of its members not being board directors). Thus, the emerging picture is of two groups of capitalists whose interests were mutually dependent and intertwined. They exercised power together to shape social and political conditions in a way that suited their own ‘subjective interests’ (Lukes, 2005).

[6] His own background was in the *Inspection des finances*, a high-flying career in the French civil service, and a senior position in financial private-sector in Paris.

Thus, what helped to bring Messier undone was the joint use of power by an old guard family and the established business elite. These parties promoted their subjective interests and wanted to keep France free of 'polluting' other interests [Americanization of French business practice; and the policy of abandoning French cultural exception]. The Bébéar clan (which was largely responsible for ousting Messier) was comprised of capitalist ideologues who had privileged upbringings, consorted at the *Club Enterprises et Cités* and the *Institut Montaigne*, engaged in social and professional networking through interlocking directorships, and shared a mutual passion for rugby and gastronomy. This clan was an old-boy network that once 'set in motion … worked quickly' (Ward, 2002, 212).

Managerialist theory does not explain the essence of the control struggle at VU adequately: it obscures exploitative class relationships. Agency theory diverts focus to the importance of the market in securing private property and protecting freedom but accords insufficient attention to critical aspects of power structures in society; and obscures social reality by propagating a pluralistic conception of society. Thus, managerialist and agency theories are revealed to be inadequate in decoding many complexities of control.

An area for likely fruitful extension of the analysis conducted here would be to explore more closely the effects of nationalism (e.g., French nationalism) as a mediating influence affecting managerial decision making.

Table 1. Major Events in the History of Vivendi Universal to 2004

Date	Event
1853	*Compagnie Générale des Eaux* [CGE] forms to supply water in Paris.
>1900	CGE diversifies progressively into waste management, transport, energy, real estate and communication.
1983	CGE participates in the creation of Canal+, the first premium pay TV channel in France.
1987	*Société française de radiotéléphone* [SFR] is created.
1998	Messier becomes chairman of CGE. The group takes the name of Vivendi.
2000	Vivendi agrees to launch the Vizzavi Internet portal with Vodafone Airtouch.
2000	Vivendi Universal [VU] created through a merger of Vivendi's media interests with Canal+ TV networks and Universal Studios (purchased from Seagram). The company's water, waste management and transport operations become Vivendi Environnement.
2001	Edgar Bronfman Jr. resigns as vice-president of VU.
2002	VU acquires the entertainment assets of USA Networks and merges them with Universal Studios to form Vivendi Universal Entertainment [VUE]. Assets are disposed of in publishing, Tele+, Canal+ Technologies, Vinci, Vizzavi, EchoStar Communications, Vivendi Environnement.
	Messier resigns and is replaced by Fourtou.
2002	VU increases to 70% its ownership of the French telephone operator, Groupe SFR-Cegetel
2003	VU and General Electric [GE] combine the National Broadcasting Company [NBC] and VUE to form NBC
2003	Universal [NBCU].
	VU and GE agree to an 80% divestiture of VU's interest in VUE, and a concurrent acquisition of a 20%
2004	interest in NBC. VU retains a 20% voting interest, and an 18.5% ownership interest, in NBCU.

(Sources: Annual reports of Vivendi and Time Warner, Datamonitor, media industry profiles, business press reports)

Table 2. VU Board of Directors in 2001

Members	Positions
French (12)	
Jean-Marie Messier	CEO, VU
Pierre Lescure*	CEO, Canal+ and Executive Officer of VU
Eric Licoys	Executive Officer, VU
Bernard Arnault*	CEO, LVMH Moët Hennessy Louis Vuitton
Jean Louis Beffa*	CEO, la Compagnie de Saint-Gobain
Jean Marc Espalioux	CEO, Accor
Philippe Foriel-Destezet*	Founder, Ecco
Jacques Friedman	CEO, UAP
Henri Lachmann	CEO, Schneider Electric
Serge Tchuruk	CEO, Alcatel
René Thomas*	Honorary President, BNP Paribas
Marc Viénot	Honorary President, la Société Générale
Foreign (7)	
Edgar Bronfman Jr.	CEO, VU Canada Inc
Edgar M Bronfman	President, Samuel Bronfman Foundation, Inc
Richard H Brown	President, Electronic Data Systems
Esther Koplowitz	Reputedly the richest person in Spain
Marie-Josée Kravis	Member, US Secretary of Energy's Advisory Board
Samuel Minzberg	CEO, Claridge Inc.
Simon Murray	Chairman, Simon Murray and Associates (BVI)

* Directors who left the board prior to Messier's resignation.

Source: VU annual report , 2001

Table 3. Vivendi Board of Directors after Fourtou became CEO

Members	Positions	Replacing
French (6)		
Jean-René Fourtou	CEO, VU. Born south west France. Friend of Bébéar with whom he managed UDF Party finances. Former member, *Club Entreprises et Cités*. Graduate, *Polytechnique (X).*	Messier
Claude Bébéar	Born south west France. Former CEO, AXA. Founder, *Institut du mécénat de solidarité, Institut Montaigne*, and *Club Entreprises et Cités*. Graduate, *Polytechnique (X).*	Beffa
Gérard Brémond	CEO, Pierre et Vacances group. Former member, *Club Entreprises et Cités*. Chairman, Lafarge.	Friedmann
Bertrand Collomb	President, *Association Française des Entreprises Privées*. Former member, *Club Entreprises et Cités*. Graduate, *Polytechnique (X), Corps des Mines*	Espalioux
Dominique Hoenn*	CEO, BNP Paribas.	
Henri Lachmann	CEO, Schneider Electric. Former member, *Club Entreprises et Cités*. Friend of Bébéar	Arnault
Foreign (6)		
Edgar Bronfman Jr ¥		
Edgar Bronfman¥		
Fernando F. de Córdova	Chairman, René Barbier wine group	
Paul Fribourg	CEO, ContiGroup. Member, Council on Foreign Relations.	Koplowitz
Gerard Kleisterlee	CEO, Royal Philips Electronics Group	Viénot
Marie-Josée Kravis	Member, US Secretary of Energy's Advisory Board. Senior Fellow, Council on Foreign Relations	Foriel-Destezet

* Dominique Hoenn resigned during 2003.

¥ The participation of Edgar Bronfman and Edgar Bronfman Jr. in any committees and Board meetings was suspended in May 2003 after the latter advised his intention to lead a consortium of potential purchasers of the American group assets. (VU Press release, May 21, 2003, http://www.amf-france.org/).

Source: VU's 2002 Annual Report.

Table 4. Bronfman Family Presence on the Board of Directors of Vivendi (Universal)

Year	% voting stock	Bronfman family members	Other directors holding more than 5% of voting stock
2000	8.34	Edgar Bronfman Jr. Edgar M Bronfman Charles R Bronfman 5 other directors represented family interests (8 of 20 directors)*	None
2001	5.59	Edgar Bronfman Jr. Edgar M Bronfman (2 of 19 directors)*	None
2002	4.24	Edgar Bronfman Jr. Edgar M Bronfman (2 of 12 directors)*	None
2003	0.67	Nil (none of 10 directors)*	None
2004	0.47	Nil (none of 12 directors)*	None

* For a period of four years, under the terms of a Shareholder Governance Agreement on June 19, 2000, the family was allocated three board seats if it held more than 75% of its initial participation; two seats if it held between 50% and 75%; and one seat if it held between 25% and 50%. This agreement gave the Bronfman shareholders incentive to act in concert like one shareholder (VU 2002 annual report).

Source: annual reports accessible at http://www.amf-france.org/

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