

# I

## Overview

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In this volume, we scan a sample of empirical work on family businesses – focusing on the Eastern Europe cluster. The most common explanation of the Eastern Europe cluster is based on Soviet hegemony. By this logic, Eastern Europe referred to the satellites set up by the Soviets after the World War II. However, a more robust approach looks at the continuing cultural sequence predating the Soviet factor, and includes Greece in the cluster. The history of this cluster was shaped by an exceptional form of a fundamentally Asian culture, that of the steppe nomad (McNeil, 1964). The “great war captains” continuously created the steppe empire in the region to pull together separate pastoral groups, and constantly imposed controls over the land, labor, produce, and freedom of movement of the region’s peasant families. The presence of mountains and forests provided social stability and promoted group cohesiveness (Gupta and Hanges, 2004).

Family businesses were historically an important form of organization in the Eastern Europe cluster. Under communism, the family business assets were expropriated by the national governments. After the fall of communism, some of the family business assets were reverted back to the successors of those families. Some communist party members acquired the privatized state-owned enterprises, and operated them as family businesses, often along with the families of their friends. Many individuals also founded new family businesses along with their spouses or brought their spouses into the businesses they founded.