

LA GEOPOLITICA Y LA INVESTIGACIÓN SOBRE LA EMPRESA FAMILIAR: UN ARTÍCULO DE PERSPECTIVA

GEOPOLITICS AND FAMILY BUSINESS RESEARCH: A PERSPECTIVE ARTICLE



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RESUMEN

El nuevo orden mundial, a nivel geopolítico y geoeconómico, afecta la estructura y gestión de instituciones y organizaciones de todo el mundo, como las empresas familiares (EF). Este estudio tiene como objetivo explorar la necesidad de construir una nueva teoría de las EF basada en estos nuevos desafíos. Este estudio se basó en un método de revisión del alcance. Los hallazgos muestran que es factible construir una nueva teoría para las EF desde el área geopolítica, que refleje el nuevo orden mundial al que están ingresando las EF y el efecto que tendrá en sus diversos elementos. Este estudio exige revisar cómo se han abordado las EF, tomando elementos de la teoría geopolítica, y propone una perspectiva futura, la quinta ola en su contexto de investigación, una visión novedosa que no se encuentra en la literatura sobre las EF.

Palabras clave: empresa familiar, retos geopolíticos, geoeconomía, contexto empresarial.

ABSTRACT

The new world order, at the geopolitical and geo-economic levels, affects the structure and management of institutions and organizations across the globe, such as family businesses (FB). This study aims to explore the need to build a new FB theory based on these new challenges. This study was based on a scoping review method. The findings show it is feasible to build a new theory for FB from the geopolitical area, which reflects the new world order FB is entering and the effect it will have on its diverse elements. This study calls for revisiting how FB has been approached, taking elements from geopolitical theory, and proposes a future perspective, the 5th wave in its research context, a novel view not found in the FB literature.

Key words: Family business, geopolitical challenges, geoeconomics, business context.

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1. INTRODUCTION

German geographers in the late 19th century introduced the term “geopolitical” as a combination of geography and politics. This can denote a viewpoint or method of analysis that focuses on the interactions between territory, power, and space (Cohen, 2003). It is time and aim to pay attention to the influence of geopolitics in FB (companies where the family controls at least 20 % of owned capital share or voting rights) research since the relevance of the geopolitical realm is greater than ever in the modern globalized world (Munoz, 2013).

FB has always had a significant impact on the world economy, one that is sometimes overlooked or undervalued. They create between \$60 trillion and \$70 trillion in turnover yearly, making up about 70 % of the global GDP. About 60 % of all jobs worldwide are held by them, and they are vital to the advancement of infrastructure, healthcare, and education in their local communities all over the world (UNCTAD, 2021).

An investigation was conducted to ascertain the applicability and utilization of geopolitical theory in FB research. Scoping reviews are used to investigate current concerns and are particularly useful for investigating “emerging” themes from several disciplines, “mapping the main concepts” of a particular field of study and characterizing “gaps” in the literature (Peters *et al.*, 2015). It was not possible to find any evidence of a previous conceptualization or connection between geopolitics and FB using Google Scholar, EBSCOhost, ProQuest, Scopus, Emerald, Ingenta, JSTOR, ScienceDirect, and Wiley (with no specific dates, under the “any time or moment” criteria), under the keywords “geopolitics business strategy,” “origins evolution geopolitics,” “geopolitics systematic review future trends business,” “geopolitics organizational studies business,” “geopolitical challenges family business,” and “geopolitics literature review new world order.”

Based on the aforementioned, the present perspective article was elaborated. Perspective papers are more speculative and very forward-looking, even visionary.

They offer the author the opportunity to present criticism or address controversy. Authors of perspectives are encouraged to be highly opinionated (Taylor & Francis, 2024).

A perspective discusses a current research topic of great interest in which the author’s viewpoint throws light on important research findings. It presents the author’s thoughts and insights regarding the topic of interest, emphasizes a fresh and original point of view on problems that already exist, basic ideas, or widely held beliefs about a particular subject, proposes and supports a new hypothesis, may highlight recent developments and potential directions for the subject, and can be brief-between 2000 and 4000 words in total (JLE, 2024).

The present perspective paper is organized as follows: First, an introduction to geopolitics is presented, in the second section the FB context is approached, in the third section a future perspective between Geopolitics and FB is debated, and we end with a conclusion.

2. GEOPOLITICS AND ITS TRANSITION TO MODERN PERSPECTIVES

Over time, geopolitics started to “denote the influence of geography on the power of states and international affairs more broadly, with less emphasis on determinism and more on the strategic importance of natural resources, their location, transportation routes, and chokepoints” (Overland, 2019, p. 36). The late 1990s saw the rise of critical geopolitics (Agnew, 1998). From its perspective, “geographic arrangements, [are seen as] social constructions that are changeable over time depending on political, economic and technological changes” (Amineh, 2003, p. 24). The policy and image of a state within its geographical location, which can influence other topics/objects of international life to assure national interests and national security, are crucial to the current view of geopolitics (Omelchenko *et al.*, 2022).

In 2018, there was not much of a difference in the way non-family private enterprises and family businesses perceive risk. Interestingly, though, family firms do not list (Deloitte, 2018) geopolitical concerns or an unclear economic outlook among their top five dangers to growth (Cost of raw materials and other input costs (24 %), Ability to hire and retain employees (23 %), Competition from market disruptors (22 %), Increased regulatory requirements (21 %), Foreign exchange rate fluctuations (19 %)), while non-family private enterprises do (Cost of raw materials and other input costs (22 %), Uncertain economic outlook (in home country) (21 %), Ability to hire and retain employees (21 %), Competition from market disruptors (20 %), Geopolitical uncertainty (20 %)).

The majority of respondents to that same study, which included 400 CEOs from family-owned companies in 24 different countries, anticipated increases in sales, earnings, and capital expenditures in the upcoming year. Furthermore, 48% anticipated adding more full-time staff. 53 percent of respondents feel more apprehensive about their future business prospects despite these forecasts. But the world context has changed indeed.

Recently, geopolitical theories have considered the latest tools and capabilities to influence leading states, targeting the creation of favorable conditions to gain geopolitical and geo-economic priorities (Omelchenko *et al.*, 2022). They argue that one of the geopolitics dimensions, geo-economics, occupies a prominent place in the new paradigm of geopolitics and that geo-economic strategies are associated with attempts to conquer the economic territory of the future. The study of economics facilitates the flow of goods, boosts production, and fosters wealth. When it becomes a tool for gaining control and power over “others,” aside from these benefits, it becomes geoeconomics (Shahzad, 2022).

Within geoeconomics, firms play a vital role, that is, strategic approaches for contemporary corporations (Munoz & Pettus, 2013), renewable energy

(Vakulchuk *et al.*, 2020), and geopolitical impact on supply chains (Bednarski *et al.*, 2023), and in international business, specifically geopolitical risk analysis, where corporations must evaluate labor, suppliers, legal and political environments, economic policies, and conflicts (Baena-Rojas & Bonilla-Calle, 2021). Experiences that show real-world (empirical) strategies for the ever-changing economic landscape, but in the geoeconomic field.

The source and application of geoeconomic power, as well as how hegemon countries (such as the USA) use their existing financial and trade networks to exert power over foreign entities and demand expensive actions from the portion of the global production network that they can pressure, have been the subject of recent attempts to elaborate geoeconomics theoretical models (Clayton *et al.*, 2023) to demonstrate how these optimal actions take the form of financial transfers, markups on goods, surcharges on loans, but also restrictions on import-export activities. The authors demonstrate how the hegemon exercises macro-power by using these acts to sway global equilibrium in its favor. It is simple to understand how this can affect entire economies and, in turn, how their economic units -like FB- are run and managed.

Nestorović (2023) states the complex interplay between business and geopolitics, the crucial role that corporations play in determining international affairs, how corporations understand space, state, and power, and how classical, critical, and feminist geopolitics have influenced business tactics, where companies are the main non-state actors in geopolitics. Surprisingly, FB has been excluded from the discussion, despite its well-known relevance to most national economies.

Moreover, Felbermayr (2022) debated the effect of a potential realignment of the European Union foreign trade policy (international procurement, protection against economic coercion, and supply chain legislation) due to new geostrategic realities in the region's FB.

3. FAMILY BUSINESS AND ITS PERSPECTIVES

Family businesses are among the longer-standing institutions in the world. In Japan, they are called *shinises* and businesses and are older than 100 years of age (Mandujano-Salazar, 2022). Colli (2002) provides a historical and comparative analysis of FB between 1850-2000, looking at the many relationships that have developed between family organizations and within various institutional and political situations.

Bird *et al.* (2002) reviewed FB literature from the 1980s to 2001. Debicki *et al.* (2009), from 2001-2007. Subsequently, Rovelli *et al.* (2022) examined three prestigious FB scholarly publications (1381 articles). Through a bibliometric analysis from 1988 to 2017, they found that “Family business,” “succession,” “corporate governance,” “socioemotional wealth,” “family ownership,” “firm performance,” “familiness,” “family dynamics,” and “innovation” were among the subjects of interest. In recent years they found terms like “socioemotional wealth,” “succession planning,” “entrepreneurial orientation,” and “innovation” have become increasingly common, and scholars lately become interested in subjects like “absorptive capacity,” “gender,” “family control,” “corporate social responsibility,” and “family company heterogeneity.” Overall, there were no references linking FB to geopolitical theory/themes.

Themes that are closely related to geopolitics and FB have been related to internationalization (Elo & Dana, 2019), diaspora (Gupta, 2012), regional development (Stough *et al.*, 2015), corporations and their business environments (e.g., country institutional differences and firm behavior (Bobillo *et al.*, 2013), and labor markets (Ryazantsev & Lukyanets, 2016).

4. FUTURE PERSPECTIVE BETWEEN GEOPOLITICS AND FB

Data shows (Asaf *et al.* 2023), that for FB it's just business as usual. Regardless of what the world throws at them, many of these companies have survived and thrived over multiple decades. Some, such as

Levi Strauss and L'Óreal, have been operating for well over a century. Their research confirms FOBs' adaptability, resilience, and impact: they have the structures and best practices required to withstand business challenges in uncertain times. In general, they exhibit stronger performance than businesses that are not family-owned, although the extent and drivers of that outperformance vary. How FB have been able to confront the geopolitical challenges that have appeared throughout recent history?

The aforementioned information is centered on the West's perspective. a corollary of the economic interests of the West. It was assumed that history would follow a unilateral course toward growth along Western capitalist lines, with little regard for a people's culture, beliefs, or well-being (Shahzad, 2022). That is why calls for world system analysis have been made, where it opens the possibility of changing the way we look at our world, to move from the simple ideas of mercantilism and developmentalism to the complex ideas of dependency theory, globalization, and so on (Wallerstein, 2013).

Given the historical moment the world is facing, and the challenges FB will face in the coming years that are drastically different from the past, we contend FB cannot be viewed anymore through the traditional academic lens given the shift to a new world order that affects them in many ways, labeled as the “5th wave” (Montiel *et al.*, 2022). Among them are the end of globalization and the penetration of regionalism, sovereignty, and nationalism; reconfigurations of political and commercial blocs; emerging economies; intense migratory flows; climate change; difficult access to resources; political instability or violence; and changes in the financial and monetary system. Nor to say technological innovations (AI, for example) that are beginning and will change forever the landscape.

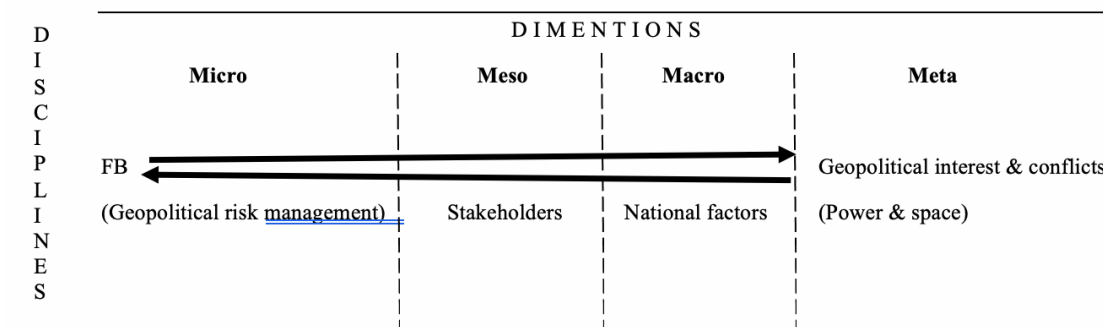
It might be feasible that geopolitics theory can shed light on this issue. Using Cohen's theory (2003), an FB geopolitical structure can be described in terms of its *patterns* (shape, size, physical and human geographic characteristics, and the networks that connect them), and *features* (political-geographical nodes, areas, and

boundaries that contribute to the FB’s distinctiveness and cohesiveness), which have varying degrees of “maturity,” evolving from atomization/undifferentiation to differentiation and then to specialized integration.

Sharma *et al.* (2013) called for a multidimensional approach to FB. Regarding the relationship between FB and geopolitics (Figure 1), the FB in the

micro-environment or territory has power (family, labor and property interrelationships, organizational culture); in the meso-environment, it operates economically to develop professional interrelationships with stakeholders and industry; in the macro-environment, it is subject to influence (national context factors where it operates); and in the meta-environment, it is subject to geopolitical influence.

Fig. 1. FB and Geopolitical relation.



Source: Author’s elaboration.

How should FB adapt to the present and ever-changing geopolitical landscape when making decisions and developing activities? How does FB’s organizational culture, traditions, capabilities, or familiness adapt to the risks and opportunities of the meta-environment? How do different territorial contexts and institutions shape FB operations and performance because of geopolitical influences?

5. CONCLUSIONS

Major alterations due to geopolitics at the micro, meso, macro, and meta levels suggest a reconsideration of FB research. The agenda of this study should be multidimensional and multidisciplinary. The current shift from a centric to a polycentric world order calls for an in-depth analysis of how FB, both as an economic unit and a research area, can address this tectonic change, and the effect this will have on FB’s financial performance, viability, regional development, internationalization, digitalization, and artificial intelligence.

The potential implications are far greater since FB is the major driver in most economies.

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