

## ABHANDLUNGEN

### **Cosmopolitan Entrepreneurs: Culture, Mobility and Survival among Baltic German Family Businesses in the Twentieth Century**

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#### **Introduction: researching family businesses**

Family business history has a highly engaging literature. In the 1970s, Alfred D. Chandler characterised family businesses as vital contributors to early phases of economic development, but as less suited to modern times during which rationally bureaucratic corporations have come into their own.<sup>2</sup> By the early 1990s, views were becoming more nuanced, with Manfred Kets de Vries addressing not only the potential disadvantages of family firms (such as complicated institutional structures), but also their potential advantages (such as the creation of a family-oriented ethos in the organisation).<sup>3</sup> Since de Vries's study, optimistic readings of family businesses have advanced further. So, for example, although Andrea Colli recognises that family firms can be organised idiosyncratically, she insists – amongst other things – that they can provide “the optimal solution when the managerial enterprise faces high transaction and agency costs in a hostile environment.”<sup>4</sup>

Probably the most magisterial study of family business to date is Harold James's discussion of the Wendels, Haniels and Falcks.<sup>5</sup> His rich narrative highlights the importance of family capitalism as an engine of growth at times of state weakness – a point which often held good in nineteenth-century Europe, but which also transcends that period.<sup>6</sup> Similar to Colli, James has recognised that family firms can withstand disrupted economic environments and can manage high-risk situations effectively. This image of family firms as strong performers in difficult environments has been underlined by Christof Dejung. Family

1 I wish to thank the following for supporting the research which stands behind this article: the British Academy, the Herder Institute, Marburg, the Nordost Institute, Lüneburg and Greifswald University. I would also like to thank two anonymous readers for their helpful comments.

2 For discussions of Chandler's work, see Andrea Colli: Family Firms between Risks and Opportunities: a Literature Review, in: *Socio-Economic Review* 11 (2013), no. 3, pp. 577-599, here p. 584; idem, Carole Howorth et al.: Long-Term Perspectives on Family Business, in: *Business History* 55 (2013), no. 6, pp. 841-854, here pp. 842 f.; and Andrea Colli: *The History of Family Business 1850–2000*, Cambridge 2003, p. 7.

3 Manfred F.R. Kets de Vries: The Dynamics of Family Controlled Firms: The Good and the Bad News, in: *Organizational Dynamics* 21 (1993), no. 3, pp. 59-71.

4 Colli, *History of Family Business* (see note 2), p. 4.

5 Harold James: *Family Capitalism. Wendels, Haniels, Falcks, and the Continental European Model*, Cambridge, MA 2006.

6 *Ibidem*, p. 8 and p. 12.

businesses are said to perform particularly well in situations where information is ‘sketchy’, markets are ‘volatile’ and property rights are ‘not always guaranteed’. In part at least, this is because business and family relationships can intertwine to give entrepreneurs confidence that deals will be honoured.<sup>7</sup> Equally, family businesses can display excellent ‘soft skills’ which facilitate the construction of ‘networks of trust’ among associates.<sup>8</sup>

All of these points require rooting in evidence and Andrea Colli has highlighted that case studies are fundamental to family business history.<sup>9</sup> To date, case studies have dealt especially with the UK, USA, Germany, Italy, France and Japan.<sup>10</sup> It is a good list, but nonetheless incomplete. As yet, there has been relatively little scholarly interest in Eastern Europe or Russia. Given that family businesses have been counted as advantageous in the context of weak states and disrupted economies, this is an important gap because Eastern European and Russian territories have seen more than their fair share of both weak states and disrupted economies. Furthermore, in these lands upheaval often has been associated with population movement, either due to state policy or threat to the person. If family businesses are effective at withstanding crises, East European and Russian experiences should tell us much about business resilience in the face of economic disruption in general, and in the face of physical displacement in particular.

But what of the area’s culture? According to Harold James, there are searching questions to be asked about cultural diversity and entrepreneurial activity.<sup>11</sup> For instance, Finnish and American business activities are different, with Finnish businessmen more modest and risk averse than their American counterparts.<sup>12</sup> Networking practices vary by culture too. Historically and distinctively in Finland, for instance, godparents were chosen as a way to foster social connections and to seek out social advantage.<sup>13</sup> In non-European cultures, connections constructed by gift-giving (such as happens in the systems of *guanxi* in China and *wasta* in Lebanon) can look corrupt to European eyes.<sup>14</sup> So, based on what we know

7 Christof Dejung: *Worldwide Ties: The Role of Family Business in Global Trade in the Nineteenth and Twentieth Centuries*, in: *Business History* 55 (2013), no. 6, pp. 1001-1018, here p. 1002.

8 *Ibidem*.

9 Andrea Colli: *Business History in Family Business Studies: from Neglect to Cooperation?*, in: *Journal of Family Business Management* 1 (2011), no. 1, pp. 14-25, here p. 15.

10 See James, *Family Capitalism* (see note 5) plus the comments of Colli, Howorth et al., *Long-Term Perspectives* (see note 2), p. 841.

11 James, *Family Capitalism* (see note 5), p. 17.

12 Heli Valtonen: *Does Culture Matter? Entrepreneurial Attitudes in the Autobiographies of Twentieth-Century Business Leaders in Finland and the United States*, in: *Business and Economic History On-Line* 5 (2007), pp. 1-24.

13 Kari-Matti Piilähti: *Climbing up the Social Ladder: Godparental Patterns among New Entrants into the Business Elite in Finland in the Nineteenth Century*, in: *The History of the Family* 17 (2012), no. 1, pp. 51-76.

14 Florin Lucian Isac, Eugen Florin Remes: *Culture and Business Ethics – A Comparative Perspective*, in: *Studia Universitatis “Vasile Goldis” Arad – Economics Series* 27 (2017), no. 3, pp. 54-65, here pp. 54-56; Priyan Khakhar, Hussain Gulzar Rammal: *Culture and Business Networks: International Business Negotiations with Arab Managers*, in: *International Business Review* 22 (2013), no. 3, pp. 578-590; Tony Fang, Shuming Zhao et al.: *The Changing Chinese Culture and Business Behaviour*, in: *International Business Review* 17 (2008), no. 2, pp. 141-145; Kwok Leung: *Chinese Culture, Modernization, and International Business*, in: *International Business Review* 17 (2008), no. 2, pp. 184-187; Yadong Luo: *The Changing Chinese Culture and Business*

already of the importance of culture for the pursuit of business around the globe, there is every chance that study of family business practices in Eastern Europe and Russia will show distinctive cultural traits related to the particular characteristics of those regions.

‘Culture’ runs deep. It frames not only business practices, but the whole business environment (through law, politics and institutions). It even defines what is understood by ‘family’ and hence what constitutes ‘a family business’. This is why Andrea Colli maintains that both the idea of a family firm and its prospects for success are cultural matters.<sup>15</sup> A number of studies have underlined this cultural variability of family firms. We believe, for instance, that family firms have special significance in Italy,<sup>16</sup> that ideas of family firms in China are different to those in Japan<sup>17</sup> and that the Finnish business élite has favoured family businesses with ‘mixed’ approaches to sales, industrial production and local banking.<sup>18</sup> Nonetheless such individual observations only serve to highlight that our understanding of the full cultural variability of family businesses is still in the process of emerging: it is patchy rather than comprehensive.

Once more, closing the gaps requires work on Eastern Europe and Russia. To cite James again, *ancien* regimes were family affairs at every level.<sup>19</sup> If this was true in France, Germany and Italy, how much more true was it in Eastern Europe and Russia? This article, therefore, will begin to address gaps in the history of family business by discussing several cases which originated in the Russian Empire, which operated in interwar Latvia and Estonia, and which (in some cases) moved successfully to the Federal Republic of Germany after 1945. In the process, the paper will indicate some possibly distinctive characteristics of businesses drawn from the Baltic German community. Particular attention will be paid to the way local culture framed family businesses, not least in respect of efforts to influence policy-formation, social engagement and business resilience in the face of profound change.

### The Baltic German context for family business

The survival of family firms cannot be separated from the self-understanding of families.<sup>20</sup> Among Baltic Germans, ideas of family were, and indeed can remain even today, distinctively strong. There are good historical and cultural reasons for this. Families and their names could be associated with centuries-long inhabitation of the Baltic region and the ownership of landed estates (e.g. the Camphausen and Stackelberg families). They could be associated with important historical events (e.g. the Manteuffel family and the storming of Riga on 22 May 1919). Some families practiced the same vocation generation after generation (e.g. the Hasselblatt family and service in the church). Inter-marriage between élites

Behavior: The Perspective of Intertwinement between Guanxi and Corruption, in: *International Business Review* 17 (2008), no. 2, pp. 188-193.

15 Colli, *History of Family Business* (see note 2), p. 28 and pp. 73 f.

16 *Ibidem*, p. 65.

17 *Ibidem*, p. 46.

18 Juha Kansikas: *The Business Elite in Finland: A Prosopographical Study of Family Firm Executives 1762–2010*, in: *Business History* 57 (2015), no. 7, pp. 1112-1132.

19 James, *Family Capitalism* (see note 5), pp. 12, 22-25, 29.

20 *Ibidem*, p. 13.

consolidated the importance of lineage (e.g. Axel de Vries's marriage to a 'Manteuffel'). Furthermore, the significance of family membership was underpinned by the system of *Ritterschaften* (chivalrous orders), which provided the structure of political organisation in the Baltic Provinces during the Russian Empire. In a system which takes aristocracy seriously, genealogy defines nobility and hence represents a claim to power.

The significance of 'inheritance' – genealogically for some families, but culturally for all – was strengthened further by the Baltic German community's link to the Teutonic Knights who had sought to 'civilise the East'. Even families which arrived late in the Baltic could take strength from joining a community which embodied myths of élite status and world historical purpose. Putting everything together, it is no mere chance that *Ritterschaft* organisations continue to exist 'in exile' in Germany today and at least some of the Baltic German community remain enthusiastic about genealogical research.<sup>21</sup> This is why the post-war memoirs of even 'ordinary' Baltic Germans sometimes incorporate extensive details of family trees and biological family inheritance.<sup>22</sup>

The administration of the Baltic Provinces by the *Ritterschaften* during imperial times meant that aristocratic Baltic German families 'didn't just have a relationship' to the system of political control; they 'were' that system. A parallel system of organisation existed in the economy, namely the guilds. Although membership of the guilds was not heritable as in the case of the *Ritterschaften*, nonetheless it was reserved for specifically Baltic German entrepreneurs and artisans who met as members of an élite imperial national group among a population of non-élite nationalities (e.g. Estonians, Latvians, Russians and Jews). Given the level of autonomy allowed to the Baltic Provinces by St. Petersburg, it followed that the guilds had an important role to play in organising the economic development of this strategically important region. Arguably they were influential players in legitimising the rule of both the Russian Empire and the *Ritterschaften* because they helped deliver prosperity for the local economy. Furthermore, in terms of the traditional 'civilising mission', the guilds could be seen as promoters of 'civilised', 'Christian' economic practices – the latter being reflected in the guilds' social aims (see below). Without doubt, it was a mark of social distinction for an entrepreneur or craftsman to obtain a senior position in a guild.

The historical importance of the Baltic Provinces was emphasised further by their location on old Hanseatic trade routes leading to the Russian heartland and so the region's businesses were well placed to thrive during the economic boom of the late nineteenth and early twentieth centuries.<sup>23</sup> In Eastern Europe, however, historical development – and especially economic development – was not a story of linear progress and untroubled material improvement. All too frequently the region experienced fundamental breaches and discontinuities – not least war, occupation, revolution and decolonisation – which brought substantial economic dislocation. The numerically small Baltic German community was well aware of its vulnerability to change and took practical steps to secure its existence. Hence when, during the Baltic independence period of the 1920s, proponents of education-

21 So there is still a Verband der Baltischen Ritterschaften and there is a Deutschbaltische Genealogische Gesellschaft. See <https://www.baltische-ritterschaften.de/> and <http://www.dbgg.de/> [both accessed 19.11.2018].

22 For example, see Eugen Berg: *Die Familie Wilhelm Hjortd. Riga – Lauda, Lauda 1970.*

23 The point is noted in the family history of a firm discussed later in this paper: *Ibidem*, p. 25.

al and cultural autonomy promoted autonomous schooling for local ethnic Germans, they recognised the need to prepare their young people for practical careers in trade, industry and the crafts.<sup>24</sup> Likewise, after 1945, as some Baltic Germans sought to re-build the community away from its historic homeland, a number of leading figures highlighted the need for practical training opportunities for its young members.<sup>25</sup> So how did Baltic German family businesses experience their community's history?

### **Ewald Ammende and the family business**

The interwar period as experienced in Central and Eastern Europe should be fascinating for business historians. Across the region, massive old empires were destroyed in favour of much smaller new nation states which were sandwiched between Weimar Germany and the Soviet Union. The transformation brought profound economic consequences. Suddenly the economic dictates of old empire were removed; established markets and supply chains no longer held good; transport and distribution systems experienced deep dislocation; miles of new state borders were drawn up and new protectionist tariffs introduced. The border of the Soviet Union became an all but insurmountable hurdle to western businesses. At the same time, formerly imperial societies experienced processes of decolonisation which subverted the privileges and practices of established business élites.

Consider a family business located in Pärnu (formerly Pernau). Before 1914 it was located at the heart of the Russian Empire's flourishing Baltic Provinces in the northern part of Livonia, whence it looked to Riga as its dominant city. By the peace settlement of 1920, however, it was allocated to Estonia. Now the town was required to look to that state's capital (Tallinn, formerly Reval) and, economically, it was cut off from Riga (Latvia's capital) by a state border and trade tariffs. Worse, now Pärnu's businesses had become part of a small nation state on the fringe of Europe and, thanks to the Russian Revolution, they had lost their traditional access to the opportunity-rich lands further to the East. One member of a family business based in Pärnu, Ewald Ammende (1892–1936), responded with creativity and optimism.<sup>26</sup> He attempted to address personal and civic problems through policy proposals, in the process indicating how private and public interests could converge in this time and place.

The Ammendes were among Pärnu's 1,200 ethnic Germans and in keeping with its pre-1914 élite imperial status, the family had a history of community engagement – a background which prepared it well to engage in policy debates about economic futures. Ewald

24 See, for instance, Heinrich Pantenius: Berufswahl und Schule, in: Revaler Bote, no. 220, 29 September 1925. As an imperial élite, historically many ethnic Germans had gone into state employment, such as state administration. In the 1920s, however, increasingly such jobs were being staffed by ethnic Latvians, Lithuanians and Estonians.

25 Richard Kablitz: Fördert unsere Jungen! Die BB besuchen Landsleute, in: Baltische Briefe. Heimatblatt der Deutschbalten, no. 7 (81), Vol. 8, Marburg, July 1955.

26 For a biography which focuses on Ewald Ammende's work promoting the rights of national minorities in the interwar period see Martyn Housden: *On their own Behalf. Ewald Ammende, Europe's National Minorities and the Campaign for Cultural Autonomy 1920–1936*, Amsterdam 2014.

Ammende's grandfather had been a *Ratsherr*, while his father had been a *Stadtrat* and deputy council leader.<sup>27</sup> His father was also president of the local School Association which supported the local German school and his mother was involved in the local branch of the Estonian Women's Association.<sup>28</sup> Ewald Ammende was active in public affairs too, especially in connection with national minority rights. At the level of the Estonian state, he supported the achievement of cultural autonomy (1925), while internationally he helped establish the Association of German National Minorities in Europe (1922) and later the European Congress of Nationalities (1925).<sup>29</sup> His concerns, however, also reflected his family business background.

After he graduated from the German grammar school in Pärnu in 1909, it was decided that Ewald should not continue his education in the thoroughly academic, though rather remote, surroundings of Tartu (then Dorpat) University, but in the more practical and cosmopolitan environment of Riga Polytechnic where he studied trade. He went on to study in Germany, first at the Business High School in Cologne (where he graduated in 1912) and then Tübingen, before diversifying his educational experiences further with a spell at the Institute of Economics in Moscow. After the First World War he returned to Germany to study at universities in Cologne (1919/20) and Kiel (1922). While a student, Ammende wrote a dissertation about Dutch trading history and later a doctorate about German minorities. He made study trips to England, France, the Balkans and northern Russia.<sup>30</sup> It appears that the Ammende family had good links with Liverpool and Mukden.<sup>31</sup>

During the First World War, Ewald Ammende began running his father's firm, which appears to have been a general trading house. He learned how to deal with different kinds of administrations when, in 1915, he became Plenipotentiary for Supply to Livonia and when, in 1918 (with the Baltic area now under German occupation), he negotiated with the Hetman of Ukraine for raw materials and food for Estonia and Livonia. He visited Ukraine to procure a shipment of sugar, eastern Moscow to facilitate the movement of a cargo of rice, and St. Petersburg to acquire petrol.<sup>32</sup> At this time, being a businessman in the Baltic brought risk. In March 1917, Ewald's father was arrested by Bolshevik authorities.<sup>33</sup> After the war, his brother (Edgar) was imprisoned in Moscow.<sup>34</sup>

As war drew to an end, so massive social and economic transformations took place across Eastern Europe. Now, in the newly independent Estonia and notwithstanding the fact that Baltic Germans had lost their former status as a colonial élite, Ewald Ammende

27 The figure of 1,200 is cited in: Rund um die kleineren Städte der Heimat, in: Revaler Bote, no. 216, 20 September 1924. It is also cited as the number of members of the town's Nikolai Church community, see H. v. B.: Rund um die kleineren Städte der Heimat, in: Revaler Bote, no. 228, 4 October 1924.

28 B., Rund um die kleineren Städte (see note 27).

29 Housden, *On their own Behalf* (see note 26); also Sabine Bamberger-Stemmann: *Der Europäische Nationalitätenkongreß 1925 bis 1938*, Marburg 2000.

30 A copy of Ewald Ammende's curriculum vitae is located at Russian State Military Archive Moscow (RSMA), 1502-1-30.

31 Housden, *On their own Behalf* (see note 26), p. 379. Also 6.12.35, Ammende to Roediger, R 31832, also Political Archive of the Foreign Office Berlin, 6.12.35, Ammende to Roediger, R 31832.

32 Relevant documents are held at 1502-1-11 and 1502-1-47, RSMA.

33 See RSMA, 1502-1-15.

34 This event is recorded in various letters written in 1921 which are located at RSMA, 1502-1-84.

attempted to become a business opinion-former. As he did so, he drew on his family's wealth and connections. After the First World War, he acquired some shares in the newspaper *Rigasche Rundschau* (edited by the famous liberal, Paul Schiemann) and so began a career in journalism which, in due course, led him to contribute regularly to Estonia's leading Baltic German newspaper, *Revaler Bote*.<sup>35</sup>

Through journalism, Ewald Ammende gained a number of entrées to European policy circles. For *Revaler Bote*, he attended the Genoa Conference where he interviewed Professor Cassell, an expert in international economics. They discussed how new borders were dividing markets from traditional sources of raw materials and hindering the flow of trade. Ammende warned of the 'Balkanisation of the Baltic'.<sup>36</sup> More specifically, at another time he explained how Latvian tariffs were hindering Pärnu's agricultural trade by disrupting the export of flax via the traditional route through Riga.<sup>37</sup> Ammende maintained that economic unity was a pre-requisite for Baltic economic success. He favoured the Baltic States becoming a trading unit and, eventually, providing a single efficient transit land between the West and Russia. Predictably, when Ammende met German Foreign Minister Rathenau, they discussed the possible flow of German trade to Russia via the Baltic coast.<sup>38</sup>

Ammende met several other European statesmen in Genoa, for example President Edvard Beneš (Czechoslovakia) and Foreign Minister Konstanty Skirmunt (Poland). His reporting presented a coherent politico-economic vision. Ammende advocated that Estonia should remain aloof from bloc-based international politics and ally with neutral states such as Switzerland. This would permit less money to be spent on armaments and more on socially useful projects.<sup>39</sup> With the economy thus reinvigorated (and no doubt aided by neutral status), in due course the Baltic region could re-engage with Russia, which he considered fundamental to the economic well-being not just of the Baltic region, but of Europe as a whole.<sup>40</sup>

It's at this point we have to remember that Ammende's family was an international trading family, and so it would flourish when the Pärnu region flourished, when Estonia flourished, when the Baltic flourished and when Europe flourished. As a businessman and journalist with a wide spread of cosmopolitan experience, Ammende appreciated how all of the economic levels (from familial, to local, to regional, to national and to continental) fitted together. This was reflected in his discussion of railways. At the time, railways were vitally important trade arteries. The Baltic's rail system had been developed, however, according

35 Ferdinand von Üxküll-Güldenband: Dr. Ewald Ammende [Obituary], in: *Nation und Staat* (1936), pp. 531-537.

36 Ewald Ammende: Professor Cassell über die Konferenz von Genua und das europäische Sanierungsproblem, in: *Revaler Bote*, no. 122, 3 June 1922.

37 Undated article: 'Soll Südostland eine Handelskolonie Rigas werden?', see *RSMA*, 1502-1-60. Also 'Zur Frage der Zollunion mit Lettland, *RSMA*, 1502-1-60.

38 Ewald Ammende: Russland, Deutschland und die baltischen Staaten. Ein Gespräch mit Walter Rathenau, in: *Revaler Bote*, no. 119, 31 May 1922.

39 Articles by Ewald Ammende: Die baltischen Staaten und die Genua Konferenz, Abrüstung und Neutralität, in: *Revaler Bote*, no. 78, 3 July 1922; Die baltischen Staaten und die Genua Konferenz. Der Wiederaufbau Russlands und das Prinzip der "offenen Tür", in: *Revaler Bote*, no. 74, 1 April 1922. Die baltischen Staaten und die Genua Konferenz. Unsere Taktik in Genua, in: *Revaler Bote*, no. 80, 8 April 1922.

40 *Ibidem*.

to the needs of the Russian Empire, not those of independent nation states. So, the existing system tended to bind centres such as Riga and Tallinn not to the peripheries of the Latvian and Estonian states, but to Russian hubs. Hence Ammende campaigned to link Pärnu more efficiently to Tallinn by upgrading the existing narrow-gauge railway.<sup>41</sup> Also he promoted the idea of an efficient rail link between Pärnu and the main rail system running towards the Russian heartland because one day this would carry trade between East and West.<sup>42</sup> Ammende illustrated his argument by referring to old Hanseatic trade routes which ran from the Baltic to Pskov and Novgorod.

In 1921, Ammende's travels took him to Trieste. He found an Adriatic port which had thrived as part of Austria-Hungary but which now, as part of Italy, had lost its old imperial hinterland. Political isolation, high tariffs and assertive trades unions had caused its trade to drop by about 30 percent.<sup>43</sup> Ammende maintained that at least some of Trieste's lost trade was being routed through Hamburg. With an eye for an opportunity, he proposed that other northern ports (by implication Riga, Tallinn and, of course, Pärnu) should capitalise on Trieste's difficulties.

In fact, Ammende was able to locate his hometown (and hence his family's economic prospects) even more creatively in prospective economic developments. With Pärnu located half way between Riga and Tallinn, he recommended promoting it as a holiday centre. In the mid-1920s, Pärnu's council was considering the strategy and Ammende 'egged them on'.<sup>44</sup> He argued that Latvians and Finns would flock to the town to escape their own countries' stringent anti-alcohol laws. He also wanted to attract German tourists, but in this connection recommended marketing the land's Germanic cultural heritage.<sup>45</sup> Perhaps drawing on experiences from an earlier study trip, he proposed developing Pärnu's sea-front as a French-style *plage* (beach). He wanted better hotels and a *Kurhaus* to make guests feel welcome. Existing spa facilities could be enhanced by using nearby fenland mud for medicinal purposes. Returning to a 'hobby horse', Ammende advised that in order to capitalise on Pärnu's potential, all these developments should be underpinned by improved transport infrastructure. He wanted better rail, road and coach connections to Tallinn and Riga; steamers should run to Riga, Helsinki, Rügen and Stettin; he even floated an air service to Finland.

Despite all of Ewald Ammende's activity, the challenges of the 1920s proved just too much for the family firm which failed in the late 1920s. As a result, the impressive family home (Villa Ammende, Pärnu) was sold to the town council.<sup>46</sup> The failure, however, followed remarkable policy arguments to enhance the economic prospects of his region,

41 Übernahme der Pernau-Revaler Schmalspurbahn, in: Revaler Bote, no. 257, 2 November 1923. Das Projekt des Umbaues des Revaler Eisenbahnknotenpunktes, in: Revaler Bote, no. 118, 24 May 1924. See also Ammende's papers located at RSMA, 1502-7-19, p. 28, note 62 and p. 15, note 8.

42 Ibidem plus 'Der nordlivländische Handelsweg', 1502-7-35, RSMA.

43 Ewald Ammende: Italien und das tote Triest, in: Revaler Bote, no. 243, 24 October 1923.

44 Rund um die kleineren Städte (see note 27).

45 The issue of Germans and cultural tourism was explored further in an article which was unnamed, but which might well have owed something to Ewald Ammende anyway. Estland als Touristenland, in: Revaler Bote, no. 263, 17 November 1926.

46 See the web site of Villa Ammende, <https://ammende.ee/en/about-us/history/> [accessed 25.11.2018].



home town and family alike. As he argued, the creativity of Ewald Ammende's ideas testified to the long-sightedness and 'never say die' attitude of the Baltic German community; his appreciation of all levels of economic function (from local to continental) testified to the former status of the group as a colonial élite which historically had capitalised on the benefits of a world empire.

### **Business culture and Ewald Ammende's participation**

Despite the disappointing fate of his family firm, Ewald Ammende had attempted to seek out business innovations made possible by Europe's new economic environment. For instance, before 1914 Livonia and Courland could hardly have been major tourism destinations for *Reich* Germans. On the one hand, the age of mass tourism had not yet arrived and, on the other hand, such a trip would have involved movement between two mutually suspicious empires. But Ammende realised that Europe's new political circumstances had opened the way to all kinds of new ways to make money, including through international tourism; and he understood that new technology (such as air travel) would facilitate their exploitation. Here was a mind that, in many ways, understood how a business environment never stands still. As society 'progressed', so 'Ammende the businessman' was anxious to 'progress' too – recognising the need to replace lost markets with new ones and to update anachronistic transport infrastructure. Furthermore, perhaps this 'progress' had a deeper meaning for a member of the Baltic German community. In addition to the benefit that his proposals would offer his family's business, the possibility exists that strategies for the economic transformation, modernisation and arguably Europeanisation of the Baltic region also reflected a variant of the historic 'civilizing mission in the East' adapted to the interwar period.

Ammende's attempts to engage in policy also should be related to the context of the guilds and social responsibility. The guilds had a history stretching back at least to the thirteenth century. In imperial times, Riga's *Große Gilde* (or *St. Marien Gilde*) was a forum for Baltic German trades people, while the *Kleine Gilde* (or *St. Johannes Gilde*) served the artisans.<sup>47</sup> These were not solely networking centres; they promoted social engagement too. Hence, the *Große Gilde* was supposed to nurture companionship, decent community life, as well as social and spiritual welfare. Other long-established guilds existed in other cities and they too were committed to fulfilling comparable social functions.<sup>48</sup> This social role of the guilds was reiterated during the interwar period when the new Latvian state passed legislation requiring that the *Große Gilde* reform as a private (rather than public)

47 Dorothee M. Goeze, Peter Wörster: Stadtverfassung im Baltikum: Die Große Gilde zu Riga, [https://www.herder-institut.de/servicebereiche/dokumentesammlung/archivale-des-monats/2010/m\\_aerz.html](https://www.herder-institut.de/servicebereiche/dokumentesammlung/archivale-des-monats/2010/m_aerz.html) [accessed 26.10.2018].

48 See for example: Gildebruderschaft der Schwarzhäupter will ihr Haus in Tallinn zurück, in: Die Baltische Rundschau. Online-Redaktion, 6.01.2013, <https://baltische-rundschau.eu/gildebruderschaft-der-schwarzhaupter-will-ihr-haus-in-tallinn-zurueck/> [accessed 26.10.2018]; Eid der Großen Gilde aus Tartu ist unser Archivale des Monats, in: Aktuelle Nachrichten, Termine und Veranstaltungen, [https://www.herder-institut.de/no\\_cache/aktuelles/detailansicht/calendar/event/termin/2018/02/12.html?tx\\_cal\\_controller%5Buid%5D=17964&cHash=e1fa494b5f7ad9171d0353a968c63090](https://www.herder-institut.de/no_cache/aktuelles/detailansicht/calendar/event/termin/2018/02/12.html?tx_cal_controller%5Buid%5D=17964&cHash=e1fa494b5f7ad9171d0353a968c63090) [accessed 26.10.2018].

organisation. In its revised terms of reference, the organisation undertook to address the welfare of the community, offer mutual support and promote the common good.<sup>49</sup> Although it's unclear whether Ewald Ammende was a member of a guild, his commitment to seeking out ways to promote the general welfare of his home region fitted well within the guilds' established terms of reference.

A contribution to social leadership by senior business figures was part of Baltic German culture. As we have seen, the Ammende family was very much engaged in Pärnu's social affairs. A Baltic German industrialist discussed below (Wilhelm Hjardt) was a senior member of the *St. Marien Gilde* and belonged to 26 social organisations in Riga; Kurt Brieger (see below) was also engaged in a guild and social projects.<sup>50</sup> In addition, take the case of Oscar Jaksch.<sup>51</sup> Before 1939, he was member of the trading house *J. Jaksch and Co.* and served as Spanish Consul in Riga as well as being a member of the *Große Gilde*. After 1945 he was active in charitable work organised by the Protestant Church in western Germany which assisted Baltic refugees.

In the intricately constructed Baltic German world (where businessmen had been members of an imperial élite, where they were used to thinking in terms of social-political engagement and where they had experienced either international trade or trade with far-flung parts of the Russian Empire), it was obvious that after 1918 they would try to influence the emerging business and economic environments at every possible level. Based on the durability of the Baltic German community over the centuries, they might even have had some grounds to hope for success.<sup>52</sup> As family business representatives, such as Ewald Ammende, offered policy ideas to help drive economic development, they blurred the lines between the interests of their private firms and those of civic society. In their minds, the categories flowed together seamlessly, creating perhaps the idea of a state with hybrid business and political components in which individual and common benefit amounted to the same thing (for the élites at least). An important variable which they couldn't control by the 1920s, however, was the extent to which the new powerbrokers in the post-war Estonian and Latvian nation states were open to their lobbying.

## Family Businesses and refugee experience

### *Introduction*

If the post-1918 peace settlement created problems which at least some Baltic German family businesses did not survive, less than 30 years later, the Second World War posed a fresh set of major challenges. First, the 'dictated option' of the *Umsiedlung* uprooted businesses

49 Ibidem.

50 Berg, Familie Wilhelm Hjardt (see note 22), p. 22; Ältester Dr. Ing. Kurt Brieger, in: Baltische Briefe. Heimatblatt der Deutschbalten, no. 12 (26) Vol. 3, Marburg, December 1950.

51 See Baltische Briefe. Heimatblatt der Deutschbalten, no. 2 (40) Vol. 5, Marburg, February 1952.

52 For a discussion of circumstances in which business, and perhaps in particular family firms, can influence society, see Colli, History of Family Business (see note 2), p. 25. Also Colli, Family Firms (see note 2); also Cassis quoted in Colli, History of Family Business (see note 2), p. 25.

to *Warthegau*; later, the approach of the Red Army forced flight further westwards.<sup>53</sup> Consequently, in this connection, we can use the Baltic Germans as a prism through which to view the implications of war and different kinds of displacement – including displacement – for family businesses.<sup>54</sup>

There are, however, problems associated with the study of conflict and flight, not least that emergency and turmoil can lead to the loss of historical evidence. This paper takes some evidence from the post-war Baltic German community newspaper, *Baltische Briefe*. It has been assisted tremendously, however, by the Baltic German community's interest in family history because, once established in the Federal Republic, some families produced their own business histories.

#### *Mixed success: Brieger and Prindull*

Naturally, not all Baltic German family firms survived the turmoil of 1939–1945. The business *H.A. Brieger* was founded in 1849 in Riga to manufacture high-class soap and perfume. Kurt Brieger was born in Riga in 1888 and trained in chemistry at the Technical High School, Zürich before returning to his home city to work in the family firm.<sup>55</sup> After the First World War, Kurt worked alongside his father (Wilhelm) and his uncle, before taking over sole leadership of the business. According to reporting in *Baltische Briefe*, he was a 'friendly patriarch' who was appreciated by his Latvian workers. He was also a senior member of the *Große Gilde* and gave time to local social organisations. He left Riga with the *Umsiedlung*, returned to run the family business again (presumably under the German occupation), only to leave for a final time in 1944. Thereafter he and his wife settled in Göttingen. Once in the Federal Republic, he appears never to have tried to re-establish the firm and his obituary implies that the loss of the Baltic homeland sapped the motivation of a man who previously had been renowned for his work ethic. Kurt Brieger died in Göttingen in 1950.<sup>56</sup>

Other family firms fared better, even if they failed to regain all of their former success. In August 1889, Nikolai Prindull founded a shop selling specialist optical equipment in Riga.<sup>57</sup> The business thrived and, in July 1918, Alfred Prindull took over a dynamic enterprise. Before 1914, Alfred had studied chemistry at Riga Polytechnic before undertaking work experience at optical firms in St. Petersburg and Stuttgart. While in the latter city, in 1922 he gained his diploma in optometry from the professional high school. The family firm prospered to such an extent that in 1928 Alfred opened a second branch in Riga. By 1939 it was certified by Zeiss (Jena) and handled 80 percent of that firm's sales in Latvia.

53 Dietrich André Loeber: *Diktierte Option. Die Umsiedlung der Deutsch-Balten aus Estland und Lettland 1939–1941. Dokumentation*, Neumünster 1972.

54 On the need for more studies of entrepreneurs crossing borders, see James, *Family Capitalism* (see note 5), p. 384.

55 Ältester Dr. Ing. Kurt Brieger (see note 50).

56 *Ibidem*.

57 Die BB besuchen Landsleute (II). Fernoptik – nah gesehen, in: *Baltische Briefe. Heimatblatt der Deutschbalten*, no. 2, Vol. 3, Marburg, March 1950.

1939 changed everything. Alfred Prindull relocated to Poznań (Posen) and ran the firm as independently of the Nazi administration as possible. Hopes of return to Riga were dashed by the Red Army's eventual military success, so the family fled to Goslar (in western Germany) to stay with relatives. There, in December 1946, Alfred opened an optical shop in *Rosentorstraße*. The new venture was aided by business contacts which he had developed over the years in Germany's optical industry. The new business did not, however, compare to what had been lost in Riga. A family enterprise once based in an imperial hub was transformed according to the more limited opportunities of a provincial home. The family's circumstances changed too. When they left Riga, the Prindulls had only been able to take two suitcases, and so retained only a few reminders of home (e.g. Baltic table linen, cutlery and crockery). The journalism about the family suggests they lived in rather cramped circumstances after 1945. Nonetheless, Alfred's professional specialism enabled him to continue making a living for his family.

But there's an addendum to this story. If you google *Prindull Optik*, you are taken to a current business, *Schmidt-Augenoptik und Hörakustik* which has the address of *Rosentorstraße 10*, Goslar.<sup>58</sup> A small banner notes 'Formerly Prindull Optics (*Ehemals Prindull Optik*)'. The web site explains that, although the Schmidt family has run the firm since 2002 (and is currently in its second generation), formerly the firm was *Prindull Optik* which was founded in 1889.<sup>59</sup> A simple paragraph omits a great deal of information about the firm's past, but it is still interesting to see that the Prindull family business lasted until 2002 and that its new owner values the long business heritage which it created.

*Success across the generations: the Hjort family's obsession with lacquer*

Today, a firm called *Hjort Lacquer and Colours* (*Hjort Lacke und Farben*) is based in Lauda, near Rothenburg ob der Tauber and is owned by Werner Schütz.<sup>60</sup> It was, however, founded in Riga by the Hjort family and had its history unveiled first in a report carried by *Baltische Briefe* in 1951 and later in a short book.<sup>61</sup> The book is a testament to Baltic German culture in its own right because it comes complete not only with a timeline of family history stretching back to 1674, but also with notes about ancient family members and family trees. The family trees show how some firm members married into the business.

In the late eighteenth century, Carl Frederik Hjort left Denmark for the Baltic lands.<sup>62</sup> He was a skilled woodworker who made notes about ways to preserve and paint wood. It was natural, therefore, that his son Alexander (with the surname now spelled Hjort – the name is derived from the Danish word for 'deer') joined a lacquer factory, *IC Koch*, which had been founded in Riga in 1842. He worked there for 50 years and, in time, was joined in the work by his son, Wilhelm (1863–1935). In 1901, Wilhelm used the 700th

58 See <https://optik-akustik-goslar.de/> [accessed 20.10.2018].

59 See <https://optik-akustik-goslar.de/index.php> [accessed 20.10.2018].

60 See <http://www.hjort-lacke.de/kontakt> [accessed 5.12.2018].

61 50 Jahre Firma Wilh. Hjort KG, in: *Baltische Briefe*. Heimatblatt der Deutschbalten, no. 7 (33) Vol. 4, Marburg, July 1951; Berg, Familie Wilhelm Hjort (see note 22).

62 The following discussion of the family firm is based mostly on Berg, Familie Wilhelm Hjort (see note 22).

anniversary of Riga as an opportunity to strike out on his own and establish the *Russian-Baltic Lacquer Factory: Wilhelm Hjordt*. Appropriately enough, the firm's logo featured the picture of a deer. The firm won critical acclaim for its products in 1928, 1930 and 1932. Buoyed up by this success, Wilhelm joined the supervisory committee of Riga's Association of Producers. He also displayed considerable commitment to social engagement, becoming a member of multiple local organisations and a senior guild member.

The firm was based in the Thorensberg suburb of Riga and served the Latvian market. It made its fortune, however, by supplying lacquers more widely – especially to the Russian heartland. A bright new lacquer developed in 1910 (the same year the factory was electrified) sold particularly well in the lands to the east of the Baltic Provinces. In the empire, however, sometimes enterprise had to be underpinned by political lobbying and on occasion Wilhelm and his wife Elise Hjordt (1869–1952) had to travel to St. Petersburg to lobby government figures to ensure helpful business conditions.

During the First World War, some of the factory's machinery and personnel were relocated to St. Petersburg and Moscow. Other machines, however, remained in Riga so the facility could re-open quickly after the war. Now the firm had to operate in a small independent nation state; it had to respond to wartime technical innovations in the field of lacquer; it had to take account of how the business was changing from a craft to a field of chemistry; and it had to assess how to meet the needs of new kinds of products (such as automobiles – since new products required new kinds of lacquer). The firm dropped reference to Russia from its name (since Soviet markets were closed to it); it diversified its production and began to import necessary materials via Hamburg.

The interwar period was busy. Recent technical developments in lacquer highlighted that the firm required its own research laboratory and the need to innovate impelled Wilhelm's son, Alexander (born 1902), to work for a while with BASF in Germany. Moreover, the adoption of protectionist policies by the new nation states meant that the Thorensberg factory could no longer export to Lithuania. In order to exploit the Lithuanian market, therefore, it opened a new factory in Klaipėda (Memel). On top of all of this, when a washing-powder firm began to produce lacquer, Hjordt responded by buying a washing-powder firm, *Borsil*.

According to the Hjordts, a businessman working in the Baltic had to be a diplomat. If he made a phone call, he had to be ready to talk in one of several languages. There was nothing diplomatic about the events of 1939, however. The firm had to relocate to *Wartheland*, where it developed facilities in Włocławek (Leslau) and Poznań (Posen). In 1941, the German occupation of Latvia enabled the factory in Riga to be re-opened. Throughout all of this upheaval, money appears to have kept rolling into the firm, first thanks to the continuity afforded by the Klaipėda facility and also due to military orders (for instance, lacquer used to coat munitions boxes for the army). True, as the war went on, the *Warthegau* workforce became increasingly de-motivated, but the real crisis came in 1944/45. Then, the facility relocated to Ústí nad Labem (formerly Aussig – today in the Czech Republic) before everyone had to flee in disorder. Eventually the family came to rest in a small town near Rothenburg ob der Tauber. It was located near to both a communications node and a camp for displaced persons; it was called Lauda.

Family folklore maintains that Alexander Hjordt decided to re-establish the firm on 20 August 1948, the day of currency reform. It was resurrected in a cattle shed and (when the weather was good) production moved outside to a farmyard. Initially the firm focused on its

core business, namely coatings for wood, and soon it won a contract to supply lacquer for school equipment. In due course, the Hjordts benefited from a federal loan supplied through the Lauda town council and in January 1956 the family firm expanded into larger premises. Its solid economic performance was, in fact, built on a base of reliable specialists including two people linked to the firm before 1939 (Karl Marx, born 1902, married to Olga Hjordt and a senior employee; also Ernst Ankinewitsch, born 1924 whose father had been a senior employee and who was married to Sophie Hjordt) plus a chemist drawn from a well-known Baltic German family (Georg Girgensohn). The resilience of the firm ensured that when a revolutionary new lacquer was discovered that could coat both wood and metal, the firm was able to respond by enlarging its facilities again.

The family firm adapted, survived and prospered. In 1961 it celebrated its 60th anniversary and, six years later, expanded its facilities further. Now it was managed by Sven Hjordt (born 1935) who had been trained at the *Karl Woerwag* lacquer factory in Stuttgart and *Cellon* in Kingston upon Thames. By this point, the family was settled in Lauda and inhabited several houses in nice parts of the town. This was its new, adopted *Heimat*. But when the short book about the Hjordts likens them to a flock of birds, all held together by their instincts, it does not tell the whole story. They were bound together by the ties to the family business as well; and this provided for their material needs and career successes.

The Hjordt lacquer firm truly was a family business. Key businessmen, such as Karl Marx and Ernst Ankinewitsch, were bound in through marriage. Other family members, including the matriarch Elise Hjordt, participated in many different ways, both formal and informal. With family members training at home and abroad, the Hjordts evidenced a commitment to lacquer and coatings' technology which spanned the generations. The family displayed a remarkable ability to adapt to new political-economic circumstances as well as to the business's technical innovations. For this family of refugees from the Second World War, chemistry and industrial expertise, supplemented perhaps by 'softer' business skills learned in the Baltic region (such as diplomacy and lobbying) became portable resources which could be deployed to good effect when it had to re-establish itself in Lauda.

#### *More success: Richard Kablitz and inventive engineering*

The firm *Richard Kablitz und Mitthof* is also based in Lauda. Currently it is owned by an Italian concern, *Engitec Technologies*,<sup>63</sup> but the enterprise was founded in Riga by Richard Kablitz himself (1868–1959).<sup>64</sup> In time, like the Hjordts, Kablitz became the subject of a brief study;<sup>65</sup> he is also included in the *Baltisches Biographisches Lexikon*.<sup>66</sup> As with the Brieigers, Prindulls and Hjordts, journalists from *Baltische Briefe* visited Richard Kablitz in the early 1950s to document the achievements of a man who was then in his mid-eighties.

63 Page: <http://www.kablitz.de/management-change.html> [accessed 18.10.2018].

64 See <http://www.kablitz.de/jubilaeum.html> [accessed 18.10.2018].

65 Richard Kablitz und sein Werk, in: *Baltische Briefe*. Heimatblatt der Deutschbalten, no. 10 (60) Vol. 6, Marburg, October 1953; Richard Kablitz: Fördert unsere Jungen! (see note 25); Richard Kablitz: ein Leben im Dienste der Wärmetechnik. 1869–1958, Lauda 1959.

66 See *Baltisches Biographisches Lexikon* (hereafter BBL), <https://bbld.de/0000000386303258> [accessed 6.12.2018].

The firm, at the time called *The German Richard Kablitz Society for Cost-Effective Steam Production and Furnace Control (Deutsche Richard-Kablitz-Gesellschaft für Ökonomie der Dampferzeugungskosten und Feuerungskontrolle mbH)*, was identified by the journalist as an integral part of Baltic history – true praise indeed.

Kablitz was born in 1868 on his father's estate of Eichhof, located near Võru (Werro, Estonia). He went to school in Tartu (Dorpat) before studying mechanical engineering at Riga Polytechnic, where, aged 23 he became an assistant and taught his subject.<sup>67</sup> For two years he worked in Moscow and St. Petersburg, but returned to Riga to take up a post in Richard Pohl's engineering firm, where he had already worked while a student. In 1896 he won a gold medal at the World Exhibition in Nižnij Novgorod for two petrol engines and from 1897 until 1901 he played a leading role in the Riga firm *Motor*, where he developed especially his two-stroke engine. For the next three years he worked as a civil engineer until, in 1904, he co-founded and later ran alone *The Society for Cost-Effective Steam Production and Furnace Control*. Apparently one of his main concerns was to help produce cheaper heating and electricity for ordinary people, but the enterprise was disrupted by the 1905 disorders and Kablitz fled to Germany for a short time. Further disruption followed during the First World War when, to prevent everything falling into enemy hands, Kablitz and his undertaking were relocated to the Russian town of Čerepet' (Kaluga district).

He re-established the firm in Riga in 1918 and in the 1920s designed a path-breaking heat exchanger which aroused considerable international interest. His business was so important that it was granted a major concession to supply technology to the Soviet Union, but the concession ended in 1930. After this, the firm tried to market its heating products to countries all over the world which had an interest in using fuel sparingly (including Western Europe, South America, Congo and China). Kablitz's firm collapsed, however, as a result of 1939/40. He was forced to move to Łódź where he began to run a mechanical engineering factory and an iron smelting works as a *Treuhandstelle*. By 1945 he was employing 800 people. The advance of the Red Army, however, forced Kablitz to flee towards the West and, with the assistance of American occupation authorities, he came to rest first in Marbach and then Lauda.

The close proximity of iron industry facilities and an appreciation of Kablitz's skills by both the Baden *Land* government and the government of Luxemburg meant that in 1950 he received a German government loan to help acquire buildings and machinery. Former employees of the firm were brought from around western Germany and out of the eastern zone in order to help build a skilled workforce. At the time of his newspaper interview, Kablitz was employing over 150 people, many of whom were Baltic refugees. By 1954 the firm had a turnover of over 3 million *Deutschmarks*, with over 80 percent of its products going abroad. It had strong links with engineering firms in Paris and Wakefield (England).

Richard Kablitz was always inventive and dynamic. Soon after the Second World War, a group of German industrialists went to see some of Kabilitz's most innovative technology being used in Switzerland and as a result of the trip he won a major commission from the Bavarian government. The real post-war breakthrough, however, was a contract to supply hot air heating systems for 24 tankers belonging to the Onassis shipping line. Despite all of

67 The biography is compiled from the articles in *Baltische Briefe*, from the BBL entry and from the Kablitz firm's web pages.

this personal success, Richard Kablitz still thought about more than just his own ventures. Aged 87, in his interview for *Baltische Briefe*, he displayed a clear sense of responsibility towards his Baltic German community. With an emphasis on the difficult financial realities experienced by many refugee families, he explained all of the advantages that training and a career in engineering could bring a young Balt.

### Conclusion

So what concluding comments can we make about Baltic German family businesses in the twentieth century? The first thing to acknowledge is that this essay has relied heavily on materials created by the Baltic German community itself. As a result, there is a danger that it does not present a fully-rounded view of the past; hopefully further work can correct this imperfection. Under the circumstances, however, it is particularly appropriate to acknowledge the failures and disappointments contained in this short study.

#### *'Negative' themes – plus a comparative angle*

Take Ewald Ammende and his family's trading house. Ammende discussed many business policy proposals in Baltic German newspapers and he appears to have contributed to some positive changes. So for example, during the interwar period, Pärnu was indeed modernised as a pleasant seaside resort.<sup>68</sup> Nonetheless, the family trading house still collapsed. The precise reasons for this are unknown; however, two factors in particular must have been significant: first, the loss of trading access to the Russian hinterland; and second, the replacement in the Baltic area of old imperial Baltic German policy circles by fresh nation state élites.

In the first connection, it is likely that the family business struggled (and ultimately failed) to replace lost imperial trading streams with adequate new ones. This challenge can only have been complicated by the second point. For centuries the Baltic German community had run the Baltic territories and their business networks benefitted as a result. The post-war construction of the new nation states of Estonia and Latvia, however, ushered in new élites which drew heavily on ethnic Estonian and Latvian ethnic groups who expected to make policy for themselves.<sup>69</sup> In this light, we have to wonder about the exact status of many of the policy discussions which occurred in Baltic German newspapers during the 1920s. From being policy 'insiders' in the Baltic lands, the Baltic Germans had become much more 'outsiders'; so how much influence were they likely to wield? To put the point more bluntly: when someone such as Ammende discussed national and international business policy in *Revaler Bote*, was he doing more than holding a conversation among 'yesterday's men'? The failure of the Ammende family business implies that despite his substantial enthusiasm

68 Tourism web sites are beginning to use Pärnu's historical character for marketing. So, for instance, the mud baths highlights the development work that was done in 1926/27: <https://www.hedonspa.com/en/historical-mud-baths/> [accessed 2.07.2019].

69 Thank you to an anonymous reader for making this point.



for new economic possibilities (and notwithstanding some contribution to the modernisation of Pärnu), Ewald Ammende's purchase with Estonia's new policy circles was limited.

These comments raise a number of potentially interesting avenues for further research. For example, there is a 'big' question: how was business policy developed in the new states of Central and Eastern Europe during the 1920s – and who exactly was developing it? More modestly, we can also wonder how the experiences of formerly élite Baltic German businesses compared to those of Estonian- and Latvian-owned counter-parts in the new states. If Baltic German businesses, generally speaking, found it easier to prosper before 1914 than after 1918, was the reverse true for Estonian and Latvian businesses? Did the latter struggle under Baltic German imperial hegemony but flourish within the framework afforded by independent nation states? Attempts to address such questions would require us to find out more than we know at present about Estonian and Latvian history, since few relevant business studies exist.<sup>70</sup>

Regarding post-1945 business experiences, some Baltic German business people found it impossible to recover from the Second World War. The combined effects of losing family members, losing one's homeland, having to re-build a business from scratch, and growing old, must have had fatal consequences for more family businesses than just *H.A. Brieger*. Even in the context of the post-war environment, however, it would be interesting to see how the experiences of Baltic German businesses compared to those of Estonians and Latvians.

*'Positive' themes—including an appreciation of Riga Polytechnic*

With all of this said, a variety of more positive observations still have to be made about Baltic German businesses; not least, the businessmen discussed here were cosmopolitans. They were born in Courland or Livonia and so, from the outset, experienced linguistic and cultural diversity. Brought up as German-speakers, they must also have been exposed to Russian, Latvian and (in some cases) Estonian. Until 1939, the region had a thriving Jewish business community too. In a place like this, businessmen had to be linguists and diplomats. Cosmopolitanism flowed through their training and early careers, with professional development routinely involving exposure to ways of working in Riga, Russia and Central Europe.

Here, incidentally, the impact of Riga should not be under-estimated. Of those mentioned in this article, Ammende, Prindull and Kablitz were educated at Riga Polytechnic. Evidently the institution was making a substantial contribution to the economic development of the Baltic region and deserves study in its own right. What made Riga Polytechnic so successful? In particular, how did it prepare its students to engage with the wider world?

All of the individuals discussed here enjoyed education beyond the Baltic region and, as a result, certainly encountered multiple opportunities for intellectual and technical stimulation. They must have been able to enhance the 'soft skills' necessary to smooth negotiations

70 For an exception, see Nicholas Balabkins, Arnolds P. Aizsilnieks: Entrepreneur in a Small Country. A Case Study against the Background of the Latvian Economy, 1919–1940, Hicksville, NY 1975. This provides a case study of Roberts Hiršs (1895–1972), the founder (1925) and owner of RĪgas Audums (Riga Textiles). I am thankful to an anonymous reader for this reference.

with fellow businessmen wherever there was a deal to be done. These people were brought up and educated to think locally and internationally alike; to look east and west for business; to be ready to deal with people regardless of cultural and linguistic background. Maybe this broad education also equipped a number of Baltic German family business people to deal well with disruption, perhaps even including the experience of becoming refugees. By early adulthood they had acquired a considerable repertoire of skills and experiences on which to draw at a time of crisis and movement.

They were helped by membership of the German cultural group. The characteristic conferred definite privilege in the Baltic Provinces of the Russian Empire and a basic kind of opportunity in *Wartheland*. It facilitated adaptation to life in the Federal Republic of Germany, not least because some had family members there already. After 1945, refugees in western Germany could also find a number of support mechanisms to help them re-establish businesses, whether interventions by Allied authorities or the provision of government loans tailored to reconstructing the German economy.

At least some of the examples cited here emphasise how resilient family firms can be. The mixture of family bonds, substantial educational experiences and the build-up of all kinds of specialist know-how could create an amalgam with the potential strength to weather even deep crises. In the face of upheaval and displacement, in some cases at least family ties pulled businesses back together with considerable effectiveness and enabled them to re-enter the marketplace relatively quickly. This observation illustrates the well-established idea that when a state is weak, family relationships provide an important resource for economic construction.

### *Culture, mobility and survival*

A number of further comments about family business history flow naturally from this paper. Existing studies of variation among different business cultures have focussed on, for instance, leadership, networking and ethics.<sup>71</sup> Of course, far more variables than these differ by culture, for example: the role of the state in the economy, processes of decision-making, access to decision-makers, senses of entitlement, sense of social responsibility, attitudes to borders and the definition and perception of business opportunities – the list could go on and on. In multiple ways and at every level, cultural differences can influence business behaviour just as they do any other kind of human conduct. So the history of family businesses in the Baltic is about much more than bare profit and loss; it is about everything that goes into and provides a context for economic performance. Dealing with the world before 1914, it is a tale of how family businesses operated in a large continental, multinational empire. During the interwar period, it is a story of how family businesses responded to the rise of independent nation states in Central and Eastern Europe. From 1939 on, it becomes a tale of business resilience in the face of conflict, calamity and displacement. Through all of this, Baltic German family business history reflects the culture of a very specific group. Apart from everything else, it is a story about how one community conceived itself and the methods it adopted to survive for as long as possible. In this light (and given the outstanding

71 See, for example, Isac, Remes, Culture (see note 14).

success of some of the firms), Baltic family business history cannot be overlooked as an important part of Baltic – and perhaps to some extent even German – economic history.<sup>72</sup>

The richness of material informing this article highlights the need for further studies of family businesses originating in the Russian Empire, Eastern Europe and the Baltic. There should be scope for studying further how such firms were framed by their environment and how they responded to it. Given the history of the region, there should be more stories about resilience in the face of disruption. Furthermore, the phenomenon of family businesses relocating from the east to the west after 1945 provokes a whole additional series of questions, not least: what did they contribute to post-war economic reconstruction in the West?

Implicit in this paper are also themes (raised elsewhere by Hofstede *et al.*) concerning the challenges facing refugees as they start to function in ‘new’ social environments.<sup>73</sup> Which characteristics assist the transfer of businesses from one cultural milieu to another and, by implication, which business skills are valuable universally and which are place- or time-specific?<sup>74</sup> Clearly the capacity to innovate (like Richard Kablitz), to build a strong family team (like the Hjordts), to cultivate good professional connections (like Alfred Prindull) all helped firms withstand displacement – as did the cosmopolitan backgrounds of the businessmen in question and cultural connections between the lands of origin and of destination. But to draw to a close, hopefully this paper has highlighted a truism of Baltic history: the Baltic Germans were few in number and took many characteristics from their status as a privileged élite, but nonetheless their experiences prove generally interesting and instructive.

### *Zusammenfassung*

Dieser Artikel trägt zur Geschichte der Familienunternehmen in Zentral- und Osteuropa bei. Indem ein besonderer Schwerpunkt auf Beispiele aus der deutschbaltischen Gesellschaft gelegt wird, kann gezeigt werden, wie die lokale Kultur dazu beitrug, einen Rahmen für diese Unternehmen zu bilden und wie sie sich auf die Reaktion der Unternehmen auf den Zusammenbruch des Russischen Reichs auswirkte. Die Untersuchung berücksichtigt auch die tiefgehenden Veränderungen, die sich zunächst aus der Umsiedlung und später aus der Flucht aufgrund der Kriegsniederlage Deutschlands ergaben. Welche Eigenschaften tragen zum Erhalt von Familienunternehmen unter extremen und äußerst schwierigen Umständen bei?

72 Michael North: *Geschichte der Ostsee. Handel und Kulturen*, München 2011.

73 Geert Hofstede, Gert Jan Hofstede et al.: *Cultures and Organizations. Software of the Mind*, New York, NY <sup>3</sup>2010, pp. 396-398.

74 Valtonen, *Does Culture Matter?* (see note 12).