

Multi-national companies in the Slovenian media: the cases of Interbrew (InBev) and Renault-Revoz

This analysis was supposed to find out what was the typical media coverage of multinational companies in the Slovenian media. We would, however, claim precisely the opposite, namely that there is no 'typical' presentation of the MNC in the Slovenian media.

Our first hypothesis is that the amount and content of coverage depends on a variety of factors that make the media coverage of any particular MNC clearly different from the others. Although we are not able to specify the entire range of factors, we would like to emphasise one of them.

This is the basis for our second hypothesis, namely that the presence of harmony or conflict of a MNC with some powerful and influential domestic actors, such as domestic companies, the state actors, local leaders etc., may – at least to some extent – determine the media treatment of this MNC by the Slovenian media.

Two multinational companies, namely, Interbrew (today's Inbev) and Renault (or its company Revoz in Slovenia that is today 100% owned by Renault) have been selected and the ways how they have been presented to the Slovenian public by some of the typical Slovenian media have been studied.

Our main focus here is on the Interbrew, since it received massive media coverage and provides perhaps the clearest example of tension between a MNC and some major actors in the Slovenian society. However, in order to test our hypotheses at least some comparison was required. Consequently, we decided to select another, quite a different case to demonstrate the 'harmony' between the MNC, the Slovenian society and the Slovenian media. This was the case of Renault/Revoz. The cases of both Interbrew and Renault/Revoz are supposed to prove how the media coverage of a MNC may range from very favourable to very unsympathetic attitudes.

Our analysis consists of the two major parts. In the first part, we intend to apply some elements of the critical discourse analysis. From the aspect of our research, this method has both strengths and weaknesses. The term 'critical' clearly implies value judgements. In fact, van Dijk (2005) claims that within the critical discourse analysis the author is clearly expected to take sides, e.g. to support the weak social groups against the strong social groups, to support minorities, the deprived, the oppressed, etc (van Dijk 2005). This does not seem to be a very productive standpoint for our analysis. The cooperation and conflict we are dealing with while studying Interbrew and Revoz do not have much to do with deprivation or oppression. They have to do with the relations *among the elites*. There would be no justification to base this analysis on (either nationalist or cosmopolitan) value judgements.

Some elements of the critical discourse analysis, however, remain quite useful from our aspect. CDA is clearly based on conflict theory. Thus it implies power relations and conflicts between a variety of groups based on different and often hardly compatible interests. This comes in line with our second hypothesis, since we intend to discover the interest and power relations behind the media coverage of different multinational companies in Slovenia.

The first part focuses on Interbrew and the so called 'Brewery War' and it consists of the short introduction, the presentation and history of Interbrew, the definition of the major phases of the interaction between Interbrew and Slovenia. A short chronology of the main events has been developed in order to demonstrate how these events were reflected by the topics selected by the two major daily newspapers: *Delo* and *Finance*.

The second part is based on the more quantitative approach, based on the samples of articles from four different media that enable some comparison between the Interbrew and Renault/Revoz.

A short overview of 'The Brewery War' and its media coverage

We have analyzed and compared the Editor's columns in the daily business newspaper *Finance* and the column called Issue of the day in the daily newspaper *Delo*. Among the whole period of "brewery war" (11.7.2001 – 10.12.2004) we found 12 editorial columns in *Finance* and 10 editorial columns in *Delo* that refer directly to the events from the listed chronology.

A Brief history of Interbrew

Interbrew can trace its origins back to 1366 to a brewery called Den Horen, located in Leuven, a city just outside of Brussels. In 1717, Sebastien Artois, master brewer, purchased the brewery and changed its name to Artois.

Interbrew as we know it today was formed in 1987 from the already mentioned merger of Brasseries Artois, then the second largest brewer in Belgium, and Brasseries Piedboeuf, then the largest brewer in Belgium and the brewer of Jupiler. All brewers had a history of acquisitions, with Brasseries Artois having acquired the Leffe brand in 1952, the Dommelsch Brewery in the Netherlands in 1968, and the Brasseries Motte Cordonier in France in 1970, while Brasseries Piedboeuf had acquired the Lamot brewery in Belgium from Bass PLC in 1984. Interbrew soon acquired other Belgian specialty brewers, including Hoegaarden in 1989 and Belle-Vue in 1990. The move onto the international scene only happened in 1991 when Interbrew entered a phase of rapid expansion, completing more than 30 acquisitions and strategic joint ventures (Oriental Breweries in South Korea, SUN Interbrew in Russia and Ukraine, Bass Brewers and Whitbread Beer Company in the United Kingdom, and Diebels and Beck & Co. in Germany), the largest of which were Labatt in Canada acquired Canadian Labatt. Labatt at the time was not much smaller than Interbrew, and since then the company has been considered a multinational with both Canadian and Belgian roots.

In 2004 Interbrew merged with Brazilian brewer AmBev to form InBev, which is the now largest brewer in the world by volume, with a 13% global market share.

Some important Interbrew brands are Stella Artois, Boddingtons, Beck's, Staropramen, Bass, Leffe, Labatt and Hoegaarden. Before the merger with Ambev, it

was the largest brewing company in the world, by volume, followed by Anheuser-Busch and Heineken. More recent acquisitions include the Malaysian Lion Group in China, and the Apatin Brewery in Serbia, as well as the transaction with the Spaten brewery (Gabriel Sedlmayr Spaten-Franziskaner Bräu KGA, expected to close fourth quarter 2004) in Germany.

Sources: www.inbev.com, www.wikipedia.org

Chronology of the "brewery war" in Slovenia

11th of July 2001: Pivovarna Laško (the Laško Brewery) and Radenska announce their intend to acquire between 20 and 24.9 percent of Pivovarna Union's (the Union Brewery) shares.

12th of July 2001: Pivovarna Union's stock price reaches over 55,000 SIT on the market.

16. julij 2001: Pivovarna Laško and Radenska together acquire 24.99 percent of Union's stocks

august 2001: Pivovarna Laško offers the holding link-up to Union, which among others contains filling Union beer in Split, Zlatorog beer in Sarajevo and common operations in the ex-Yugoslav markets.

19th of September 2001: Union management informs the public that it has started to negotiate the takeover of brewery with the Belgium's concern Interbrew

8th of October 2001: The chief executive of the Union Brewery management Mitja Lavrič states in public that Pivovarna Laško would not be a desirable buyer of Union.

22nd of October 2001: Interbrew enhances its share in Union to the 24.4 percent.

19th of november 2001: Interbrew announces its intention to purchase all of the Pivovarna Union's stocks.

28th of november 2001: Interbrew announces public offer for takeover of Pivovarna Union; it offers 73,000 SIT per stock.

21st of December 2001: The chief executive of the major state-owned fund Slovenska odškodninska družba (SOD) Anton Končnik sells SOD's 12.2 percent share in Pivovarna Union (86,000 SIT for stock) to Pivovarna Laško on his own. He is dismissed at the same day from his managerial position. Pivovarna Laško and Radenska became 73.1 percent owners of Pivovarna Union.

26th of December 2001: Interbrew raises the price for redemption of Union's stock from 80,500 SIT to the 87,000 SIT.

8th of January 2002: The other major state-owned fund Kapitalska družba (KAD) sells the 10.3 percent share of Pivovarna Union for 90.000 SIT/stock to Interbrew, which already has 38 percent of Pivovarna Union.

18th of January 2002: Following the public offer, Interbrew gets about 40 percent Pivovarna Union's share.

23rd of July 2002: Interbrew again announces public offer for takeover of Pivovarna Union; it offers 90,000 SIT per stock.

25th of July 2002: Pivovarna Laško announces public offer for takeover of the Pivovarna Union; for stock it offers 91,000 SIT.

22nd of August 2002: Both offers run out; none of the both sides gets the majority share.

3rd of September 2002: Pivovarna Union assembly rejects the proposed final capitalization of Pivovarna Union, after which Interbrew would become 50.1 percent owner of the company.

8th of January 2003: Perutnina Ptuj gets 5.91 percent owners share in Pivovarna Union; for the stock they pay roughly 93.000 SIT.

17th, 18th of February 2003: Interbrew and Laško present their own studies of brewery market in Slovenia. During the hearing before the governmental Competition Protection Office, Pivovarna Laško offers extra conditions in return for the approval of the capital concentration; after a month those conditions rejected by the same office.

19th of June 2003: Interbrew demands exclusion of the Competition Protection Office boss Andrej Plahutnik from the decision process.

14th of July 2003: The minister of economy Tea Petrin rejects the demand for Andrej Plahutnik's exclusion.

15th of July 2003: Interbrew for the first time threatens with the internationalization of the disagreement.

31st of July 2003: Pivovarna Union's assembly takes place; the proposition of reparation case (admittedly careless transaction in 2001) against all six members of management was confirmed.

9th of November 2003: Interbrew sends the memorandum concerning the alleged obstacles for foreign investments in Slovenia to the EU parliament; it informs the EU Parliament about the cases put to Slovenian courts.

1st of December 2003: Slovenian Supreme Court rejects the Interbrew's demand to annul the decision by the Stock Market Agency (ATVP) to issue the license for redemption offer of Union's stocks to Pivovarna Laško in 2002.

23rd of December 2003: Compensation case against Union's management is withdrawn, assembly appoints new council which consists of: Janez Damjan, Dušan Drogenik, Branko Šibanovski and Rudi Šepič. Belgians denounce subverting cases.

12th of January 2004: For the second time the court in Laško refuses the case of ATVP against Pivovarna Laško and Anton Turnšek; agency expostulate the violations

connected with the stock buying of Pivovarna Union and violations of the takeover law.

22nd of January 2004: New Pivovarna Union's supervisory board conformably releases president of management (Marijan V. Mira) and replaces him with Dušan Zorko.

1st of September 2004: ATVP case Laško-Union inveterate; senate for trespasses stops the procedure against Pivovarna Laško because of the alleged violations of takeover law at the stock buying of the Pivovarna Union in fall 2001.

10th of December 2004: After almost two years Pivovarna Laško redeems back 5.98 percent stock share of Pivovarna Union at price 91,000 SIT/stock and becomes 53.85 percent owner of Pivovarna Union. The brewery war ends.

The time periods included

This chronology may be analytically divided into four major periods that will be used in our further analysis of the media comments.

The chronology of "brewery war" in Slovenia consists of events that took place between the 11th of July 2001 and the 10th of December 2004. We divided it in four periods:

The first period lasted from the 11th of July 2001 till the 26th of December 2001: The beginning of the "brewery war" for the controlling share of the Slovenian brewery Union, between the other Slovenian brewery Laško and Interbrew

The **second** period lasted from the 8th of January 2002 till the 3rd of September 2002: Following its public offer **Interbrew gets approximately 40% share of Union, and tries to finish its capitalization, but Laško fights back** and offers 91.000 SIT for stock.

The **third** period lasted from the 8th of January 2003 till the 23rd of December 2003: **"Brewery war" becomes strongly politicised**, besides that Laško and Interbrew **prosecute each other at the court.**

The **fourth** period lasted from the 12th of January 2004 till the 10th of December 2004: **All judgements concerning the conflict are passed** and "brewery war" has reached the end.

Analysis: how are the events covered by the media: *Delo* and *Finance*

The first period (11/7/2001 – 26/12/2001):

EVENTS:

11th of July 2001: Pivovarna Laško (the Laško Brewery) and Radenska announce their intent to acquire between 20 and 24.9 percent of Pivovarna Union's (the Union Brewery) shares.

12th of July 2001: Pivovarna Union's stock price reaches over 55,000 SIT on the market.

16. July 2001: Pivovarna Laško and Radenska together acquire 24.99 percent of Union's stocks

August 2001: Pivovarna Laško offers the holding link-up to Union, which among others contains filling Union beer in Split, Zlatorog beer in Sarajevo and common operations in the ex-Yugoslav markets.

19th of September 2001: Union management informs the public that it has started to negotiate the takeover of brewery with the Belgium's concern Interbrew

The Media Comments

The first column considering "brewery war" in *Finance* was published on the 2nd of October 2001. Author of the column writes about Interbrew in a very positive way, he emphasizes that Interbrew is more than welcome in the Slovenian's capital market.

EVENTS:

8th of October 2001: The chief executive of the Union Brewery management Mitja Lavrič states in public that Pivovarna Laško would not be a desirable buyer of Union.

22nd of October 2001: Interbrew enhances its share in Union to the 24.4 percent.

19th of november 2001: Interbrew announces its intention to purchase all of the Pivovarna Union's stocks.

28th of november 2001: Interbrew announces public offer for takeover of Pivovarna Union; it offers 73,000 SIT per stock.

The Media Comments

On the 29th of November *Delo* published its first column concerning the "brewery war". This column is dealing with Interbrew's announcement of public offer for takeover of Pivovarna Union. Author speaks in a very negative way about Interbrew, among other he cynically writes that Union's marriage with Interbrew is useful.

A few weeks later on the 16th of December 2001 in *Finance's* column Interbrew's announcement of the public offer concerning Union's takeover is mentioned. The author speculates about what would happen on stock market if KAD and SOD accept or reject Interbrew's offer. He concludes that in both cases the Slovenian brewery production is jeopardised by a long lasting "war of exhaustion". This means that in a few years both breweries will be entirely in Slovenian's possession (if Interbrew gives up the first), but for what price – both of them will be totally demolished.

The second column concerning "brewery war" in *Delo* was published on the 19th of December and deals with 'the national interest'. The author writes about Pivovarna Laško in a very positive way, he denotes it as a skilled negotiator.

EVENT:

21st of December 2001: The chief executive of the major state-owned fund Slovenska odškodninska družba (SOD) Anton Končnik sells SOD's 12.2 percent share in Pivovarna Union (86,000 SIT for stock) to Pivovarna Laško on his own. He is dismissed at the same day from his managerial position. Pivovarna Laško and Radenska became 73.1 percent owners of Pivovarna Union.

The Media Comment

On the 22nd of December, *Delo* publishes column concerning the foreign capital in Slovenia. Among others it mentions the "brewery war" and stock sale of the SOD. At this point author criticizes Slovenian government which is resisting foreign investors.

EVENT:

26th of December 2001: Interbrew raises the price for redemption of Union's stock from 80,500 SIT to the 87,000 SIT.

The Media Comments

On the 26th of December 2001 the author of *Finance's* column writes in negative terms about Slovenian's and European Union's economy. He raises two key questions of Slovenia's economy: (1) who can monitor the chief executives of Slovenian's nascent multinationals, and (2) are Slovenian's institutions capable to support our biggest companies, often even on behalf of their competitors from EU, and at the same time bring Slovenia in the first lap to the European Union? Author's main concern is that "brewery war" galvanized fear against invigoration "contraeuropean cartridge". In his opinion majority of Slovenians believe that EU supports its companies in the market competition with Slovenian's companies and wish that we enter European Union without our own multinationals.

On the 27th of December 2001, *Delo* publishes column concerning Anton Končnik's sale of SOD shares. The author does not write directly about Interbrew or Laško, but only about Kočnik and he marks him as very negative actor in "brewery war".

The second period (8/1/ 2002 – 3/ 9/ 2002):

EVENT:

8th of January 2002: The other major state-owned fund Kapitalska družba (KAD) sells the 10.3 percent share of Pivovarna Union for 90.000 SIT/stock to Interbrew, which already has 38 percent of Pivovarna Union.

The Media Comments

In the column published in *Delo* on the 9th of January 2002 the author argues that KAD did a bad business with Interbrew and that the whole "brewery war" is just the game of money.

The author of the column in *Finance* wrote that Pivovarna Union is divided – half is owned by Pivovarna Laško and its friends and the other half can be obtained by Interbrew. The final thought is that writers of Slovenian's takeover law and monitors of capital market can in this situation deeply introvert – if they wish to think at all. The author speaks in very negative terms about the takeover legislation and Laško.

EVENT:

18th of January 2002: Following the public offer, Interbrew gets about 40 percent Pivovarna Union's share.

The Media Comment

Finance published a column on the 15th of May 2002 in which author claims that the "brewery war" is slowly approaching its end. The focus is on the 24% share that Laško has in Union. The author speculates whether Laško alone has enough financial capital for the takeover of Union?

EVENTS:

23rd of July 2002: Interbrew again announces public offer for takeover of Pivovarna Union; it offers 90,000 SIT per stock.

25th of July 2002: Pivovarna Laško announces public offer for takeover of the Pivovarna Union; for stock it offers 91,000 SIT.

The Media Comment

Delo published column on the 13th of August in which, according to two upper events, denotes Interbrew as an arrogant player.

EVENT:

22nd of August 2002: Both offers run out; none of the both sides gets the majority share.

The Media Comments

Finance column (27.8.2002) argues that "brewery war" is getting tougher, because Interbrew and Laško don't plan to withdraw from Union. The author is very critical towards the previous games that Laško played under the table. Interbrew is marked as a tough player who does not give up easily. As well is author critical towards Slovenian's takeover law.

In the second *Finance* column (27.8.2002) the author is neutral towards both sides, but critical towards Laško's acting in previous year.

EVENT:

3rd of September 2002: Pivovarna Union assembly rejects the proposed final capitalization of Pivovarna Union, after which Interbrew would become 50.1 percent owner of the company.

The Media Comment

On the 24th of October 2002 *Finance* published a column, in which author screens the "brewery war" on European Union level. He argues that in the EU and candidate countries, the money is everything that matters. The more that the negotiations with the EU candidates (Laško) are approaching its end, the more stable is the position of European Union (Interbrew).

The third period (8/ 1/ 2003 – 23/ 12/ 2003):

EVENT:

8th of January 2003: Perutnina Ptuj gets 5.91 percent owners share in Pivovarna Union; for the stock they pay roughly 93.000 SIT.

The Media Comment

On the 12th of January *Finance* published a column in which author critically reviews the Perutnina Ptuj's purchase of the Union's stocks. The author's attitude towards

Laško is very negative. He argues that this was just another episode in Laško's twisted tactics.

EVENTS:

17th, 18th of February 2003: Interbrew and Laško present their own studies of brewery market in Slovenia. During the hearing before the governmental Competition Protection Office, Pivovarna Laško offers extra conditions in return for the approval of the capital concentration; after a month those conditions rejected by the same office.

19th of June 2003: Interbrew demands exclusion of the Competition Protection Office boss Andrej Plahutnik from the decision process.

The Media Comment

Delo publishes column (20.6.2003) which is focused on the intention of Interbrew who demands Andrej Plahutnik's exclusion from the decision making that concerns Pivovarna Laško's takeover of Pivovarna Union. The author is very critical towards Andrej Plahutnik and Pivovarna Laško.

EVENT:

14th of July 2003: The minister of economy Tea Petrin rejects the demand for Andrej Plahutnik's exclusion.

The Media Comment

On the 15th of July 2003 *Delo* published column which refers on upper event. Author argues that this is not (yet) the end of "brewery war", because there are bigger economic interests in the background. Author is also critical towards Andrej Plahutnik and Tea Petrin.

EVENT:

15th of July 2003: Interbrew for the first time threatens with the internationalization of the disagreement.

The Media Comments

Delo published column on the 16. of July 2003 that refers to the Plahutnik's decision in which he demands that Pivovarna Laško has to, if its ownership in Union surpasses 50%, resist some of the Union's known trade marks for three years. The author is very critical towards Andrej Plahutnik as well towards Interbrew.

The last column concerning "brewery war" in *Delo* is published on the 22nd of July 2003, which also refers to the "patriotic" decision of Plahutnik. This time the author is focused on the pressures from the European Union, which were termed by Plahutnik as "normal communication". Author is very critical towards Plahutnik.

EVENTS:

31st of July 2003: Pivovarna Union's assembly takes place; the proposition of reparation case (admittedly careless transaction in 2001) against all six members of management was confirmed.

9th of November 2003: Interbrew sends the memorandum concerning the alleged obstacles for foreign investments in Slovenia to the EU parliament; it informs the EU Parliament about the cases put to Slovenian courts.

1st of December 2003: Slovenian Supreme Court rejects the Interbrew's demand to annul the decision by the Stock Market Agency (ATVP) to issue the license for redemption offer of Union's stocks to Pivovarna Laško in 2002.

23rd of December 2003: Compensation case against Union's management is withdrawn, assembly appoints new council which consists of: Janez Damjan, Dušan Drogenik, Branko Šibanovski and Rudi Šepič. Belgians denounce subverting cases.

The fourth period (12/ 1/ 2004 – 10/ 12/ 2004):

EVENTS:

12th of January 2004: For the second time the court in Laško refuses the case of ATVP against Pivovarna Laško and Anton Turnšek; agency expostulate the violations connected with the stock buying of Pivovarna Union and violations of the takeover law.

22nd of January 2004: New Pivovarna Union's supervisory board conformably releases president of management (Marijan V. Mira) and replaces him with Dušan Zorko.

The Media Comment

The last column concerning "brewery war" in *Finance* was published on the 24th of January 2004. Author cynically writes about the chief executive of Pivovarna Laško Tone Turnšek and refers to Interbrew in positive terms.

EVENTS:

1st of September 2004: ATVP case Laško-Union inveterate; senate for trespasses stops the procedure against Pivovarna Laško because of the alleged violations of takeover law at the stock buying of the Pivovarna Union in fall 2001.

10th of December 2004: After almost two years Pivovarna Laško redeems back 5.98 percent stock share of Pivovarna Union at price 91,000 SIT/stock and becomes 53.85 percent owner of Pivovarna Union. The brewery war ends.

Some preliminary conclusions

At the beginning of "brewery war" the columns in *Delo* mostly pay attention to virtually all events concerning the 'brewery war', but in the fourth period they did not publish even a single editorial column on this matter. *Finance* has higher frequency of editorial columns that dealt with "brewery war", and they covered all four periods.

The columns in *Delo* are totally focused to the events in the "brewery war". Meanwhile the "brewery war" events in *Finance's* columns are often a part of the broader themes (national interest, Slovenian multinationals, takeover legislation etc.).

Several columns in *Delo* tend to be somewhat more neutral, but the polarization between two newspapers can be felt. *Delo* is more on the Laško's side and *Finance* is clearly on the Interbrew's side. The authors of the editorial columns in *Finance* in totally 3 cases speak in positive terms about Interbrew and in 4 cases in negative terms about Laško. Meanwhile, authors in *Delo's* columns refer to Interbrew in negative terms in totally 3 cases.

Both newspapers agree that Laško didn't play fair game in the first period of "brewery war".

Interbrew and Renault/Revoz: the two opposite cases of media coverage

The second part of our analysis is intended to add both the quantitative and the additional comparative aspect to our analysis. The analysis includes the coverage of two different multinational companies, namely Interbrew and Renault/Revoz by four Slovenian media in selected periods. Unlike in the first part, we have included all articles for the selected time periods, not only the editorial comments. In order to enable quantitative analysis the articles, which were used as the unit of analysis, have been coded following standard procedures (see Makarovič and Rončević 2006; Splichal 1990).

The time periods included

Our analysis included all articles for the given periods that explicitly refer either to Interbrew/InBev or Renault – Revoz (or their leaders when acting on their behalf). We have included all the articles related to any way with the two corporations from the selected media for the following periods:

June 1990 – Revoz only (This was when Renault became 20.2% owner of the Slovenian car company Revoz)

October 1991 – Revoz only (Renault became 54% owner of Revoz.)

September and December 2001: Renault + Interbrew (the beginning of the ‘brewery war’ for the controlling share of the Slovenian brewery Union between the other Slovenian brewery Laško and Interbrew)

September and December 2004: Renault + Interbrew: Since the parliamentary elections took place in October 2004, September was also the peak of the pre-electoral campaign, which had referred – though to a very small extent – to both Interbrew and Renault/Revoz. This is also the time of the epilogue after the ‘brewery war’ that ended with Interbrew’s withdrawal and the final ‘victory’ of the (weakened) Laško brewery.

The amount of coverage

We have found 285 articles dealing in a direct or indirect way with either of the two multinationals: 175 on Interbrew and 110 on Renault-Revoz. When Revoz transformed into a stock company with a minority share owned by Renault (in June 1990) and when Renault obtained the controlling share in Revoz (in September 1991), the media coverage in Delo was minimal. Only two articles in this newspaper can be found from this period. These events seem to have been understood as self-evident and thus provoked no public debate. 50 articles on Renault-Revoz have been published in the second period of our analysis (2001) and the rest in the last period (2004). It is clearly not surprising that most of the articles on Interbrew(160) have appeared in 2001 when »the brewery war« had begun.

13% of articles on Interbrew and 21% on Renault were not (directly) related to Slovenia. However, they have also been included in the analysis, since they may contribute to the general image of the multinationals in the Slovenian public.

The most extensive coverage of both multinationals can be found in Finance: 65% of articles on Interbrew and 43% on Renault/Revoz. This can be compared to the significantly lower coverage in another daily, Delo that contributed only 21% of all articles on Interbrew and 38% on Renault/Revoz. It may also be noted that Delo and GV attributed somewhat greater attention to Renault/Revoz, while Interbrew has received greater coverage from Finance and POP TV.

Cooperation or tension?

The central issue of our analysis is to uncover how are the relations between the MNC and its environments or stakeholders presented by the mass-media. Whenever such a relation is implied in the article, several options are possible. They may be either based on tension and conflict or on cooperation and harmony. The relation may also be presented in a fully neutral or in an ambivalent fashion. This analysis in fact reveals significant differences in the perception of the two MNCs.

The stakeholders or relevant environments taken into account for both multinational companies include:

domestic (Slovenian) companies

workers (employees)

local community

the state and its bodies

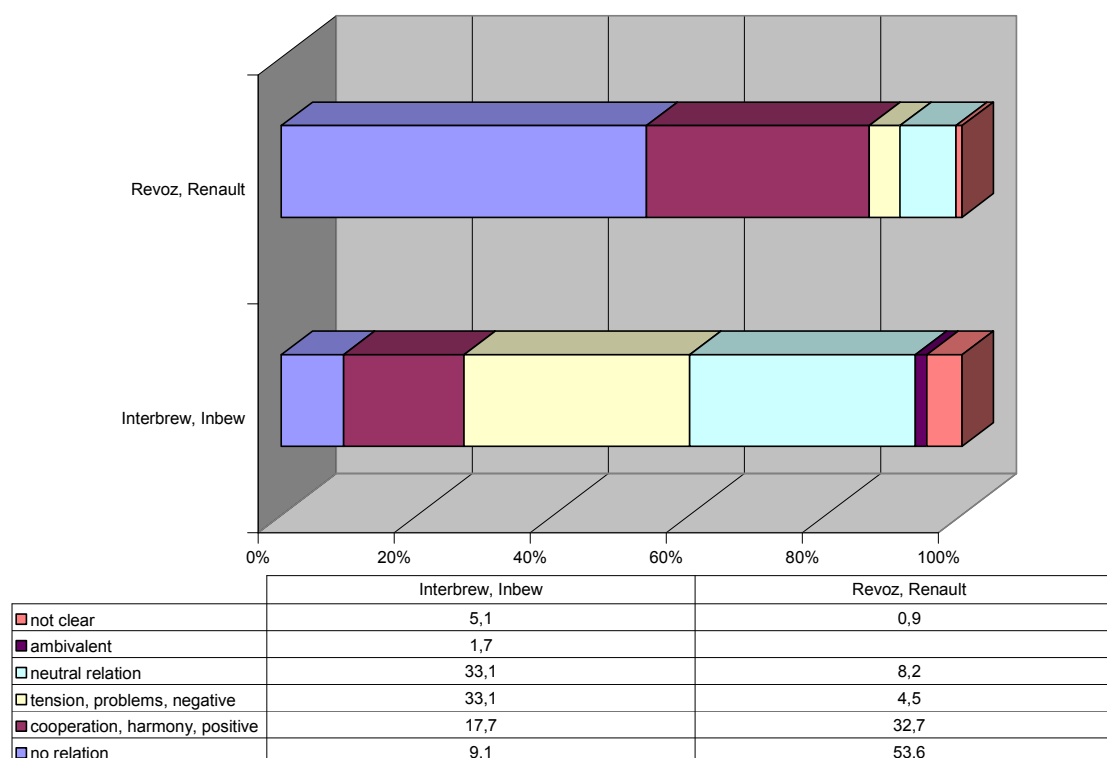
Slovenian 'national interest'

consumers

NGO's or civil society

natural environment (ecological issues)

Figure 2: MNC's relations toward the Slovenian companies



The results are hardly surprising. Because of the ‘brewery war’ between Interbrew and the Laško brewery, the tension in relation to domestic enterprises is significantly more typical for Interbrew than for Renault/Revoz. While the typical relation of Interbrew to the domestic firms is either conflict or neutrality, the typical relation – when it is mentioned at all – of Renault/Revoz is the one of cooperation. The difference is highly significant in statistical terms: contingency coefficient $C = 0.52$; the probability of this combination if the null hypothesis was true is: $P = 0,000$.

This difference remains both in 2001 and 2004. However, the percentage of articles on Interbrew implying cooperation with domestic enterprises has increased significantly in 2004 (from 16% to 33%), when this company was no longer considered a treat to Laško and the ‘brewery war’ was more or less over.

The industrial relations, namely the relations with their **employees**, of Interbrew and Revoz, on the other hand, have received significantly smaller attention. The differences between the coverage of the companies is statistically significant: $C = 0.28$; $P = 0.000$.

In the Interbrew’s case, this is perhaps not surprising, since it could have been – for the Slovenian case – only discussed as a potential promise or treat. Nevertheless, 6 articles can be found stressing the positive and 3 stressing the negative relationships between Interbrew and its employees. Only one of them, however, in fact a public letter by the chairman and MP of the Slovenian National Party (published in Finance 12/12/2001) directly deals with the potential danger of Interbrew for the Slovenian

workers. In 2004, when the Interbrew's acquisition of the Union brewery was no longer an option, its (potential) relationship with the employees disappeared from the analysed media. The 6 'positive' articles refer to cooperative relations between Interbrew and the trade unions and the expressed support of the brewery Union's workers council for the takeover by Interbrew (published in Finance 20/9/2001 and 24/9/2001, reported by POP TV 20/9/2001).

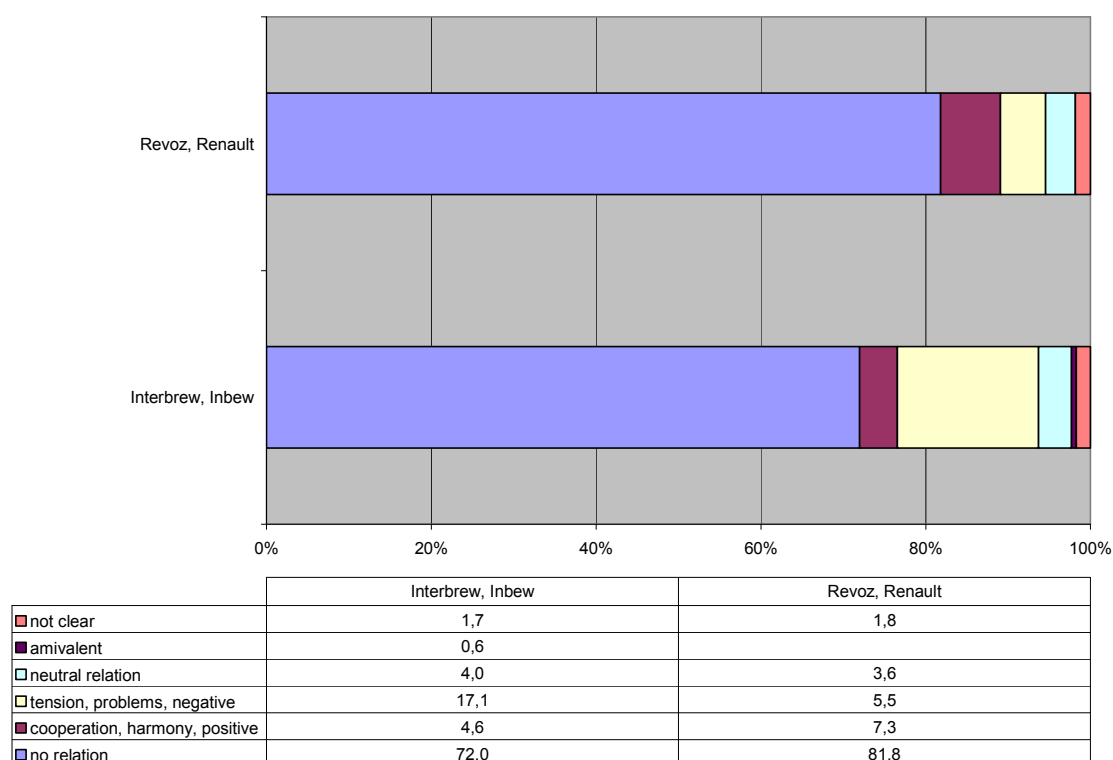
Revoz, on the other hand, is the most significant employer in the South-Eastern Slovenian region. However, only about one fifth of the articles mention the relations between this company and its employees. And when these relations are mentioned, they are described in a clearly positive way. 19 articles imply cooperative relations, 3 neutral and 2 the ambivalent ones. There is not a single article that would emphasise tension or conflict in this regard. The frequency of articles describing positive relations of Revoz with its employees increased in 2004 when compared to 2001.

Only one article implied positive relation between Interbrew and the **local community**, two implied tension, while the rest implied no relationship in this respect. Article which implies positive relation was published in Finance (20/12/2001) and argues that for economic, social and culture prosperity of certain state in general it is not important whether the banks and other important economic subjects are national or international possession. It is important that they run a business successfully, regardless to their owner.

In the Revoz case, eight articles imply some kind of relationship between the company and the local community and all of them speak on the positive relationship. Revoz is presented as the most important local employer, a significant donor (to cultural projects, to the local hospital) and as being relevant for the local development and education. Again, this positive image is somewhat more present in 2004.

The difference between Interbrew and Renault/Revoz is statistically significant: $C = 0.19$; $P = 0.004$.

Figure 3: Relation towards the state and its bodies



Once again, as shown by figure 3, tension with the Slovenian state and its bodies is significantly more present in the case of Interbrew though to a somewhat lower extend ($C = 0.18$; $P = 0.084$). Though tension may appear in both cases, there is significantly more cooperation described in the media between Revoz and the state (and its bodies) than it is the case for Interbrew. For both companies, the relationships are somewhat more positive in 2004 than in 2001.

Renault/Revoz has not been discussed explicitly in terms of national interest in the articles in our sample, except in one case. On the other hand, one fifth of all articles concerning Interbrew deal with national interest in relation to this MNC: only 3 articles in positive and 27 in negative terms. Clearly, those who use the concepts of nation and/or national interest in this context are significantly more likely to present Interbrew's moves as opposing Slovenian national interest. This negative attitude appears in the articles both in 2001 and 2004 with similar density, namely 16% and 13%, respectively.

The relation between the two MNCs and the **civil society** is not a particularly significant issue in the Slovenian media. No such relation is mentioned concerning Revoz/Renault and there are only seven cases concerning Interbrew. It is still interesting, however, that even among the latter, tension clearly prevails over harmony for Interbrew. 4 articles deal with tensions, 2 with neutral relations and only one with cooperation. Among those implying tension it is important to highlight the article published in Finance (12/12/001) quoting a statement of a famous Slovenian poet and the Slovenian writers' association warning against the domination of foreign

capital as well as referring to the public in general opposing Interbrew's takeover of the Union brewery. Due to the small number of articles concerning the relation between the MNC and the civil society one cannot establish a statistically significant relation: the null hypothesis cannot be rejected ($P = 0,211$).

In the Interbrew case the relations towards **consumers** are an insignificant issue. There are only two articles concerning this issue, one of them presents a positive relationship and the other is rather unclear about it. Article which presents positive relation towards consumers was published in Finance (19/9/2001) and deals with the Interbrew's market strategy and its goal to become the first bidder on the global market.

On the other hand, nearly 30% of all articles on Renault/Revoz involve some relation towards the consumers. In 21 articles one may find positive and in 5 negative relationship.

The **ecology** has not turned to be a relevant issue in connection with either Renault/Revoz or Interbrew. There is only one article on this issue concerning Interbrew and one concerning Renault/Revoz. Both of them express positive relationship between the corporation and environmental issues.

The presentation of the MNC's own perspective

Another aspect of our analysis has been how much space is given to the corporation (besides paid advertising) to present its own point of view in the mass media. The indicator used for this purpose has been whether the MNC's direct representatives' views are explicitly quoted or summarised in the article. It seems from our sample that the Slovenian media are not very likely to use MNC's representatives as their sources when writing about the MNCs. Almost 81% of articles on Interbrew and almost 71% of articles on Renault/Revoz do not explicitly quote or summarise sources representing these corporations. The opportunity of a corporation to speak directly to the Slovenian public (besides paid advertising, of course) is thus quite limited when compared to the entire amount of messages appearing in the media on this corporation.

When the periods in 2001 and 2004 are compared, it may be noticed that the explicit presence of MNC's representatives' views has not changed significantly.

And how have the corporations tried to present themselves? The executive vice-president of Interbrew for Central Europe Jaak de Witte, for instance, claimed that their company would mostly rely on the local (Slovenian) management after the takeover of Union ('We will fight for Union', interview in Finance, 2/12/2001). Several times, the representatives of Interbrew have claimed that their marketing strategy is based on the maintenance of the local brands and the local production ('Interbrew to explore partnership with Union Breweries in Slovenia', Finance, 19/9/01). The same emphasis on regional and local brands by that company can also be found in the InBev's web page at http://www.inbev.com/brands/2_1_0_brandsphilosophy.cfm.

Environmental, social and societal responsibility is also clearly stressed by Revoz (see:

<http://www.revoz.si/index.cp2?objectName=TrajnostniRazvoj&ArticleID=1215>).

Explicit or implicit value judgements on the corporation expressed in the article

Most of the articles dealing with both MNCs tend to be neutral: 77% on Interbrew and 50% on Renault/Revoz. When explicit or implicit value judgements are present, however, they are significantly more likely to be positive on Renault/Revoz (46% positive, only 4% negative), than on Interbrew (9% positive, 12% negative). The rest of the articles on Interbrew are either ambivalent (2 articles) or unclear (2 articles) as far as the value judgements on the corporation are concerned.

Negative value judgements of the article's author on Interbrew can only be found in the 2001 – in the time of the approaching 'brewery war' – while in the 2004 period such judgements have disappeared, since the MNC was no longer considered as a 'treat'. As far as the ratio between the positive and negative value judgements is concerned, the generally favourable public image of Renault/Revoz has even slightly improved in the 2004 period when compared the 2001 period.

The corporations and political parties

Finally, we have analysed to which extent and in which ways have the two MNCs become the issue of the political discourse in its narrower sense, namely as the topic for the political parties and their direct representatives.

Clearly, Interbrew was a much more interesting topic for the (partisan) political discourse. There are 26 articles involving parties' attitudes towards Interbrew (all except one in the 2001 period). The articles clearly but briefly reveal divisions within the main ruling party of the time, LDS (Liberal Democracy of Slovenia), concerning Interbrew and the 'brewery war'. All analyzed media reported that 57 representatives of parliament (22 from Liberal Democracy of Slovenia) signed the petition for integration Slovenians breweries. Prime minister designated this action as serious intervention of politics in economy of private sector.

On the other hand, its junior coalition partner SLS (Slovenian People's Party) and the radical nationalist oppositional party SNS have clearly supported Laško against Interbrew in the name of national interest. The other parties remained either neutral or ambivalent concerning this issue.

There are only 3 such articles on Renault/Revoz, all of them have appeared in the 2004 period (right before the elections to the national parliament) in relation to the SDS' (Slovenian Democratic Party – in opposition before October 2004, governing party after that) criticism against the government's subvention for Revoz. Even that attitude of SDS, however, is presented as being heavily criticised (by the other parties, by the locals) or even as a clear example of political error.

It may be argued that the concrete MNCs are not a typical issue for the Slovenian political parties. The most notable exception were only two comparatively small political parties, namely SNS and SLS that explicitly rejected the option to sell the state owned shares of Union brewery to Interbrew. The other relevant parties, including both the ones in the coalition and in the opposition, have tended to take more neutral or more general position without 'interfering' into a concrete case.

Towards a conclusion

The media images of multi-national corporations in the Slovenian media may vary to a significant extent, depending on a variety of factors such as:

- the existence of a conflict between a MNC and one or more domestic companies;
- the length of time in which MNC has been present in Slovenia (its presence may become self-evident);
- relations of the MNC to some of the most relevant local stakeholders, such as the workers and the local community;
- the belief that development, the living standards and employment in a certain region depend on the presence of a given company.

The existence of a (serious) conflict may affect the entire image of the MNC and the way how it is presented in the media. A tradition of long and self-evident co-operation with the local/national environment, on the other hand, may produce highly positive (perhaps even somewhat apologetic?) media images, where virtually all of the problems seem to be minimised and many of the potential criticisms rejected.

The comparison between the media coverage of Interbrew and Renault/Revoz clearly speaks in favour of our first hypothesis which may thus be confirmed following the results of this study.

The second hypothesis that the relations of a MNC to some powerful national actors at least partly determine its media coverage is somewhat more complex. The cases of Interbrew and Revoz show some interesting correlations: The strong tension between the Slovenian company Laško and its allies on the one side and Interbrew may lead to the fact that Interbrew is presented in a less favourable way also when some other issues are presented: the conflict with another company may automatically mean – in the media - the conflict with some other stakeholders, such as the local community, ‘the nation’ (in the sense of the national interest), the state, etc. . Harmonious relations to Slovenian companies, on the other hand, as they are the case for Renault/Revoz may imply a favourable coverage of relations with all the rest of the major Slovenian shareholders.

However, the situation is not so straightforward. One should also consider the differences between the media when presenting the same company. This has been clearly seen in the presentations of Interbrew by *Delo* and *Finance*? Is the difference based on interests and power relations as we have claimed in our second hypothesis or is it based on other factors, such as the dominant values and ideology of different media.

The alternative to our second hypothesis would be that the differences between *Finance* and *Delo* concerning Interbrew and the ‘brewery war’ are based on the value differences between the media. There is some evidence for this thesis. *Delo* has been often understood as a somewhat classical left oriented daily. *Finance* on the other hand can be considered as a liberal daily with strong liberal-cosmopolitan outlook.

One may oppose multinational companies, such as Interbrew because of either anti-capitalist attitudes or nationalist attitudes, or because of the combination of both. Such opposition is not necessarily related to interests and power relations.

If this was true, however, one cannot explain the differences between the presentation of Interbrew and Renault/Revoz in *Delo*. The very same newspaper in about the same period was able to demonstrate a very critical attitude towards one multinational and a very sympathetic one towards the other. This is something that is quite difficult to explain with values and pure ideology.

The explanation based on interests and power relations thus seems to be more persuasive in this case, especially if we are aware that the Laško Brewery holds an important share of Delo. Although this does not mean direct interference with the editorial policies, implicit connections can hardly be ignored. It may be argued that the combination of these facts speaks at least partially in favour of our second hypothesis.

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