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**Will Knjaz Miloš Belong to Foreigners?  
The Privatization and Image of Multinational Companies  
in the Serbian Media (2000-2005)\***

**Abstract:** This study analyses the media coverage of the privatization of Knjaz Miloš, Serbia's most famous mineral water factory, as well as the manner in which the multinational companies were presented in this process. The focus of the paper is on the conflict between major stakeholders as they were presented in media texts. Three phases of the privatization process are analysed. The first phase is the period from October 2000 to September 2003, when the news about privatization came out in the media; the second phase is from August 2003 to December 2003, when the first potential buyers appeared; and third is the period from August 2004 to September 2005, when Knjaz Miloš was finally privatized. The conclusion of this analysis is that a negative image of multinational companies prevails in the domestic media. Such an image is not ideologically coloured (as it was in the 1990s) and is seldom openly presented. The general attitude is sceptical, even though an awareness of the importance of the participation of multinational companies in the process of privatization is present.

**Key words:** Knjaz Miloš, privatization, transition, multinational companies, media, Serbia

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## Introduction

This study aims to analyse the media coverage of the privatization of Knjaz Miloš, Serbia's most famous mineral water factory, and the manner in which multinational companies were presented in this process. As one of the strongest national brands, Knjaz Miloš was chosen due to the great publicity its privatization gained and the rich symbolic connotations tied to it. The study focuses on the conflict between major stakeholders as they were presented in the media text.<sup>1</sup> The usage of symbols, connotations, word plays and stereotypes are the object of this analysis.<sup>2</sup>

The analysis took into account articles appearing in three dailies (*Politika*, *Danas* and *Kurir*), two weeklies (*Vreme* and *NIN*), two economic magazines (*Ekonomist* and *Biznis & finansije*) and two TV channels (*RTS 1* and *B92*).<sup>3</sup> The time span of the printed media extended from 5 October 2000 until August 2005. Sampling was done in such a way that this whole period, from democratic changes until the privatization of Knjaz Miloš, was covered. Within the period of five years, every article in the selected media was analyzed. The analysis of the TV stations was limited to the period from September 2003 until January 2005, the period with electronic media coverage of the privatization of Knjaz Miloš. The *prime time* was analysed in the interval from 18.30 until 00.30. The analysis also includes the Internet but with no significant results whatsoever.

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<sup>1</sup> Analysis of real economic, political or any other motives and thus interests of the stakeholders (government, Knjaz management and companies bidding for Knjaz) are not within the scope of this article, and cannot be determined on the basis of media articles alone.

<sup>2</sup> As the overall Dioscuri project aimed to produce case studies with ethnographically rich data, this paper focused on content analysis of the media texts in order to collect data rich with connotations, word plays and stereotypes related to the image of the multinational companies interested in buying present on the Serbian market. This is the reason that we did not elaborate a theoretical framework for this study. For the literature dealing with theoretical approach to privatization and transition, see: van Brabant 1998, and Pickles and Smith 1998, Estrin 1994, Ribić 2007. There are also quite a few empirical studies of post-socialist privatization. The work of E. Dunn in Poland (Dunn 2004) deals with one such case, wherein an American company bought a Polish baby food factory, while the study of N. Brandelj (Brandelj 2008) deals with eleven different cases of privatization in central and eastern Europe.

<sup>3</sup> All the data regarding the TV channels were made available thanks to the AGB Nielsen Media Research which allowed us full access to their media archives for which we are grateful to them.

The media were first and foremost chosen regarding differences in their general attitudes towards the political, economic and social reforms in Serbia.<sup>4</sup> They could thus be differentiated between the ones with the more liberal and others with the more conservative attitudes. Focusing on privatization, this meant the opposition between media supporting fast and radical privatization and the ones supporting more cautious and slower privatization.

Among the dailies, *Politika* is the one with the longest tradition, the most renowned national daily, which supports the political interests of groups in power. *Danas* presents itself as a civil newspaper of liberal and pro-European orientation, the national daily that has a different style and political orientation than *Politika*. *Kurir* is a tabloid of populist editorial policy.

The weeklies include *Vreme* with a more liberal and *NIN* with a more conservative editorial policy. The magazines *Ekonomist* (the most important economic magazine) and *Biznis & finansije* mainly cover economic topics. The TV channels are the first channel of the state broadcaster, *Radio-Television of Serbia 1 – RTS1*, and the private television *B92*.<sup>5</sup>

Even though it was quite difficult to draw a line between the analysed media with regard to the mentioned classification, the dailies *Politika*, *Nin*, and the TV channel *RTS1* could be considered as the media that stress the importance of national resources and see the national interest in slower privatization of companies exploiting these resources. The daily *Danas*, *Vreme*, television *B92* and the magazines *Ekonomist* and *Biznis & finansije* in general criticize the government and advocate a faster transition of society and faster privatization.

### Chronology of events leading to privatization

Knjaz Miloš (in further text referred to as Knjaz) is the biggest Serbian mineral water factory with about 50% of the market share (in the year 2000) with a strong and recognizable brand identity. The production branched out into manufacturing fruit juices and energy beverages. The factory was named after Miloš Obrenović, the leader of the Second Serbian Uprising (1815), and founder of the independent Serbian state<sup>6</sup>.

The change of regime that took place on 5 October 2000 left managers of non-privatized companies in fear of losing their positions and privileges. At the

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<sup>4</sup> It should be noted that the starting criterion for the selection of media was a balanced representation of various target groups that make up their audiences (readers and viewers).

<sup>5</sup> The data about ownership structure of these media is not available.

<sup>6</sup> Exploitation of the mineral water started as early as 1811. Further on the history of Knjaz Miloš factory may be found on their website: [www.knjaz.co.rs](http://www.knjaz.co.rs).

time, companies conducted privatization in accordance with the Law on Property Transformation of the Republic of Serbia (passed in 1997),<sup>7</sup> known as the "old law", which meant dividing shares in the ratio 40% to the state, 60% to the management, employees and citizens (pensioners and employees in state institutions). By this law, the shares could not be sold on the stock market (which did not function anyway because this activity was not legally regulated) without prior signature of the director put on the prospectus and no statutory provision obliged him ever to do so. It was merely a simulation of the democratic regime and legitimacy. Milenko Golubović (the magazine *Biznis & finansije*, No.1, November 2004) presented data that 350 out of 750 privatizations conducted according to this law took place during the several months long interregnum. This was the period between the overthrow of Milošević after the presidential elections (5 October 2000) and the parliamentary elections, when the democratic opposition won the majority in the National Assembly (23 December 2000).<sup>8</sup> During those three months, the power changed more symbolically than actually, the situation which managers of these 350 companies, used to ensure themselves as better a position as possible<sup>9</sup>.

After the new government, headed by Zoran Djindjić as the prime minister, was constituted in February 2001, economic reforms started immediately. The new laws were passed and expert bodies were formed, the most important ones being the Law on Privatization, the Law on the Privatization Agency, and the Law on the Share Fund.<sup>10</sup> The Minister of Economy and Privatization, Aleksandar Vlahović, invited the most successful domestic companies privatized in compliance with the old law to get involved in the new process, which would include finding a strategic partner. Knjaz belonged to that group, but its management did not respond to the invitation. The first conflict, or differences in interests, occurred as early as the beginning of 2001.

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<sup>7</sup> The Law on Property Transformation of the Republic of Serbia was adopted in July 1997, and officially published in October 1997. The Law on Property Transformation of the Republic of Serbia, Official Gazette of the Republic of Serbia, no. 32/1997. (Zakon o svojinskoj transformaciji Republike Srbije, Službeni glasnik RS, br. 32/97). The official creator of this law was Milan Beko, the Minister of Privatization of the Republic of Serbia.

<sup>8</sup> There was a transition government in this period. After the elections in December 2000, Zoran Djindjić formed the government of Democratic Opposition of Serbia (January 2001).

<sup>9</sup> In order to "stimulate wide-scale privatization", those managers used the interregnum period to conduct privatization according the "old law".

<sup>10</sup> The Law on Privatization, the Law on Privatization Agency, and the Law on the Share Fund were all passed in June, 2001. Official Gazette of the Republic of Serbia no. 38/2001. (Zakon o privatizaciji, Zakon o Agenciji za privatizaciju, Zakon o akcionarskom fondu, Službeni glasnik Republike Srbije br. 38/01)

The management of Knjaz led by its general manager Radenko Marjanović, insisted on finishing capitalization, pointing to themselves as to a strategic partner. This demand would have had its legitimacy, but activities of the management did not indicate this intention. Instead, they talked about capitalization as a way of privatization of the companies with a 60% stake already in private hands but which their holders could not dispose of because the prospectus was not signed, so they could not be offered to a potential buyer in capitalization. Prevention of share trading especially affected small shareholders who were not employed in the factory and whose sole interest was to cash their shares as soon as possible. The other fact which indicates that there was an interest of the management to avoid privatization, (which meant new owners and possible change of the company's management) is the length of the period between the beginning of the process of privatization, at the end of 2000, and the transformation of the factory into a privately owned company, at the end of 2004.

The management used the unstable political situation to prolong the sale of "their" company. The process of privatization of Knjaz can be divided into three phases, more or less linked with different political, economic and legislative processes in Serbia:

- Phase 1. In October 2000, after the political changes, the management of Knjaz rejected every potential investor (Coca-Cola, Vlade Divac, Danone, FPP and Laško). Using connections in media, the management started a campaign based on patriotic elements of the company's brand. Faced with the problem of the "old system" management refusing privatization, the government passed a new law in 2001, which enabled bidding for a company even though its prospectus was not signed.<sup>11</sup>

- Phase 2. In the spring and summer of 2003, the first potential buyers arrived: Coca-Cola, Nestlé and Danone. In September 2003, Vlade Divac, NBA player and national sport icon, made an offer to buy Knjaz. He was ideal for creating opposition to foreign companies. As a potential investor, he was used to avoid the threat of selling the company to foreigners. In November 2003, when the above mentioned threat was eliminated, Divac was also rejected as an impostor (at the time when it was obvious that the government would have to resign<sup>12</sup>).

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<sup>11</sup> Even though no positive action towards privatization took place within Knjaz Miloš at the time, this first phase was in fact an introduction to privatization. It was characterized by negative action, i.e., the rejection of foreign partnerships, as well as the ignorance of signals from the government and the "new law" that enabled privatization without management approval. It was, indeed, a period laden with multiple tensions.

<sup>12</sup> The new government was to be led by Vojislav Koštunica and it was more conservative in respect of economic reforms than the government of Zoran Djindjić and Zoran Živković.

- Phase 3. In the summer of 2004, the affair started with the repeated contacts of Divac with the management, which resulted in signing a memorandum regarding the purchase of Knjaz. On the same day the FPP submitted a bid to buy 25% of the shares. Soon there were bids by other interested companies (Salford investment fund, Slovenian Laško, Danone, Delta, the Croatian Agrokor). On 19 August 2004, the government issued a decree which enabled it to offer its stake and called on small shareholders to join it in assembling a majority stake together. In November 2004, because of an unfair and illegal offer, the Commission disqualified Apurno (Divac and Danone), whose bid the state accepted. This resulted in a midnight government session. The second round was declared invalid, and had to be repeated, with no penalty or disqualification. In the repeated second round, Laško and Danone gave up, and FPP, as the only remaining bidder, became the new owner of Knjaz.<sup>13</sup>

### Content analysis of media presentations

#### *Democratic changes, interregnum, and simulation of privatization (October 2000 – September 2003)*

After the political changes in October 2000, the new government started the economic reform. The Minister of Economy and Privatization, Aleksandar Vlahović, invited companies privatized by the old law to get involved in finding a long term solution and to enter privatization through cooperation with the government, who wanted to find strategic partners for the biggest companies. The management of Knjaz ignored this invitation.

#### Knjaz Miloš management refuses the government proposal to find them strategic partners

After privatization was conducted according to the old law, the management intensified its PR activities. From November 2000 until January 2001 *Politika* published news about business accomplishments of Knjaz, its planned growth of production, scholarships for students, sponsorships for sport clubs, help sent to kindergartens and schools.

In March and April there were articles about the new law on privatization and the anxiety of management teams over having to remove all restrictions they had at their disposal. As was mentioned before, the new law allowed

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<sup>13</sup> Following the ownership of Knjaz Miloš up to the present, it should be mentioned that in January 2005, FPP Balkan Ltd. added Salford Capital Partners fund as their partners. In December 2006, Knjaz Miloš AD obtained an ISO 22000 certification for food safety, having become the first company to obtain this certification in Serbia.

placing a public bid for buying the shares of a company without prior signing of the prospectus. According to the old law the shares could not be offered without prior signing of the prospectus by the manager or director. At the same time no law obliged him ever to sign it. This is how managers of many companies maintained their positions. The government vainly tried to solve the problem by negotiations, but the majority of companies refused the proposal of the government to find them strategic partners. Knjaz Miloš belonged to this group. Regarding the call for the companies privatized according to the old law to revalue the capital and find a strategic partner, Mirko Cvetković, the Deputy Minister of Economy and Privatization, said: "We have no intention of rushing them into it. This was for them a good opportunity to get our help. I am sorry because they didn't understand it well and missed this chance to get a recognizable strategic buyer of the majority stake instead of 'an accidental' partner." (*Politika*, 23/4/2001, p.10). During 2002 the issue of Knjaz was not dealt with in *Politika*.

#### Defending the national treasure

During the celebration of two centuries of mineral water use in Aranđelovac, the general manager of Knjaz, Radenko Marjanović, said: "One of our priorities is to continue privatization; some would sell it overnight, without regarding it as a company of national interest. We want the company itself to be a strategic partner, and not a strategic prey of multinational companies whose intentions are well-known to us from the experience of other countries" (*Politika*, on 4/1/2003, A11). In the same month *Politika* published an interview with Jack Barbanel from the Salford investment fund who said that they did not buy factories to eliminate competition, like Nestlé, Danone, and Parmalat did (but he did not mention that investment funds mainly sold them to multinational companies for a higher price). Mr. Barbanel confirmed that there were negotiations with Knjaz: "The negotiations which started last year in April-May have failed mainly because of their fear that we will not be successful in this privatization. All were very protective... There is a national pride here. It is good. There's nothing bad in it. But people should hear how much money is to be invested here. Nobody wants to steal anything from them or to take them away, you can't put Knjaz Miloš or Imlek in a suitcase and go to England or the Netherlands" (23/1/2003).

The first channel of national television (*RTSI*) covered the events relatively impartially, if judged by the form and reporting of facts deprived of accompanying comments by journalists. However, the impression changes when we notice a high proportion of state officials openly naming their favourites, as well as the context which can be created by, for example, news that the Alliance of the Serbian Independent Trade Unions had protested

against privatization and even engaged a private detective bureau to investigate illegal activities in this process (on 4/1/2003 at 19:46).

It is interesting that a campaign against Coca-Cola as a potential buyer conducted in summer 2003 went almost unnoticed in *Politika* and *RTS 1*. The campaign was not explicit and was mainly conducted on the "lower" levels, in tabloids and local media. The first news about privatization in *Politika* appeared under the headline: "Vlade Divac also interested", and the subheading: "Capitalization of Knjaz" (*Politika* on 5/9/2003 p. B1). After two days, *Politika* published the article written by Radojko Nikolić under the headline: "Who will Knjaz belong to?" Nikolić said that the prospectus should be signed so the company could be put up for sale – "to a foreigner if necessary", criticizing the attacks on investors. Summing up the atmosphere in the public he wrote: "Briefly, the actual prevailing message sent to the public regarding Knjaz Miloš says: Do not sell the national treasure to foreigners!" (*Politika*, 7/9/2003 p. A9).

The case of *NIN* may be the most interesting in the manner in which the image of multinational companies had been developed, at least in the case of privatization of Knjaz. The context is important for their discourse. Long before the havoc with Knjaz began, there had been an article published in *NIN* about privatization of mineral water with a unanimous message of expert interviewees that strategic resources should not be sold. (Svetislav Stanković, director of Development and Production Department of Vlasinska Rosa, Dr Mila Kovačević, general manager of Heba, Perica Jović, *NIN* 2716 on 16/1/2003, p. 34-35). When the bidding for Knjaz had begun, the economists Danilo Šuković and Branko Dragaš, did not support the sale and saw the fight for the water as the core of the whole affair. It should be stressed that in the period when the foreign companies were intensively rejected, especially Coca-Cola, *NIN* carried the attitude of Srđan Janićijević (former director of Coca-Cola in Serbia) who said that the multinational companies were not at all bad and that the domestic market should be open to them (*NIN*, 2749 on 4/9/2003, p.31).

As for the negative judgements, *NIN* mainly reported statements of third parties and kept a certain balance in a way similar to that of *Politika*. *NIN* openly expressed disagreement with the manner and timing of the sale of Knjaz. However, a legitimate adoption of the attitude towards a premature sale turned into building a picture of the participants on the market when the whole reporting had a negative connotation, the impression formed when analysing their texts.<sup>14</sup>

The first difference that could be noticed between the coverage of *Politika* (or even *NIN*) and *Danas* is in a fewer number of front pages devoted to the

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<sup>14</sup> This impression is based on analysis of all the articles published in *NIN*, such as the quoted articles criticizing the selling of strategic national resources.



affair. The next characteristic is a much more serious, rational analysis of the behaviour of everyone involved, when compared to *Politika*. The national sentiment is a topic for criticism and a frequently ironical object of ridicule. The first appearance of Knjaz in *Danas* was a caricature in which Knjaz Miloš was drinking Coca-Cola and eating a Big Mac (*Danas*, on 3/9/2003). At the very beginning it was stated that after refusing to sign the prospectus, the director started a media campaign against the Ministry. It was also mentioned that it was very important that the world's big corporations took part in privatization.

Like *Danas*, *Vreme* was also intrigued by the attitude of some media. The commentator finished with expectations that the national pride would not take much place should the offer appear to be big. The topic of Knjaz intrigued *Vreme* journalist, Miša Brkić, who was more interested in a populist discourse than in the role of the state (which was stressed in the writing of the journalist of *Danas*). The article had an ironic title, but it is an example (noticed by the journalist of *Danas*, Dragan Vujadinović,) in which *Vreme* also used effective titles which inadvertently fitted in the dominant rhetoric: "Bargain" (*Vreme*, 658, on 14/8/2003 p. 5-6).

*The first potential buyers: Coca-Cola, Nestlé and Danone.  
Vlade Divac is a national hero, defending Knjaz  
(August 2003 – December 2003)*

As soon as the first buyers showed up, articles with negative connotations appeared in tabloids. Other media did not show much interest because those were all informal talks. Their attention was attracted by this low-profile media campaign, during the fall of 2003 (*STB* on 3/9/2003 at 19:49, "Privatization of Knjaz", and *B92* on 7/9/2003 at 21: 28, in the programme "Impression of the week").

In September 2003 Vlade Divac showed interest in Knjaz. When he appeared as a potential buyer, the state media began to cover this affair. Divac played the role of a national hero, opposing multinational companies. The story had an unexpected turn of events – once the hero started playing his role, he was accused of being a double agent, secretly working for some companies from the USA (Minister Aleksandar Vlahović said this in *Politika* (7/10/2003, the front page), so that he was rejected as well.

Coca Cola vs. Vlade Divac

*Kurir* was taken here as an example of media representing "economic patriotism". We considered only a few characteristic articles for two reasons. Firstly, since a lot of media pointed out the intensive media campaign against

foreign companies, among them being some analysed in this paper (*Danas* for example), we believed that this part should only represent a paradigmatic supplement to the already mentioned style of reporting. Secondly, we wished to avoid burdening the paper with general views since the phrases and the way of reporting of the "patriotic" media were predictable and therefore unified.

After Divac had appeared and the defence against the hostile takeover had intensified, *Kurir* wrote that Vlade Divac had made an official bid for buying the shares of Knjaz and that he had talked "two evenings ago with the management of the Knjaz Miloš company which was trying hard to stop Minister Aleksandar Vlahović from selling this company to Coca-Cola. This news confirmed for the first time that Divac was interested in investing in this Serbian factory." (*Kurir*, on 5/9/2003).

The weekly *Vreme* started writing about the events around Knjaz by publishing a citation from *Kurir* that the American giant company Coca-Cola intended to purchase Knjaz (*Kurir*, on 12/8/2003). In an unsigned text, *Kurir* pointed to Danko Đunić from Deloitte & Touche as the main go-between, and to Aleksandar Vlahović, standing behind it all. None of the persons involved confirmed the story.

When Coca-Cola came to see the factory, *NIN* wrote that Radenko Marjanović asked perhaps the most pathetic question: "What will happen to us, to Serbia, to all the nation if we sell everything?", Milan R. Kovačević's begging was also cited in *Blic* (on 25/8/2003): "Do not sell, because for the retired people (the majority of small shareholders who were not employed in Knjaz) and to the government only money is important." Interested but undesirable buyers were Coca-Cola, Nestlé, Danone and Laško (Ljubiša Stojilković: "Knjaz Miloš, the chase after the goose that lays the golden egg", *NIN* 2748 on 28/8/2003). In the article: "In the jaws of the successful ones", a researcher of the institute G17, Dejan Gajić, revealed that the sale of similar companies brought the Czech Republic to abandon the development programme and to lose strategic investors. He criticized the activities of Danone and Nestlé in that country (*NIN* 2755 on 16/10/2003, p. 22).

Even though *TV Studio B* was not included in the media analysis, while searching the AGB media database, we noted that the only special programme broadcasted was "Privatization of Knjaz" on *Studio B*, put on the program on 2 September 2003 at 21:00h. The program included an interview with the general director of Knjaz, Radenko Marjanović, with factory workers and Miodrag Đorđević from the Privatization Agency. The programme was done without any comments by the journalist, and it only reported the opinions of third parties. We quote some of the statements of the workers: "They came, Coca-Cola came here, they observed, they were photographing. The workers are embittered; they are very much dissatisfied, you know, when somebody enters your garden, your house... We don't know who sent them or what is

going on." "We have the impression that we are dealing here with invisible forces" and "we don't need anybody, we can live on our own... The workers are afraid of getting fired... These are goldmines. In Coca-Cola in Zemun, they have lower salaries than in Knjaz."

Radenko Marjanović thought that after the sale the number of workers would be reduced. He was sure that foreign management would be much colder, interested only in profit, while on the other hand "we are interested in profit too, but in a human way, we are much more aware of the workers' problems." The representative of the Privatization Agency remained the only one with diplomatic statements and his appearance itself was more defensive. According to him, privatization was inevitable.

Regarding the reporting of TV *B92* there is an impression that, like the daily *Danas*, they managed to keep a necessary distance. In "Impression of the week", where Aleksandar Vlahović, Mlađan Dinkić and Ruža Ćirković (*NIN*)<sup>15</sup> took part, the topic of the program was privatization, above all of the tobacco industry, but Knjaz was also mentioned. Aleksandar Vlahović denied allegations about negotiations with Coca-Cola and denied the accusations that he was behind the problems with the small shareholders. Mlađan Dinkić stuck to the idea that Knjaz should not be sold for the sake of a short-term interest because its price would only go up, while Ruža Ćirković criticized the management (*B92*, on 7/9/2003 at 21:00 Impression of the week). The multinational companies were mentioned as respectable business entities.

The management of Knjaz stirred up when a private brokerage house, Emisio Broker, formed a stake of 14% of shares which together with 40% of the state stake could result in a change of ownership. *Danas* wrote that at that time the statements of the management, workers and "independent experts" appeared, saying that the national treasure ("Knjaz Miloš") could not be sold just like another Serbian ruler "Karađorđe"<sup>16</sup> had eventually ended up in Slovenian hands (Palanački kiseljak bought by the Slovenian Kolinska at the Belgrade Stock Exchange). Coca-Cola, Danone and Nestlé were mentioned and attacked in the media as interested buyers (*Danas* 6-7/9/2003).

Resembling the previous, socialist manner of advocating, *Politika* published the news about the telegrams of support sent to Knjaz Miloš by the Council of Independent Unions from Kragujevac, Negotin, Kladovo, Gornji Milanovac, Raška, and the miners of Kolubara, in which they demanded "...that the benefit from exploiting this natural resource – mineral water,

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<sup>15</sup> Aleksandar Vlahović was Minister of Economy and Privatization, Mlađan Dinkić was Minister of Finance and Ruža Ćirković was a journalist in *NIN*.

<sup>16</sup> Karađorđe Petrović was the organizer of the First Serbian Uprising against the Turks (1804-1813), and was allegedly killed (in 1817) by the men of his godfather Knjaz Miloš, under the order of the Turks and Knjaz himself.

remains only our national treasure which, since being a strategic resource of our economic development, we cannot give it to foreign buyers" (*Politika*, on 14/9 p. B1). Even the Assembly of the Municipality of Aranđelovac, where the factory is located and where there was a pro-reform oriented local government, adopted the attitude that it should be a national factory (*Politika*, on 17/9/2003, B1). The president of the Independent Labour Union of Serbia, Milenko Smiljanić, said that we must "...stop taking the factories away from the citizens of Serbia and Aranđelovac" (*Politika* on 18/9/2003, B1).

The news on *TV B92* reported the statements of the main participants with no comments, the warnings of the economists regarding transparency of the process were reported, (*B92*, on 6/9/2003 at 22:30), while in their programmes the authors underlined the media pressure and unprofessional approach of the state institutions. In the Business Supplement, in *Danas*, Ruža Ćirković concluded that with the elections approaching, the vote was given to economic patriotism. "Mr. Vlahović is expected to do the impossible: to stop the multinational companies from drinking us up together with our mineral water and at the same time not to allow any suspicious domestic dinar to eat up OUR companies." (*Danas* on 29/9/2003) Commenting on the statement of Radenko Marjanović that the agreement with Divac eliminated fears that the factory could fall into the hands of an undesirable foreign partner, Ćirković asked how come they had always wanted Divac to be the owner, and underlined that Divac should not be more desirable than Coca-Cola (*Danas* on 7/10/2003 p. 7).

Miša Brkić cited the story of *Večernje novosti* (on 11/10/2003) where there was a statement of a worker of Knjaz: "We are relieved now, we won't have Uncle Sam for our boss, but our boy, our Vlade Divac," as well as the statement of a union leader, Dragan Matić, which was reported by Beta on 9 October: "If we don't know how to beat the interest of American capital here, then we won't know it anywhere else in Serbia" (on occasion of the conflict between the workers of the ironworks of Smederevo and the management of US Steel. Like in Smederevo, in Aranđelovac, there is also a resistance to foreign investors such as Coca-Cola, Nestlé and Danone. In the text "Divac vs. Coca-Cola", it was said that the working class of Knjaz did not want to get sold to the foreign capital which would bring strategic partners like Coca-Cola, Danone and Nestlé. Divac was also *persona non grata* "...if Coca-Cola is behind him. We will not sign the agreement until this is checked out." (Radenko Marjanović, *Blic*, on 2/10/2003)<sup>17</sup>.

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<sup>17</sup> It is noticeable that the attitude of Knjaz management towards Divac changed at this point, but it should be remembered that this time coincided with the period in which Aleksandar Vlahović announced that multinational companies were behind Divac as well.

For Brkić this is inferior primitivism and the provincial arrogance of representatives of the Union headquarters. Divac is also a capitalist and profit is important for him so he will behave like the notorious US Steel, which was accused by the workers of not revealing their real face of American capitalism until after they had taken over the factory (*Vreme*, 667 on 16/10/2003 pages 20-22). Like *Vreme*, *Ekonomist* also started monitoring the events around Knjaz relatively late. It was above all because all those events were more unconfirmed news than real negotiations. Coca-Cola ended up only unofficially interested in the possibilities of purchase. (*Ekonomist*, 182 on 17/11/2003).

Vlade Divac turns out to be a "bad gay" also

The campaign led by the Knjaz management was obviously successful because the government gave up selling the majority stake to a strategic partner. The general manager, Radenko Marjanović, announced that Divac would be offered a majority stake (*Politika*, on 6/10/2003, the front page). The very next day there was news that Divac would not be the sole owner of Knjaz. Minister Aleksandar Vlahović (responsible for publishing this information) announced that some companies from the USA, not as big as Coca-Cola, but almost as big, would take part in the purchase together with Divac (*Politika*, on 7/10/2003, the front page). This caused a turn of events and a change in the attitude towards Divac. It seemed that the Knjaz management found in this unconfirmed information a new excuse to stall privatization. In the text "A wise precaution: who is participating in the capitalization of Knjaz together with Divac", Radenko Marjanović said: "We will not allow multinational companies to get a majority stake in a roundabout way. We will not allow any of multinational companies which have already shown their interest to be strategic partners, to emerge out of nowhere" (*Politika*, on 8/10/2003, B1). Having expressed these doubts, the management of Knjaz turned down Divac's offer because, according to them, he was not ready to pay the full value of the company (*Politika*, on 26/11/2003, B1).

When Vlade Divac was turned down with the explanation that he was only a cover up for the notorious Coca-Cola, *Ekonomist* described the sale of Knjaz in a following way: "- Hello! - Hello! - Do you have some water? - Yes, but we won't sell it to you." (*Ekonomist*, 184 on 1/12/2003 p.13) In *Vreme*, Divac's hesitation<sup>18</sup> was explained by the unstable political situation and electoral campaigns which criticized the new model of privatization and demanded revision, even mentioning the possibility of canceling privatization (*Vreme*, 673 on 27/11/2003 p. 22).

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<sup>18</sup> *Vreme* made an assumption that Divac hesitated as well.

*Finish of the race: twisting and breaking the rules.  
After the sale, Knjaz disappears from the media  
(August 2004 – September 2005)*

The final stage began in the summer of 2004. The affair started with the contact between Divac and the management of Knjaz, and the signing of a memorandum of purchase. On the same day the investment fund FPP Balkan Limited (FPP) submitted to the Commission a bid to buy 25% of the shares. Soon there were bids by other interested companies (the Salford investment fund, Slovenian Laško, Danone, Delta, Croatian Agrokor). The government issued a decree which enabled it to offer its stake and called on small shareholders to join it in assembling a majority stake together.

After much turbulence the second round began, which included bids for the majority state stake. Divac and Danone set up a joint company called Apurno, while FPP and Laško also placed their bids. The state decided to accept the bid of Apurno which surprised many analysts who had estimated their bid to be the least favourable. Two days before the deadline when it was obvious that FPP would win, Predrag Danilović, a friend of Divac appeared in the media and offered to pay a reward to everyone willing to sell their shares to Apurno. After this call, the number of deposited shares with Apurno grew and on 24 November 2004 they managed to assemble 54% of the shares.

Because of this, the Commission disqualified Apurno, whose bid the government had already accepted. This resulted in an urgent government session, the second round was declared invalid, and had to be repeated. In the repeated second round, Laško and Danone gave up, and FPP became the winner.

Investment fund FPP is a new threat on the horizon  
Divac is a hero again

From December 2003 until 12 August 2004, there was a period of relative truce. The issue of Knjaz appeared in *Politika* in regular intervals in reports on business achievements, modernization of technologies, help sent to schools, hospitals and churches. A noticeable feature of *Politika's* PR activity at the end of 2003 and the beginning of 2004 (when there was a political crisis and the fall of the government) was to broaden reports with statements given by the general manager, Radenko Marjanović, underlining that Knjaz was a company of national interest (*Politika*, on 17/1/2004, B3 and on 20/1/2004, B1). On the occasion of opening new plants in Žagubica, Marjanović said there were increasingly louder demands from the government to privatize bigger companies in Serbia, with Knjaz among them. In order to avoid an undesirable sale of the government's stake, the management prepared a tender

which would protect the long-term development of the company (*Politika*, on 12/8/2004, p. 15). The next day the front-page banner headline read that Radenko Marjanović, Vlade Divac and Miodrag Đorđević, director of the Privatization Agency, had signed a memorandum of understanding. In the same text there was unconfirmed information that the Securities Commission had allowed the shares to be sold to the interested buyers. The news took Marjanović by surprise so he said that it would discourage Divac and that the agreement was supported by Predrag Bubalo, the coordinator in the Ministry of Economy who would soon become the Minister of Economy (*Politika*, on 13/8/2004/ the front page).

In *Politika*, news about the takeover bid was confirmed (*Politika* on 16/8/2004 p. 13.) in a neutral text which gave some basic information about the bid and the bidder, the investment fund FPP Balkan limited (with its main office in London and capital of 750 million dollars). The founder was Fabien Pictet, a partner in Pictet & Cie until 1998, one of the biggest and oldest Swiss private banks. Since the law forbade starting capitalization after the public bid for buying the shares had been placed, the bid of FPP was given priority.

With the surprising appearance of an unknown investment fund, criticism passes over to this participant which now took over the role of "bad guy". It was said that FPP was registered in the Cayman Islands and that the impression was that arrangement with Divac for *strategic partnership* was betrayed (the term capitalization was not used any more). Under the headline "Impermissible trade", Radenko Marjanović said that "the buyer of a minority stake does not undertake any obligation to invest in the factory or to finance the social program." (*Politika*, on 17/8/2004 page 13). The article entitled "The state, an unwilling accomplice of tycoons", expressed the belief that this was an irrational trade and that laws were uncoordinated. There was also information that Milan Beko, one of Milošević's tycoons, was behind FPP, which Srđan Muškatirović, a representative of FPP, denied. The Ministry of Economy supported capitalization in favour of Divac. The statement of the former Minister of Economy and Privatization, Aleksandar Vlahović, was published, saying that the shareholders had refused strategic partners like Coca-Cola and Danone, and that they had missed their chance and let them in for an uncertain continuation of privatization. (*Politika*, 18/8/2004 p. 14-15). The sale of Knjaz was presented as the sale of the source of mineral water. "How will the state budget increase if the best companies and the natural resources are sold to foreigners who can choose a country or island, like the Cayman Islands, to pay taxes or take their profit out ..." (Miladin Ševarlić, president of the Association of Agroeconomists of Serbia, *Politika*, on 24/8/2004 p. 14).

In a survey conducted among the workers, there was an opinion that Knjaz should be bought by a recognized company, not "a cowboy" one, and that they should wait for a bid from big companies such as Danone and Laško. Even

Radenko Marjanović apparently changed his opinion about multinational companies. He said that they should not act against their own interests and that there were many companies interested in capitalization, Reiffaisen bank and Danone (which "have been the most correct ones") were among them (*Politika*, on 29/8/2004 the front page). When the bidders were presented, an unconfirmed information about FPP circulated, which said that domestic financial lobby of former and actual politicians was behind it (*Politika*, on 9/9/2004 p. 13). Miodrag Đorđević, the director of the Privatization Agency, raised doubts that this was "dirty money" (18/9/2004 p. 15). An interesting and striking contradiction is that in the *Politika* economic supplement, *Econometer* of 21/9/2004, there was a report on a round table discussion held on 7 September 2004. The topic was investment funds which were a novelty in Serbia. Most of the participants welcomed them and rated them favourably.

Trying to clarify the notion of investment funds to the public, which was unknown until then, a report from the above mentioned round table discussion appeared. The investment funds were judged favourably except in the opinion of Zoran Drakulić who said that they had not fulfilled expectations in development of the financial market in transition countries (Rade Repija: *Ekonomist*, 225 on 13.9/2004 p. 23). The investment funds had a very interesting visual presentation in *Ekonomist*, the front page showed a shark in a shoal of sardines with a caption "Big fish in shallow water" (*Ekonomist*, 250 on 7/3/2005).

In her text in *Danas*, Marija Jovanović explained different types of investment funds and their economic activity. The text began with a dilemma as to whether it was better for the shareholders to place their trust in strategic funds or investment funds, and ended with weighing the pros and cons. The conclusion was that investment funds presented a vanguard of multinational companies and that both forms of organization had their positive sides. (*Danas*, 28/10/2004 p. 11).

Old themes emerge again: National heroes and their credibility,  
national interest and strategic resources

When bidding for Knjaz began, a text entitled "Coca – Cola behind Divac?" appeared. The unusual interest of an athlete was explained as a cover for the multinational company which was waiting for a chance to get hold of Knjaz. In a similar way to *Politika*, this was put into a third party's mouth – that of Dragutin Radovanović, president of the Section of Retired Shareholders of Knjaz. However, in the very next sentence it was said that it seemed "that a great part of the domestic public thinks the same. But only a few of them want to talk about it." (*Kurir*, on 18/8/2004).



In the issue dated 28/29 August 2004, *Danas* published an article taken from the Slovenian newspaper *Delo*, asserting an argument that Serbia was not able to overcome the prejudice against foreign capital. All through September, the texts criticized the Knjaz management as well as the suspicious participation in this privatization affair by the tycoon Milan Beko (FPP) and the reaction of FPP, which created an unhealthy atmosphere when it filed lawsuits and thus drove away serious foreign bidders Danone and Laško.

The text "Knjaz remains Serbian" (*Kurir*, on 28 and 29/8/2004) carried the writing of the Slovenian newspapers, saying that Knjaz would probably remain in Serbian ownership in spite of the great interest shown by many companies, including Slovenian Laško. "Knjaz will most probably remain Serbian, either directly, or through off-shore companies. We must not forget that the Serbian government hesitated with privatization as long as it could and that the workers also had fear of the new owner. This is why the ownership of this important company, which manages many water sources, is a very important question, underlined the Slovenian commentators of economic events". During the protest by the workers of Knjaz in front of the government office, a statement of a worker saying that he could not understand why people employed in Knjaz wanted to sell their shares to foreigners was quoted. (*Kurir*, on 29 September 2004).

Ruža Čirković, who wrote for *Danas* too, issued a text in *NIN*, in which the participants in the bid, particularly the "national" ones, were described in an ironic way. The article was announced on the front page as "The war for Knjaz, gambling the idol away" (*NIN* 2799 19/8/2004). A commentator of *Danas*, Dragan Vujadinović, cited the headlines from the popular, but also from the respectable press, as an illustration of the prevailing opinion: "Knjaz Miloš is not for sale, Knjaz does not want a major owner, If they buy our companies, they buy our market as well, We want to be a strategic partner, not a prey, Bargain, Divac to become Knjaz, Divac - the last guard against Coca-Cola, Shareholders of Knjaz do not want Divac, Divac's bid is unacceptable, Knjaz needs a strong financial partner. As chronologically the latest, Vujadinović cited the front page of a respectable weekly *Vreme*: "Knjaz has been killed" (711, 19/8/2004).

At the beginning of the final stage, after the memorandum with Divac had been signed and the public bid of FPP had been made, *Danas* reminded its readers of the affair and the most important fact that the Knjaz management was opposed to acquiring a strategic partner, i.e. the multinational companies. *Danas* also wrote that unofficially Coca-Cola appeared to be the main serious buyer (*Danas* 14-15/8/2004 p. 9). *Ekonomist* concluded that in Knjaz they were anxious about the illegal takeover which happened because of the problematic concept of law on the securities market. It is necessary to change the law and contribute to flourishing of the stock exchange in order to avoid

such situations in the future. The takeover is also a punishment for the cruel behaviour of the management which does not want to accept the fact that the small shareholders are also legitimate owners. Apparently, by avoiding signing the prospectus which would enable small shareholders to dispose of their shares freely, the management has lost their credibility (Vlastimir Stevanović, Boško Živković: *Ekonomist*, 224 on 6/9/2004 p. 27).

Government, Vlade Divac and Danone –  
a new alliance against FPP

When bidding for Knjaz began, the offer of FPP, although unexpected, was judged as possible according to the law (*RTS 1*, 14/8/2004 at 19:31). However, the state called on small shareholders not to sell their shares but to wait until the end of the process of capitalization (*RTS 1*, 17/8/2004 at 19:46). The bidders were described objectively, but it was, for example, stressed that FPP had bid the most for the smallest stake, which meant that those who did not want to sell to them would get nothing. During the same *Dnevnik* (News programme) viewers could hear the voice of Nebojša Medojević, an economist, saying that he believed that the best solution was to join the state and form a majority stake (*RTS 1*, 15/9/2004 at 19:50).

In a series of texts, in *Politika*, Danone was considered in a positive way. It was said that it was the world's leading company in the production of mineral water with total sales of 13 billion euros, and that their bid was the most serious one (*Politika*, on 7/9; 8/9. and on 9/9/2004, all on front pages). After FPP had successfully assembled 25% of shares and after the state and small shareholders had formed a majority stake, a new round of bidding for the majority stake began. In this second round, Divac and Danone joined in a new company Apurno, and the news was accompanied with a comment that the national and social interests were preserved (*Politika*, 2/10/2004, the front page). The tandem of Divac and Danone "was welcomed with delight by the shareholders from Arandelovac", as one worker said: "I can't tell you how happy I am. We haven't been sleeping for days and we worried how to protect our company from the attempt at snatching." (*Politika*, 3/10/2004, the front page). Beside Danone, Slovenian Laško was presented in a favourable way, as a serious company, a market leader in this part of South-East Europe.

On *RTS 1*, alongside the expected bias, there were also different opinions. An excellent example is the Independent production group *Mreža* which broadcasts its magazine once a week on *RTS*. In one story of Knjaz, a fierce economic electoral fight was connected to the political one. The journalists of *Mreža* gave the impression of being subversive with their reporting on the national television. *Mreža* saw cheap patriotism in the conflict. The events

were burdened with emotions and money was not mentioned, although it was behind everything (*Mreža* on 11/10/2004 at 20:00h).

Beside the scandal of the state officials' interference and tendency towards commanded economy, almost all participants of the affair were the target of an attack in *Vreme*. The difference noticed in Brkić's reports (*Vreme*) is that he did not mention FPP in a negative context. Brkić claimed that FPP had acted according to the law all the time, which is a striking negligence considering that they used loopholes in the law and put pressures through lawsuits and criminal charges. Nor did he mention that the brokerage house of FPP was accused of using forged lacking shares to collect the bid percentage of shares in the first round of the public bidding (*Vreme*, 711, on 19/8/2004 p. 14-19). We believe that the reason for that lies mainly in the intention to criticize the behaviour of the government so that those participants attacked by the state were spared from severe criticism. At the same time, a question of the ethics in Danone's behaviour arose, which had the state's support and which had entered into Apurno, a joint company with Divac. Did Danone know that Divac was a lobbyist, so it made a deal with him? The question is why Danone was the only one not to correct the price after the first bids had been opened and why the government, in spite of the fact that it knew about it, deposited its shares with Apurno, which had offered the lowest price. He stressed that the vice president of the government spoke of Danone positively on four occasions: on *TV B92*, on *TV Pančevo*, to *Beta* and *Politika* (*Vreme*, 726, on 2/12/2004 p. 22).

The economic analyst Miroslav Prokopijević in his statement given to *Kurir* criticized the government and the lack of coordination between the state bodies, which was revealed in the case of Knjaz (28/7/2004 and 2/8/2004). After the affair finished, Prokopijević said that the state's interference in the privatization could be only explained as corruption among state officials: "The government kept pressure on the Commission although its decision had been made unanimously. The question is why we need the Commission when the government can make decisions about everything alone" (*Kurir*, on 26/11/2004). Thus the other segment of the affair, the role of the state in the events around Knjaz, did not differ in *Kurir* from the general judgment of all media.

"Impression of the week" broadcast on 26 September and 10 October 2004, showed examples of hostile attitude towards foreign companies in other media and found parallels with communist ideological rhetoric of 1941. The program of 28 November 2004 (*TV B92*, 21:00h "Impression of the week") was dedicated entirely to Knjaz. The participants were Dušan Bajec, member of the Securities Commission, Predrag Bubalo, Minister of Economy, and the former Ministry of Finance, Božidar Đelić. A prevailing message was that the affair was an examination in which both the government and the Commission had failed. The conclusion of the guests was that there was pressure put on the

formally independent bodies and that the participants had proved their ignorance and unprofessional attitude.

Interference of the state was also condemned in *Ekonomist*. Commenting on the advocacy of the President of Serbia, Mr. Boris Tadić, who stood for the small shareholders, they asked a question as to who would stand for big shareholders and demand equality before the law (*Ekonomist*, 228 4/10/2004 p.12). As for Divac, it was written quite openly that he should take care of his own interests and not national ones, since he had said that if his joint bid with Danone worked out, "the national treasure" would remain in "Serbian hands" (*Ekonomist*, 229 on 11/10/2004 p. 11). The affair was described as shameful, once again the front page showed a caricature of a puppet theatre with a bottle of Knjaz and the trade mark of "C Market"<sup>19</sup> as the puppets (*Ekonomist*, 236 on 29/11/2004 pages 14-16).

#### Knjaz disappears from media

As opposed to Apurno's bid, the bid by FPP, which was financially more favourable, was explained in *Politika* by a decision and a choice made between an attractive price and a stronger strategic interest of the state in the long term, which would be realized in cooperation with Divac and Danone. After Apurno had been disqualified due to the illegal mounting of the bid (a public offer made by the basketball player Predrag Danilović that every shareholder who deposited his shares with Apurno would be additionally rewarded), a big pressure on the Commission and cancellation of the takeover, Laško and Danone withdrew. Thus, FPP remained as the sole interested buyer, and finally managed to take over Knjaz on 7 December 2004. The representative of FPP, Srđan Muškatirović, denied the presence of Serbian capital in the fund and confirmed that Milan Beko (Milošević's tycoon) was merely his consultant. When privatization was over, *Politika* published the text: "Happy end in spite of all; Knjaz is sold, long live FPP!" (*Politika* on 15/12/2004 p. 13).

*Biznis & finansije*, an economy-related magazine, regarded the problem of Knjaz in the same way as the *Ekonomist*. The authors did not allow themselves to be involved in the atmosphere of a patriotic discourse. "A toothless lion in a pool full of sharks" is a text written by Milenko Golubović which dealt with the causes and consequences of the Knjaz takeover affair and in which the state institutions were seen as the main offender. The behaviour of the government became an issue. Since all independent analysts agreed that FPP's bid was better, the question was why the government had decided in favour of the tandem Divac-

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<sup>19</sup> "C Market" was another important state owned trademark, a chain of the most well known supermarkets in Serbia, of which the privatization also attracted media coverage and the transparency was questionable.

Danon. Milenko Golubović said that Divac, FPP and Danone should have been disqualified. The only exception was Laško. The Slovenian company entirely respected the law and the rules of business ethics, but still no share was deposited with them. (*Biznis & Finansije*, number 2, December 2004, 23)

*Ekonomist* regarded the case as a systematic problem: the affair pointed out that there were no solid market and legal regulations, that the state interfered in the economy, and that people had a fear of changes. Such fear more easily turns into hostility in concrete situations where there are motives strong enough to initiate such attitudes. Based on public opinion research it was made clear that few citizens declared themselves to be against privatization, but also few of them wanted it to happen in the company they worked for ("Fear of something better", *Ekonomist*, 191 on 19/1/2004 p. 23).

After the affair had ended, of all the analysed media *NIN* was the only one to maintain an interest in the past events and published an interview with a representative of the most notorious party in the conflict, Srđan Janićijević, the former director of Coca-Cola in Serbia. With the headline reading: "Serbia will beg Coca-Cola", we could only imagine what the representatives of this company had experienced while attempting to buy Knjaz. One could almost feel the irritation at the reaction of the public towards Coca-Cola. Janićijević spoke of the vague legal criteria and great media pressure they had been put under. He denied the claims of some local media that the workers had physically assaulted them, but confirmed that they received some "well-meant" advice to be careful and that in Arandjelovac their safety could not be guaranteed. (Vladimir Sudar, *NIN* 2816 on 16/12/ 2004, p. 30).

### Meaning of media presentations of the Knjaz Miloš privatization

Analysis of the media should start with the meaning formed by "a system of representation, developed by a code which sets a correlation between our conceptual system and the language" (Jovanović, 2005: 41). Therefore, it is necessary to start with the language and mental images created by it, so that we could also describe a code in which relations towards privatization, economic reforms and participation of foreign, multinational companies in these processes are presented.

Water is perceived as a national treasure ("Water, the wealth of Serbia, The oil of the 21<sup>st</sup> century, property of the master of the world", *NIN* 2729, on 17/4/2003), a strategic resource which cannot be sold ("Fights for resources, the 21<sup>st</sup> century – the century of water", *Politika* on 10/10/2004 p. 13). The water market had carried a strong symbolic significance long before the process of privatization started. When the first potential buyers appeared, this

system of representations was threatened with the sale, and thus loss of a leader in the Serbian mineral water market, which was also a symbol of national pride and an important part of Serbian economic identity. The company bears the name of the founder of the Serbian state; it worked successfully during the economic blockade and crisis; and is situated in Šumadija, the historic heart of Serbia. On the other hand, there are big multinational companies as potential buyers: Nestlé, Danone and Coca-Cola. In such a code the bids for purchase were understood as a hostile "intrusion" into "our" territory ("War for Knjaz", *NIN* 2799, on 19/8/2003).

An additional dramatization in the discourse was a fact that the most interested buyer was Coca-Cola, a symbol of American lifestyle, capitalism and globalization. A potential danger of replacing one of the strongest economic symbols of Serbia with such a powerful foreign symbol caused strong resentment ("We will soon buy water from Coca-Cola" *NIN* 2752, on 25/9/2003). The negative meaning was transferred to other multinational companies interested in Knjaz and a simulation of the conflict "us vs. them" was created.

Since in such a conflict "a cultural hero" who will defend "what's ours" is necessary, the appearance of Vlade Divac,<sup>20</sup> the national basketball superstar, as a potential buyer was ideal for an additional heightening of tension. Divac, as the personification of "the good" was opposed to Coca-Cola (and along with it to other multinational companies) as the personification of "the evil". When the multinational companies withdrew because of the negative publicity which the described scenery announced, the Knjaz management got rid of their "hero" in the meaningfully most acceptable way. Divac was accused of being just the Trojan horse of the multinational companies, most probably of the perfidious Coca-Cola, so that his bid was rejected as unacceptable, too. ("Coca - Cola behind Divac?" *Kurir*, on 18/8/2004).

The second act was much more complicated since playing with the meanings could not be easily reduced to the conflict "us vs. them". The most dangerous enemy was now the "amorphous" investment fund FPP, who had spoiled the already arranged purchase by Divac who became "good" again. Since there was evil lying behind investment funds too, i.e. domestic tycoons, Knjaz found itself between Scylla and Charybdis ("Foreigners or our tycoons", *Politika* on 4/9/2004 p. 15). Finally, Danone was chosen, and Divac, as a symbolic catalyst who had become a partner with Danone, was again taken advantage of. Instead of becoming "a bad guy", which had happened to him due to his supposed liaison with Coca-Cola, this time his "good side" was conveyed to Danone, so that this duo became the favourite and won the

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<sup>20</sup> On how Vlade Divac was represented in Serbian press as a national hero, see: Djordjević 2007.

government support<sup>21</sup>. ("We won't give our factory to jobbers" *Politika* on 16/9/2004 p.14 and "It's better with the state" *Politika* on 17/9/2004 the front page). Unfortunately, the fairy tale finished with the victory of the "bad guys".

One cannot help noticing that on the occasion of reconstructing meaning, only certain media were cited. Although they should not be compared by their approach to the problem, there is a striking difference between those which "follow the code" (*Politika*, *NIN*, *Kurir*) and those which do not (*Danas*, *Vreme*, *Ekonomist*, *Biznis & finansije*). However, one should not simplify conclusions in this case either. The already cited commentator of *Danas*, Dragan Vujadinović, when analysing the headlines from the popular press, as an illustration of the dominant opinion at that time, cited with surprise a headline from a respectable weekly *Vreme*: "Knjaz has been killed" (*Danas*, on 24/8/2004. p. 9). We would add here a citation from *Danas* itself "They have killed Miloš" (*Danas*, on 13/9/2004 supplement: Business). We can see here that this other group,<sup>22</sup> although fiercely opposed to it, was unwillingly drawn into a word-play. In such a characteristic case the challenge of a word-play is enormous, so that the qualitative and professional analyses, at least partly, stayed within the discourse they wanted to deconstruct. The comments of the economic analyst Miroslav Prokopijević in *Kurir* can serve as a good example of how writing and criticism can be absorbed into a dominant discourse. Prokopijević is an advocate of a neo-liberal idea and what is more, its radical advocate (Vujović, 2003: 250), but still his criticism fits into a discourse of the populist and anti-Western *Kurir* (in the case of the Knjaz affair this could be taken for granted). The only solution that makes it possible to overcome the code would comprise focusing on a certain aspect, as Miša Brkić did by criticizing the behaviour of the state deliberately leaving out other participants. This is how he avoided giving his contribution to the fight for "our water". It should be underlined that we do not consider analyses taken individually, whose quality we do not intend to question, but exclusively consider the analyses of summarized meanings used during the affair. The irony is that a single voice cannot be noticed in a choir.

The approach of the other big group of media can be described as meaningful deconstruction and playing with symbols. Although we have pointed out partial, and probably unwilling, participation in the analysed

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<sup>21</sup> The government was a share holder and had strong interests here, but obviously these interests were not of purely economic character as they favored Divac and Danone although they offered the lowest price.

<sup>22</sup> The division of media into two groups is based on the already mentioned broad categorization of media by their editorial policy towards political and economic reform: *Vreme*, *B92*, *Ekonomist* and *Biznis & finansije* as liberal, and *NIN*, *RTS1* and *Kurir* as more conservative oriented.

discourse, media like *Danas*, *B92*, *Ekonomist*, *Vreme* and *Biznis & finansije* tried to cover the development of the affair objectively and rationally. Sometimes their analyses were part of derisive texts criticizing the mentioned discourse, but this did not make their value poorer. The multinational companies were described neutrally, with no connotations whatsoever. They were regarded as respectable economic factors, which follow their own interests and in this sense there was no idealisation. The criticism was addressed to the state institutions above all, which should have been able to provide the ambience for successful business-making, and the case of Knjaz proved that they were not able to do it.

## Conclusion

The findings of this research have shown that the negative picture of the multinational companies prevails in Serbian media. This conclusion is based on three major points. First, this negative image was definitely identified in the media with the more conservative stances towards privatization, such as *Politka*, *Nin*, *Kurir* and *RTS 1*.

Second, even the media with more liberal stances often used word-plays similar to the previous group. This kind of attitude was identified in connotative meanings of cover photos and titles in *Danas*, *Vreme*, *Ekonomist*, *Biznis & finansije*, and *B92*. Although often ironical, these media used the same elements of "the code" that presumed the system of values in which the water was perceived as a national treasure and where every bid for its purchase was considered a loss of national resources and, after all, the loss of national pride.<sup>23</sup>

Third, at the first glance, no media, except the tabloids, had an openly negative attitude towards the multinational companies. Success and business efficiency of the foreign and multinational companies were respected explicitly. However, a more careful reading reveals a particular scepticism which grows as one moves from professional magazines towards tabloids, local media and Internet forums. A negative context occurs in the case of the conflict of interests and here it becomes obvious how much latent distrust exists in the public opinion and how easy it is to manipulate this distrust.

If we view this problem as a kind of inter-cultural contact, we come across a conflict which is at least simulated as an inter-cultural conflict between "us and them". When one cultural system faces the necessity of opening towards "the

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<sup>23</sup> In addition, the more conservative media have a larger market share than the more liberal ones (esp. the economic weeklies which in deed give the most balanced analysis), thus their influence at the population at large is far greater.



other", "the actual reference frame for arranging a man's picture of the world" disappears, "but at the same time new possibilities emerge on the horizon" (Jovanović 2005, 40). The resistance to "the other" brings confusion, which is noticeable in the analysed discourse as well. It was visible in rejecting one multinational company (Coca-Cola) and later accepting the other (Danone). The possibility of accepting a multinational company after all (let us add – through a media campaign, like in the case of rejecting) urged us to look for some additional reasons for this unprincipled behaviour. In both cases, it was about confrontation between a buyer that buys right now and a buyer that appears subsequently, and will buy later: Coca-Cola vs. Divac, and FPP vs. Danone and Divac. The choice was in fact in stalling the privatization. The fear of change and the unknown is much stronger than mistrust of foreign companies, and it is here that the success in mobilization and manipulation of the public opinion should be sought. This conclusion should be limited to the level of meaning, since the concrete decisions of the small shareholders always followed their economic interests in spite of outside pressures. The shares were deposited with those which offered the most, so that the image, origin and intentions of the bidders did not have a major effect.

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Владимир Миоков и Весна Вучинић-Нешковић

Да ли ће Књаз Милош припасти странцима?  
Приватизација и слика мултинационалних компанија  
у српским медијима (2000-2005)

У раду се анализира медијско праћење приватизације Књаза Милоша, најпознатије српске фабрике минералне воде, и начина на који су у том процесу биле представљене мултинационалне компаније. Као најважнији проблем издвојен је сукоб различитих актера и њихових интереса у овом процесу. У раду се анализирају три фазе медијског праћења приватизације. Прва фаза обухвата период од октобра 2000. до септембра 2003. године, када се у медијима појављују прве вести о могућој приватизацији Књаза. Друга фаза траје од августа 2003. до децембра 2003. када се појављују први потенцијални купци. Трећа фаза обухвата период од августа 2004. до септембра 2005. године када је Књаз Милош коначно приватизован. Закључак рада је да у медијима преовладава негативна слика о мултинационалним компанијама. Таква слика није јасно идеолошки обојена (као што је то био случај током 1990-их) и ређе се отворено исказује, али је општи став скептичан, иако су у потпуности познате вредности мултинационалних компанија за нашу економију и важност њиховог учешћа у приватизацији.

*Кључне речи:* Књаз Милош, приватизација, транзиција, мултинационалне компаније, медији, Србија

Vladimir Miokov et Vesna Vučinić-Nešković

Knjaz Miloš va-t-il appartenir à des étrangers?  
La privatisation et l'image des compagnies multinationales  
dans les médias serbes (2000-2005)

Dans cet article est analysée la couverture médiatique de la privatisation de "Knjaz Miloš", l'usine serbe d'eau minérale la plus connue, et la manière dont ont été présentées dans ce processus les compagnies multinationales. C'est le conflit des différents acteurs et de leurs intérêts dans ce processus qui a été identifié comme le problème le plus important. Dans l'article sont analysées les trois phases de la couverture médiatique de la privatisation. La première phase comprend la période allant d'octobre 2000. à septembre 2003, lorsque paraissent les premières informations dans les médias sur la possible privatisation de "Knjaz". La deuxième phase s'étend d'août 2003. à décembre

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2003. où se manifestent les premiers acheteurs potentiels. La troisième phase comprend la période d'août 2004. à septembre 2005. où "Knjaz Miloš" a en définitive été privatisé. De cette analyse se dégage la conclusion que dans les médias prédomine une image négative des compagnies multinationales. Une telle image n'a pas de coloration idéologique claire (à la différence de celle existant dans les années 1990) et il est rare qu'elle soit ouvertement exprimée ; bien que l'importance des compagnies multinationales pour notre économie aussi bien que leur participation dans la privatisation soient faits notoires, l'attitude globale demeure sceptique.

*Mots clés:* "Knjaz Miloš", privatisation, transition, compagnies multinationales, médias, Serbie.

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