



## OpenAIR@RGU

### The Open Access Institutional Repository at The Robert Gordon University

<http://openair.rgu.ac.uk>

This is an author produced version of a paper published in

Organization (ISSN 1350-5084, online ISSN 1461-7323)
--

This version may not include final proof corrections and does not include published layout or pagination.

#### Citation Details

##### Citation for the version of the work held in 'OpenAIR@RGU':

<b>HALSALL, R., 2008. Intercultural mergers and acquisitions as 'legitimacy crises' of models of capitalism: a UK-German case study. Available from <i>OpenAIR@RGU</i>. [online]. Available from: <a href="http://openair.rgu.ac.uk">http://openair.rgu.ac.uk</a></b>
---

##### Citation for the publisher's version:

<b>HALSALL, R., 2008. Intercultural mergers and acquisitions as 'legitimacy crises' of models of capitalism: a UK-German case study. In: <i>Organization</i>, 15 (6), pp. 787-809.</b>
--

#### Copyright

Items in 'OpenAIR@RGU', The Robert Gordon University Open Access Institutional Repository, are protected by copyright and intellectual property law. If you believe that any material held in 'OpenAIR@RGU' infringes copyright, please contact [openair-help@rgu.ac.uk](mailto:openair-help@rgu.ac.uk) with details. The item will be removed from the repository while the claim is investigated.

**'The final, definitive version of this paper has been published in Organization,  
Vol. 15/Issue 6, November/2008 by SAGE Publications Ltd., All rights reserved.  
©SAGE**

## **Intercultural mergers and acquisitions as ‘legitimacy crises’ of models of capitalism: a UK-German case study**

### **Abstract**

This article examines media discourse surrounding two UK-German intercultural business controversies: the takeover of the German company Mannesmann by the British company Vodafone in 1999, and the disposal of its British subsidiary Rover by its German parent company BMW in 2000. These controversies were framed in the media of both countries as part of a ‘clash of cultures of capitalism’, with the ‘Anglo-Saxon model’ on one side and the ‘German social model’ on the other, and can be seen as ‘legitimacy crises’ of the two models of capitalism involved. The article examines how cultural, economic and political discourses relating to globalization were used strategically by actors to deal with these crises, in order to legitimize a neo-liberal transformation of the German model in the first case, and to legitimize a ‘rebranding’ of the UK model in line with a move from a concentration on manufacturing to a service economy in the second.

**Keywords:** models of capitalism; globalization; discourse; intercultural mergers; legitimacy crisis

## **Intercultural mergers and acquisitions as ‘legitimacy crises’ of models of capitalism: a UK-German case study**

Robert Halsall

Aberdeen Business School, The Robert Gordon University, Aberdeen, United Kingdom.

Email: r.halsall@rgu.ac.uk

### **Abstract**

This article examines media discourse surrounding two UK-German intercultural business controversies: the takeover of the German company Mannesmann by the British company Vodafone in 1999, and the disposal of its British subsidiary Rover by its German parent company BMW in 2000. These controversies were framed in the media of both countries as part of a ‘clash of cultures of capitalism’, with the ‘Anglo-Saxon model’ on one side and the ‘German social model’ on the other, and can be seen as ‘legitimacy crises’ of the two models of capitalism involved. The article examines how cultural, economic and political discourses relating to globalization were used strategically by actors to deal with these crises, in order to legitimize a neo-liberal transformation of the German model in the first case, and to legitimize a ‘rebranding’ of the UK model in line with a move from a concentration on manufacturing to a service economy in the second.

**Keywords:** models of capitalism; globalization; discourse; intercultural mergers; legitimacy crisis

## **Introduction**

The controversial takeover of the German company Mannesmann by the British mobile phone company Vodafone in 2000 and the equally controversial disposal of its British subsidiary Rover by the German automobile company BMW later in that year were framed, both in the German and British press, not just as business disputes involving companies from different nations, but as part of a wider conflict between different models of capitalism of which the two countries involved were seen as representatives. Particularly significant for the reactions on both sides was the fact that the two disputes closely followed each other within a short time period, and that the 'winner' and 'loser' roles were reversed: in the Vodafone takeover of Mannesmann, Germany and the 'German model' was perceived as the 'loser' while in the BMW disposal of Rover the 'winner' in the former dispute, the UK, became the 'loser'.

In the first case, the takeover of a major German 'national champion' by a foreign company provoked a political debate about the extent to which the German 'social model' could or should be maintained in the face of global capitalism, and whether convergence of the German model toward the 'Anglo-Saxon' was desirable or inevitable. It was seen, in other words, as a legitimacy crisis in the German model of capitalism. In the second dispute, the demise of a major flagship British car manufacturer due to its disposal by a foreign owner provoked a similar crisis about the legitimacy of the neo-liberal 'Anglo-Saxon' model, in particular whether it was possible or desirable for the state to intervene to rescue such companies, and the implications of the decline of British manufacturing industry for British national identity.

Particularly because the two countries involved in the disputes were the UK and Germany, media representation of the the controversies drew on and was embedded in a long history of rivalry and mutual stereotyping outside the area of business (Cullingford 1995, Kielinger 1996, Emig 2000, Ramsden 2006). The two disputes can, then, be interpreted not just as intercultural business disputes, but as 'legitimacy crises' in the two models of capitalism represented, in which cultural, economic, and political discourses and issues related to the role of the nation states in the face of globalization were of central importance.

### **Discourse as means of understanding intercultural mergers and acquisitions as 'legitimacy' crises of models of capitalism**

Research in the field of intercultural mergers and acquisitions has in recent years increasingly been concerned with the discursive representation of the cultural identities, actions, and beliefs of actors in the merger and acquisition process (Søderberg and Vaara 2003). Such studies of discourse surrounding intercultural mergers have identified a conflict between the 'rationalistic' discourse of global capitalism, which legitimizes mergers and acquisitions as a normal and indeed inevitable fact of global capitalism, and nationalistic or cultural discourse, which emphasizes, often in emotionally laden terms, particularly in the media of countries perceived as 'losers' in such takeovers or mergers, the negative impact of mergers and acquisitions (Gertsen et al. 1998; Tienari et al. 2003; Hellgren et al. 2002; Vaara 2002; Risberg et al. 2003).

This polarity between the rationalist discourses of global capitalism and cultural or nationalist discourses of local impact is particularly noticeable in relation to 'hostile takeovers', which have moved from being discursively represented as a new and threatening phenomenon to being naturalized as a normal and inevitable part of global capitalism (Hirsch 1986). This process of naturalization has been achieved through a discursive transformation in which the dominant metaphor of media coverage has shifted from 'conflict' to 'contest', as hostile takeovers are accepted as part of the 'game' of global capitalism, of which national 'players' have to accept the rules, namely that they will 'lose' some 'contests' and 'win' others, but should not attempt to intervene politically in these contests (Hirsch 1986: 822-823).

As Tienari et al. (2003) observe, actors, whether managers, politicians or media commentators, can often position themselves in a contradictory and even hypocritical way within the discourses surrounding such mergers and acquisitions. National stereotypes in particular are the means by which such often contradictory subject positions are often defined (Søderberg and Vaara 2003: 62). The most important feature of such cultural stereotypes is their ambiguity: they can be employed as 'auto-stereotypes' on the one hand, images through which actors express perceptions of their own national identity, primarily used to promote positive self-esteem, and as 'hetero-stereotypes', images through which actors construct the identities of others, in particular by defining their negative characteristics (Søderberg and Vaara 2003: 84).

This article aims to build upon and extend research on intercultural mergers in various respects. Firstly, it is postulated that some intercultural business disputes, such as the cases to be examined here, call into question the self-representation of the legitimacy of 'models of capitalism' as national institutions and provoke wider political debate about how nations can or should react to the forces of global capitalism. To address these wider questions of national legitimacy crises it is necessary to draw on three areas of literature.

Firstly, scholarship relating to the relationship between discourse and national institutions maintains that such institutions are social constructions created and sustained not just, or even primarily by actions, but by discourses, 'the texts that describe and communicate those actions' (Phillips et al. 2004: 635). A discourse in this respect can be defined as a 'structured collection of meaningful texts' which construct an object, in this case how an institution such as a national model of capitalism represents itself (Phillips et al. 2004: 636). In processes of transformation and adaptation of national models of capitalism to forces of global capitalism it can be postulated on the basis of this scholarship that there will be a dialectical relationship between texts and actions: some actions are more likely to generate texts which 'leave traces' on institutions, and some texts are more likely to be regarded as legitimate than others (Phillips et al. 2004: 642). The texts surrounding major intercultural mergers, acquisitions, and disposals, particularly those involving flagship companies which are deeply associated with national consciousness, are examples of those which 'leave traces' on national institutions. Such episodes constitute examples of 'legitimacy crises' (Phillips et al. 2004: 642), where major institutions are called into question and in relation to which political and other actors must position themselves.

The central question to be addressed is which texts are more likely to be viewed as legitimate within such crises, and which actors will be able to mobilize discourse strategically to bring about change in institutions, or which text producers are more likely to be recognized as 'consensually validated' (Hardy et al. 2000; Phillips et al. 2004: 643). Texts are more likely to be considered legitimate if they fulfil two requirements: the cognitive requirements of discourse, that is they represent ideologies which are taken as a 'fact', and the normative requirements, that is they draw on already established national discourses by means of intertextuality and interdiscursivity (Phillips et al. 2004: 644-645).

The question of how discourses surrounding legitimacy crises successfully combine these requirements leads to the question of how global and supra-national political ideas such as the liberalization of political economies in line with the ideologies of neo-liberalism are successfully incorporated and embedded in national political discourses (Schmidt 2000, 2001, 2002). While scholars in the institutionalist tradition (Di Maggio and Powell 1983; Hall and Taylor 1996; Hall and Soskice, 2001), have tended to see changes or transformation of national institutions largely as 'the inevitable responses to the external pressures of globalization and Europeanization by national policy elites following the dictates of economic interest' (Schmidt 2001: 248), it is argued that an understanding of the importance of discourse is crucial in explaining how within a country 'political actors create an interactive consensus for change' (Schmidt 2001: 249).

In comparing the UK, France, and Germany, for instance, the absence in France and Germany of a successful legitimizing political discourse which combined adequately both the external 'dictates' of adjustment to global capitalism, and also reflected the internal cultural traditions in those countries, meant that politicians in the 1990s were unsuccessful in attempting to introduce neoliberal reforms (Schmidt 2002). In the UK, in contrast, such a discourse had been created during the 1980s and adapted as the 'Third Way' by New Labour during the 1990s. While discourse may not exert a single causal influence on political transformation, arguably 'it may be the very variable or added influence that makes the difference, by serving to reconceptualize long-standing notions of self-interest and to reframe institutional rules and cultural norms' (Schmidt 2001: 250). In relation to major legitimacy crises such as the takeover or disposal of a flagship company, the central question is how political discourse can successfully mediate between the instinctive 'nationalist' desire of the public to protect the company by means of state intervention, and the 'rationalist' dictates of neo-liberalism, according to which such state intervention is neither desirable nor possible.

A third area which needs to be addressed in formulating a discourse-led understanding of such legitimacy crises is the nature of various discourses of globalization themselves and how these are used rhetorically by politicians and others to advocate the necessity of economic imperatives (Hay and Marsh 2000; Hay and Rosamond 2002). Globalization is most frequently discussed in the media in terms of an economically deterministic perspective, according to which national varieties of capitalism will inevitably converge towards one model, the 'Anglo-American', which has proved to be the most successful in Europe (Boyer 1996; Coates 2000; Hall and Soskice 2001). Although there is considerable debate and controversy about the degree to which such a convergence hypothesis is actually true (Boyer 2005; Morgan

2005; Streek and Thelen 2005), what is of central importance for this research is the popularity of such a simplistic economic convergence hypothesis as a media discourse, in the form of a ‘hyperglobalization’ thesis surrounded by a ‘logic of inevitability’ (Hay and Marsh 2000: 4). As Amable (2003) points out, it is perhaps the very simplistic and dichotomous nature of the convergence hypothesis (‘adapt or die’) which has gained it popularity in the media and popular business literature, which tends to portray the diversity of capitalisms in Europe in terms of a ‘good’ or successful capitalism at one end of the spectrum, in the cases to be examined the ‘UK model’, and a ‘bad’ or unsuccessful capitalism at the other, here the ‘German model’ (Amable 2003: 77).

The disjunction between the complexity of evidence for and against such a simple economic convergence hypothesis, and the simplicity and popularity of it as a discourse, leads us to suspect that research regarding legitimacy crises such as those to be examined here should focus primarily, not on the ‘hyperglobalization’ hypothesis itself and its veracity, but on how this functions as a discourse, and how it is used rhetorically by actors wishing to influence political processes: ‘whether the globalization thesis is ‘true’ or not may matter far less than whether it is *deemed* to be true (or quite possibly just useful) by those employing it’ (Hay and Rosamond 2002: 148).

## Case studies

### Methodology of analysis

The first stage of analysis of the case studies consisted of collection of articles from a representative sample of the British and German press during the periods in which the two controversies were ‘current’. A total of 5 broadsheet newspapers were selected in the UK, including Sunday editions, and 4 newspapers and one weekly news magazine in the case of Germany. This initial search encompassed the collection of all articles which made any reference to the cases, including purely factual reporting of events, producing the following raw material:

**Table 1. Press Articles**

**Case Study 1: Mannesmann/Vodafone**

Press sources	Number of texts	Date range
		1.11.1999-28.2.2000
<b>UK</b>		
<i>Times/ Sunday Times</i>	179	
<i>Guardian/Observer</i>	145	
<i>Independent/Independent on Sunday</i>	55	
<i>Financial Times</i>	295	
<i>Daily Telegraph/Sunday Telegraph</i>	106	
<b>Germany</b>		
<i>Die Welt/Welt am Sonntag</i>	193	
<i>Frankfurter Allgemeine</i>	244	
<i>Tageszeitung</i>	42	
<i>Tagesspiegel</i>	204	
<i>Der Spiegel</i>	50	



## Case Study 2: BMW/Rover

Press sources	Number of texts	Date range
		1.3.2000-31.5.2000
<b>UK</b>		
<i>Times/ Sunday Times</i>	178	
<i>Guardian/Observer</i>	396	
<i>Independent/Independent on Sunday</i>	229	
<i>Financial Times</i>	362	
<i>Daily Telegraph/Sunday Telegraph</i>	253	
<b>Germany</b>		
<i>Die Welt/Welt am Sonntag</i>	81	
<i>Frankfurter Allgemeine</i>	172	
<i>Tageszeitung</i>	47	
<i>Tagesspiegel</i>	57	
<i>Der Spiegel</i>	147	

No detailed analysis of the tabloid press coverage, either in the UK or Germany, was undertaken, with the exception of the German tabloid newspaper *Bild*, articles from which will be referred to in discussion of the first case study.

In the second stage of analysis this raw material was substantially reduced in quantity by undertaking a content analysis, identifying themes and eliminating those articles primarily concerned with factual description of events, concentrating on those which related the disputes to cultural identities and wider social, economic or political matters. This led to the construction of a corpus of 47 texts which were then the object of detailed critical discourse analysis (see Table 2).

**Table 2. Press Articles selected for detailed analysis**

## Case Study 1: Mannesmann/Vodafone

Press sources	Number of texts
<b>UK</b>	
<i>Times/ Sunday Times</i>	3
<i>Guardian/Observer</i>	4
<i>Independent/Independent on Sunday</i>	3
<i>Financial Times</i>	4
<i>Daily Telegraph/Sunday Telegraph</i>	2
<b>Germany</b>	
<i>Die Welt/Welt am Sonntag</i>	4
<i>Frankfurter Allgemeine</i>	0
<i>Tageszeitung</i>	2
<i>Tagesspiegel</i>	0
<i>Der Spiegel</i>	2
<i>Bild</i>	3

Total number of articles: 27

### **Case Study 2: BMW/Rover**

---

Press sources	Number of texts
<b>UK</b>	
<i>Times/ Sunday Times</i>	5
<i>Guardian/Observer</i>	4
<i>Independent/Independent on Sunday</i>	0
<i>Financial Times</i>	1
<i>Daily Telegraph/Sunday Telegraph</i>	0
<b>Germany</b>	
<i>Die Welt/Welt am Sonntag</i>	2
<i>Frankfurter Allgemeine</i>	1
<i>Tageszeitung</i>	1
<i>Tagesspiegel</i>	1
<i>Der Spiegel</i>	5
Total number of articles:	20

---

In the third stage the main themes and types of discourse were identified, using as an initial guide typologies of discourse formulated in previous studies of intercultural mergers and acquisitions. (Vaara and Tienari 2002, Vaara 2002):

- *Rationalist* or *managerial* discourses, which focus on the rational consideration of factors by managers leading to a successful merger and thus to the creation of economic value.
- *Cultural* or *nationalistic* discourses, which relate to factors pertaining either to the internal cultures of the organizations to be merged or the national culture in which they operate (*nationalistic* discourses).
- *Societal* discourses, relating to matters such as employment, ownership and competition and their consequences for the wider social and economic environment in which the merger takes place.
- *Individualistic* discourses, relating to the role of particular individuals within the merger process, in particular managers.

Given the nature of the research questions which guided the critical discourse analysis, which sought to relate the merger and acquisition events to 'legitimacy crises' in models of capitalism and wider political questions relating to the nature of globalization, the above typology was modified to produce the following broad categories of discourse for analysis:

- *Cultural or nationalistic discourses*, relating to the construction of national identities and to cultural differences between nations
- *Economic discourses*, relating to the economic processes of globalization and the role of nation states in this process

- *Political discourses*, relating to the legitimacy of politicians and the state in intervening in or regulating business
- *Individualistic discourses*, relating to the role of individuals such as managers in the process of mergers and acquisitions

In the discussion which follows, initial analysis of each case study is structured by means of these discourse types. In the comparative section which follows, discussion then attempts to trace the relationship between these discourses and relate this to the wider political, social and economic issues surrounding the events seen as legitimacy crises.

## **Case Study 1: The Vodafone takeover of Mannesmann, November 1999-March 2000**

### **Background**

The Vodafone takeover of Mannesmann began with initial talks about a possible merger between the two companies in October 1999. The initial offer by Vodafone for Mannesmann shares having been rejected, Vodafone CEO Chris Gent then increased the initial offer for Mannesmann shares, however Mannesmann CEO Klaus Esser still recommended that his shareholders refuse the offer. A series of media campaigns were initiated by both Mannesmann and Vodafone to persuade the shareholders and public to either reject, in the case of the former, or accept, in the case of the latter, the takeover (Höpner and Jackson 2001). The 'hostile' takeover also became the subject of political debate and attempts at political intervention in Germany, in particular by the then Chancellor Gerhard Schröder and Finance Minister Hans Eichel. Finally, after nearly two months of negotiation, Vodafone's increased final offer was accepted by Mannesmann shareholders in December 1999.

### **Cultural or nationalistic discourse**

Cultural or nationalistic discourse was present in both British and German coverage of the takeover from the outset, both media framing it as a 'clash of corporate cultures':

When Croesus was agonising over whether to invade Persia in the 6th Century BC, he consulted the Delphic Oracle. The priestess responded that if he crossed the river Halys he would destroy a great empire. So Croesus invaded, only to be defeated, and discover that the "great empire" referred to was his own.

As Chris Gent, chief executive of Vodafone AirTouch, the British mobile telecommunications group, ponders this weekend whether to launch a hostile bid for Germany's Mannesmann, he might like to contemplate the fate of Croesus. (*Financial Times* 13<sup>th</sup> November 1999)

The comparison between the 'invasion' of Germany by Vodafone with the Greek attempt to invade Persia in the 6<sup>th</sup> century BC and the Greek general Croesus with the Vodafone CEO Chris Gent serves to conjure up the image of an impenetrable alien culture in which what seems 'normal' in the UK is foreign. The interpretation of the takeover bid as 'hostile' in Germany was, for some of the British press, a reflection of deeper cultural differences between 'Anglo-Saxon' and 'Rhineland' capitalisms:

The Battle by Vodafone Air Touch for Mannesmann has been a hard-fought affair. ... It came to be seen as a struggle between Anglo-Saxon and Rhineland capitalism, between unfettered market forces and corporate consensus. ... As to the conflict between rival brands of capitalism, the Anglo-Saxons can claim victory .... It is clear that hostile takeovers in Germany will become a fact of life. (*Observer*, 28<sup>th</sup> November 1999)

The claim of 'victory' at the end of the affair for 'Anglo-Saxon' capitalism here is not just evidence of a 'strategy of dissimulation' (Wodak et al. 1999) used in the construction of the UK's cultural identity, but also a link between cultural and economic discourse: a confirmation that the UK was justified in its embracement of neo-liberalism and hostile takeovers, and that these would become a fact of life, even in Germany.

The conflation of the UK with the US in the cultural discourse by means of the stereotypical label 'Anglo-Saxon capitalism' in the German press coverage is significant as part of identity construction through a 'strategy of dissimulation': cultural similarities between the UK and the US are seen as evident in the fact that they have embraced the same 'brand' of capitalism, while Germany and continental Europe have embraced another:

For a long time Germany and Europe were seen as a blissful paradise. ... Hostile takeovers on the US model were the exception. Such attacks hardly fitted with the consensual model of the old European social states.

...

Will American manners soon be prevalent in Germany? ... Will, to use the terminology of the left, the 'brutal methods of untamed capitalism' dominate? (*Die Welt*, 16<sup>th</sup> November 1999) <sup>1</sup>

The question of whether this 'other' brand of capitalism was to be greeted or feared was answered differently in the German press according to the political leanings of the newspaper concerned. For the *Frankfurter Allgemeine*, which took a positive line towards it, the takeover was seen as a 'test case' of whether Germany was opening itself up towards the outside world:

The takeover approach from Great Britain could become a test case for Germany. It will show whether Germany is, as it has been up to now, a closed industrial club or whether it has opened itself up. Particularly in capitalism-friendly Great Britain German companies are seen as unconquerable fortresses. (*Frankfurter Allgemeine Zeitung*, 15<sup>th</sup> November 1999)

Here, the metaphor of Germany as a 'fortress' to be conquered, a metaphor that is repeated several times in German press coverage, frames the takeover as an invasion to be welcomed, one which will open up the implicitly protectionist Germany to the outside world.

The *Tageszeitung*, a left-leaning newspaper, on the other hand, while similarly framing the dispute in terms of a clash between different models of capitalism, interprets this as a 'test case' of a different kind: whether the German social model

can find a way to deal with the uncertainties of global capitalism, epitomized in the use of a game metaphor in its headline:

### **A game of poker for Germany**

The social democratic idea of the welfare state is at stake ... . A neo-liberal 'modernization' of society is supposed to be equally attractive as the preservation of the culture of 'Rhineland' capitalism.

The question of *either* unquestioningly adopting the 'Anglo-Saxon' model or preserving the 'Rhineland' model is, according to the *Tageszeitung*, not the real conflict, but rather the question,

how a stable society can be realized, whose structure consists in the use of private property rights whose value is not just dependent on the market, but dependent on betting on an uncertain future.

(*Tageszeitung*, November 20<sup>th</sup> 1999)

If Germany is faced with an uncertain future, the *Tageszeitung* argues, social considerations must be taken into account in this 'game', and not just market considerations. To find legitimacy in Germany, in other words, change must be founded in German social market traditions.

### **Economic discourse**

The postulated cultural differences between 'Anglo-Saxon' capitalism and 'Rhineland capitalism' apparent in cultural discourse were related at the level of economic discourse to a convergence or 'hyperglobalization' thesis, according to which the economic practices which had characterized 'Rhineland capitalism' would inevitably be replaced by those typical of 'Anglo-Saxon capitalism'. The economic attributes of these two models were epitomized, in a further development of the 'game' metaphor, in the binary opposites 'New Economy' and 'Old Economy':

So in resisting this takeover, Germany is playing a game called Old Economy. In Old Economy you try to build national champions, keep foreign money out and keep management control of your companies ....

Britain, in general, is playing New Economy. In New Economy you try to buy and sell wisely. ... You are not interested in creating national champions or in management control. All you want to do is to get richer. (*The Independent*, 25<sup>th</sup> November 1999)

'Old Economy' is characterized here as the desire for state intervention, rather than acceptance of the inevitable global laws of the market and the attempt to create 'global players'. Any attempt to intervene in business disputes and protect jobs, then, is characterized as implicitly inward-looking and nationalistic, while 'New Economy' is seen as rational, dynamic and international in outlook:

Remember the furore when those upstart Germans at BMW bought Rover from British Aerospace? Well, in the heart of the mighty Ruhr, Vodafone's unwelcome stalking of Mannesmann is going down like some brazen wunderkind trying to gobble up British Aerospace and British Steel. ... No

wonder, therefore, that – for a refreshing change – it is the Germans who are twitchy. (*The Observer*, 21<sup>st</sup> November 1999)

UK national identity as reflected in its model of capitalism is thus portrayed as in line with the dictates of ‘New Economy’. The apparent expression of ‘nationalism’ in the German reaction to the takeover of Mannesmann is characterized as unjustified and irrational by means of a re-activation of traditional British auto-stereotypes of the Germans as innately ‘nationalistic’, familiar and well-documented in the fields of sport and popular culture (Cullingford and Husemann 1995, Emig 2000):

To have nationalism tainting the babbling brook of international finance is horrid enough, but to have the Germans with their rimless spectacles and maroon sports coats turning down that nice Mr Gent with his Aston Martin and cricket bat borders on the intolerable. (*The Observer*, 21<sup>st</sup> November 1999)

The figures of the two CEOs, as will be discussed later, provide the press with an opportunity to personalize the takeover by use of stereotypes of the ‘typical German’ and ‘typical British’ manager.

A further pair of binary opposites is employed in media coverage to characterize the hyperglobalization thesis and the differences between the two models of capitalism in relation to it, ‘corporate Darwinism’ and ‘consensus capitalism’:

The hostile takeover bid is corporate Darwinism to some people – a mechanism to guarantee the survival of the fittest. To others, such as German Chancellor Gerhard Schröder, this Anglo-American market device is a disruptive and damaging practice that is of no long-term benefit to either shareholders or employees. (*Observer*, 28<sup>th</sup> November 1999)

*Die Welt* adopts a similar image of ‘corporate Darwinism’ in its portrayal of American capitalism, but employed in order to argue that such practices are inevitable, leading to benefits in the long term:

In the USA such structural changes happened earlier, accompanied by numerous hostile takeovers. Cumbersome businesses were broken up, carved up into flexible units and partially sold off. In the process some businesses were driven to the wall. But on the whole internationally competitive businesses, generating millions of jobs, were produced. Seen in this way, the USA can serve as a model for Germany and Europe. (*Die Welt*, 16<sup>th</sup> November 1999)

Here the negative connotations of ‘corporate Darwinism’ are ameliorated by the depiction of the businesses which are ‘driven to the wall’ as ‘cumbersome’ and therefore in need of slimming down. The economic discourse thus postulates that the ‘survival of the fittest’, while painful in the short term, will create a better long term future.

### **Political discourse**

Political discourse occupies a mediating position between economic discourse and cultural discourse. Given the central tenet of ‘New Economy’, that politicians should not intervene in market processes, any attempt to do so, such as those by German politicians such as Gerhard Schröder, were deemed an unacceptable form of ‘nationalism’:

So Gerhard Schröder thinks hostile bids should be banned. ... The holes in Schröder's arguments start with the words themselves. ... A “hostile” bid is merely an unsolicited appeal over the heads of incumbent managers to their shareholders. ... Did Rover staff have any say when British Aerospace sold their company to BMW? ... Schröder needs a little education. (*Sunday Times* November 28<sup>th</sup> 1999)

We see here evidence of a ‘didactic’ element in political discourse, in which the UK is profiled as teaching the Germans that the key to success in the global economy is not to attempt to interfere in business, a lesson which Britain has already learnt:

### **Back off, Gerhard, this is business**

...

This is a bid that will conjure up big words and strong emotions. The German government is already meddling by voicing its opposition to hostile bids. ... Gerhard Schröder and his chums have a nerve. (*Sunday Telegraph*, November 21<sup>st</sup>, 1999)

This ‘didactic’ element in political discourse was not just restricted to the British press. Elements of the German press also saw the takeover as an opportunity for Germany to ‘learn the lessons’ of global capitalism, and thus accept the inevitability of ‘Anglo-Saxon’ business methods. The desire of German politicians to intervene in business matters is seen by the *Frankfurter Allgemeine* as retrogressive, a symptom of the ‘German character’, here the auto-stereotype echoing the stereotypical characterization of Germany in the British press by means of hetero-stereotypes:

### **The German character**

The nation starts to get worked up about the fact that a British company dares to want to annex a pearl of German industry. ... German politicians ... adopt a posture which, in the light of the fact that both companies are European and 60% of Mannesmann shares are in foreign hands, seems strange and grotesque.

....

They talk about globalization, but when it makes itself apparent, they don’t accept it – that is the German character. Because of it there is no progress with the many pressing reforms in this country. (*Frankfurter Allgemeine*, November 22<sup>nd</sup>, 1999)

For German newspapers such as *Die Welt* and the *Frankfurter Allgemeine* the apparent unwillingness of German politicians such as Schröder to introduce neo-liberal reforms and their ‘nationalist’ reaction to the Mannesmann takeover damaged the international reputation of Germany as a business location:

Vodafone makes Mannesmann shareholders an offer and our politicians declare a state of national emergency. Gerhard Schröder and other such patron saints wearing the make up of social romanticism ... want to make themselves popular. In doing this they create insecurity in Germany and a scandal abroad. (*Die Welt*, 22<sup>nd</sup> November 1999)

For the German press with neo-liberal sympathies, then, the stereotypical attribution of the adjective 'nationalistic' served to disarm any possible political debate about state intervention. The takeover was portrayed as a test case of the 'maturity' of German politicians, of their ability to make the necessary changes to adapt to a global economy:

#### **A certificate of maturity for Germany**<sup>2</sup>

The merger ... has given a certificate of maturity to Germany as a business location. Because in the first test case of a hostile takeover from abroad, politics in the end kept out and the Mannesmann management defended their independence by clean methods, the country now appears more open to the international capital markets. (*Frankfurter Allgemeine*, 5<sup>th</sup> February 2000)

#### **Individualistic discourse**

Individualistic discourses played a prominent role in the takeover, particularly in the German press, in the form of personifications of the desirable and undesirable features of the two 'cultures of capitalism' as 'heroes and villains' in the figures of the CEOs of the two companies, Chris Gent of Vodafone and Klaus Esser of Mannesmann. Gent was characterized in the tabloid *Bild* newspaper as 'the Shark', 'successful' but 'cunning', 'down to earth and authoritarian' who 'never went to university,' but nevertheless earned '10 Million DM' (*Bild*, 17<sup>th</sup> November 1999). *Bild* profiles Klaus Esser, in contrast, as 'the superbrain' who has a Doctorate in Law, and who, despite having 'with iron discipline worked his way up over 20 years to the top of the company', earned only 2.5 Million DM. These characterizations demonstrate the widespread popular personification of the supposed characteristics of varieties of capitalism in stereotypical 'business styles', which have become part of the currency of transnational business (Moore 2004, 2005).

The CEOs themselves, however, were keen to downplay any characterizations of their activities as cultural attributes or personal rivalry, rationalizing their activities entirely as a matter of business:

**SPIEGEL:** Mr. Esser, the question of the leadership of a quite normal company has developed into a defensive battle laden with national pathos, the head of a company, up to now unknown, has become, according to the "Bild" a "superbrain". How do you feel at this time?

**Esser:** National pathos is no use to us at present. It doesn't belong in our times, above all it doesn't fit with the strategy of Mannesmann. (*Der Spiegel* 20<sup>th</sup> November 1999)

**SPIEGEL:** Mr. Gent, you are attacking one of the most successful companies in Germany. You are attempting to organize a hostile takeover, which have never succeeded in Germany up till now. Are you an adventurer?



**Gent:** I'm not a gambler, and I am not hatching hostile plots against anyone. We have worked together with Mannesmann on the development of the telecom industry and we have after all been partners for a long time. (*Der Spiegel*, 29<sup>th</sup> November 1999)

Both managers here emphasize their 'cosmopolitan' identities and resist the attempt to frame the dispute as a personal clash of national business styles. Esser, in particular, resists being portrayed as a German national hero for resisting Vodafone's takeover bid, but rather wishes to be seen as one of a new generation of dynamic, outward-looking German CEOs who see themselves, not as Germans, but as part of an international managerial class (Meyer-Larsen 2000, Garrett 2001).

## **Case Study 2: The BMW disposal of Rover, March-May 2000**

### **Background**

BMW had acquired Rover in 1994. The acquisition proved problematic from the outset, both in terms of declining sales of Rover in the UK, and because of differences in management styles between the UK and Germany. In March 2000, due to such problems, the parent company announced its decision to sell its unprofitable British subsidiary. This was met by protests not only by British car workers and trade unions, but also criticism of the way the German company had handled Rover by British politicians such as Tony Blair and the then Secretary of State for Trade and Industry, Steven Byers. Two rival bids to rescue Rover were put forward, one by Alchemy Partners, involving substantial job losses, and a second by Phoenix Venture Holdings, with fewer job losses. The latter bid, supported by the UK government, having been successful, the company MG Rover was formed, which went into administration in 2005. A number of bids were then made for the company's assets, resulting in their being sold to a Chinese bidder.

### **Cultural or nationalistic discourse**

In this case some of the very UK press which had characterized the German reaction to the Mannesmann takeover as an expression of unacceptable 'nationalism' indulged in a similar and much more vehement form of nationalistic rhetoric directed against Germany, but here expressed as a legitimate patriotic response to a national crisis. The dispute was immediately framed in terms of a 'war', the British press recalling previous animosities between Britain and Germany, including the Mannesmann dispute which immediately preceded it, thus activating a repertoire of British stereotypes of the Germans:

#### **Don't mention the car**

The battle over Rover has reawakened old enmities.

It all started with a dispute between the British Government and a German car manufacturer and ended with the pantomime sight of a writ being served at a conference designed to promote relations between Britain and Germany.

....

Anti-German rhetoric reached a new pitch in the British press after BMW's announcement. (*Observer*, 26<sup>th</sup> March 2000)

Examples of the anti-German rhetoric referred to by *The Observer* included a proposed boycott of German cars:

Labour MPs and trade union leaders called on Britain's car owners yesterday to boycott BMW for breaking its promises, lying to the Government and abandoning Rover. (*The Times*, 20<sup>th</sup> March 2000)

The mobile phone and internet tycoon John Caudwell ... said last night: "We have to show BMW in the only way that matters to them – money". ... Mr Caudwell ... added: "I don't want this to spill over into some kind of anti-German protest. It's about BMW and them alone." (*The Times*, 27<sup>th</sup> March 2000)

Anti-German sentiment occasioned by the Rover crisis, however, extended well beyond the realm of business, as is evidenced by the following article in *The Observer*:

**We have no reason yet to forgive or forget or embrace or completely trust**

The liberal dictum 'Don't Mention the War' is wrong, says Carol Sarler

...

Why is it rude or foolish or prejudiced to consider that Hans and millions of his cousins might have been just as greatly influenced by the people they loved most, when they were knee-high to an impressionable age? Tell me, do, O Mein Papa.

(*Observer*, March 26, 2000)

The German press, in reporting such sentiments, clearly saw the British response as indicating a deep-rooted anti-German prejudice:

Since the Bavarian car firm decided to sell its subsidiary Rover, which was producing daily losses of 3 Million DM, the tabloid press and trade unionists have fanned the flames of the latent resentment of the British towards the 'Krauts'. (*Der Spiegel* 27<sup>th</sup> March 2000)

Everything German has become the subject of a bitter hate campaign amongst the Rover workers and in Birmingham. To drive a BMW is to be 'scum'.

... "Let's not be anti-German" pleads the Labour MP Richard Burden (addressing a rally of Rover workers). The crowd has a different opinion. Burden is booed. "To hell with the Krauts" someone shouts, and the crowd applauds. (*Die Tageszeitung*, 3<sup>rd</sup> April 2000)

It will be recalled that, in the Mannesmann takeover fear of job losses in Germany had been proclaimed by the UK press as a reflection of a deep-seated 'nationalism' on the part of the Germans. Here, where similar job losses are threatened for a British company, provoking a much more fervent nationalism than in the previous case, this is regarded as legitimate patriotism in the UK. As Billig (1995) has pointed out, 'banal' nationalism in the press, as demonstrated here, often functions to define

national identity by differentiating the ‘nationalism’ of other countries as ‘irrational’ and unacceptable, while defining its own nationalism as ‘patriotic’ and legitimate.

### **Economic discourse**

If the ‘clash of capitalisms’ apparent in the Mannesmann takeover had been framed as a game of ‘New Economy’ v ‘Old Economy’, in which the UK was depicted as a leader in the former and Germany as still adhering to the rules of the latter, it now seemed, as the *Frankfurter Allgemeine* commented ironically, that the roles were reversed: the UK had itself seemingly fallen back into the ‘Old Economy’ practice of wishing to intervene in business disputes, meaning that the ‘score’ (here the discourse continuing the game/war analogy) between the two countries was now level:

#### **1-1**

#### **Germany and England Play in the Shadow of Old Clichés**

Certainly many commentators have portrayed the takeover of Mannesmann by Vodafone as a continuation of the war by other means. The score between the two countries, one could read, now stood at 1-1. These same voices now want to see in the criticism by the British government of the lack of openness of the German car company a new dispute between London and Berlin. (*Frankfurter Allgemeine* 27<sup>th</sup> March 2000)

Of particular discursive significance was the belief expressed by some sections of the UK press that a preferred ‘way of doing business’ in such cases as the BMW disposal of Rover would be that companies such as BMW should have to consult national governments and workers before implementing decisions to close down subsidiaries such as Rover. This requirement, enshrined in German law as the principle of ‘co-determination’, an institution which reflects the consensus values of ‘Rhineland capitalism’, had, ironically, been opposed at EU level by the British government and sections of the British press when German politicians called for it. Once again, therefore, voices in the UK which had been quick to condemn a similar reaction in Germany when jobs were threatened, were ready to advocate such a ‘retrograde’ step in the UK when jobs were similarly at stake.

### **Political discourse**

The key factor in the political discourse surrounding the BMW crisis was the desire or ability of British politicians to intervene in the dispute, or at least to express concern for the job loss. BMW management attributed blame for the crisis to the fact the British had stopped buying their own Rover cars, together with the fact that Britain had not joined the Euro, making British manufacturing products uncompetitive:

Professor Milberg (BMW Chairman) said it would have been “very positive” for Rover's development had Britain been in the single currency. He also cited recent statements by ministers "indicating that Britain was deferring joining the euroland” as a “big influence” on BMW's decision. Downing Street rejected BMW's assertion out of hand, insisting that its euro policy had remained unchanged since October 1997, that Britain would join if and when the economic conditions were right. (*The Times*, March 18<sup>th</sup>, 2000)

The 'didactic' element of political discourse which had been present in British press coverage of the Mannesmann takeover, was now remarked upon with irony by some of the German press in the light of the seeming willingness of some British politicians, in contradiction to their professed principles, to wish to intervene in the present dispute, at least by means of anti-German rhetoric:

British Prime Minister Tony Blair has the habit of speaking to his European colleagues about the modernization of the world economy in a tone which is felt to be didactic. It is certainly the case that Britain has for a long time been ahead of its partners when it comes to the pulling back of the state and the liberalization of market forces. But the case of Rover shows that even Tony Blair has interventionist reflexes when it comes to massive job losses. (*Frankfurter Allgemeine*, 24<sup>th</sup> March 2000)

### **Individualistic discourse**

Individualistic discourses played a less important role in the BMW/Rover case than they had in the case of Mannesmann/Vodafone for the main reason that the personalities and styles of opposing CEOs did not provide an opportunity for the press to personalize and dramatize conflicting styles and approaches to business. There were, however, important individuals in the BMW/Rover case, who did provide an opportunity for the press of both sides to attribute blame and praise, principally UK politicians such as Tony Blair and Stephen Byers, and the Chairman of BMW, Joachim Milberg, who was accused of lying and dishonesty by UK politicians, and who, as we have seen above, in turn indirectly attributed blame for Rover's demise to UK politicians.

### **Comparison and discussion of case studies**

In both case studies, controversies surrounding the takeover or disposal of important national companies were framed as part of a legitimacy crisis within and 'war' between different models of capitalism. It is clear that the media in both countries internalized, albeit in a popular, dichotomized form, a typology of different varieties of capitalism within Europe, within which two models, the 'liberal market' and 'coordinated market' economies (Hall and Soskice 2001), represented by the UK and Germany, are paradigmatic. The various rhetorical labels given these models within press coverage, in particular the conflation of the UK with the US in the description 'Anglo-Saxon', and the transmutation of the German model into 'Rhineland capitalism' serve within cultural discourse to define the cultural identity of each country by means of 'strategies of dissimulation' from the 'other' model (Wodak et al. 1999).

This discursive construction of cultural identities of models of capitalism is clearly related to economic discourse, in particular an economic convergence or 'hyperglobalization' thesis, according to which one model, the 'Anglo-American', will triumph over the other. In the Mannesmann takeover, the country representing the 'successful' model of capitalism, the UK, defined its cultural identity in relation to this successful economic model, as the upholder of 'New Economy', while the 'unsuccessful' German model represents 'Old Economy' within the schema.

Importantly, this discursive schema was not just restricted to the UK press: sections of the German press who were in favour of liberalization of the economy also framed the Mannesmann takeover as a 'test case' of the willingness of Germany to play by the rules of 'New Economy'. The schema is thus an important part of the media legitimization of the transformation of the German model into a more neo-liberal model used rhetorically by those actors who wished to promote such a transformation.

Comparison of the case studies shows an important dialectical relationship between this economic discourse of convergence, cultural discourse, and political discourse. Previous studies of intercultural mergers and acquisitions in Europe have argued that cultural or nationalistic discourse often 'rationalizes away' the emotive fears and concerns of nations about the effects of foreign takeovers of companies (Vaara and Tienari 2002, Risberg et al. 2003, Sørderberg and Vaara 2003). In the two case studies examined here, the full nature of this dialectical relationship becomes fully apparent: in the first, concerns in Germany about globalization and the effect of the takeover on jobs were dismissed as 'nationalism' by both the UK press and those sections of the German press who favoured a neo-liberal model in Germany. Although there were certainly some manifestations of nationalism in the German press reaction, particularly in the tabloid *Bild*, this was not typical of the German press as a whole, as Höpner and Jackson (2001) point out:

In the British press, German reactions were condemned as hysterical and nationalist. However, such statements remained marginal and probably less pronounced than British reactions to the friendly acquisition of Rolls Royce by Volkswagen. On the whole, German public debate was dominated by sober discussion and a shareholder-oriented perspective. (Höpner and Jackson 2001: 35)

Whether the reaction in Germany was *actually* nationalistic or not, however, is of secondary importance. What is important is that any reaction which discussed the social and economic consequences of the takeover and questioned neo-liberalism was *depicted* as nationalistic as part of the discursive legitimization of the liberalization of the German model. The accusation of 'nationalism' then, was 'useful' rhetorically to enable the construction of a discourse in which political intervention in business was seen as unacceptable (Hay and Rosamond 2002).

In the second case, the disposal of BMW, a much more overtly nationalist reaction to a 'normal' event of global capitalism, the disposal of an unprofitable subsidiary by a parent company, defined by the UK press as illegitimate in the previous case, is depicted as legitimate and acceptable. Actors who had previously condemned such tactics as 'outdated', adopted precisely the same rhetorical tactics, attributing blame for the demise of Rover not to economic factors, but to the supposed incompetence and dishonesty of the German management of BMW. This, then, can be seen as part of a discursive strategy for coping with a legitimacy crisis in the UK model of capitalism: the demise of major manufacturing companies, of which Rover was only one example.

Here the didactic discursive schema apparent in the first case study was reversed: the German press and the BMW Chairman pointed out the rules of 'New Economy' to the British. There is also evidence in the Rover case of the use of discourse as part of a

‘transformational strategy’ (Wodak et al. 1999) to ‘re-brand’ ‘UK PLC’ as a dynamic service company rather than a manufacturing company or ‘brand state’ (Van Ham 2001):

CLOSE YOUR EYES and think about growing up in Britain. What do you remember? A wardrobe full of Marks & Spencer? Blue Peter? Parker pens? .... Your first outing in your dad's new Rover? Take a look around you now. How many of those things are still there? Calvin Klein and Gap fill most cupboards. You threw away the Parker in favour of a PalmPilot. ... And what's that on the drive? A BMW.

... BUT HANG ON A minute. Isn't Britain the fourth biggest economy in the world with a bullet-proof currency? We must be doing something right. Aren't we?

*(The Observer, 14<sup>th</sup> May 2000)*

This discursive transformation fulfils both the normative and ideational requirements for legitimacy (Phillips et al. 2004). Emotional resonance is provided by the reference to a proud past of British manufactured products, while the ideational dimension is provided by reference to the supposedly indisputable fact that the global economy has moved on from an emphasis on manufacturing to concentration on the service sector. Thus, what could be seen as a weakness of the UK model is transformed discursively into a strengthening of its legitimacy.

## **Conclusion**

The two case studies have demonstrated the importance of discourse in legitimizing and transforming the self representation of nations as ‘models of capitalism’ in reaction to ‘legitimacy crises’ surrounding major takeovers or disposals of flagship companies. In the first study, the takeover of Mannesmann by Vodafone, the framing of the takeover as a ‘normal’ fact of global capitalism was founded on an interpretation of cultural or nationalistic discourses as illegitimate and retrogressive. Actors, whether the CEOs of the companies involved, politicians or press commentators, positioned themselves in relation to this discursive transformation or ‘rebranding’ of ‘Deutschland AG’ (Streeck and Hassel 2003). Commentators on German political economy have noted the significance of this episode in preparing the way for a wider acceptance of practices of ‘Anglo-American’ capitalism in Germany, which, although not completely replacing the ‘German model’ may have created a ‘hybrid’ model containing features of both models (Höpner and Jackson 2001; Lane 2005; Jackson 2005; Deeg 2005).

In the case of the BMW disposal of Rover the situation was the mirror image of the first. In the UK case, as Schmidt (2002) has pointed out, a discourse legitimizing the neo-liberal view of the state in relation to business is already established. Here cultural or nationalistic discourse was also used strategically, but to an opposite purpose – to attribute blame for the crisis to the German owners of the company rather than to the inevitable forces of global capitalism. In addition, this was accompanied by a ‘rebranding’ of ‘UK PLC’ as a service company, turning the loss of manufacturing jobs, at least in the longer term, into a positive attribute and thus ensuring the continued legitimacy of the UK model, a trend which has continued with later similar losses of manufacturing companies.

---

## Notes

<sup>1</sup> Translations from this and all subsequent articles from the German press are mine.

<sup>2</sup> The headline refers in German to the 'Reifezeugnis' the school leaving certificate or 'Abitur' which indicates the completion of secondary schooling in Germany

---

## References

- Amable, B. (2003) *The Diversity of Modern Capitalism*, Oxford: Oxford University Press.
- Berger, S. and Dore, R. (1996) *National Diversity and Global Capitalism*. Ithaca, New York: Cornell University Press.
- Billig, M. (1995) *Banal Nationalism*. London: Sage.
- Boyer, R. (1996) 'The Convergence Hypothesis Revisited: Globalization but Still the Century of Nations?' in S. Berger and R. Dore (eds.) *National Diversity and Global Capitalism*. Ithaca, New York: Cornell University Press.
- Boyer, R. (2005) 'How and Why Capitalisms Differ' Max-Planck-Institut für Gesellschaftsforschung, Discussion Paper 05/4.
- Coates, D. (2000) *Models of Capitalism. Growth and Stagnation in the Modern Era*. Oxford: Blackwell.
- Cullingford, C. and Husemann, H. (1995) *Anglo-German Attitudes*. Aldershot: Ashgate Publishing.
- De Cillia, R., Reisigl, M., Wodak, R. (1999) 'The Discursive Construction of National Identities'. *Discourse and Society*, 10, 2: 149 – 173.
- Di Maggio, P. and Powell, W. (1983) 'The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields' *American Sociological Review*, 48: 147 – 160.
- Deeg, R. (2005) 'Path Dependency, Institutional Complementarity, and Change in National Business Systems'. in Morgan, G., Whitley, R. and Moen, E. (eds.) *Changing Capitalisms? Internationalization, Institutional Change, and Systems of Economic Organization*, Oxford: Oxford University Press: 21 – 52.
- Emig, R. (2000) *Stereotypes in Contemporary Anglo-German Relations*. London: Macmillan.
- Garrett, C. (2001) 'Towards a New Model of German Capitalism?' *German Politics* 10 (3), pp. 83-102.
- Gertsen, M, Søderbergh, A. and Torp, J. (1998) 'Foreign Acquisitions in Denmark: Cultural and Communicative Dimensions' in M. Gertsen, A. Søderbergh and J. Torp (eds.) *Cultural Dimensions of International Mergers and Acquisitions*, Berlin: Walter de Gruyter.
- Gertsen, M, and Søderbergh, A (2000) 'Tales of Trial and Triumph. A Narratological Perspective on International Acquisition' *Advances in Mergers and Acquisitions* 1: 239-72.



- 
- Hall, P. and Soskice D (2001) *Varieties of Capitalism: the Institutional Foundations of Comparative Advantage*. Oxford: Oxford University Press.
- Hall, P. and Taylor, R. (1996) 'Political Science and the Three New Institutionalisms' *Political Studies*, XLIV: 936 – 957.
- Hardy, C., Palmer, I., and Phillips, N. (2000) 'Discourse as Strategic Resource' *Human Relations* 53(9): 1227-1248.
- Hay, C. and Marsh, D. (2000) 'Introduction: Demystifying Globalization' in Hay, C. and Marsh, D. (eds.) *Demystifying Globalization*, Basingstoke: Palgrave.
- Hay, C. and Rosamond, B. (2002) 'Globalization, European Integration and the Discursive Construction of Economic Imperatives' *Journal of European Public Policy* 9(2): 147-167.
- Hellgren, B., Löwstedt J., Puttonen L., Tienari J., Vaara E. and Werr A. (2002) 'How Issues Become (Re)Constructed in the Media: Discursive Practices in the AstraZeneca Merger' *British Journal of Management* 13: 123-40.
- Hirsch, Paul M. (1986) 'From Ambushes to Golden Parachutes: Corporate Takeovers as an Instance of Cultural Framing and Institutional Integration' *American Journal of Sociology* 91(4): 800-837.
- Höpner, M. and Jackson, G. (2001) 'An Emerging Market for Corporate Control? The Mannesmann Takeover and German Corporate Governance'. Max-Planck-Institut für Gesellschaftsforschung, Working Paper 01/4.
- Jackson, G. (2005) 'Contested Boundaries: Ambiguity and Creativity in the Evolution of German Codetermination' in Streeck, W. and Thelen, K. (eds.) *Beyond Continuity: Institutional Change in Advanced Political Economies*, Oxford: Oxford University Press, 229-253.
- Kielinger, T. (1996) *Crossroads and Roundabouts: Junctions in German - British Relations*, Bonn: Bouvier Verlag.
- Lane, C. (2005) 'Institutional Transformation and System Change: Changes in the Corporate Governance of German Corporations' in Morgan, G., Whitley, R. and Moen, E. (eds.) *Changing Capitalisms? Internationalization, Institutional Change, and Systems of Economic Organization*, Oxford: Oxford University Press, 78 – 109.
- Meyer-Larsen, W. (2000) *Germany Inc.: the New German Juggernaut and its Challenge to World Business*. New York: John Wiley.
- Moore, F. (2004) 'Symbols of Organization: Informal Ways of Negotiating the Global and Local in MNCs' *Global Networks* 4(2): 181-98.
- Moore, F. (2005) *Transnational Business Cultures: Life and Work in a Multinational Corporation*, Aldershot: Ashgate.

- 
- Morgan, G. (2005) 'Introduction: Changing Capitalisms? Internationalization, Institutional Change, and Systems of Economic Organization' in Morgan, G., Whitley, R., and Moen, E. (eds.) *Changing Capitalisms? Internationalization, Institutional Change, and Systems of Economic Organization*, Oxford: Oxford University Press, 1-20.
- Phillips, N., Lawrence, T. and Hardy, C. (2004) 'Discourse and Institutions' *Academy of Management Review* 29(4): 635-652.
- Ramsden, J. (2006). *Don't Mention the War. The British and the Germans since 1890*. Little, Brown.
- Risberg, A, Tienari J, and Vaara E. (2003) 'Making Sense of a Transnational Merger: Media Texts and the (Re)Construction of Power Relations' *Culture and Organization* 9(2): 121-37.
- Schmidt, V. A. (2000) 'The Politics of Economic Adjustment in France and Britain: When Does Discourse Matter?' *Journal of European Public Policy* 8(2): 247-264.
- Schmidt, V. A. (2001) 'Democracy and Discourse in an Integrating Europe and a Globalizing World' *European Law Journal* 6(3): 277-300.
- Schmidt, V. A. (2002) *The Futures of European Capitalism*. Oxford: Oxford University Press.
- Søderberg, A. and Vaara, E. (2003) *Merging across Borders. People, Cultures and Politics*, Copenhagen: Copenhagen Business School Press.
- Streeck, W. and Crouch C. (1997) *Political Economy of Modern Capitalism. Mapping Convergence and Diversity*. London: Sage.
- Streeck, W. (1997) 'German Capitalism: Does It Exist? Can It Survive?' in W. Streeck and C. Crouch (eds.) *Political Economy of Modern Capitalism. Mapping Convergence and Diversity*, London: Sage.
- Streeck, W. and Hassel A. (2003) 'Die Deutschland AG ist passé' *MaxPlanck Forschung* 1/2003: 72-79.
- Streeck, W. and Thelen, K. (2005) *Beyond Continuity: Institutional Change in Advanced Political Economies*, Oxford: Oxford University Press.
- Tienari, J., Vaara, E., and Björkman, I. (2003) 'Global Capitalism Meets National Spirit. Discourses in Media Texts on a Cross-Border Acquisition' *Journal of Management Inquiry* 12(4): 377-393.
- Vaara, E. (2002) 'On the Discursive Construction of Success/Failure in Narratives of Post-Merger Integration' *Organization Studies* 23(2): 211-48.
- Vaara, E. and Tienari, J. (2002) 'Justification, Legitimization and Naturalization of Mergers and Acquisitions: A Critical Discourse Analysis of Media Texts' *Organization* 9 (2): 275-304.

---

Van Ham, P. (2001) *European Integration and the Postmodern Condition. Governance, Democracy, Identity*. London: Routledge.

Wodak, R., De Cillia, R., Reisigl, M. and Liebhart, K. (1999). *The Discursive Construction of National Identity*, Edinburgh: Edinburgh University Press.