

Foreign news coverage draws on clichés

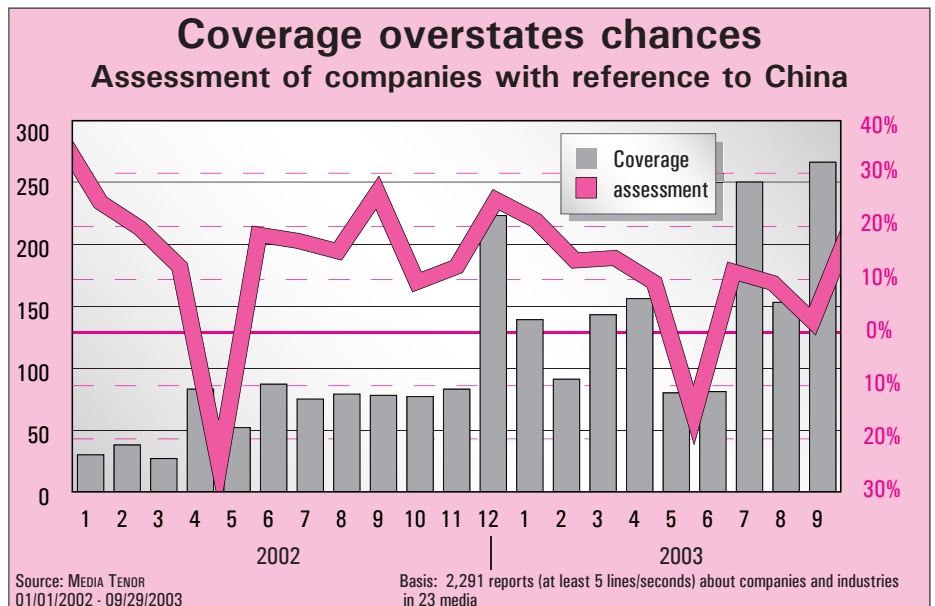
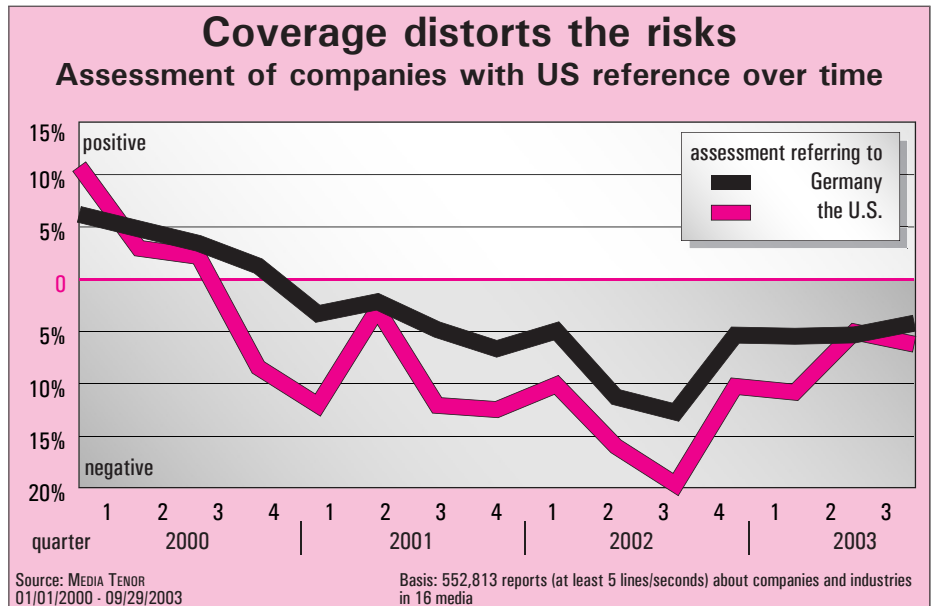
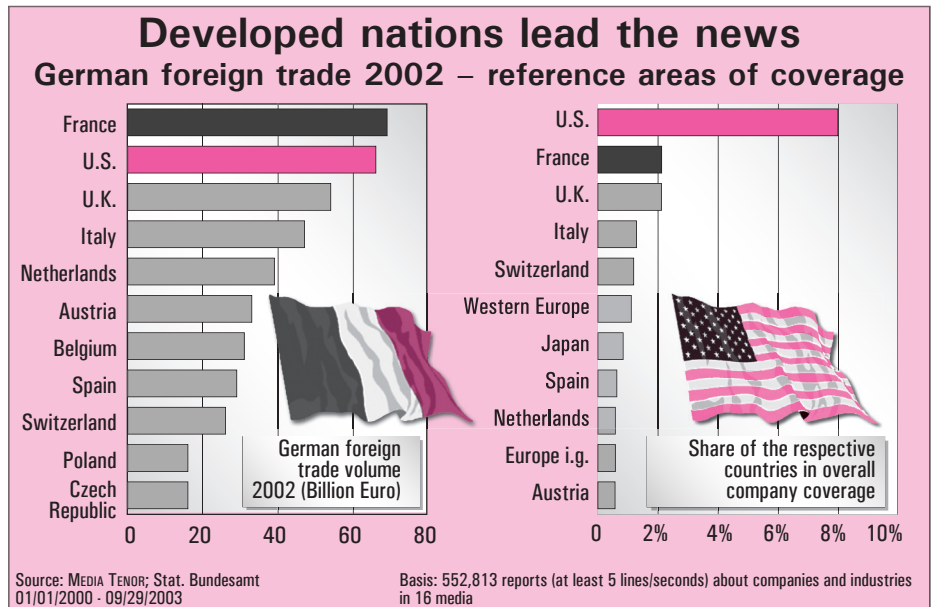
Company coverage on foreign countries 01/2000 - 09/2003

Journalists often claim to report the news "as it is", and to follow the daily news agenda as quickly, comprehensively and accurately as possible. Contrary to this self-image, communication research (e.g. Galtung/Ruge 1965) has shown that journalists use selection criteria which disproportionately overemphasize some topics, while preventing many others to make their way onto the printed page or into the broadcast news story. Foreign news coverage on companies in the German opinion forming media from January 2000 until September 2003 reflects the effectiveness of these so-called news factors.

The analysis of 552,813 passages on companies and industry sectors shows that filters such as "cultural proximity", "references to developed nations" and "negativism" strongly shape the image of the globalized economy. In total it creates a rather incoherent picture and consequently encourages irrational decision-making on investments and job searches. The "national glasses stay on the nose" (Kolmer 2003), while learning from the rest of the world continues to be the exception.

USA dominates

Germany, as a country that is relatively resource-poor, derives much of its wealth from world trade. Most German exports of goods and services go to its European neighbors, in particular to France (see top graph). In 2002, with a total of € 69 billion in foreign trade, France came first in the ranking of most important trade partners, closely followed by the US (66 billion), Great Britain (54 billion) and Italy (47 billion). News selection, however, does not reflect the special role of Germany's EU trade partners. Only 2.1% of company coverage deals with France, compared to 8% on the US, resulting in almost four times as much attention. The extent to which the US, having the largest economy in the world, dominates news selection criteria is also reflected by other factors. Television news, aside from reporting the domestic DAX-Index, will, at best, note the level of the Dow Jones-Index. The Nikkei-Index or its Paris equivalent are ignored. In addition, journalists provide a similarly distorted



coverage on companies. Between January 2002 and September 2003, six US corporations made it into the list of 50 most frequently mentioned corporations (e.g. Microsoft, GM, Ford), while only the row between Mobilcom and France Telecom resulted in a single prominent placement of a French company. One consequence of this selective information is that, for example, the media image of Peugeot-Citroen (PSA) has been unjustifiably positive over large stretches of the past 18 months.

Negativism: Bad luck for the US?

The US example points to the significance of yet another news value factor: Despite the fact that economic growth in the US was at least four times higher than in Ger-

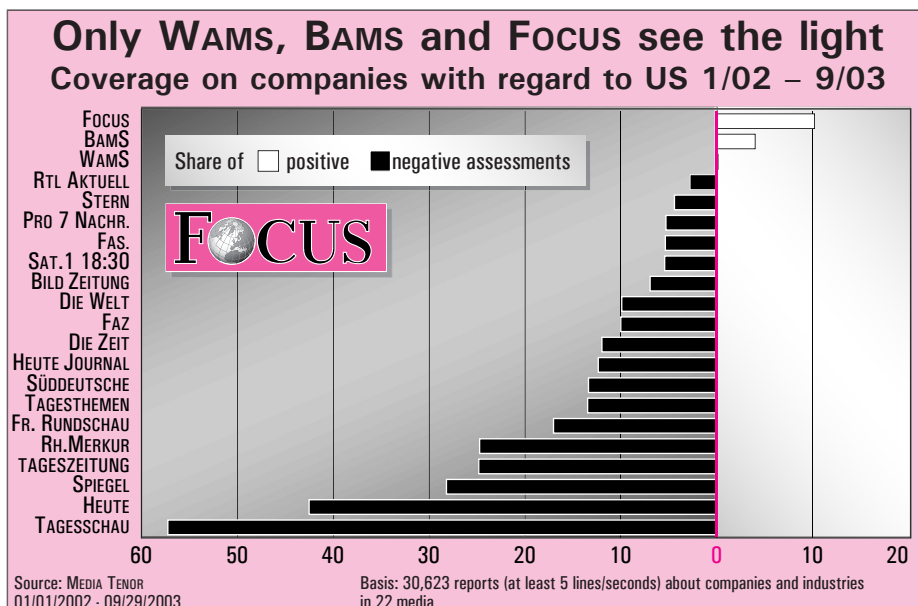
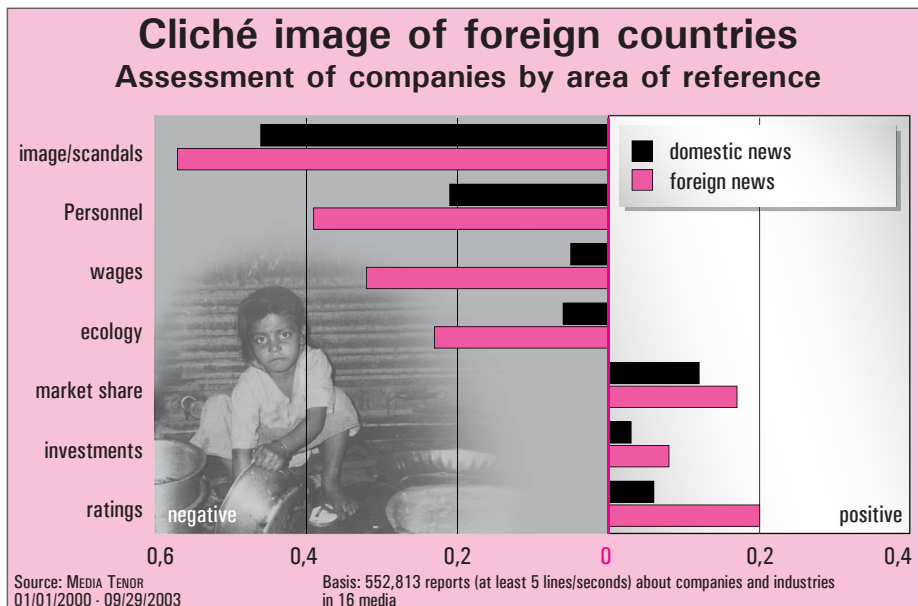
many throughout the period of analysis, the German media portray companies more negatively in the land of unlimited opportunities. The accounting scandals around Enron or Tyco were strongly over-represented in their selection of news. The relationship between risks and opportunities are therefore distorted. In contrast to what the media make us believe, the US economy did by no means fare worse than the German, neither with respect to employment, growth, share price performance or consumer spending. But only the news magazine FOCUS, the weekly WAMS and the weekly tabloid BAMS reflected this positive development in their assessment of companies. The daily newspapers FRANKFURTER RUNDSCHAU (balance between positive/negative

assessments: -17%) and TAZ (-24.8%), and above all the television prime time news programs TAGESSCHAU (-57.3%) and HEUTE (-42.5%) reported primarily negative news on companies where the US was concerned.

Negativism is a prominent selection criterion not only with respect to regions, but also with respect to selected topics. Anti-globalization protesters continue to argue that middle-income countries have to pay for economic growth with sweatshop wages and a lack of environmental standards. An analysis of coverage on these topics shows that journalists blindly followed these worn-out clichés. Reporting on human resources (e.g. hiring and firing), environmental policies and salaries was noticeably more negative when the companies in question were operating in foreign countries rather than in Germany. This is convenient material for those who are in favor of protecting the domestic economy with tariffs or other trade barriers.

In this scenario, no one seems to be willing to learn from foreign countries. On the contrary, German risks and opportunities are projected into foreign news coverage (see graph to the left). In the Chinese context, however, making sense of some companies' media image remains a challenge.

Opportunistic thinking seems to play an increasingly important role. More and more companies and journalists appear to be jumping onto the bandwagon. But the boost in coverage on China should be used for some deeper research. The risks (e.g. bad credits in the banking sector, WSJ 10/03/2003) are otherwise systematically downplayed. The image of China as a country of economic wonders alone does not reflect reality. vb.



Basis
Media: WELT, FAZ, SZ, FR, taz*, BILD*, BERLINER ZEITUNG*, SÄCHSISCHE ZEITUNG*, FOCUS, SPIEGEL, ZEIT, RH. MERKUR, STERN, WAMS*, BAMS, FRANKFURTER ALLGEMEINE SONNTAGSZEITUNG*, ARD TAGESSCHAU, TAGESTHEMEN, ZDF HEUTE, HEUTE JOURNAL, RTL AKTUELL, SAT.1 18:30, PROSIEBEN NACHRICHTEN; *since 2002; only special topics were analysed;
TIME: 01/01/2000 - 09/29/2003
Analysis: all reports (at least 5 lines/seconds) about companies and industries: 552,813 reports