Management & Organizational History

ISSN: 1744-9359 (Print) 1744-9367 (Online) Journal homepage: http://www.tandfonline.com/loi/rmor20

# From colonial empires to developing countries and on to emerging economies: the international expansion of the Dutch brewery Heineken, 1930–2010

Keetie Sluyterman & Bram Bouwens

**To cite this article:** Keetie Sluyterman & Bram Bouwens (2015) From colonial empires to developing countries and on to emerging economies: the international expansion of the Dutch brewery Heineken, 1930–2010, Management & Organizational History, 10:2, 103-118, DOI: 10.1080/17449359.2015.1029944

**To link to this article:** http://dx.doi.org/10.1080/17449359.2015.1029944

Published online: 13 Apr 2015.

Submit your article to this journal

Article views: 88

View related articles

View Crossmark data

Full Terms & Conditions of access and use can be found at
http://www.tandfonline.com/action/journalInformation?journalCode=rmor20

**Download by:** [University Library Utrecht] **Date:** 10 November 2015, At: 04:55

*Management & Organizational History*, 2015
Vol. 10, No. 2, 103–118, http://dx.doi.org/10.1080/17449359.2015.1029944

Routledge
Taylor & Francis Group

# From colonial empires to developing countries and on to emerging economies: the international expansion of the Dutch brewery Heineken, 1930–2010

Keetie Sluyterman* and Bram Bouwens

*Utrecht University, Utrecht, Netherlands*

Downloaded by [University Library Utrecht] at 04:55 10 November 2015

This article analyzes the foreign expansion of the Dutch brewery Heineken in countries that were successively seen as colonies, developing countries, and emerging economies. Why did Heineken want to go overseas as early as the 1930s, what advantages could the brewer offer, and what challenges did it face? We found both continuity and flexibility. Heineken used export, licensing, and direct investment, though in different mixes over time. Working with partners and seeking a large geographical spread reduced the risks of working abroad. Initially, Heineken worked with European partners but in later years, it more often found partners locally, or had them forced upon it. For many years, Heineken was always the partner that provided technical expertise and access to financial means, but from the 1970s onward Heineken also became directly involved with marketing and branding policies.

**Keywords:** business history; internationalization; beer industry; emerging markets; Heineken

## Introduction

In 1998, David Arnold and John Quelch identified emerging markets as the place to be for ambitious multinationals. In the *Sloan Management Review* they wrote: 'Emerging markets (EMs) constitute the major growth opportunity in the evolving world economic order' (Arnold and Quelch 1998, 7). At the same time they argued that emerging markets were not really new investment areas but were a new way of looking at less developed countries, or Third World countries. While in the past the developing countries were predominantly seen as sources of cheap labor and raw materials, their potential as markets came to be underlined in the 1990s. But even from the perspective of markets, we can pose the question whether or not this was a new phenomenon, and whether or not investment in emerging markets was different from investment in developing countries.

This article takes the long-term view and looks at investment policies of one company in the sector of consumer goods, the Dutch brewery, Heineken. It analyzes the company's foreign investments in regions that were identified as 'colonies' in the interwar period, as 'developing countries' from the 1960s through the 1980s, and as 'emerging markets' since the 1990s. It looks at differences and similarities between these markets. Why did Heineken want to go into these countries, and what challenges did it face? How did the company perceive the opportunities and risks of working in the three 'different' types of countries, and what strategies did it follow? Did Heineken use different strategies for these

*Corresponding author. Email: k.e.sluyterman@uu.nl

© 2015 Taylor & Francis

markets? After an initial section on internationalization strategies and the beer industry, the article discusses Heineken's strategies and challenges in each of these markets in turn. The conclusion evaluates Heineken's experiences in the three markets. For this article, we used the Heineken archives extensively. These include the Heineken Archive 834 (hereafter HA), the company archives at the Heineken Collection (hereafter HC), and Heineken's Annual Reports (hereafter ARH). We also consulted the Stadsarchief Amsterdam (Amsterdam City Archives). This article includes findings from research conducted for our book on the history of Heineken (Sluyterman and Bouwens 2014).

## Internationalization strategies and the beer industry

There is a vast literature about the question of why companies go abroad. For their historical analyses, business historians have used the eclectic paradigm (OLI-paradigm) of John Dunning, in particular. For explaining the level and patterns of direct inward and outward investment, Dunning distinguishes three kinds of possible advantages, the ownership-specific advantages of the incoming firm over the local firms (O), the location-specific advantages of home or host countries (L), and the internalization advantages resulting from internalizing markets inside the company (I) (Dunning 1988). Dunning (2009) underlined the importance of the interaction between these three elements. Scholars, he stressed, should 'adopt a more co-evolutionary and interdisciplinary approach to understanding the composition of L advantages of firms, and their interaction with the O and I strategies of firms.'

The other theory frequently used by business historians is the so-called Uppsala model that Jan Johanson and Jan-Erik Vahlne first presented in 1977 and reworked and upgraded in 1990 and again in 2009. Looking at the empirical evidence, they concluded that companies that moved abroad tended to start with exports and the use of local agents, then set up local sales offices and finally take on local manufacturing. They also concluded that companies tended to start in geographically or culturally nearby markets and move farther afield as their market knowledge increased. Over time, they underlined the importance of learning as well as building trust and commitment for expansion in foreign markets. In their 2009 article, they concluded that markets should be seen as 'networks of relationships in which firms are linked to each other in various, complex and, to a considerable extent, invisible patterns.' To be successful in foreign markets, companies have to create a position inside these networks, because they can find the potential for the necessary learning and possibilities of building trust and commitment within them (Johanson and Vahlne 1977, 1990, 2009). While the OLI paradigm is useful for analyzing why companies went abroad and where they focused their attention, the Uppsala model offers insights into how investment strategies developed over time. Are these models relevant to the beer industry?

According to Jens Gammelgaard and Christoph Dörrenbächer, the beer industry is an interesting sector for studying internationalization for four reasons. It has adopted similar technologies globally, offers a homogeneous product (although differentiated by brand), is at present dominated by a few large multinationals, and is highly globalized (Gammelgaard and Dörrenbächer 2013, 1–2). Though some brewers might dispute the claim that beer is a homogeneous product, there is no denying the globalization of the industry. Still, local production remains very important and microbreweries are a rising phenomenon. That the beer industry would develop activities across borders is not self-evident because beer is very much a local product with special local tastes and consumer preferences. For the industry as a whole, exports were not very important during most of

Downloaded by [University Library Utrecht] at 04:55 10 November 2015

the twentieth century. In 1961, about 2% of world beer production was exported, and in 2007 this figure had only risen to 6% (Colen and Swinnen 2011, 133–134). However, Heineken was one of the few breweries that developed an important export portfolio, though it also used other strategies for entering foreign markets, such as licenses, participations, acquisitions, and greenfield investment. Since the 1990s, the major brewing companies have become heavily globalized through mergers and acquisitions (Pedersen, Madsen, and Lund-Thomsen 2013). In 2010, four companies – ABInbev, SABMiller, Heineken, and Carlsberg – controlled 51% of world beer production, with Heineken ranked third (Merrill Lynch 2011).

The internationalization of the brewing industry is considered a phenomenon that started in the 1960s. Lopes (2007) studied a large number of alcoholic beverage companies in different fields, including the production of wine, spirits, and beer. The Dutch brewing company Heineken formed part of the sample, but only as one of 75 companies. Lopes supposed that before the 1960s the world alcoholic beverage industry was still fragmented so that very few firms were involved in international mergers and acquisitions. The process of internationalization then took place gradually, with companies first exporting abroad, then using an independent distributor to acquire market knowledge, and finally acquiring a foreign competitor. Having strengthened their position on the home market and nearby markets, companies were ready to enter markets that were culturally, politically, and geographically more distant (Lopes 2007, 23–32). At this stage, acquisitions included distribution channels. Firms also diversified, but that was only a temporary strategy. In the last stage, which broadly covered the 1990s, firms disintegrated vertically and now formed alliances with other multinationals to cover multiple markets worldwide (Lopes 2007, 251–256). As will become clear in this article, Heineken started its internationalization process much earlier than most of the companies Lopes studied. This early start in foreign direct investment in overseas (colonial) markets makes Heineken an interesting object for comparing present issues of working in emerging markets with evidence from earlier historical periods. What were the risks and opportunities in these different markets?

Producing in the colonies created challenges such as managing from a distance and working in climates, cultures, and with labor relations that were different from those of the home country. On the other hand, colonies typically were made dependent on the mother country, which, to a certain extent, recreated its own administration and institutions. Companies from the home country could, by and large, expect a politically sympathetic environment. They also benefited from a network of personal relationships between the colony and its mother country (Sluyterman 2005, 41–45; Taselaar 1998, 1–27). The colonies of other European countries had institutions that resembled their home countries, and for other Europeans there were considerable similarities, which made working in these countries easier. Moreover, European expatriates often worked together in the colonies and thus formed a group of their own (Jonker and Sluyterman 2000, 276–280).

Having won political freedom in the decades after the Second World War, former colonies gradually aimed to achieve more economic independence. At the same time, they wanted to speed up economic growth to reach levels of prosperity that had been achieved in developed nations. Companies working in developing countries had to deal with the same problems of distance and differences in climate and culture as in the colonies, but, on top of that, the political uncertainties were greater. It was also uncertain whether the developing countries would indeed show the economic growth that would create an attractive market (Jones 1996, 288–296; Jones 2005, 152–184).

After 1989, new investment possibilities opened in Central Europe and Asia. These markets were first described as transition markets as countries moved from communism to

Downloaded by [University Library Utrecht] at 04:55 10 November 2015

some measure of economic liberalism. Then, as they began to show fast growth they were termed emerging markets because foreign companies found their growth prospects attractive for investment. However, these emerging markets presented many of the same risks to foreign companies as developing countries, though distance became less of an issue by the end of the twentieth century (Jones 2010). In 2003, McKinsey described the additional risks of investments in emerging markets as accelerated inflation, exchange-rate fluctuations, adverse repatriation laws and fiscal measures, and macroeconomic and political distress. But the McKinsey consultants maintained that the overall risks of investing in emerging markets did not need to be higher than in mature markets, as long as companies diversified their portfolios (Goedhart and Haden 2003, 4–9). Ted London and Stuart Hart argued that in order to reach the untapped low income markets of emerging economies multinationals should develop relationships with non-traditional partners and build local capacity (London and Hart 2004, 350–370).

Downloaded by [University Library Utrecht] at 04:55 10 November 2015

## Heineken's expansion within a colonial context

The acquisition of the Amsterdam brewery De Hooiberg (The Haystack) by Gerard Heineken in 1864 marked the beginning of the multinational company Heineken. Soon after the acquisition, Gerard Heineken built a new, much larger brewery and moved to the production of bottom fermented beer. This type of beer could be produced on a much larger scale than the traditional top fermented beer. By 1914 Heineken had become the largest brewer in the Netherlands. It first considered moving production to the colony in the late 1920s. Beer sales on the Dutch markets were stagnating. Because Heineken was a prominent member of the Dutch beer cartel, the company looked for expansion outside the home market. In 1929, Heineken came into contact with the manager of the French/Swiss holding company Societé Financière de Brasseries (Sofibra), which had interests in breweries in Egypt, Morocco, and Indo-China. The owners of Sofibra hoped that Heineken could open a door for them in the Dutch East Indies, present-day Indonesia. Heineken had indeed formed plans to set up a brewery in the Dutch East Indies. Investment there offered the opportunity to serve the expat community with Heineken beer brewed locally. Exporting from the Netherlands affected the quality and was more expensive than brewing locally. Political risks were low because the Dutch colonial administration treated Dutch business favorably. Other European companies, however, presented fierce competition. Heineken's initial plan did not go forward because a Belgian competitor, Brasserie Coloniale (Cobra), had just bought a piece of land to build a brewery in the same city (Surabaya) that Heineken had targeted (Sluyterman and Bouwens 2014, 176–180).

Instead, Heineken and Sofibra went to Singapore. Together with a local partner, the soft drink producer Fraser & Neave, Heineken and Sofibra founded the Malayan Breweries. Heineken handled beer production, and Fraser & Neave took care of the marketing. As Heineken was not sure it would be able to brew beer of exactly the same quality in Singapore as it did in the Netherlands, the locally produced beer was sold under the brand name Tiger (Jacobs and Maas 1991, 204–205). Heineken participated in Sofibra, and in 1934 both parties bought shares in the Belgian company Interbra. For Heineken, financial participation in other companies was clearly an important strategy for shaping their international activities. This company owned shares in the holding company Cobra that had built the brewery in Surabaya. Interbra also owned breweries in Congo and Angola. After participating directly in Cobra in 1937, Heineken took over the management of the brewery in Surabaya and changed its name in Heineken's Nederlandsch-Indische Bierbrouwerij Maatschappij. Here Heineken decided to brew its own Heineken-branded

Downloaded by [University Library Utrecht] at 04:55 10 November 2015

beer alongside local brands. For building and supervising its overseas brewery, Heineken preferred to use Dutch technicians trained in its own breweries in Amsterdam and Rotterdam. Their training in the Netherlands was supposed to familiarize them with the 'Heineken spirit' and make them appreciate the ties with the parent company (HA 88, letter from J.A. Emmens, 4 September 1947).

Heineken's international activities were disrupted by the outbreak of the Second World War in 1939. It became difficult for Heineken to reach its overseas subsidiaries and export markets. Local managers had to survive without the support of the Amsterdam head office. Initially, the Heineken brewery in colonial Indonesia served the US market to 'keep the Heineken brand alive,' but in March 1942 the Japanese army occupied the Dutch East Indies. When the Japanese army arrived in Surabaya, it immediately took control of the brewery and ordered the Dutch staff to keep the brewery running, while employees of Dai Nippon Brewery arrived to gradually take over the management. In February 1943, the Japanese interned the Dutch staff, who stayed in the camps until the end of the war. When the Japanese army capitulated in August 1945, the Indonesian nationalists occupied the brewery. However, on arrival in Surabaya, the Allied troops immediately took over the brewery to secure the supply of beer, which was deemed indispensable. Not until 1946 did Heineken regain control (Sluyterman and Bouwens 2014, 205).

None of Heineken's foreign breweries suffered serious war damage, but there was a huge backlog in maintenance when the war ended. Apparently, Heineken had acquired a reputation outside its home country for brewing good beer, because 3 weeks after the liberation of the Netherlands from the German occupation in May 1945, Heineken's managing director D.U. Stikker was invited by the British government to discuss beer deliveries to the British armies in the Far East. Even before Japan had capitulated, plans were drawn up to bring people, machines, and supplies to the Far East (HA 1016, trip Stikker to Brussels and London, 1–7 June 1945). By the time they arrived, Singapore had been liberated, and production could be resumed.

It took Heineken longer to get back its property in Indonesia, and then nearly another year went by before production could be resumed. Despite (or perhaps because of) the political-military situation, sales in 1948 and 1949 surpassed prewar levels. Dutch soldiers were eager consumers of Heineken beer. After independence in 1949, the name of the brewery was changed from 'Netherlands Indies' to 'Indonesian.' For a number of years, the brewery was able to do good business, serving the Europeans as well as increasing numbers of Indonesians. However, in 1957 the curtain fell for Dutch interests in Indonesia. A political row over the position of Irian Jaya, still in Dutch hands, led to strikes and the occupation of Dutch establishments. In December 1957, all Dutch companies were put under government supervision. The Heineken subsidiary happened to be formally part of the international financial group Cobra and thus was not formally 'Dutch.' During the next few years, Heineken managers designed new arrangements to keep the business going, using all their ingenuity and flexibility. The Indonesians called the Heineken brand beer Bintang (Star) because of the prominent star in the Heineken label. The local Dutch managers therefore suggested changing the Heineken brand beer into Bintang Beer. As pressure on Dutch people mounted, Dutch managers were replaced by managers from other European countries. Heineken withdrew from serving as the technical advisor and manager of the brewery but remained involved behind the scenes. In 1965, the brewery was placed under Indonesian control, while all European staff were dismissed, but a year later Heineken was invited by the new Indonesian government to resume management of the brewery. Running a brewery had clearly been more difficult than the government had expected because the brewery had declined in turnover and quality of beer. It was time to

call the experts back in. The brewery was returned to its original owners in 1967 (Sluyterman and Bouwens, 218–221).

Singapore's independence came much later than Indonesia's. The Heineken joint venture with Fraser and Neave, Malayan Breweries, in Singapore was very successful in the immediate postwar years. In 1949, the Heineken managing director Piet Feith revisited Indonesia and Singapore and reflected on the waning influence of the West and the feverish pace of the emancipation of the East. Commenting on the situation in Singapore he wrote: 'On Singapore island quiet and safety reign.... Yet, this material paradise doesn't feel quite real. In the midst of a world in which nationalist and other passions flare up fiercely, there is Singapore, England's bastion in the Far East, still a colony, in which the white man can fully enjoy his ancient privileges' (HA, 993, report by managing director Feith, March/April 1949). Malayan Breweries was so profitable that it followed an expansion policy in its own right. It took over a small brewery in Australian Papua New Guinea and another one in New Zealand. Because of tensions between Singapore and Malaya, the partners decided in 1957 to build a separate a brewery in Kuala Lumpur in Malaya (Malaysia), rather than rely on exports from Singapore. In 1962, the brewery in Kuala Lumpur opened (ARH 1956/57–1962/63). The political unrest in this area meant that many armies were present, which translated into many customers for beer. Somewhat cynically, the Heineken managing director Piet Feith wrote in 1956 that in times of political tension, breweries tended to do very well indeed (HA 1098, report March 1956).

In Africa, where colonial powers remained in place longer than in Asia, Heineken was eager to expand its activities together with its partners in Cobra. It is interesting to note that negotiations about exports to Africa as well as about establishing breweries there took place in Europe. For activities in French colonies, Heineken managers had discussions with French trading houses in Paris. For activities in British colonies, they traveled to London, Liverpool, and Manchester (Sluyterman and Bouwens 2014, 229). At the same time, their investments were vulnerable to political developments. For instance, during the Second World War, the breweries in Egypt had made a handsome profit, and although demand and profits dropped after the war, Heineken remained present until the breweries were nationalized in 1961. Via the holding company Cobra, Heineken participated in the Brasserie Léopoldville, a Belgian company that possessed an increasing number of breweries in Central Africa. Initially, this was just an investment, but from 1952 onward Heineken provided technical assistance. The 1950s offered ample opportunities to build new breweries and expand the existing ones. New breweries were set up in Belgian Congo, Rwanda-Burundi, and Angola. At the end of the 1950s, Brasserie Léopoldville owned seven breweries and four lemonade factories. The leading beer brand was Primus. The civil war in Congo following independence in 1960 seriously disrupted beer production. In response to requests from the new government, all Congolese breweries were brought together in a separate holding company (HA 1819, AR Cobra 1937/38 to 1964/65).

Heineken became particularly active in West Africa, together with the international trading company United Africa Company (UAC), a subsidiary of Unilever. In 1945, UAC and Heineken agreed to set up the joint venture Nigerian Breweries Ltd. (NBL) (HA 1180, correspondence Nigerian Brewery, 1947–1957). The other main importing firms that might otherwise be negatively affected by the expected reduction in beer imports were included in the joint venture. Heineken became responsible for building and running the brewery in Lagos, which began production in 1949, while UAC took care of marketing and distribution. Dutch expats held the crucial positions in the brewery but in due time trained the local population for the middle management positions. According to the joint venture agreement, NBL was not allowed to use Heineken as a brand name. Heineken continued to

Downloaded by [University Library Utrecht] at 04:55 10 November 2015

import its Heineken brand from the Netherlands. The locally brewed beer was called 'STAR.' Initially, this beer met with fierce competition from the established European importers of beer, but over the course of time it became very successful. The Nigerian population increasingly bought the local brand. The new brewery in Lagos became a great success and a source of very satisfactory profits. During the 1950s, it had to be enlarged several times. These good results encouraged Heineken and UAC to set up more breweries in Nigeria, including one in Aba and one in Kaduna. The partners also established a brewery in Ghana (1958), in Sierra Leone (1962), and in Chad (1963). UAC also set up breweries with Guinness, which brewed ale and so did not directly compete with Heineken's lager beer (Fieldhouse 1994, 306–307, 384–394, 507–509).

Heineken had kept its international activities under the umbrella of the holding company Cobra since 1937. From the late 1940s, Heineken provided two-thirds of the new investments in Cobra (HA 1129, documents relating to Cobra, 1936–1965). During the 1950s and 1960s, Heineken successively acquired Cobra shares until it owned 99.7%, so that Cobra could be incorporated into Heineken International. For servicing the breweries abroad, Heineken set up a separate department, which was responsible for all the technical and technological issues, including research. It designed breweries, ordered the equipment, looked after the expats and gave brewing courses for those working abroad and at home. It was not difficult to find Dutch employees willing to work abroad, and the staff magazine kept careful track of all the comings and goings of those who left for foreign destinations. In the 1960s, Heineken expats in Africa and Asia organized their own conferences to exchange information and add to the team spirit. Brewery visits and beer tastings were regular features on the conference programs (Author interviews with the Heineken managers Cor Scheltema, Den Bosch 27 May 2011 and Tom de Man, Amsterdam 30 May 2011).

During the colonial era, Heineken's international strategy consisted of export and local production. Heineken used colonial networks to build or participate in overseas breweries. Once the contacts had been established, Heineken's contribution consisted, in particular, in providing brewing expertise and participating financially. In this respect, it had a clear advantage over local producers. The geographical distance complicated management, but the political risks were modest because of the familiar and fairly predictable colonial governments. For the local breweries Heineken introduced local brands, such as Tiger beer for Singapore and Star beer for Nigeria. Very seldom a local brewery was also allowed to brew the Heineken brand, in most cases Heineken beer was imported from the Netherlands.

Downloaded by [University Library Utrecht] at 04:55 10 November 2015

## Working in developing countries

In the late 1950s, the process of decolonization gathered speed. The end of colonialism obviously had consequences for Western business in those countries. In the countries where independence involved fighting and violence, daily business was disrupted for some time. In all cases, independence transformed working conditions. Newly established national governments had other priorities than the former colonial administrators. In order to encourage economic growth in their countries, governments were tough on the transfer of profits, tended to raise import duties, pressed for more involvement of local managers, and wanted their own people to participate in the local subsidiaries of multinational companies (Sluyterman 2005, 167–179). On the other hand, governments found alcoholic drinks attractive products for levying taxes, and therefore they had strong incentives to protect its production. For the local breweries, import restrictions could further the sale of

local beer, which would be good news. But these restrictions would also limit the possibilities for importing supplies such as malt, hops, and glass bottles, which could create problems. By limiting imports, local governments tried to push international brewers to pay more attention to the possibilities of local sourcing (ARH 1985). In the 1960s and 1970s, many multinationals decided to leave the former colonies in response to government insistence on ownership, increasing taxes and regulations, and insecure political situations (Jones 2010). But, as we will show, Heineken was not one of them. The company stayed the course when it was allowed to do so. At the same time, it targeted Europe for its new investments.

In its annual report of 1961/62, Heineken explicitly mentioned the risks of working in ‘developing countries’ when its two breweries in Egypt were sequestered and later nationalized in the aftermath of the Suez Crisis. The Dutch Employers Association urged the government to set up a scheme to insure companies against political risks. In 1966, such an insurance scheme was indeed introduced (ARH 1966/67). The Dutch government considered it positive that companies would invest in developing countries because that was supposed to stimulate economic growth. In the 1960s, economists were fairly optimistic that developing countries would be able to follow the growth path of Europe and the United States, and investment in industrial activities would pave the way to that end (Rostow 1960). The 1960s were indeed a period of growth for many countries. Though the political situation made working in Africa risky and sometimes dangerous, its economic growth during that period still made it an attractive continent to invest in. Heineken reported year after year overall rising beer sales in Africa and responded with increases in production capacity. In Nigeria, responding to pressure to hire more local people for management positions, Heineken and UAC favored local people who had trained in one of the European countries. ‘Africanization’ was a slow process. Not until the mid-1970s did African managers play a significant role in local management (Ogunbiyi 2007, 178–179).

Around 1970 Heineken sold more beer in Europe, including the Netherlands, than in any other region (also due to the merger with Amstel Breweries in 1968), but second came Africa with 32% of beer sold brewed under Heineken control (ARH 1960/70 and 1970/71). In the annual report of 1970/71, reflecting on developments in Africa, Heineken highlighted the plentiful possibilities open to it, particularly for the local production of beer (in contrast to exports) but also commented on some worrying developments:

> A fundamental change in the relationship between Western industry and Africa is reflected in the explicit endeavour by various African governments to strengthen the position of their nationals with regard to the ownership and management of firms which are controlled by Western enterprises. Although our training possibilities for local employees have been utilized to the maximum, in several countries where we operate the replacement of expatriate European managers has proceeded faster than a proper training allows. It is self-evident that this is prejudicial to the efficiency of the management. Furthermore, especially recently, we have to contend with incidental and hardly predictable interventions in business transactions, e.g. in the form of import regulations, transfer restrictions and tax increases. (ARH 1971/72)

The company realized that these measures largely arose from the less favorable economic situation in these countries resulting from decreasing world market prices for tropical products and minerals. These circumstances made their investments in these countries less secure. To remain relevant for developing countries, Heineken counted on its technical excellence in building and running breweries.

During the 1970s, Heineken began to explore markets in politically more stable countries more vigorously than before (ARH 1969/70–1990). In the 1970s, Heineken took

Downloaded by [University Library Utrecht] at 04:55 10 November 2015

over breweries in France, Spain, and Italy in the hope that beer would 'travel South,' with the population in Southern Europe increasing the consumption of beer to the same level as the population in Northern Europe. As for Africa, Heineken managers wondered how long the company would be able to remain on that continent (HA, 282, report managing director J. van der Werf, 16 March 1978). However, Heineken did not leave Africa, even though the various new governments stepped up their demands for participation in the local breweries. In 1973, the Nigerian government demanded that 40% of the shares of the Nigerian Breweries be sold to the population of Nigeria. In 1978, another 20% was required to be sold to Nigerians. As a consequence, Heineken's share in the company was reduced from its original 33.33% to 13.38% (ARH 1973/74; Jacobs and Maas 1991, 254). In 1974, the government of Ghana claimed 55% of the shares in Kumasi Breweries. In Zaire, the government simply sequestered the brewery in 1975. However, the sequestration of the brewery was ended in 1976 because the new managers had been unable to run the brewery properly. The brewery was returned to its original owners, but the government demanded a 40% share (ARH 1974/75 and 1975/76).

By this time, Heineken began to feel deserted by the Dutch government. It used its annual report to complain about the fact that the governments of the industrialized countries encouraged investments in developing countries to contribute to a more equal provision of welfare but were apparently not able to reach acceptable agreements regarding the fate of those investments by individual companies in developing regions. Moreover, in giving aid, the Dutch government seemed to pay far less attention to the interests of Dutch business than the French and German governments. Heineken pleaded for a constructive dialogue between government and industry in this field (ARH 1975/76). Multinationals experienced public scrutiny with regard to their role in developing countries. In 1975, the Dutch Ministry of Economic Affairs asked multinationals about the problems they experienced in developing countries and what they did to further the economic development of those countries (Sluyterman and Bouwens 2014, 347–349). In the 1970s, the Dutch government – and the public more generally – did not have much sympathy to spare for multinational companies. The government advisory body, the Social and Economic Council, published several reports on the importance of aid for developing countries. The multinationals obviously had to uphold high standards in labor relations and safety, but they were also supposed to transfer the technology and knowhow that would stimulate local economic development in those countries. Their industrial activities certainly were not supposed to hinder local development (Sluyterman 2010, 200–205). However, when developed countries faced an economic recession in the early 1980s, such altruistic thoughts moved to the background. Both developed and developing countries became locked in a debt crisis that took a number of years to sort out (Lever and Huhne 1985; Frieden 2007, 374–378).

During the 1980s, Heineken remained active in Africa. In a number of countries it was able to increase its participation because local shareholders were less eager to hang on to their shares when growth prospects diminished. Heineken's activities in Asia showed modest growth during the 1970s but remained steady during the 1980s (ARH 1980–1985). In Latin America, Heineken participated on a small scale. Though Heineken was not yet ready to once again invest large sums outside Europe, it began to increase its international footprint.

Overall, Heineken's strategy toward developing countries was cautious because of the higher political risks but also flexible because of the high and increasing demand for beer. It responded to requests for local financial participation and for training local management to enable them to take on more responsible positions in the local organizations. Heineken

Downloaded by [University Library Utrecht] at 04:55 10 November 2015

continued to work with partners, both European and local, but the choice of partners was sometimes subject to constraints. Thanks to its cherished technical expertise and financial strength, Heineken remained nevertheless an attractive partner. Local breweries had their own local brands of various qualities. In some countries, Heineken granted the local brewery a license to brew Heineken beer if the market was large enough and Heineken was confident that the local brewery could guarantee to brew at the required Heineken standard; in other countries, Heineken continued to import its flagship brand from the Netherlands.

**Emerging markets: the place to be**

The last two decades of the twentieth century saw a period of renewed globalization. Developing countries became less inclined to restrict foreign ownership and more inclined to reduce trade barriers and lift exchange controls. Although deregulation and privatization opened up new opportunities for multinational companies, national institutions and laws, such as those concerning the protection of intellectual property, remained very different, and multinationals could still face expropriation. Multinationals were also confronted with new political risks related to claims of human rights abuse or environmental damage. On the other hand, managing from a distance became easier thanks to innovations in communication and information technologies (Jones 2010).

When the Berlin Wall came down in 1989, this opened new possibilities in Eastern Europe (Judt 2005, 637–664). All international brewers, including Heineken, were keen to move into these markets (Swinnen and Van Herck 2011, 247–164). In the 1990s, Heineken made investments in breweries in Hungary, Poland, and Slovakia. The acquisition of the Austrian holding company Brau Beteiligungs AG in 2003 gave Heineken not just breweries in Austria but also in Eastern and Middle Europe. All the acquired breweries continued to brew their own brands. It took Heineken a long time to move into Russia. Not until 2002 did Heineken buy its first brewery in Russia, Bravo International, the fourth largest brewer in Russia in terms of production volume. The purchase seemed to make sense in light of high Russian import duties. In 2003, Heineken started the local production of beer under the Heineken brand to save payments on import duties (ARH 2001–2003). With the acquisition of six breweries in 2005 Heineken reached a market share of 14% and ranked third on the Russian beer market. Russia had become Heineken's single biggest market by volume (ARH 1990). The production capacity of the acquired breweries was upgraded and expanded, while the number of employees went down. The rising trend in beer consumption, however, came to a halt in 2008 as a consequence of the economic recession. Higher purchase prices and increasing excise duties negatively affected the beer market. High competition and low prices did little for profitability. Thus, Russia as an emerging market did not yet fulfill its high expectations. Though Heineken became firmly established in Central and Eastern Europe, beer consumption did not grow as much as expected nor enough to compensate for stagnating growth in Western Europe.

The most promising of the emerging markets were those in Asia, including China. Since 1931 Heineken had already had one partner in Asia, Fraser & Neave in Singapore, with which it jointly owned the Malayan Breweries. In the 1980s, Heineken was glad it had kept its 42% share in Malayan Breweries over the years because some Asian countries showed impressive growth rates. The Malayan Brewery, in 1990 renamed Asia Pacific Brewery (APB), became an important vehicle for Heineken and Fraser & Neave for further expansion in Asia, including China (ARH 1990). After 1979, the People's Republic of

Downloaded by [University Library Utrecht] at 04:55 10 November 2015

China opened up the country to foreign investment. China intended to reform its planned economy, but it was not quite clear how these reforms would turn out. For outsiders, developments during the initial years looked unsystematic, if not chaotic. The 1993 program to guide China to becoming a 'socialist market economy' brought more systematic focus on building market-supporting institutions. These included tax, monetary and financial systems, and a social security system. China also worked on the transformation of property rights and corporate governance, the restructuring of state-owned enterprises, and the promotion of the non-state sector. All these changes were incremental rather than radical (Guthrie 2009, 37–42, 60–63; Fei 2004, 41–80).

International breweries were eager to enter the Chinese market because they expected beer consumption to grow rapidly. Beer consumption was very low, less than one liter per capita in 1979. In comparison, in 1982 per capita beer consumption in the Netherlands was 82 liters and in the United States 92 liters (AR CBK 1982). As a consequence, the beer industry in China was not very important. In 1978, there were no more than 90 breweries, and most of them were small and local. During the 1980s, local governments took the initiative to build local breweries, resulting in their rapid growth. Every city, county, or province wanted to have its own brewery. In 1990, the expansion reached its peak with 900 breweries (Bai et al. 2011, 268 and 275). Like its international competitors, Heineken studied the possibilities of entering the Chinese market. In 1980, it established the first contacts with the relevant government authorities in China to examine possibilities for cooperation. A first visit followed in 1982. The Chinese government was interested in activities that would bring in foreign currencies and foreign technology. In that context Heineken negotiated about an involvement in hop extraction as a starting point, but nothing materialized.

In the meantime, Heineken started to sell its Heineken branded beer in China, focusing on the large cities and the more prestigious hotels and restaurants. Heineken beer was imported from the Netherlands, and therefore expensive. But Heineken had succeeded in creating a large market for Heineken beer in the United States by exporting from the Netherlands, so why not in China? In 1997, Heineken exported more than 300,000 hectoliters of beer to China and could boast being the number one imported beer in China. However, most international competitors chose to produce their international brands locally and sell them for lower prices. Because of the cultural and language differences between China and the Netherlands, Heineken wanted to enter the Chinese market together with Asian partners. In any case, local partners – in particular, government partners – were often obligatory. After years of negotiations, in 1988 the first investment took shape. In that year, Heineken participated in an existing brewery in Shanghai, the Mila brewery, together with Fraser & Neave, and the Chia Tai Group of Hong Kong (ARH 1988). After the deal had been concluded, expats from Heineken traveled to China to manage the Mila Brewery and train the Chinese employees. The start was not auspicious because in the summer of 1989 student protests and demonstrations for freedom of expression were put down with violence. However, Heineken expats remained in Shanghai because they were not affected by the unrest. Though the Mila Brewery was only a few years old, Heineken staff saw much to improve. It was not just a matter of installing new machinery but more of introducing systems to maintain the facilities and of making employees feel responsible for cleaning and maintenance (HC, *Vers van 't Vat,* November 1988, June 1989 and August 1989).

In 1993, Heineken called the marked increase in beer consumption in China a 'striking feature.' It therefore bought shares in more Chinese breweries together with local partners and APB. In 1994, Heineken even agreed to build a completely new brewery on the island

Downloaded by [University Library Utrecht] at 04:55 10 November 2015

of Hainan. Heineken staff traveled to China to supervise the building of the brewery and to train new employees. Chinese engineers were employed to run the brewery (ARH 1993–1997; HC, *Vers van 't Vat*, October 1994 and May 1997). For Heineken, the problem was not entering the Chinese market but making money in that market. It was hard to compete with the cheap local beer Chinese consumers seemed to prefer. The company changed its strategy in the early twenty-first century. It no longer had the ambition to be present in the Chinese market with local brands. Selling Heineken beer by importing it from the Netherlands was also difficult because the price got too high. The beer 'imported from the Netherlands' had no special appeal for Chinese consumers. Therefore, in 2003 Heineken decided to begin local production of the Tiger and Heineken brands. From 2002 onward, Heineken sold most of its shares in local breweries, and focused on the production and distribution of premium brands, including Tiger and Heineken. For this production, Heineken/APB built a Greenfield brewery in Guangzhou in 2010 (ARH 2007–2012). The initial strategy of becoming a large-scale brewer in China in the middle segment of the market had not worked, but Heineken achieved some success in the profitable premium segment of the market with the production and distribution of the premium brands Heineken and Tiger. In 2012, premium beer cost the consumer RMB 25 per liter, and thus was very profitable for the brewer, while discounted beer cost less than RMB 5 per liter and generated virtually no profit per hectoliter (Rabobank 2013).

Heineken's experiences were not unlike those of other global brewers. Between 1995 and 2000, beer sales worldwide increased with 2.6%, but beer consumption in China grew 8.6%. In 1992, there were only four foreign brewers in China, including Heineken's joint venture APB, San Miguel, Pabst, and Beck & Co. Heineken was at the forefront of developments. However, that did not guarantee lasting success. In 2001, the large international breweries all had subsidiaries established in China. Yet, strong growth did not mean foreign investors made profits easily. The Chinese market turned out to be difficult for foreign companies. In the first place, Chinese consumers preferred light and cheap beer, and they were attached to local brands. The extensive marketing by foreign brewers had made Chinese consumers aware of global brands, but not many of them were as yet inclined to buy the foreign brands. The distribution systems were underdeveloped, which made the Chinese market very fragmented. Some international brewers even left China; others looked at the country as an investment for the very long term (Heracleous 2001). In the meantime, the Chinese beer industry went through a process of consolidation that mostly benefited private Chinese brewers. The number of independent breweries decreased from nearly 900 in 1990 to 400 in 2007 (Bai et al. 2011, 274–276).

Though Heineken was interested in entering China from the early 1980s onward, neighboring India received scant attention. Heineken had no production facilities there until 2006. It achieved a substantial position in this market when it partnered with United Breweries, which owned the well-known brand Kingfisher (ARH 2009). In some other countries in the Asia/Pacific region, Heineken and its main partner APB achieved considerable success. In Singapore, Malaysia, and Indonesia, Heineken remained well established. In the 1990s, APB became an important brewer in Vietnam, with a number of breweries in different locations (ARH 1991–1993). Heineken and APB also built breweries in Cambodia and Thailand. APB became such an important vehicle for the Asian market that Heineken wanted to turn ABP from a joint venture with Fraser & Neave into a fully owned subsidiary. During the 1990s, this option had been discussed several times, but Fraser & Neave had no great incentive to sell APB and thus end the decades-long partnership. For Heineken, the issue became really urgent when competitors became shareholders in Fraser & Neave. In 2010, Kirin bought a 15% share in Fraser & Neave, and

Downloaded by [University Library Utrecht] at 04:55 10 November 2015

in 2012 the OCBC (Oversea-Chinese Banking Corporation) bank sold its 20% share of Fraser & Neave to Thai Beverages. Thai Beverages even acquired a small direct participation in ABP. This was the moment for Heineken to act and bring in a substantial offer for the ABP shares it did not yet own. After battling for 2 months with Thai Beverages, Heineken convinced the shareholders of Fraser & Neave to sell their APB shares to Heineken (Heineken press releases, 20 July 2012, August 2012; *Financial Times*, 28 September 2012; ARH 2012). This deal gave Heineken the opportunity to shape its own destiny in Asia. According to internal calculations, its exposure to emerging markets increased from 51% in 2007 to 64% in 2012 (Presentation CEO at AGM Heineken, 24 April 2013).

But it was not just in Asia that Heineken had increased its exposure to emerging markets. In 2010, Heineken acquired the beer interests of the Mexican company Femsa, which gave the company a strong position in Mexico and strengthened Heineken's position in Latin America (ARH 2010; Dörrenbächer and Zaby 2013). Though Africa was not specifically targeted as a growth area, Heineken sales gradually went up in the twenty-first century after stagnation during the 1990s. Numerous small takeovers and major acquisitions turned Heineken from an international player into a truly global company. In 2012, Heineken was present in 60 countries with close to 200 breweries (ARH 2012). Growing markets for beer formed the main attraction for Heineken to move into Russia, Asia, and Latin America. Heineken continued to make use of partners; some were selected and others came as part of the deal. Expertise in brewing and handling remained Heineken's ownership advantage in negotiations to become a partner in joint ventures.

## Conclusion

Looking back at Heineken's 80 years of internationalization, we see continuity and change. Heineken went abroad in the late 1920s because it wished to expand its activities and did not see sufficient opportunities in its home market. The Dutch market was stagnant and, moreover, regulated by cartels, in which Heineken itself played a prominent role. Over the years, the wish to expand remained Heineken's main motive for engaging in activities abroad.

Heineken changed its views on which countries were the most attractive for investment over time. Dunning's OLI paradigm goes a long way toward explaining Heineken's foreign entry choices. Initially, Heineken preferred investing in the colonies to investing in European countries because its brewing expertise, management, and access to financial means constituted ownership advantages only in the colonies and not in Europe, where its competitors were equally knowledgeable. When former colonies became developing countries, Heineken learned to be flexible and adjust to new requirements, such as training local management and giving them higher positions within the local breweries, as well as accepting local shareholders. But it also became more cautious about investing large sums. Instead, it went to the more politically stable and prosperous European countries, which had grown more promising. In the 1990s, however, transitional and emerging markets offered better growth opportunities, and Heineken focused its expansion strategy on Eastern and Central Europe as well as Asia.

Heineken had a choice between exporting, licensing, and purchasing shares in existing breweries or establishing foreign breweries. Initially, Heineken chose either exporting or being involved with local brewing and local brands. The option to license the Heineken brand was chosen more often during the 1970s and 1980s, when the quality of local brewing was considered high enough for brewing the Heineken brand. Licensing made it possible for Heineken to make its brand more internationally available without having to

Downloaded by [University Library Utrecht] at 04:55 10 November 2015

Downloaded by [University Library Utrecht] at 04:55 10 November 2015

invest in production capacity in each market. However, this strategy did not work so well when markets became global, and conflicts of interest arose between Heineken and its licensees. Beginning in the 1990s, Heineken only gave new licenses to breweries in which it owned a substantial share. Though exports were often the first way to explore a market, Heineken did not always follow a strict sequence as Johanson and Vahlne's model suggests. Nor did it move to geographically and culturally nearby markets before exploring farther afield.

Heineken's most important strategy for reducing the risks of entering unfamiliar markets was indeed finding partners, but it is important to note that types of partners and collaboration strategies varied across these markets. In the colonial time, partners were mostly other European companies with experience in distribution or partners who were interested in financial investment. In developing countries, Heineken continued to work with European partners, but it also had to accept local participation. In emerging markets, Heineken sought local partners with local knowledge and connections; sometimes these partners possessed strong brands and a distribution network. Also, local partners were often a prerequisite. The strategy of working with partners is a clear continuity in the history of Heineken, but the network of partners differed. While in the colonial period Heineken could pick and choose its own partners, in the developing countries as well as emerging markets, partners were sometimes forced upon it.

Heineken's competitive advantage was initially located in its technical expertise. Partners turned to Heineken because it knew how to build and run a brewery. Until the 1990s, Heineken expats had a technical background. Technical and increasingly also logistical expertise remained one of its important competitive advantages, but in the 1990s Heineken also became more involved in the general management of its breweries abroad, and branding became an important aspect of its marketing. In their 2009 article, Johanson and Vahlne underline the importance of multinationals being insiders in the relevant networks. Johanson and Vahlne consider networks essential to learning and to building trust and commitment. As we noticed, Heineken used partners and networks to effect its internationalization, but the networks differed and not all partners were treated in the same way. Networks could be a source of learning, but not all knowledge was shared. Heineken kept core capabilities in brewing, logistics, and marketing exclusive. The company was not 'dissolved' into the networks.

Further research is needed to unravel how Heineken succeeded in maintaining its ownership advantage in running breweries because brewing technology in itself seems to be so mature and widespread. Also, it is more than just being good at marketing and branding. We think therefore that acquiring a better understanding of distribution logistics would be a good next step in trying to solve this riddle. Another area where more research is needed is in comparing the experiences of Heineken with those of other international brewers to put the Heineken story in comparative perspective. However, that is an exercise for another article.

## Acknowledgements

The authors would like to thank Mathias Kipping and Christina Lubinski, an anonymous reviewer and the participants of the workshop in Washington, DC and the ESG-seminar in Utrecht for their stimulating comments on earlier drafts.

## Disclosure statement

No potential conflict of interest was reported by the authors.

## Notes on contributor

Keetie Sluyterman is Professor of business history at the Department of History and Art History of Utrecht University, The Netherlands. She has written extensively on Dutch multinationals, such as Rabobank, Hagemeyer, Royal Dutch Shell, Royal Boskalis and Heineken. Her work includes an overview titled *Dutch Enterprise in the Twentieth Century* (Routledge 2005). Her present research concerns the changing views and position of CEOs in The Netherlands.

Bram Bouwens is business historian at the Department of History and Art History of Utrecht University, The Netherlands. He has written or jointly authored a large number of business histories, including histories of Amsterdam Airport, the Dutch paper and board industry, the dredging company Boskalis and the brewer Heineken. Together with Joost Dankers he published a study on competition and concentration in the Netherlands.

## References


Arnold, David J., and John A. Quelch. 1998. "New Strategies in Emerging Markets." *Sloan Management Review* 40 (Fall): 7–21.

Bai, Junfei, Jikun Huang, Scott Rozelle, and Matt Boswell. 2011. "Beer Battles in China: The Struggle over the World's Largest Beer Market." In *The Economics of Beer*, edited by Johan F. M. Swinnen, 267–286. Oxford: Oxford University Press.

Colen, Liesbeth, and Johan F. M. Swinnen. 2011. "Beer-Drinking Nations: The Determinants of Global Beer." In *The Economics of Beer*, edited by Johand F. M. Swinnen, 123–140. Oxford: Oxford University Press.

Dörrenbächer, Christophe, and Andreas Zaby. 2013. "Post-Acquisition Resource Redeployment and Synergy Creation: The Case of Heineken's Large Acquisitions Scottish & Newcastle and FEMSA." In *The Global Brewery Industry*, edited by Jens Gammelgaard and Christoph Dörrenbächer, 223–244. Cheltenham: Edward Elgar.

Dunning, J. H. 1988. *Explaining International Production*. London: HarperCollins Academic.

Dunning, J. H. 2009. "Location and the Multinational Enterprise: John Dunning's Thoughts on Receiving the Journal of International Business Studies 2008 Decade Award." *Journal of International Business Studies* 40 (1): 20–34. doi:10.1057/jibs.2008.75.

Fei, Yiwen. 2004. *The Institutional Change in China after Its Reform in 1979: An Institutional Analysis with a Focus on Mergers and Acquisitions*. (CHERC-Publication Series) Rotterdam: Erasmus University [Host]. http://hdl.handle.net/1765/6854

Fieldhouse, D. K. 1994. *Merchant Capital and Economic Decolonization: The United Africa Company, 1929–1987*. Oxford: Clarendon Press.

Frieden, Jeffry A. 2007. *Global Capitalism: Its Fall and Rise in the Twentieth Century*. New York: W.W. Norton & Company.

Gammelgaard, Jens, and Christophe Dörrenbächer, eds. 2013. *The Global Brewery Industry: Markets, Strategies, and Rivalries*. Cheltenham: Edward Elgar.

Goedhart, Marc H., and Peter Haden. 2003. "Emerging Markets Aren't as Risky as You Think." *McKinsey on Finance* (Spring).

Guthrie, Doug. 2009. *China and Globalization: The Social, Economic and Political Transformation of Chinese Society*. New York: Routledge.

Heracleous, Loizos. 2001. "When Local Beat Global: The Chinese Beer Industry." *Business Strategy Review* 12 (3): 37–45. doi:10.1111/1467-8616.00182.

Jacobs, M. G. P. A., and W. H. G. Maas. 1991. *Heineken 1949–1988*. Amsterdam: Heineken NV.

Johanson, Jan, and Jan-Erik Vahlne. 1977. "The Internationalization Process of the Firm – A Model of Knowledge Development and Increasing Foreign Market Commitments." *Journal of International Business Studies* 8 (1): 23–32. doi:10.1057/palgrave.jibs.8490676.

Johanson, Jan, and Jan-Erik Vahlne. 1990. "The Mechanism of Internationalisation." *International Marketing Review* 7 (4): 11–24. doi:10.1108/02651339010137414.

Johanson, Jan, and Jan-Erik Vahlne. 2009. "The Uppsala Internationalization Process Model Revisited: From Liability of Foreignness to Liability of Outsidership." *Journal of International Business Studies* 40 (9): 1411–1431. doi:10.1057/jibs.2009.24.

Jones, Geoffrey. 1996. *The Evolution of International Business: An Introduction*. London: Routledge.

Jones, Geoffrey. 2005. *Renewing Unilever: Transformation and Tradition*. Oxford: Oxford University Press.


Downloaded by [University Library Utrecht] at 04:55 10 November 2015

Jones, Geoffrey. 2010. *Multinational Strategies and Developing Countries in Historical Perspective*. Harvard Business School, Working Paper No. 10-076.

Jonker, Joost, and Keetie Sluyterman. 2000. *At Home on the World Markets. Dutch International Trading Companies from the 16th Century until the Present*. Montreal: McGill-Queen's University Press.

Judt, Tony. 2005. *Postwar: A History of Europe since 1945*. New York: Penguin Books.

Lever, Harold, and Christopher Huhne. 1985. *Debt and Danger: The World Financial Crisis*. New York: Penguin Books.

London, Ted, and Stuart L. Hart. 2004. "Reinventing Strategies for Emerging Markets: Beyond the Transnational Model." *Journal of International Business Studies* 35 (5): 350–370. doi:10.1057/palgrave.jibs.8400099.

Lopes, Teresa da Silva. 2007. *Global Brands: The Evolution of Multinationals in Alcoholic Beverages*. Cambridge: Cambridge University Press.

Merrill Lynch. 2011. "Investing in the Global Brewers 2011." *Industry Overview*, 5 September 2011.

Ogunbiyi, Yemi. 2007. *Sixty Years of Winning with Nigeria: The History of Nigerian Breweries Plc, 1946–2006*. Ibidan: Bookcraft.

Pedersen, Kurt, Erik S. Madsen, and Lars Lund-Thomsen. 2013. "How Mergers and Acquisitions Restructured the International Brewing Industry 2000–10 – and Why." In *The Global Brewery Industry*, edited by Jens Gammelgaard and Christophe Dörrenbächer, 21–46. Cheltenham: Edward Elgar.

Rabobank. 2013. *Battling the Brewing Giants*. Rabobank Industry Note 356, January.

Rostow, W. W. 1960. *The Stages of Economic Growth: A Non-Communist Manifesto*. Cambridge: Cambridge University Press.

Sluyterman, Keetie E. 2005. *Dutch Enterprise in the Twentieth Century: Business Strategies in a Small Open Economy*. London: Routledge.

Sluyterman, Keetie E. 2010. "De visie van de SER op de economische integratie van Nederland in Europa en in de wereld." In *SER 1950–2010. Zestig jaar denkwerk voor draagvlak, advies voor economie en samenleving* [The view of the Social and Economic Council on the economic integration of the Netherlands in Europe and in the world', in: Social and Economic Council 1950–2010. Sixty years of deliberations for public support, advice for economy and society], edited by Teun Jaspers, Bas van Bavel, and Jan Peet, 195–216. Amsterdam: Boom.

Sluyterman, Keetie, and Bram Bouwens. 2014. *Brewery, Brand and Family: 150 Years of Heineken*. Amsterdam: Boom.

Swinnen, Johan F. M., ed. 2011. *The Economics of Beer*. Oxford: Oxford University Press.

Swinnen, Johan F. M., and Kristine Van Herck. 2011. "How the East Was Won: The Foreign Takeover of the Eastern European Brewing Industry." In *The Economics of Beer*, edited by Johan F. M. Swinnen, 247–264. Oxford: Oxford University Press.

Taselaar, A. 1998. *De Nederlandse koloniale lobby. Ondernemers en de Indische politiek, 1914–1940* [The Dutch colonial lobby. Business and the colonial policy, 1914–1940]. Leiden: Research School CNWS.

Downloaded by [University Library Utrecht] at 04:55 10 November 2015