First publ. in: Current Politics and Economics of Europe, 8 (2), 131-153, 1998

INTEGRATION BY GLOBALISATION: THE EUROPEAN INTEREST REPRESENTATION OF THE CONSUMER ELECTRONICS INDUSTRY

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In recent years the interest organisation of the European consumer electronics industry has experienced a dramatic centralisation and concentration. The overall consequence of this development is an integrative tendency encompassing up to now fragmented sub-sectors. These findings are in sharp contrast with the widespread assumption of an ever growing fragmentation of the associational landscape in Europe. We argue, that these arguments have one important shortcoming in common: the concentration on the impact of organisational or properties on the way interests are organised and the strategies used by them. In contrast, we assume that the case of the consumer electronics industry can best be understood as an example of a development where the organisation of interests follows a primarily market-oriented logic. Rather than initiating or causing the change in the structure of interest organisation, institutions shape the process of transformation. Hence, we observed a restructuring driven by the logic of globalised markets which occurs within a given institutional context.

In recent years, the interest organisation of the European consumer electronics industry has experienced a dramatic centralisation and concentration. The main features of this development are: the establishment of a mixed membership design which allows multinational enterprises to become direct members of the European association; a significant shift of competences and resources from national associations to the European organisation; and the integration of Japanese and Korean firms into the European association. The overall consequence of this development is a tendency towards integration encompassing up to now fragmented sub-sectors.

This is in stark and surprising contrast to the findings of Eising/Kohler-Koch who describe the associational landscape at the European level as inherently messy with a tendency to fray away.[1] Arguments substantiating the trend towards inflation and fray derive from peculiarities in the multi-tiered European system, i.e. the heterogeneity of institutions and the continuous shift of competences between them, the politics of policy-formulation and decision-making within segmented policy-networks and, finally, the fragmented shape of policies and their implementation.[2] The way in which interests are organised and the strategies used by organised interests not only reflect their institutional environment, but also aggravate the complexity and contribute to the functional segmentation of the system.[3] In addition to the institutional obstacles at the European level, there are a number of retarding factors which hamper the establishment of intermediary structures at the European level, but which are nevertheless seen as an indispensable prerequisite for the development of the European polity.[4] On the one hand, actors are hesitant to concentrate on the European level alone given the risk of the potentially desintegrative impact of integrational steps at the European level on established arrangements at the national level. On the other hand, existing institutions and institutional arrangements at the domestic level tend towards a certain conservatism as they strive for organisational self-preservation. In consequence, interest representation at the European level is described as more 'pluralist' compared to existing national political systems, being "more organizationally fragmented, less hierarchical integrated, more internally competitive, and with a lot less control vested in peak associations over its affiliates or in associations over its members".[5]

The existing arguments share one important shortcoming: they concentrate on the impact of organisational or institutional properties on the way interests are organised and the strategies used by them. This concentration on the 'logic of influence',[6] however, fails to take into account the importance of the business environment of enterprises. In other words, an analysis of the development of interest representation which focuses only on institutions may lead to one-sided deductions. In contrast, we assume that the case of the consumer electronics industry can best be understood as an example of a development where the organisation of interests follows a primarily market-oriented logic. Rather than initiating or causing the change in the structure of interest organisation, institutions shape the process of transformation. Hence, we have observed a restructuring driven by the logic of globalised markets which occurs within a given institutional context. Up to now, one can only speculate as to the impact of the transformation on the future governance in the field of consumer electronics. We assume, however, that the adaptation of European interest organisation to the globalisation of the economic environment will lead to a situation where national governments interact with centrally-instructed national associations.

In order to account for the changes in the sector, we will first describe the general developments of the organization and reorganisation of interest representation in the consumer electronics industry at the European level. Starting with an overview and a brief summary of the early days of the European association, the new structure and the major empirical developments (2), we will then analyse why the changes have taken place (3), and, finally, we will interpret the developments with regard to the aforementioned assumptions (4).

INTEREST ORGANIZATION IN THE EUROPEAN CONSUMER ELECTRONICS INDUSTRY: SHIFTING COMPETENCES AND STRUCTURAL CHANGES

In the face of the growing 'East Asian phantom', the major national consumer electronics associations agreed to co-ordinate their activities at the European level. At the instigation of the head of Thomson consumer electronic division, Mr J. Fayard, a European forum of consumer electronics manufacturers was formed as a *de facto* organization in 1979, which was transformed into the European Association of Consumer Electronics Manufacturers (EACEM) in 1983.[7] Until 1990, EACEM had no permanent secretary and no headquarters. The secretary function shifted every two years to the offices of different national associations or firms. In 1990, the organisational structure of EACEM was revised for the first time. A permanent office at Brussels was established; the first full-time secretary-general was assisted by three permanent employees and different advisory committees were set up.

Despite this organisational strengthening, EACEM was generally seen as being rather weak. On the one hand, the main locus of decision-making remained at the level of the national organisations, with EACEM mainly being a forum for co-ordination. On the other hand, it was seen as "little more than a 'letterhead' organization, set up for the appearance of acting collectively" (Greenwood 1995a, 7) or, in other words, a "fig leaf" or "front organization" for the three dominating companies Nokia, Philips and Thomson. The advantage of an European association lay in the "public cloak of legitimacy"[8] it provided for the lobbying activities of these firms.

In contrast to this incremental development, the 1996 reform implies a significant increase in EACEM’s powers and competences. We can observe structural integration along both vertical and horizontal lines leading to centralisation and concentration of tasks and competences at the supranational level; i.e. within the Euro-association EACEM. Centralisation at the European level is characterised by a shift of competences from the level of national associations to the European level. Furthermore, the inclusion of Japanese and Korean enterprises based in Europe implies a concentration of competences, which indicates the global scope of European interest representation. This overwhelming change in the patterns of European interest organization of the consumer electronic industry is reflected in the fundamental reorganisation of EACEM. In the following section we will examine both structural and functional changes in closer detail.

Centralisation and Concentration of Competences

Generally speaking, the basic functions of EACEM are related to "pre-competitive" issues; i.e. all activities which define the "level-playing field" for competitive product development and marketing. This kind of "co-ordination in competition" is mainly related to three different tasks: (1) standardisation; (2) lobbying, and (3) development of policy proposals. Standardisation is a relatively important task with respect to defining the "level-playing field" for product development. Companies can only develop products when there is agreement on the technical standards by which these products should work. Often standardisation means that research and development activities are co-ordinated within EACEM in order to provide the European standardisation bodies with corresponding proposals for certain standards. The lobbying function refers to EACEM´s activities aimed at influencing European policy-making such that it is consistent with its members´ interests. Important areas in this respect are competition policy, research and development and environmental policy. Often the distinction between pure lobbying and the development of policy proposals is blurred. Nevertheless, they are treated as separate functions, since, we suggest, proposing a particular European policy (e.g. on the recycling of electronic products) is more than merely defending the industry’s interests. Rather it can be seen as the industry’s own contribution to the EU policy-making process.

Within the previous structure of EACEM all of these activities were, in the main, pursued by either the national associations or single companies. In comparison to these actors, EACEM´s position was rather weak.[9] Thus, until 1990 EACEM´s research activities on trade matters were carried out by Thomson and Philips, and from 1990 onwards only a gradual transfer to EACEM took place. What is more, the basic decisions on EACEM´s position with respect to certain standards or European policy proposals were taken at the level of the national associations. In effect EACEM provided a mere co-ordination forum for different national interests rather than having a decision-making power on its own[10]. The basic decision-making competence lay with the national associations.[11]

If one contrasts this picture with the current situation, a fundamental change can be clearly observed. Decisions with respect to European policies or the development of standards are now taken at the European level. The EACEM executive board, in which company members and the members of national associations are represented, decides these matters directly without involving the national level further. Thus, basic functions of the national associations were concentrated and centralised at the European level, leaving the national associations to act mainly as "national spokesmen" of EACEM decisions. National associations still have important tasks in lobbying national governments (who decide on European policy proposals in the Council) and in participating in national standardisation activities. But the crucial aspect lies in the fact that the concrete content of national activity is now defined at the supranational level. The shift of competence to the European level has facilitated a significant acceleration of the decision-making process within EACEM and, consequently, much more effective, lobbying activities.[12]

Horizontal integration is demonstrated by the fact that EACEM now represents firms of Japanese and Korean as well as European origin. This aspect is of particular importance since it increases the scope of EACEM's membership from the European to a global or transnational level. This was due to the former structure based on the membership of national associations. Although some national associations had Japanese and Korean member companies,[13] no representative of these companies was delegated to EACEM as an official representative of the national association. In addition, Japanese companies were represented by the Electronic Industries Association of Japan (EIAJ) which is based in Düsseldorf, thus implying a parallel lobbying structure. As it is quite likely that the EIAJ will be disbanded in the near future, the reorganisation of the EACEM replaces "parallel representation"[14] and brings about an integration of interest organisation at the European level. The particular feature of this integrative process is that it is a manifestation not only of 'Europeanization' but also of 'globalization'. Institutionalised co-operation between Asian and European firms is not restricted to Europe but inevitably has an eye on the global markets of consumer electronics.

The New Structure of EACEM

The organisational changes to be observed with respect to EACEM can be illustrated along three dimensions: (1) the structure of membership; (2) the decision-making process; and (3) financial and personnel resources. Concerning the first aspect, membership, a fundamental change took place in the sense that EACEM is now based on the membership of single companies[15]. The old structure reflected a membership structure based on representatives of the different national associations which is a fairly typical pattern with respect to the general organization of Euro-associations. Although the national associations are still official members of EACEM, their influence has declined significantly. The second aspect in this context refers to the composition of these companies.

The new balance in the membership structure is reflected in the characteristics of the decision-making process, and in particular in the number of representatives companies and national associations elected to the main decision-making body of EACEM, the executive board. From the fifteen board members, which are elected by a general assembly consisting of representatives of all member companies and national associations, ten are company representatives. Since the board makes decisions by simple majority, company interests are privileged in the decision-making process at EACEM level. This balance in favour of the companies is further enhanced by the fact that most of their representatives at the same time have important positions within their respective national association. In this way it is further ensured that decisions made at EACEM level are "implemented" in a coherent way within the different national associations. Furthermore, national association representatives have no voting rights with respect to financial decisions, a consequence of the fact that their financial contributions to EACEM are at a much lower level than those of the member companies. On the other hand, national associations are given a right of veto with respect to decisions affecting the level of their contributions.[16]

The increased importance of EACEM is also reflected in the changes in financial and personnel resources that have taken place. As a consequence of an increase in membership, the annual budget increased from 400 000 ECU to over 1.7 million ECU. Corresponding to the budget increase, new personnel could be recruited. While formerly there were three permanent staff members the number now increased to seven. Besides these improvements with respect to personnel resources, the better financial position allows for greater leeway when engaging external consultants. Both the concentration of competences and higher resources allowed for organisational differentiation. The former structure consisting of three committees (on technical, statistical and after-sales service) was significantly enlarged to currently nine committees advising the EACEM executive board (technical, trade affairs, copyright, distribution, environment, strategy/finance, multimedia, service, statistics).

To conclude this section then, interest organization of the European consumer electronics industry is characterised by a twofold integration implying a significant shift of competences to the industry’s Euro-association EACEM. Vertical integration refers to the centralisation of competences and responsibilities within the European associations with the supranationally co-ordinated national associations basically being the spokesmen of the Euro-association. Moreover, far-reaching organisational transformations lead to a significant increase in EACEM´s financial and personal resources which in turn strengthens its position as the main locus of the consumer electronics industry’s interest organization. Most important in this context is the change from association membership to a mixed formula allowing company membership. Since these companies represent not only firms of European origin but also Japanese and Korean firms based in Europe, a concentration of competences took place leading to horizontal integration of global scope. In the following section, we will look closer at the basic factors bringing about these fundamental reforms.

EXPLAINING THE NEW STRUCTURE OF EACEM: THE EVOLUTION OF ”CO-ORDINATION IN COMPETITION”

The integration of competences at the supranational level, which can be observed in the interest representation of the European consumer electronics industry, can be understood against the background of four basic factors. Due to changes in the technological and economic context within which the consumer electronics industry operates, increasing pressure for effective co-ordination emerges in order to reduce the risks of free market competition (1). What is more, experience of past attempts to reduce economic and technological uncertainty pointed to the weaknesses of strategies other than voluntary industrial co-ordination (2). Given this experience in a context of ever-increasing market uncertainties, the previous structure and organisation of EACEM was rather dysfunctional (3). In order to understand how this functional adaptation to a changing situation could be achieved and to explain its concrete outcome, the fourth aspect of our explanation refers to the strategic interaction of the main actors involved (4).

The Context: Growing Pressure for Effective Co-ordination

The market for consumer electronics is characterised by a number of features which imply increasing risks and uncertainties for the companies involved. As a consequence, the major players in the market value the benefits expected from pre-competitive co-ordination more than the potential gains from competition without co-ordination. Pre-competitive co-ordination in this context relates mainly to aspects of standardisation, including technical standards, related research and development activities as well as copyright standards. Amongst the factors contributing to the particular importance of these issues in the consumer electronics market are the rapid change of technical innovation, the embeddedness in international trade and its link to a variety of industrial factors.

First, the fact that the sector of consumer electronics is characterised by a high and still-increasing pace of technological innovation and the development of new products occurs in a context of high technological and economic uncertainty. As long as there is no co-ordination between competing companies with respect to basic technical standards for ensuring the compatibility of different technologies, companies developing a new product run the risk that this product might not only be technologically-outdated by the time it reaches the market, but also no longer applicable since technological innovation has made obsolete the former standards toward which the developed product was oriented. This becomes particularly evident in the field of semiconductors which play a crucial role in the production of consumer electronics.[17]

The risks of accelerating technological innovation is made further apparent in global or international markets, the second characteristic defining the context in which the consumer electronics industry operates. The expansion of the consumer electronics market from the national, to the European, and ultimately to the global level was mainly forced by Japanese multinationals, together with the emergence of major firms from the newly-industrialised economies of the Far East. The combination of globalization and technological dynamics has two major market implications. First, uncertainty related to technological development increases further. Second, due to the higher number of players involved, it becomes more and more difficult to reduce these uncertainties by effective co-ordination in the area of standardisation. A particular problem in this context is related to copyright standards. In order to exploit their technology at an international level, firms need to be able to protect their intellectual property in other countries. Hence the need for co-ordination with respect to the coverage and enforcement of intellectual property laws.[18]

A third characteristic of the market of consumer electronics is linked to the erosion of boundaries between different industrial sectors. At the heart of this development lies the creation of the information industries, which involve interdependencies between different branches of electronics and information processing which cut across traditional industrial boundaries.[19] Thus, some of the boundaries between ”consumer” and ”industrial” products are breaking down by the increasing use in both of digital circuitry and their connection to telecommunication networks.[20] Another example is the development of television standards, involving a broad range of industrial actors reaching from consumer electronics companies and telecommunication firms to public and private broadcasters. Due to the broad variety of different industrial interests involved, the need to co-ordinate basic technological standards and developments effectively not only emerges at an intrasectoral, but also intersectoral industrial level.

To summarise, the market for consumer electronics can be characterised by three developments which make pre-competitive co-ordination between different companies and industrial sectors an important condition in order to cope with increasing economic and technological uncertainties. The combination of the high pace of technological innovation, internationalisation, and intersectoral interdependencies of industries points to the need for co-ordinating technical and copyright standards as well as related research and development activities between the different players involved. The following section shows, that in light of past experience, the reduction of economic and technological uncertainties can be achieved neither by strategies of national and supranational protection, nor by politically-promoted triadic standardisation competition.

Failures of the Past: Learning From Strategic Experience

That companies should strive to reduce market uncertainties can be understood as rational behaviour to be found in every market[21]. The scope of these uncertainties, however, in the sector of consumer electronics began to rise significantly from the 1970s onwards. This holds particularly true for the situation in Europe, where Japanese firms seriously challenged the competitive position of the mainly nationally-based European companies. Against the background of this sustained ”Japanese threat”, several strategies to reduce the risks of unhampered competition were developed. These included concentration of the European industry and political protection as well as the promotion of the position of the European industry within global markets. Experience from these different attempts to cope with globalization, technological dynamics, and intersectoral interdependencies, however, pointed to the deficiencies of the measures applied. On the other hand, the battle over the standard for High Definition Television (HDTV) in particular demonstrated that, while failing to have the intended positive effects for the European industry, European strategies nevertheless had negative consequences for the Japanese companies. In light of this experience, the need for pre-competitive co-ordination including both European and Japanese companies emerged as a solution in order to overcome past problems.

The first reaction of European public and private actors to the challenges of global technological and economic competition was characterised by a strategy of *industrial restructuring and protection*. At the end of the 1980s the transformation of the European consumer electronics industry from a mosaic of national segments to a European industry dominated by three European-owned multinational companies (Philips, Thomson and Nokia) was almost complete.[22] The transformation and concentration of the European industry in light of the 'Japanese threat', however, was not sufficient in order to overcome the economic weakness of the European firms which became visible as the size of trade deficits in the Community increased.[23]

Parallel to industrial restructuring, the large European firms therefore either directly or through their trade associations continued to lobby vociferously both national governments and the European Commission for the adoption of protectionist trade policies. During the 1980s the determination of these policies shifted increasingly from the national to the supranational level. These policies included measures such as anti-dumping procedures, tariffs, voluntary export restraint agreements, and the determination of rules governing the operation of local subsidiaries to foreign companies such as the requirement of specific levels of local content to be achieved by inward, i.e. EU, investors. The unintended consequence of these strategies, however, was the acceleration of internationalisation rather than the successful protection of European markets by their isolation and closure toward foreign competitors.[24] The protectionist pressures forced the location of a large number of Japanese and some Korean plants in the EU which began to emerge as important actors within the European industry.

Industrial restructuring and protectionist policies on the one hand enabled European consumer electronics firms to survive in the presence of Asian competition. This becomes evident when contrasting the European case with the industrial development in the United States, which, despite similar patterns of consumption and overall production, was characterised by a rapid decline in the absence of counter strategies.[25] On the other hand, protection and industrial transformation had only limited effects in order to meet the challenges of internationalisation and technological innovation. It became obvious that international market dynamics could be stopped at neither national nor supranational borders.

As a consequence of this situation, toward the end of the 1980s a strategic shift could be observed, aiming at the active *promotion* of the competitive position of the European industry by the EU Commission within the triadic *technological competition* in opening up new markets. This response to the internationalisation of the consumer electronics market became particularly apparent in the case of the development of a High Definition Television (HDTV) technology. This project under the EUREKA programme was mainly a reaction to the Japanese Hi-Vision technology, whose establishment as a world standard had been successfully blocked by European governments in 1986[26]. The collaborative European research and development activities, in which Philips and Thomson played a leading role, were jointly financed by the companies involved and national governments, and, although no direct EC funding was involved, was enthusiastically supported by the European Commission[27]. In 1993, however, seven years after the project was launched, the system which was developed (HD-MAC) was officially abandoned by the Commission in favour of a new Digital Video Broadcasting (DVB) technology first developed in the United States (ibid.). An important reason for this involved the role of a US governmental agency, the Federal Communications Commission (FCC). Asked by the Bush administration, the FCC organised a competition between contending technologies in which certain requirements *a priori* limited the final outcome. Though the European Commission tried actively to influence the global battle for television standards, its activities did not have a significance similar to that of the FCC. Recalling its luckless performance, there is nowadays a certain scepticism on the part of the industry about the Commission's ambition to play an active role in standardisation questions. Agreements on common standards are seen as a task which is in the industry's best interest[28]. Public authority should come in only when asked to by the industry. This development marks a shift in the Commission's role from being a protector of the European consumer electronics industry towards being a facilitator and broker[29].

From the fact that the joint effort of public and private actors to promote the technological position of European consumer electronics failed to have its intended effects, several lessons were drawn. First of all, the need for intersectoral industrial co-ordination became obvious. The EUREKA project showed that informal alliances between producer interests to open up markets for new technologies are unlikely to succeed unless the basis for collective action can be made sufficiently inclusive to incorporate the key players. European activities were characterised by an exclusive alliance between the Commission, national governments, and the large producers Philips and Thomson. The exclusion of the broadcasters, whose interests were also crucially affected by the new developments, finally led to the failure of the initiative[30]. Secondly, the global battle in television standardisation and technology pointed to the deficits of internationally uncoordinated competition for standards as well as related research and development efforts. It turned out that both European and Japanese producers would have been better off, if they had co-ordinated their technological activities at an early stage. Both the Japanese attempt to establish their indigenous technology as a world standard and the Europeans' efforts to develop an alternative approach produced unsatisfactory results.

In sum, strategic experience in order to cope with the specific market situation in the consumer electronics sector can be characterised by a two-phased shift from protectionism to global technological competition and from global technological competition to "co-ordination in competition". Experience with the strategy of politically-promoted technological competition revealed the problems of insufficient pre-competitive co-ordination. Against the background of the high pace of technological innovation, increasing internationalisation and intersectoral industrial interdependence, the focus of co-ordination can no longer only remain at the national or supranational level, but has to take into account that technological and economic realities go across national frontiers and industrial sectors. First, the quality attributed to the issues of standardisation has changed over time. This implies that pre-competitive co-ordination of technological standards as well as research and development activities emerge as a public *good at a global and intersectoral level*. This implies a significant change in the 'public good' character of technological co-ordination. Technological collaboration initially was only a collective good at the national and supranational level, but had the character of a private good in the international context. Standards served as a means of protecting national markets from outside usurpation or of opening up new markets for one's own technologies by excluding competing technological alternatives. Today, the decisions about technological standards is aiming at the global market and provides a public good for all participating enterprises, in the case presented here the Asian-European constituencies of EACEM.

Functional Gaps: The Need for New Arrangements of Interest Organisation

In light of the strategic shift toward "co-ordination in competition", the previous structure of interest organisation of the European consumer electronics industry seemed to be rather inappropriate. While the former arrangements worked quite well in the context of earlier strategies and policies, they were rather dysfunctional in achieving effective pre-competitive co-ordination in a global market characterised by an increasing pace of innovation, growing internationalisation and intersectoral interdependence.

As outlined above, the previous structure of interest organisation was characterised by the dominance of the national associations. EACEM was only a forum for the co-ordination of national interests and served as "front organisation" in order to publicly legitimise the lobbying activities of the dominant European companies at the supranational level - the latter aspect becoming increasingly important when policy competences shifted from the national capitals to Brussels. As long as the policy of both national governments and the European Commission were directed at protecting the European companies from global competition, the then-existing structure of interest representation was quite appropriate to achieve the objectives of the European companies. The involvement of national governments required corresponding activity by national trade associations. Despite the restructuring and concentration of the industry, distinctive policies of interest representation at the national level had to be sustained. This was mainly due to the particular legal and institutional background including the nature of industrial and economic policy, civil service relationships with industry and politicians, as well as the structure and scope of finance and banking, which differed from country to country[31]. The growing involvement of the EU in protectionist policies did not require effective co-ordination of the industry at the supranational level. It was sufficient to have a legitimate channel of influence for the leading European companies.

The same holds true for the second strategic phase which was characterised by an active industrial policy of the Commission to promote the position of the European industries in a context of global technological competition. Since public funding of the EUREKA project was provided mainly by national governments, national trade associations still played an important role. At the supranational level, discussions took place mainly in the context of the EUREKA project, including the leading firms involved and the Commission. Thus far, EACEM played a rather minor role requiring no changes with respect to its existing structure.

However, as a result of the failure of both the protectionist and promotion strategies and the growing emphasis of international and intersectoral co-ordination, the limits of the existing arrangements of interest representation became obvious. The problems which emerged in this respect are related to three aspects: (1) efficient co-ordination within the European consumer electronics industry; (2) international co-ordination within the sector of consumer electronics by including Japanese and Korean producers; and (3) co-ordinating intersectoral interdependencies.

The need for effective pre-competitive co-ordination at a global and intersectoral level first of all required an effective system of co-ordination within the European consumer electronics sector. Under the existing arrangements effective intrasectoral co-ordination was problematic because of the strong involvement of the national trade associations in the decision-making processes at the level of EACEM. Since the main locus for decisions on standardisation lay with the national associations, decision processes within EACAM were rather time-consuming and ineffective. A further problem was that national decision-making was often affected by the institutional self-interest of the national trade associations. Decisions at the national level therefore did not always fully reflect the needs of their member companies. In addition, and related to that aspect, the crucial role of the national associations and the fact that multinational companies were represented in nearly all of these associations meant that a certain heterogeneity developed in the policies pursued by the same company in different countries. The particular national context as well as the distinctive role and structure of the national associations contributed to a certain dispersion of company-internal policy positions.

Secondly, international co-ordination with companies of non-European origin proved problematic within the given structures of interest representation. As mentioned earlier, no officials of Japanese or Korean companies were delegated to EACEM as national representatives, although some national associations had Japanese and Korean member companies, and in some cases were even dominated by them. The interests of the Japanese firms were represented by EIAJ, leading to a fragmentation of interest representation in the sector of European consumer electronics.

The reorganisation of EACEM can be interpreted as a first step towards addressing these perceived problems with the existing structures of interest representation whilst striving for ”co-ordination in competition” in the context of global and intersectoral interdependencies. By the introduction of company membership, a more effective accommodation of interests within the sector of consumer electronics is possible. Decision-processes are less complex and time-consuming, since the committees at the level of national associations are no longer involved. In addition, company membership allows for a full participation and integration of Japanese and Korean manufacturers into a common representation of the European consumer electronics industry at the supranational level. This way, international co-ordination with respect to standards as well as research and development activities is easier to achieve.

With respect to the third problem of intersectoral co-ordination, however, the structure of interest representation still shows certain deficiencies. Thus, the representation of different but increasingly interdependent branches of the European electronics industry at the supranational level is still characterised by a fragmented structure[32].

Nevertheless, the reorganisation of EACEM can be seen as a first step for a more wide-scale reorganisation of the structure of interest representation in order to facilitate intersectoral communication and co-ordination. In the short run, it is the objective of EACEM to co-ordinate the national member associations in order to achieve homogenised representation in the various national committees in related sectors (e.g. broadcasting, telecommunication). As a great number of decisions bearing intersectoral significance are taken in structures that resemble that of the 'old' EACEM - i.e. decisions of the European association are taken in committees of national organisation - the necessity arises to make the voice of EACEM's constituencies uniform in all these national bodies. The long-term strategy of EACEM is to influence the various organisations to carry out a shift of competences from the national to the European level similar to that of EACEM. Influencing the other associations via the national members of EACEM is one part of this strategy; spreading information of the new EACEM formula another[33]. The initiative of the European Commission to establish a 'high level strategy group for [the] electronics and information industry' might represent the platform for a future umbrella organization of the European electronics industry.

So far we have explained the reorganisation of interest representation in the European consumer electronics industry in the light of a functional adaptation in light of past experience and particular market conditions. However, the functional push and the strategic experiences were necessary but not sufficient factors to explain the process. The transformation was far from being something automatic as the explanation so far might suggest. Rather, it was the result of a struggle of different actors holding different interest positions. In the following section, we will therefore take a closer look at the patterns of strategic interaction which characterised the transformation of EACEM.

Closing the Gap: Strategic Interaction and Interest Accommodation

Initially, it seems to be rather surprising that the transformation of EACEM was difficult to achieve. Although any decision of EACEM required a unanimous vote of the national associations, this seemed to present no particular obstacle to reform, since the national associations were dominated by the large European companies. One could therefore assume that, as long as the multinationals wanted them, any structural changes were likely to be unproblematic. Nevertheless, several attempts by the big companies to change the structure of EACEM by introducing firm membership were successfully rejected by the national associations. Against this background, this section has to answer two questions: Firstly, we must explain which factors enabled the national trade associations to resist successfully the attempts of the larger companies by which they were dominated. Secondly, we have to investigate which factors in the end brought about the transformation in light of the initial resistance of national associations.

The fact that the national associations successfully blocked initial reform attempts can be explained by two factors: the low degree of co-ordination of association participation within and between the large firms as well as a certain ‘decoupling’ of association interests and the objectives of their large member companies. As already mentioned, the activities of multinational companies in different national associations are generally not very well co-ordinated. No central unit exists for harmonising and defining a unique company policy to be followed by the different representatives at the national level. This can be traced to the fact that association work does not always have a high priority on a company’s agenda. Furthermore, the different institutional and political contexts within which the national associations operate rather supports this national dispersion of the multinationals´ policy positions. If there are already problems with respect to internal company co-ordination, it seems to be less surprising that the co-ordination between different companies is also not well developed, especially when it comes to co-ordinating behaviour at the national level[34].

The second factor, the ‘decoupling’ of association interests and the objectives of the large member companies is to some extent facilitated by the uncoordinated behaviour of the firms. The lower the co-ordination of association members, the higher the opportunities for national officials to pursue policy objectives which are running against the interests of the dominating members. The extent to which such patterns are possible, however, depends on the structure and resources of the national association.

The German *ZVEI*, for instance, receives a significant part of its financial resources by organising the *Deutsche Funkausstellung* (German Consumer Electronics Exhibition) and therefore is not fully dependent on the financial contributions of its member firms. Moreover, the structure of the German association is characterised by a rather heterogeneous membership including a comparatively high number of small and medium enterprises (SME), which are too weak to engage themselves at EACEM level and therefore prefer to be represented by their national association. It therefore comes as no surprise that the German association was the one that was most opposed to the proposals for reform of EACEM. In the light of their particular situation, both association officials and SMEs felt no particular pressure or incentive to give up their influential position within the Euro-association.

The situation looked quite different in other countries. The structure of the French association is characterised by membership of larger companies. Association officials therefore were able to rely on the support of the SMEs to a lesser extent in order to defend their influence at the supranational level. Accordingly, French resistance toward the reform was less pronounced than the German position. In contrast to both the French and Germans, the British association supported the reform. This is not surprising if one considers that its membership structure is based mainly on Japanese and Korean companies, as well as European multinationals. BREMA therefore had nothing to loose from the reform, since the Japanese and Korean companies thus had the possibility of becoming full members of the Euro-association.

Nevertheless, despite the support of the British association, the reform was doomed to fail as long as the French and, in particular, the Germans vetoed the decision at EACEM level. In the following, we will therefore look in more detail at the factors which in the end facilitated the success of the reform. In this respect, we can distinguish four aspects: (1) the role of political entrepreneurs in co-ordinating the association participation both within and between the multinational players; (2) the political support from the Commission; (3) the successful integration of the Japanese and Korean companies, and (4) the granting of certain concessions to the national associations.

In light of the failed attempts to strengthen company influence on EACEM decisions, in September 1995 a new reform initiative took place. During a pre-meeting of the European companies called to co-ordinate their positions with respect to the Round Table discussions with the Japanese manufacturers[35], a specific reform task force was set up consisting of representatives from Thomson, Philips, Nokia, and Ferguson (the British subsidiary of Thomson). Both the establishment of the task force and its subsequent activities were strongly influenced by the particular engagement and initiative of the task force members involved. Thus, the establishment of the task force was based on an initiative of the Thomson representative, Mr. Wagner (the then vice-president and current president of EACEM), who co-ordinated and directed the task force activities. Moreover, the main work of the task force was related to convincing and co-ordinating the companies' association representatives in order to overcome the partly strong resistance of the national trade associations. To achieve this objective, the group travelled through the European countries in a similar manner to politicians during an election campaign[36].

The successful co-ordination of the association activities both within the same company and between different firms was brought about by a strategy consisting of both top-down and bottom-up dynamics. On the one hand, the task force took advantage of the Round Table meetings in order to win the support of the top officials of the major seven European companies[37] for the reform initiative by co-ordinating the activities of their company representatives in the national associations. At the same time, the task force members spent a great deal of time and effort in convincing and co-ordinating both these representatives and association officials. A further important resource of the task force was the playing of the ‘exit card’; i.e. the threat that the big companies might withdraw from the national associations in case of their further resistance and establish a separate Euro-association without any further involvement of the national associations. Although the exit option would have been a second-best solution, finding no support from the Commission which was interested in having an integrated arrangement including all consumer electronics manufacturers based in the EU, it played an important role in convincing opposing national association to agree to the restructuring, in particular the German *ZVEI*.

A second factor favouring the success of the reform was the political support from the Commission. As mentioned above, the Commission was very much in favour of an integrated solution; i.e. that EACEM should represent all European consumer electronics manufacturers, including European-based Japanese and Korean manufacturers. It had already criticised the former structure of EACEM as being no longer a legitimate organization representing all European consumer electronics manufacturers.

A third crucial factor facilitating the reform therefore was the successful integration of the Asian companies[38]. This was not only true in order to gain the support from the Commission and to improve intersectoral co-ordination, but also in order to legitimise the reform with respect to the national associations. The positive vote of the Japanese and Korean firms to some extent had created a lock-in situation for the national associations in which it would have hardly been possible to justify a further blocking of the reform process. On the other hand, the reorganisation represented an opportunity for Asian companies to become full members of the Euro-association. However, it turned out to be quite difficult to persuade some Japanese companies of the case for reform, since their integration into the national associations in some countries was rather poorly-developed, and certain forms of discrimination were widespread. To promote its ideas the task force had to reiterate several times the advantages of membership with equal rights, until the presidents of the Japanese firms during a Round Table meeting uniformly agreed on strengthening their activities within EACEM.

Despite the successful co-ordination of the major European companies, the political support of the Commission, and the integration of the Japanese firms, certain compromises were unavoidable in order finally to secure the agreement of the national trade associations. Most important in this respect was the representation of the national associations in EACEM's executive board. This allowed national associations to continue to exert a certain influence on the decision-making process at EACEM level. On the other hand, the participation of the national associations was seen as an important aspect in order to achieve an effective structure for EACEM, since, despite the trend towards globalization and internationalization, many decisions affecting the sector of consumer electronics are still taken at the national level (involving national governments, national associations and standardisation bodies). An important task of the national associations in this context refers to the co-ordination of intersectoral interdependencies.

The analysis so far has shown that reform of interest representation of the European consumer electronics industry can be understood against the background of a general shift in industrial policies and strategies, which is characterised by the evolution of 'co-ordination in competition'. This shift emerged in the light of the particular context defining the market for consumer electronics and the failure of past strategies applied in order to cope with the specific market conditions. Thus, both protectionist policies and the political promotion of the industry's position in global technological competition brought about ineffective results in the context of accelerating technological innovation, internationalisation, and increasing intersectoral interdependencies. The need for more effective intersectoral and international co-ordination required far-reaching changes in the interest representation of the European consumer electronics industry. While the need for reform was obvious, solutions seemed difficult to achieve. This was mainly due to the resistance of national trade associations. A successful reform was only possible with the emergence of ‘political entrepreneurs’ who, with the political support from the Commission, successfully co-ordinated the positions of the major European firms and integrated the Japanese companies, when the resistance of the national associations could be overcome.

Having analysed the reform of the European consumer electronics interest representation, we can now turn to the interpretation of this story in light of more general questions of European interest representation and sectoral governance.

CONCLUSION

The story of the transformation of interest representation of the European consumer electronics industry allows for three basic conclusions. First, it is evident that the observed patterns of integration can be interpreted as market-driven rather than as an adaptation to the supranational institutional 'target structure'[39]. This does not imply, however, that institutions do not matter. The explanatory relevance of the institutional constellation at both the supranational and national level basically refers to the shaping of strategies chosen by private actors to cope with changes in the marketplace, rather than providing a structural 'model' to which the organisation of private interests adapts. While the former two aspects refer to the process of the transformation of European interest representation, the case of consumer electronics allows for a third conclusion referring to the possible outcomes of this process. Interestingly, the integrated structure of European interest organisation leads to a constellation, where national governments are influenced by the Euro-association centrally co-ordinating national associations and making them its national spokesmen.

Beginning with the question of market-driven versus institution-driven transformation, we pointed out in our introduction that our empirical evidence of the integration of the European consumer electronics industry's interest representation appears to contradict the assumption of fragmentation in the light of a disintegrated institutional target structure[40]. Turning from the 'logic of influence' to the 'logic of membership'[41], we find that the market also provides incentives to business for joint forms of collective action at the European level. What follows from our findings, however, is not that the proposition of structural concurrence of political institutions and private sector interest representation at the European level is wrong, but that it only allows for sound explanations as long as the scope of the market in question corresponds with the structural scope of national or supranational institutions[42]. In other words, the structural concurrence of public and private institutions can only be expected if the capacity of public institutions is sufficient to secure the delivery of the public goods required for market regulation and co-ordination. Public goods in this context refer to both regulatory standards (such as intellectual property rights or environmental standards) and co-ordination standards (including technological compatibility, weights and measures, etc.).[43]

The case of consumer electronics is an illustrative example of a development during which both national and supranational institutions were increasingly incapable of "hierarchically' co-ordinating and regulating market dynamics affected by global economic and technological developments and interdependencies. Given the rapid shift from national to transitional markets, accompanied by the emergence of multinational companies and the increasing pace of technological innovation and intersectoral technological convergence, a growing gap has emerged between national and supranational institutional capacities and the scale and scope of a global market. This gap became particularly evident in the failed attempts to regulate the dynamically developing market for consumer electronics. Although initially national governments tried to protect 'their' industries from global - namely Japanese - threats, competences for market regulation and co-ordination rapidly shifted to the supranational level, which seemed more appropriate for coping with international market dynamics. As it turned out, however, the initial protection strategy as well as the subsequent striving to actively promote the European industry's global position were doomed to failure. Furthermore, as the case of the HDTV standard made clear, Japanese industry also had to realise the limited influence of its national government when trying to intervene in global market processes.

As a consequence of limited institutional capacity for market regulation and co-ordination, we have observed the emergence of 'co-ordination in competition' in the global market of the consumer electronics industry, implying a twofold integration in the European interest representation, namely the inclusion of Japanese and Korean companies as well as the intersectoral integration looming on the horizon. In this way, international and intersectoral integration of interest representation filled the gap emerging between national and regional institutional capacity and global market dynamics by way of self-co-ordination by private actors. Instead of seeking an equivalent to the American regulatory body (FCC), *self-co-ordination* within the new EACEM structure is seen as appropriate in order to co-ordinate the common interest of consumer electronics manufacturers of Japan, Europe and Korea.

The fact that the structure the European consumer electronics industry's interest associations reflects the adaptation to global markets rather than to the supranational institutional target structure does not mean, however, that institutional aspects are without explanatory power in such cases. Rather the national and supranational institutional framework defines the strategic context in which private actors interact when coping with the challenges of global markets.

In this context, two aspects are particularly relevant. Firstly, supranational and national institutions restrict the strategic opportunities for adapting to global requirements, where there are still certain elements of market co-ordination and regulation that are basically defined at the supranational and national level. This implies that the adaptation of the industry's interest representation is shaped not only by global requirements, but also by the need to fall into line with existing national and supranational structures. As we have seen in the case of consumer electronics, the existence and influence of national associations significantly restricted the opportunities for transforming the European interest representation in the light of global market dynamics. This was not only a consequence of national associations' resistance and their dispersing effects on the policy positions of multinationals, but can also be traced to the fact that important decisions on the regulation and co-ordination of the market are still taken at the national level. Hence national interest representation remain indispensable, even in the context of increasing globalization[44]. Moreover, the location of important competences defining the industry's market conditions from the supranational level, including competition policy, environmental policy, research and development, requires the supranational location of the industry's interest representation.

Secondly, existing institutional structures may also open up certain strategic opportunities for transforming the organisation of interest representation in light of global markets. Our case has shown that the Commission's pressure toward an integrated structure of EACEM, including Japanese and Korean manufacturers, not only strengthened the position of the reformers, but also crucially affected the content of the reform. The Commission sponsored meetings of the captains of industry, sought to improve the performance of EACEM, signalled the erosion of credibility due to the exclusion of Asian multinationals and, finally, took the initiative by establishing a platform for the electronics and information technology industries. In contrast to Streeck and Schmitter, who assume a low influence capacity on the part of the Commission vis-à-vis the structure of organised group interests as a consequence of the Community's lack of autonomy in determining the range of policies that come under its jurisdiction, the case of consumer electronics reveals the influential role of the Commission in guiding and reinforcing structural reform attempts.

Finally, the market-driven transformation of the European interest organisation, which was shaped by existing national and supranational arrangements, indicates an interesting tendency in the European system of interest intermediation, which is in sharp contrast to previous trends. While in many instances the emergence of parallel, and hence fragmented, structures could be observed (i.e. Euro-associations and national associations representing their interests in Brussels), our findings point in an opposite direction, where national governments are subject to lobbying by the Euro-association. The integrated structure of EACEM, which implies a far-reaching centralisation and concentration of competences and thus supranational co-ordination of national member associations, allows for a uniform representation of European interests at the national level. Though national associations will still have a certain leeway, national governments see themselves confronted with interlocutors of national associations that are centrally instructed by the European association. Whether this development will have further repercussions in terms of weakening or strengthening the state, however, remains to be seen.

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* We would like to thank Adrienne Héritier, Andrea Lenschow, Guenther Schäfer, and Philippe Schmitter for their inspiring and constructive comments. In addition, would like to express our particular thanks to Rolf Wagner who has put us on the right track. Finalmente, ringraziamo Antonio "Anthony" Corretto per la sua contribuzione all' amicizia dei popoli.

1 R. Eising and B. Kohler-Koch. 'Inflation und Zerfaserung. Trends der Interessenvermittlung in der Europäischen Gemeinschaft' in: W. Streeck (ed.) Staat und Verbände. (Opladen. Westdeutscher Verlag 1994) pp 175-206. In this article, we concentrate on the issue of fragmentation or integration. There are, however, further links to interesting topics currently discussed in the research on interest organisation at the European level, e.g. the question of collective action see J. Greenwood and M. Aspinwall (eds.). Collective Action. (London. Routledge. 1997). Furthermore, we use the term 'globalisation' in the sense of increasing international interaction (cf. P. Hirst and G. Thompson. Globalization in Question. The International Economy and the Possibilities of Governance. (Cambridge. Polity Press. 1996). Thus, we do not intend to give a contribution to the broad discussion to the general discussion on this enigmatic concept.

[2] B. Kohler-Koch. 'Die Gestaltungsmacht organisierter Interessen'. in: M. Jachtenfuchs and B. Kohler-Koch (eds.). *Europäische Integration.* (Opladen, Leske + Schludrig 1996) pp. 193-222 (214f). F. Traxler und P.C. Schmitter. 'Perspektiven europäischer Integration, verbandlicher Interessenvermittlung und Politikformulierung'. in: V. Eichener and H. Voelzkow (eds.).

Europäische Integration und verbandliche Interessenvermittlung. (Marburg. Metropolis. 1994). pp. 45-70 (53). W. Streeck and P.C. Schmitter. 'From National Corporatism to Transnational Pluralism: Organized Interests in the Single European Market'. *Politics and Society.* Vol. 19, 133-64.

[3] B. Kohler-Koch. 'The Evolution of Organized Interests in the EC: Driving Forces, Co-Evolution or New Type of Governance?' in H. Wallace and A. R. Young (eds.). *Participation and Policy-Making in the European Union* (Oxford. Oxford University Press. 1997) pp. 42-68 (49).

[4] M. R. Lepsius. 'Nationalstatt und Nationalitätenstaat als Modell für die Weiterentwicklung der Europäischen Gemeinschaft', in: R. Wildenmann (ed.). *Staatswerdung Europas?* (Baden-Baden: Nomos. 1992) pp. 19-40 (35).

[5] Streeck and Schmitter. 'From National Corporatism to Transnational Pluralism'. p. 136.

[6] P.C. Schmitter and W. Streeck. *The Organisation of Business Interests. A Research design to Study the Associate Action of Management* (WZB-Discussion Paper IIM/LMP 81-83. Berlin. 1981.

[7] European Commission. *Directory of Interest Groups*. (Luxembourg. Office for Publications. 1996).

[8] A. Cawson.. 'Interests, Groups, and Publi-Policy-Making: the Case of the European Consumer Electronics Industry'. in J. Greenwood, J.G. Grote and K. Ronit (eds.). *Organized Interests and the European Community* (London. Sage. 1992) pp. 99-118.

[9] A. Cawson.. 'Interests, Groups, and Public-Policy-Making'. p. 109f.

[10] If the Commission asked for a statement of EACEM on a certain standard, for instance, the relevant EACEM committee handed the problem over to the corresponding committees at the national level where the associations worked out a statement in cooperation with the national companies. Then, national proposals were discussed again in the EACEM committee in which the different national associations were represented. Decisions could only be taken by consensus and every minor change required the starting of the same procedure again (Interview EACEM, Dec. 1996).

[11] Interview EACEM. December 1996. Philips. Februar. 1997. Cawson's (1992) interpretation of EACEM as a "public cloak of legitimacy", through which the large European companies Philips and Thomson pursued their interests, seems to provide no sufficient explanation for the weakness of EACEM. A second, and perhaps more important explanation should be seen in the influential role played by national associations of which the large companies of course are members.

[12] Interview EACEM, Dec. 1996

[13] The degree to which national associations allowed Japanese and Korean company membership is highly variable throughout Europe. While the French association SYMAVELEC was quite restrictive in this respect, the British association BREMA pursued a more open policy. Thus, 90 per cent of BREMA members are Japanese or Korean. The German ZVEI´s policy can be located in between these two poles. Korean and Japanese firms were allowed access as "extraordinary members". This, however, implied that they had no voting rights with respect to the decision-making process.

[14] A. Cawson. 'Sectoral Governance in Consumer Electronics in Britain and France'. in R. J. Hollingsworth, P.C. Schmitter and W. Streeck (eds.). *Governing Capitalist Economies. Performance and Control of Economic Sectors.* (London. Oxford University Press. 1994) pp. 215-243 (225).

[15] EACEM currently has seven member companies of European, two of Korean, and twelve of Japanese origin.

[16] Interviews EACEM. December 1996. June 1997.

[17] A. Cawson et al.. *Hostile Brothers. Competition and Closure in the Consumer Electronics Industry* (Oxford. Clarendon Press. 1990). M. Hobday. 'The Semiconductor Industry'. in F. Sachwald (ed.). *European Integration and Competitveness. Aquisitions and Alliances in Industry* (Aldershot, UK / Brookfield, USA. Edgar Elgar. 1994) pp 145-93.

[18] J.A. Hart and A. Prakash. 'Globalization and Regionalization: Conceptual Issues and Reflections.' *ndiana Centre for Global Studies.* (Discussion Paper No. 117. 1995).

[19] Cawson et al. *Hostile Brothers*. p. 351.

[20] J.A. Hart. 'Consumer Electronics'. in B. Wellenius et al. (eds.). *Electronics Industry Development* (Washington D.C.. The World Bank. 1992)

[21] McLaughlin and Jordan indicated that companies try to cope with risks in their environments through what might be called 'managing by negotiation'. Rather than maximising their performance they seek to minimise business uncertainties through entering "tacit collusion with their competitors by joining trade groups". Thus, the 'bounded rational' of the industry can be seen as the decisive factor for the emergence of co-operative forms of interaction in the consumer electronics industry in general and, more specific, for the restructuring of EACEM in 1996 (A. McLaughlin and G. Jordan. 'The Rationality of Lobbying in Europe: Why are Euro-Groups so Numerous and so Weak? Some Evidencw from Car Industry'. S. Mazey and J. Richardson (eds.). *Lobbying in the European Communnity.* (Oxford. Oxford University Press. 1993) pp. 122-61 (124).

[22] M. Bloom. 'The Consumer Electronic Industry'. in F. Sachwald (ed.). *European Integration and Competitveness. Aquisitions and Alliances in Industry* (Aldershot UK, Brookfield, USA. Edgar Elgar 1994) pp. 195-231.

[23] The dominance of the Japanese manufacturers was particularly demonstrated in the case of the video recorder technology, where the VHS system developed by Sony and JVC succeeded over the Video 2000 technology developed by Philips and Grundig (cf. Cawson. Interest, Groups and Public Policy-Making).

[24] Cawson et al.. *Hostile Brothers*. p. 335.

[25] J.A. Hart. 'Consumer Electronics'.

[26] Alan Cawson. 'Public Policies and Private Interests: The Role of Business Interests in Determining Europe's Future Television System' in Justin Greenwood (ed.), *European Casebook on Business Alliances* (London. Prentice-Hall) pp. 49-61 (50).

[27] Cawson. 'Public Policies and Private Interests: The Role of Business Interests in Determining Europe's Future Television System', p. 49.

[28] Interview EACEM, Dec. 1996.

[29] Cawson. 'Public Policies and Private Interests: The Role of Business Interests in Determining Europe's Future Television System', p. 57.

[30] Jeffrey A. Hart/John C. Thomas. 'Triadic Rivalry in High Technology Industries: The Case of European Policies toward HDTV'. *Indiana Center for Global Busines.* Discussion Paper No. 111

[31] Cawson et al. '*Hostile Brothers*', p. 39.

[32] Besides the European umbrella, the Liaison Organisation for the European Mechanical, Electrical and Electronic Engineering and Metalwork Industries (ORGALIME), which encompasses many of the interests of the information technology industry, but is considered too broad, a number of specialised organisations exist: EACEM organises the European consumer electronics manufacturers; ECTEL is the Association of European Telecommunications and Professional Electronics Industry; the European electrical components manufacturers are represented by EECA; EUROBIT organises the European manufacturers business machines and information technology; and, finally, the European computer manufacturers are represented by ECMA. Further obstacles for a joint trans-sectoral approach derive from the multiple membership of many companies in different subsectoral associations as well as from the involvement of a number of agencies in the process of determining common standards.

[33] Interview EACEM, June 1997.

[34] Interviews EACEM, Dec. 1996; Philips, Feb. 1997.

[35] From 1983 onwards so-called Round Table meetings of the presidents of the European and Japanese consumer electronics manufacturers as well as top officials of the European Commission and the Japanese Ministry of International Trade and Industry (MITI) were institutionalized in order to discuss all important problems of the industry. These annual meetings were prepared by so-called pre-meetings of the European and Japanese representatives, in which the respective strategies for the Round Table were decided (Interview EACEM, Dec. 1996).

[36] Interviews EACEM, Dec. 1996; Philips, Feb. 1997.

[37] Thomson, Philips, Nokia, Grundig, Bosch-Blaupunkt, Bang and Olufsen, Seleco.

[38] At this point we see that the integration of Asian enterprises was at the same time an objective or effect of the reform and a important factor influencing the attitude of the hesitating national associations.

[39] Gabriel A. Almond. 'A Comparative Study on Interest Groups and the Political Process'. *American Political Science Review*, Vol.-52, pp. 270-282.

[40] Eising/Kohler-Koch. 'Inflation und Zerfaserung'; Kohler-Kovh. 'Die Gestaltungsmacht organisierter Interessen'.

[41] Schmitter/Streeck. '*The Organization of Business Interests*'.

[42] see Philip G. Cerny. 'Globalization and the Changing logic of collective action', *International Organization*, Vol. 49, pp. 595-625 (621).

[43] Raymond Wehrle. 'Staat und Standards', in Renate Mayntz and Fritz W. Scharpf (eds.); *Gesellschaftliche Selbstregelung und politische Steuerung* (Frankfurt. Campus) pp.266-298; Cerny. 'Globalization and the Changing logic of collective action'.

[44] Interestingly, growing intersectoral interdependence not only accelarates the trend toward globalization by increasing the pace of technological innovation, but also may point to the neccessity of national representation in cases where interdependent markets are still regulated at the national level (as we have seen with resepct to the broadcasters, for instance).