International Production and the Periphery of the European Union

Paper prepared for the ECSA Sixth Biennial International Conference
Pittsburgh, Pennsylvania, 2-5 June 1999

Mike Pournarakis
Professor of Economics
The Athens University of Economics and Business

ABSTRACT

"International Production and the Periphery of the European Union"

The dramatic rise in international production in recent years stands out as the most decisive factor in the globalization of economic activity. Foreign Direct Investment (FDI) has been growing very rapidly in the recent past while international trade ceased being the principle mechanism linking national economies. It is rather the interlinkages of trade and FDI that influence the economic growth and welfare of countries in a global environment that undergoes continuous change.

In this trend, the European Union (EU), plays a protagonist's role. Since 1985 we have witnessed a shift in the European Community (EC) from trade-policy-led to production-based integration. The unification of the EC marker was accompanied by a massive FDI inflow while intra-EC investment exhibited a spectacular increase with an unprecedented level of merger and acquisition activity.

The EC periphery does not seem to be in position to partake in these dramatic changes in the area of international production. The heavy concentration of transnational activity in the central core of the European Union is in the center of many concerns voiced by the periphery.

This paper addressed the above problem. First, the paper attempts to assess the extent and nature of the problem. Secondly, it looks into possible explanations on a cause and effect basis. Finally, the question is raised whether corporate integration supports regional integration in the EU in the absence of a comprehensive FDI policy.

INTERNATIONAL PRODUCTION AND THE PERIPHERY OF THE EUROPEAN COMMUNITY

International Production and FDI Growth

International production has been growing very rapidly in recent years. Global sales of internationally produced goods by foreign affiliates of Transnational Corporations are substantially larger than exports by home based companies. For 1997 these sales of good and services for the international economy as a whole, were close to 9.5 trillion dollars [UNCTAD, 1998]. This dramatic rise in international production in recent years stands out as a decisive factor in the globalization of economic activity. Foreign Direct Investment (FDI) is a protagonist in this trend. World stock of FDI has grown very rapidly in the last two decades. It is valued at about $ 3.5 trillion in 1997 and represents 448.000 foreign affiliates of 54.000 parent firms [UNCTAD, 1998]

The annual flows of FDI in the last decade have followed a spectacular growth. Starting with the mid-80s the international economy experienced a surge in global FDI flows. With the exception of the period 1991-93, FDIs continued to follow an upward trend. As shown in Table A-1, in 1997, FDI outflows hit new highs with an increase over the previous year by 27 per cent to reach $424 billion.

No doubt, the trend in FDI flows is affected by the GNP growth cycle. However, the fact that the upswings of FDI activity by far exceeded those of economic growth, indicates that other factors are also at work. Inevitably, these factors relate to the new global environment. Furthermore, the aforementioned trend away from arm's-length trade and in favor of local production suggests a new modality in international exchange with important effects on FDI corporate strategies as well as government policies. In this sense, in addition to its quantitative aspects, FDI activity in the 1990s presents an added interest concerning possible reorientation in the strategy of transnational corporations. Let us briefly look into some of the characteristics of FDI activity in the 1990s.

Some Features of FDI Activity in Recent Years

As mentioned above, in the last decade international production underwent dramatic changes both at the quantitative and the structural end. Structure-wise, changes in FDI investment strategies have been in the center of new developments in international economic relations. In the following we will single out two features of the recent trends in FDI activity which are of importance for our discussion.

1. Mergers and Acquisitions (M+As)

In recent years Mergers and Acquisitions (M+As), are an increasingly important phenomenon of the global economy. They constitute the most popular form of international production. Mergers and Acquisitions is the main driving force behind the surge of FDI in the last years. Worldwide, cross-border M+As were about two thirds of FDI inflows into developed countries [UNCTAD, 1995] over the period 1987-93. Following the slowdown of FDIs during 1991-93, the unprecedented heights of FDI flows were to a large extent affected by cross border M+As activities. When defined in a broad sense to include related joint ventures, M+As were valued at 342 billion in 1997, by far the highest percentage of total FDI in the last ten years.

As we will see below, in the European Union M+As have been the main tool of restructuring for transnationals throughout the last decade. In addition to the inflow of foreign investment in the EU, intra-European Union cross-border M+As activity has been very high. An unprecedented level of intraregional foreign direct investment in the pre and post EC-92 era has led to the "regionalization" of EC-owned industry. Corporate strategies aimed at rationalizing operations on a regional scale with massive merger and acquisition activity in order to adapt to the new realities of the Unified Market.

2. Integrated International Production

In the more distant past, the dominant factor motivating the manufacturing firms to invest abroad was the search for export markets. FDI activity by these firms would be preceded by the establishment of foreign trading affiliates, foreign firms, or licensing. Next, foreign investment abroad materializes when the foreign firm finds producing abroad more profitable than exporting home produced goods. Thus, investment abroad initially was motivated strictly by export-substituting policies.

Nowadays, the new world environment for trade and FDI's makes it possible for the competitive firms to break away from the above sequence that leads to export replacing investment abroad. The typical large size multinational firm engages in foreign investment projects in the context of an efficiency - oriented corporate system. The simple FDI scheme in manufacturing with stand - alone affiliates give way to more complex relationships of regionally integrated production networks with considerable intra - firm trade flows among affiliates and with the parent firm capitalising on the tangible and intangible assets in the corporate system. Each productive unit in this network, whether an affiliate or the parent company, could be viewed as part of a value added chain. Therefore, the location of the affiliate is decided on the basis of criteria of efficiency for the corporate system i.e. it is located where it contributes most to the overall efficiency for the corporate network.

This development was made possible thanks to the changed environment for international transactions. For one thing, the dramatic improvement in technology allows firms to process and communicate information at reduced costs . Also, in recent years there has been substantial liberalisation of policies on trade and investment flows. These changes have helped FDI attain easier access to foreign markets of goods and productive factors. Furthermore, the size of national markets ceased being a decisive factor for the location of FDI since trade liberalisation has led to substantial decreases in tariff and non-tariff barriers. The center of gravity in decision making on these matters has shifted to efficiency as it relates to cost differences between locations, the quality of infrastructure and the availability of skills.

When international production is viewed in the context of such regionally or globally integrated networks the role of the affiliate vrs the parent company is upgraded. No longer is it necessary home-based innovation and production to precede production abroad. Innovation and production can begin anywhere in the corporate system. This holds true particularly in the case of vertical integration where geographic dispersion of certain activities occurs in accordance with efficiency for the corporate system as a whole.

FDIs in the EU

Most of the FDI activity is concentrated in the developed economies with the Triad countries (EU, Japan, US) being the protagonists. Now, within the Triad, it would seem that, in view of the market unification EC-92 program, the EU emerged as the appropriate location for the Triad members to implement their large scale realignment and for restructuring of investment activity. We turn to this subject now.

As shown in Table A-2 of the Appendix, FDI values for the EU (data for 12 countries) show a very rapid increase for the period 1986-1997. With the help of Table 1 we can see that this increase has led to a growing share of the (increasing) world wide total FDI inflow.

Table 1

Share of FDI inflows (%)

	1982-87	1988-90	1991-93	1994-95	1996-97
Developed Countries	78.1	84.6	67.0	61.1	58.1
Developing Countries	21.9	15.3	33.0	35.6	37.9
European Union	28.2	42.3	44.4	32.4	27.2
as % of developed	36.1	50.0	66.3	53.0	46.8
United States	39.9	31.3	10.2	18.2	22.7

Source: European Commission: European Economy No. 4, 1986.

UNCTAD: World Investment Report, 1997

UNCTAD: World Investment Report, 1998

Using Eurostat data, the FDI inflow surge in the second half of the 1980s shows a seven-fold increase in the 1984-90 period. This EU surge of FDI inflow contrasts with the experience of the other two members of the Triad. In the case of the United States Table 1 shows loss of the share of world - wide FDI flows in the decades of the 80s and 90s. Japan's shares throughout these years have been negligible.

Table 2

Intra - EU and Extra - EU Inflows of FDIs

(% of Total)

	1984-87	1988-90	1991-93	1994	1995	1996
Intra-EU	52.0	55.0	62.0	63.0	53.0	62.0
Extra-EU	48.0	45.0	38.0	37.0	47.0	38.0

Source: European Commission, Eurostat.

Eurostat, European Union Direct Investment: Yearbook 1996.

Eurostat, European Union Direct Investment: Yearbook 1997.

Table 2 presents a breakdown of EU inflow of FDIs into investment by member states in other member states (intra-EU) and FDI inflow from outside the EU. The increasing share of Intra-EU flows is evident. We will return to this point later.

Recent Trends in Inward Foreign Direct Investment in the EC by the Triad Members

In the last fifteen years the other two members of the Triad, (USA and Japan) have been the main sources of foreign investment in the EU. There is no doubt that the massive inward foreign investment in the EC in the 1980's was positively influenced by the developments that led to the EC-92 program. By the end of the previous decade, the syndrome of "Fortress Europe" ceased being the driving force behind FDI inflow in the EU. Instead, it became evident that the EU was looked upon by the foreign investors as the appropriate market to implement their long run corporate strategy plans. It would seem that, on the basis of the available evidence so far, priority was placed on realignment and rationalisation of FDIs rather than greenfield investment.

In the case of the US transnationals in Europe, of key importance for their globalisation strategies is the widely recognised fact, [e.g. Divinney and Hightower (1991)] that their EU-based affiliates enjoyed a definite advantage over their Japanese counterparts in that they were better positioned in the Single Market. It would seem, therefore, that the United States FDIs in the EU, building on the already existing advantage of early rationalisation, viewed the EU as the most appropriate member of the Triad to implement their "globalisation" strategies. Further regionalisation and restructuring of their activities would make the EU (rather than the firm's country of origin) the relevant home base for many transnationals.

Japanese direct investment in the EU, shows a similar adjustment pattern. Breaking away from their insistence in the past for greenfield foreign investment, Japanese firms engaged in a variety of strategic alliances, acquisitions and joint ventures. This type of investment activity was directed primarily to the new Single Market in the context of

implementing a policy of "Europeanization" of Japanese firms. Dunning (1993b) estimated that, in 1988-90, 40% of the value of new Japanese investment in the EC took place in the form of acquisitions and mergers.

In the case of intra-EU-foreign investments, as we saw, the increase in this period was spectacular and is characterised by a boom of mergers and acquisitions. An unprecedented level of intra-regional foreign direct investment led to the regionalization of EU-owned industry. Many EU transnational firms regionalized their activities in their effort to prepare themselves to move up from "national champions" to EU champions. Corporate strategies aimed at rationalising operations on a regional scale with massive merger and acquisition activity. In short, EU corporations have been going through a period of restructuring with intense cross border activity following the EC-92 program.

The Geography of FDIs in the EU

In terms of geography allocation Table A-2 shows the lack of a balanced distribution among the member countries of the EU. Both insiders and outsiders investing in the EU exhibit preferences for closeness to the center. The main member state recipients of FDI were the UK, France and Belgium/Luxembourg among the developed economies and Spain among the lower income countries.

Table 3

Share of FDI inflow into EU from all countries accounted for by individual EU countries (%)

		1982-87	1988-90	1991-93	1994-96	1997
High Income	Belgium and Luxembourg	6.4	8.5	14.3	13.5	13.2
	Denmark	0.1	1.2	2.0	4.1	2.7
	France	14.7	13.4	26.6	25.2	19.2
	Germany	7.9	8.7	6.8	5.1	-.02
	Italy	7.2	6.5	4.2	4.3	3.7
	Netherlands	10.6	10.5	7.8	11.0	9.2
	United Kingdom	35.1	35.5	22.3	23.6	38.7
	Total	82.0	84.3	84.0	86.8	86.5
Medium Income	Greece	2.6	1.1	1.5	1.3	1.6
	Ireland	0.7	0.1	0.1	1.9	4.4
	Portugal	1.3	2.2	2.6	1.1	1.8
	Spain	13.3	12.3	11.8	9.0	5.8
	Total	18.0	15.7	16.0	13.3	13.6
European Union	Total	100.0	100.0	100.0	100.0	100.0

Source: European Commission: The Single Market Review, IV, vol. 1: Foreign Direct Investment

UNCTAD: World Investment Report, 1998

Table 3 is based on data from UNCTAD and the IMF and presents the EU states' share of FDI inflow for the period 1982-97. The distinction between high income and low income countries is helpful as a first approximation of FDI allocation between the "core countries" and the periphery of EU. The latter, as hosts of FDIs, experience a relative decline of their low share over the period 1982-97. This contrasts to a high income group which absorbs proportionately much higher levels of FDI throughout the same period. With

the exception of Spain, the other three medium income countries attracted FDI amounts which are proportionately low for their size.

Table 4

Member States' average share of FDI inflows on an Intra-EU and Extra-EU basis

	1990-1993		1994	
	Intra-EU inflows	Extra-EU inflows	Intra-EU inflows	Extra-EU inflows
Belgium - Luxembourg	17.0	9.0	14.4	16.3
Denmark	1.0	2.0	10.5	6.2
Germany	11.0	5.0	12.3	12.6
Greece	1.0	0.0	1.1	0.9
Spain	14.0	9.0	20.1	13.8
France	15.0	16.0	23.3	14.3
Ireland (1986)	1.0	4.0	3.1	3.9
Italy	7.0	7.0	5.0	2.4
Netherlands	12.0	10.0	5.6	12.8
Portugal	3.0	2.0	2.3	2.2
United Kingdom	14.0	37.0	2.4	14.7

Source: European Commission, European Economy, No. 4, 1996.
Eurostat, European Union Direct Investment: Yearbook 1996
Eurostat, European Union Direct Investment: Yearbook 1997

Table 4 decomposes the share of each member state of FDI inflows according to Eurostat data. The general picture is similar to the one of the previous Table outside the dominant position in extra-EU inflows to the United Kingdom.

Sectoral Distribution of FDI in the EU

In order to determine the extent of concentration in international production within the EU one would have to examine FDI by sectors of production. Unfortunately, the lack of statistical data at the two and three digit level does not allow a detailed picture. For M+A activity, however, there exist more detailed data on manufacturing FDI.

Let us first point out that the largest percentage of FDI inflow in the EU belongs to the service sector. Thus, in the decade 1984-1993, about 60% of total FDI inflows went to services and 40% to manufactures. Combined with the information Tables 3 and 4 above, this suggests that, in the advanced economies, services dominate FDI inflow. This is consistent with the fact that, for the most part, the presence of FDI is a prerequisite for the supply of services by foreign firms.

Getting back to M+As in manufacturing FDI, Table 5 uses NACE 2-digit manufacturing sector breakdown of data for the member states. Although the data ignore greenfield investment, they can be used as a proxy for sectoral breakdown of manufacturing. As mentioned earlier, M+As constitute by far the largest percentage of FDI activity in the EU. The data refer to number of M+As rather than value. However, combined with Table A-3, they are of some use in showing structural differences in member states' M+As. It is evident for example, that most M+A activity in less developed countries is found in the third category especially in NACE 42 and 43 (textiles and clothing). In the case of Greece, for instance, textiles have attracted 38 cases of M+As. The advanced member states in the other hand have bigger representation in the second category, which is more technology intensive. NACE 32-36 (mechanical and electrical engineering) are the main targets for M+As in these countries.

Table 5

M+A operations (members) by sector in EU, 1986-95

NACE

Country	21-29 Non-enery producing minerals, Chemical Industry	30-39 Metal manufacture; mechanical, electrical and instrument engineering	40-49 other (food, textile, leather clothing footwear, timber furniture)
Belgium	27	31	43
Denmark	19	45	35
France	20	38	41
Germany	23	37	30
Greece	26	10	61
Ireland	24	23	48
Italy	30	38	34
Netherlands	25	34	43
Portugal	33	20	45
Spain	26	27	43
U.K.	19	44	36

Source: European Commission, European Economy, No. 4, 1996.

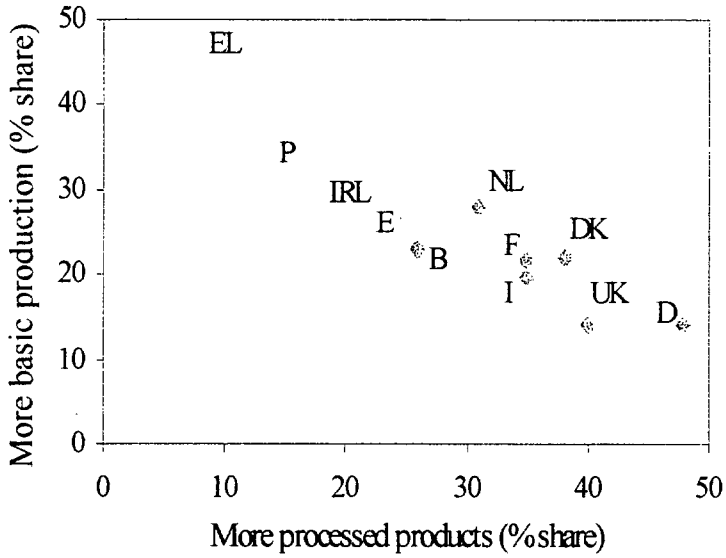

Figure 1

The European Commission (European Economy 1996), using more detailed data on M+A activity for the period 1986-95 came up with Figure 1 which is indicative of the member states' comparative advantage in FDI activity.

The Theoretical Point of View

The empirical findings on FDI activity in the EU are, for the most part, accommodated by the existing body of theoretical treatment of FDI activity. To the extent that theory can help make predictions about future developments, it is interesting to review the main points of the more prevalent FDI theoretical scheme.

Our reference framework for the theoretical treatment of FDI activity in Dunning's OLI concepts. This theoretical framework suggests that in order for a firm to engage in production abroad the following prerequisites must exit. The firm must possess: a) an ownership specific advantage (O) over local producers due to tangible or intangible assets (e.g. productive efficiency, brand name product) b) locational advantages (L) in the host country (e.g. cheap productive factors) and c) internalisation advantages that call for establishing a subsidiary as a better way to exploit (a) and (b) over other forms such as licensing (Dunning, 1981).

In the present context, FDI theory could prove useful to examine the impact of integration on OLI, especially the locational advantage. Now, in recent years the original OLI concepts have been refined to reflect current developments especially the integrated international production in FDI activity as we described it in the first part of the paper. Two points are of interest in the present context. First, the importance of non-physical aspects is stressed especially concerning ownership advantages. In particular, knowledge-based assets are considered of increasing importance as determinants of FDI ownership and location advantages (Markusen, 1995). Second, business strategy was added in the OLI configuration to account for the dynamic aspects of FDI activity. The more complex relationship of regionally integrated networks suggests increased interdependence among multinationals in dealing with location matters (Eaton Lipsey and Safarian, 1994), (Dunning, 1993a).

The above two additions to the OLI theory place the issue of location in the dynamic context of international production and help understand the complexity of the

effects of regional integration on FDI. Before the formation of the Single Market (SM), FDI theory emphasised the fact the EC integration enhanced the locational advantages of countries in the EC and led to FDI for "tariff jumping" purposes. Following the formation of the single market there is a shift of emphasis to efficiency - seeking as a motive for FDIs in the EU. What was the importance of this concerning the locational advantages of EU countries? Let us try to answer this question by bringing into the picture recent advances in trade theory.

The new trade theories have come to help research on the issue of integration and FDI activity. Geography of productive activity is viewed as an extension of the new trade theory which introduced economies of scale and product differentiation as factors explaining potential gains from intra-industry trade (Helpman and Krugman, 1985). Krugman's (1991) research brings into the picture geographical concentration due to economies of scale and decreasing transportation costs. Reduction in transportation costs may lead to concentration of production in one location with higher costs but with economies of scale and better access to the market. This reasoning suggests that the periphery of an economic union is not necessarily favored for attraction of new investment. Instead, a region with a head start in industrial production may become a pole of attraction of new industries.

The geography of productive activity consistent with FDI theory could be of help in explaining current developments on FDI activity in the EU. For the high income countries the availability of created assets such as well trained manpower and innovative capacity surfaces as one of the main determinants of location especially for high technology sectors. For the less developed regions of the EU, natural factor endowments are still critical locational factors of FDI inflow in basic production.

Although the new FDI and trade theories are not free of contradictions they are useful for predicting future trends for FDI inflows in the EU. Theory and evidence point to the duality problem of the EU with the high and low value-added activities corresponding to the central core and the periphery correspondingly.

The Lack of a Comprehensive FDI Policy

As the Single Market (SM) becomes fully operational it makes sense to look into its effects from the point of view of distribution of benefits of FDI inflow among the member countries. In terms of the above analysis of the geography and the sectored distribution of FDI activity in the EU, the question is raised: "Is the single market bringing Europe together in an integrated regional economy, or segmenting it into high and low value-added activity?" (European Commission, 1997).

The heavy concentration of transnational activity in England and the rest of the central core of the Community is in the center of the many concerns voiced by the periphery of the Union. In the recent literature on the subject, these concerns point to the fact that corporate integration does not necessarily support regional integration in the absence of active and consistent policies on FDI flows in the EU. In fact, regional disparities may be accentuated in view of the large-scale restructuring and realignments of FDIs in the EU [e.g. Young and Hood (1993)]. It is argued that massive adjustments in locational advantages following the unification of the EC market, will lead to FDI redistribution which in turn will cause a substantial cost in terms of job losses, loss of high value added production and other components of economic growth. This cost will be born primarily by the periphery.

The reduced competitive bidding for FDI attraction by the periphery of the EU is also associated with divergent policies by the member states with frequent resort to beggar-thy- neighbour practices. To begin with, the Single Market Program has not brought about homogeneity in many sectors of the market. National policies differ widely on issues related to wealth, environment, safety and consumer preferences. Furthermore, national government incentives for FDI introduce strong competition between the host countries. Such incentives are to be found in several areas. Fiscal and financial incentives of all kinds are frequently used and aim at reducing tax burdens and improving profitability of foreign investors.

Currently, the EU lacks an active and consistent policy on FDIs. At best the existing policy could be viewed as an extension of the more general principles of the Treaty of Rome to secure competitiveness but it does not deal with FDI incentives per se. Due to insufficient focus and lack of consistency, regional FDI policy does not guard against imbalances that can accentuate regional disparities.

APPENDIX

TABLE A-1

FDI Outflows, 1986 – 1997

(Millions of Dollars)

Year	Developed Countries	All Countries
1986 – 1991 (annual average)	169.2	180.5
1992	180.0	200.8
1993	205.8	240.9
1994	241.5	284.3
1995	306.5	352.5
1996	283.5	333.6
1997 *	359.2	423.7

* estimates

Source: UNCTAD, World Investment Report, 1998

TABLE A-2

Yearly FDI Inflows in the EU-12, 1986-1997

(Millions of Dollars)

Country	1986 – 1991 (annual average)	1992	1993	1994	1995	1996	1997 *
Belgium and Luxembourg	5454	11286	10750	8514	10565	14125	12550
Denmark	754	1017	1713	5006	4139	773	2570
France	9254	21840	20754	15799	23733	21972	18280
Germany	2942	2640	1911	1790	13448	-2721	-195
Greece	826	1144	977	981	1053	1058	1500
Ireland	368	1442	1121	838	1447	2456	4152
Italy	3630	3951	4383	2163	4878	3377	3523
Netherlands	6362	7836	8561	7517	11498	7760	8725
Portugal	1403	1873	1534	1270	685	708	1713
Spain	8325	13276	8144	9359	6201	6454	5556
U. K.	20812	16140	15540	9185	22504	26009	36897
EU – 12	60130	82445	75388	62422	100151	81971	95271

* estimates

Source: UNCTAD, World Investment Report, 1998

Table A-3

Cross-border Merger and Acquisition Sales

in the European Union, (12 Countries), 1990-95

(Millions of Dollars)

Country	1990	1991	1992	1993	1994	1995	1996	1997
European Union	60082	38163	54900	51965	58283	70781	76772	128093
Belgium and Luxembourg	1095	1882	1246	3823	2154	5313	2068	7251
Denmark	719	130	258	732	1860	260	417	4452
France	6268	4965	8773	5040	12489	12842	11414	14518
Germany	7918	4992	7653	5930	9873	6126	6550	19262
Greece	120	40	739	34	96	555	49	464
Ireland	537	264	230	1588	274	1154	587	1600
Italy	4730	1971	4636	3215	5311	3441	5206	9173
Netherlands	2029	2462	5994	10813	2346	2542	3647	8837
Portugal	3580	232	838	414	855	551	748	912
Spain	6240	6635	4390	2777	5153	1996	1786	6213
United Kingdom	25006	12250	18747	12034	14469	36337	39226	55411

Source: UNCTAD, World Investment Report, 1998

BIBLIOGRAPHY

Divinney, T. And Hightower (eds) (1991). Multinational Firms and European Integration, London : Routledge.

Dunning, J. (1981). International Production and the Multinational Enterprise, London, George Allen and Unwin.

Dunning, J. (1993a). Multinational Enterprises and the Global Economy, Workplan, Berkshire, Addison-Wesley.

Dunning, J. (1993b). The Globalization of Business : The Challenge of the 1990s, London, Routledge.

Eaton, B., Lipsey, R. and Safarian, A. (1994). "The Theory of Multinational Plant Location in a Regional Trading Area". Eden, L. (ed) Multinationals in North America, University of Calgary Press.

European Commission (1996), European Economy, No.4.

European Commission (1997), The Single Market Review, IV vol. 1.

Eurostat, (1997), European Union Direct Investment: Yearbook 1996, European Communities

Eurostat, (1998), European Union Direct Investment: Yearbook 1997, European Communities

Helpman, E. and Krugman, P. (1985), Market Structure and Foreign Trade, Cambridge, Mass.

Krugman, P. (1991), Geography and Trade, Cambridge, Mass.

Markusen, J. and Venables, A. (1995), Multinational Firms and the New Trade Theory, NBER Working Paper No. 5036.

Markusen, J. (1995), "The Boundaries of Multinational Enterprises and the Theory of International Trade", Journal of Economic Perspectives, vol. 9, No. 2.

UNCTAD, (1996), World Investment Report.

UNCTAD, (1997), World Investment Report.

UNCTAD, (1998), World Investment Report.

Young, S. and Hood, N. (1993), "Inward Investment Policy in the European Community", Transnational Corporations, 2 (August), 35-60.