

# THE EUROPEAN UNION, THE UNITED STATES AND JAPAN: STRUCTURE, ACTION AND INTERACTION

Michael Smith  
Loughborough University, UK

Paper Presented at the Fourth Biennial International  
Conference of the European Community Studies  
Association

Charleston, SC  
11th-14th May, 1995

DRAFT: NOT FOR CITATION OR QUOTATION WITHOUT THE  
PERMISSION OF THE AUTHOR

## Introduction

In the race ahead, one of the three great economic powers is apt to pull ahead of the other two. Whichever pulls ahead is apt to stay ahead. That country or region of the globe will own the twenty-first century in the sense that the United Kingdom owned the nineteenth century and the United States owned the twentieth century. It will have built the world's best twenty-first century economic system.'  
(Thurow 1992: 246)

One of the dominant themes of the literature about the European Union, the United States and Japan during the past ten years has been the attempt to predict the balance of power in the world political economy. Central to this activity has been the perception that there is a discernible balance of world politico-economic power, that the mobilisation of power through policy is a key test of the effectiveness of institutions, and that the interaction between the EU, the US and Japan will determine the fate not only of them but also of many others. It is in order to ask whether such a competitive, statist view of the world in which the EU operates is valid, and to enquire into the EU's policy credentials, not only in terms of the capacity to deliver policy but also in terms of the principles on which it might be based.

This paper is very much a preliminary stab at the further development of work already undertaken by the author on the external economic policies of the EU and the EU's role as an international actor (Smith, 1994, 1995a). It arises from the attempt to define the demand for external policy carried out through the EU and the ways in which a supply of such policy can be ensured through different modes of EU policy formation and implementation. It focuses on the formation of EU policies within the 'triad' or the 'triangle' of EU/US/Japan relations, and assesses contrasting approaches to the structures, actions and interactions which characterise them. The conclusion is that conventional 'state-referential' or quasi-mercantilist notions of foreign economic policy in the EU context need to be viewed critically and in the light of a changing world economy best exemplified by the relations between the EU and its major industrial and commercial partners. As a consequence, a form of EU policy making based on complexity of structure, 'negotiated order', the 'capacity to interact' and a 'critical liberal institutionalist' awareness is advanced as a framework for further research and analysis.

## The Problem

As already noted, in earlier work the present author has developed a framework for exploring the external economic policies of the EU. The conventional frame of reference which sees the EU in some way as a proto-state implies that a foreign economic policy should be implanted not only in a state-centric notion of the international arena but also in a broader conception of foreign and security policy in which economic and security concerns would be brought into some kind of strategic balance and coordination. Such notions would be associated with a broadly neo-realist approach to the problem. But statehood itself is under challenge in the international political economy, and foreign economic policy is characterised by variety of focus and process. In many ways, the EU is an expression of such challenges and variety. It combines elements of several layers of action and influence; it possesses a complex set of institutions which constitute a powerful framework for continuous bargaining and for the adjustment of differences between member states and other groupings; and it facilitates the achievement of shared objectives through predominantly economic and diplomatic means, promoting effective communication between member states and other groupings (Smith, 1994: 287-89). In such a context, policy determination is multi-layered and sectorally specific, reliant upon competition in a framework of rules and institutions, and contributing to the development of governance both at the European and at the broader international level. This means that in effect there is not one mode of EU external policy making, but at least three: Community policy making, Union policy making, and 'negotiated order' encompassing a much broader range of actors and influences (Smith 1995). There is no a priori assumption of primacy for one or another of these modes of policy generation, and indeed they can all be found at work in a wide range of policy sectors, from the 'low politics' of technical and regulatory policy to the 'high politics' of the common foreign and security policy. At each of these levels, and in discussion of the EU's role in the changing world political economy, it is helpful to view the EU in the light of a 'critical liberal institutionalism', which underlines the importance of negotiated order but which pays attention to the values and normative positions expressed by the patterns of action and interaction produced (Smith 1995b).

This set of approaches, at least in principle, gives a significantly more discriminating view of the totality of EU external policies than the conventional approach based at least in part on the criteria of statehood. As Chris Hill has argued (Hill 1993), a key task in the analysis of the EU as an international participant is the development of explicit analytical yardsticks by which to measure progress or regression, convergence or divergence. The approach taken by the present author is informed by a rather different conception of the international arena and international action from that adopted by Hill, but is intended to be a contribution to what will be a central debate for the remainder of the 1990s.

The focus in this paper is thus on the ways in which the general approach can be applied to a specific set of structures, actions and interactions in EU external relations. The EU/US/Japan 'triangle' has been an increasing focus of analysis during the 1990s, although the unevenness both of the triangle and of the analysis has been apparent (Albert 1991; Nanto 1992; Buchan 1993; Strange 1995). For the purposes of the paper, three aspects of the relationships and of EU policy making are identified:

- the structure of relations and the ways in which they fit into a transformed international structure the generation of action in the EU, and the ways in which this can be conceptualised
- the nature of interaction and the ways in which this generates patterns and principles of interaction both for the EU and for its partners.

By its nature, the paper does not set out to give an exhaustive or even a detailed empirical picture: the emphasis is on ways of thinking about a central problem for the EU, and of achieving some leverage on the policy demands facing the EU and the supply of policy available to meet them. The empirical picture is relatively well-known and broadly expressed in the appended figure (Buchan 1993: 135): the intensification of exchange between the EU, the US and Japan, but at the same time the unevenness and the competitive nature of the patterns set up (Nanto 1993; Holmes and Smith 1992; Katzenstein 1993; Thurow 1992; Jackson 1993; Office of Technology Assessment 1991). As a result of these

tendencies, there has been a constant and growing problem of economic policy for all three of the participants, and in the context of this paper specifically for the EU. This economic policy conundrum has had inescapable political overtones, but that does not mean that it is solely a preserve of government (in the broad sense); it is also a problem of private industrial and commercial activity, and thus of the boundaries between states, governments and systems of production and exchange (Audretsch 1989; Henderson 1992; Stopford and Strange 1991; Sandholtz et al 1992).

Relations between the EU, the US and Japan are thus a key test for the contrast between 'state-referential' views of EU external policy making and the more differentiated approach outlined above. The paper now proceeds to conduct a preliminary reconnaissance of the terrain.

## Structure

A conventional view of the structure within which EU/US/Japan relations are conducted and thus EU policies made would emphasise a number of key features: the location and concentration of power, the dominance of certain levels and layers of activity, and the linkages between security balances and economic activities. This is not an unpersuasive version of the relationships. It points out, for example, that the position of the USA has changed on all dimensions but particularly in the area of relative economic dominance, and that the economic deficits run by both the United States and the EU with Japan are apparently a structural rather than a cyclical feature. Equally, it alerts us to the fact that linkages between economic and security aspects of the relationships have been particularly close in the cases of EU/US and US/Japan, and almost non-existent in the case of EU/Japan. In short, such an approach reveals the essentially asymmetrical nature of the 'triangle' and of the intensity of relations between its three poles. Not surprisingly, therefore, it has generated some of the key images used to describe the relationships, and can be used to focus on the strategic options available to EU policy makers:

'Europe's choices will not be made in isolation. Europe's external policy will depend as much on choices made by its trading and financial partners as on its own predilections and internal politics. The structural shifts that compel European adjustments are also changing American and Japanese trade policies, changes that in their turn will alter Europe's choices.'  
(Sandholtz and Zysman 1992: 96)

The notion that the EU is under pressure from both the US and Japan has been a central theme of analysis of the EU's external policies during the 1980s and 1990s, and indeed was a propelling force behind the Single Market Programme (Holmes and Smith 1993; Henderson 1989; Hufbauer 1990). As such, the image of structural asymmetry has served to generate significant demands for EU policy. In particular, it has led to two sorts of call: first, for the erection of treaty relationships and an 'infrastructure of cooperation' to reflect the new structural realities (as evidenced most recently in the demands for a new US/EU free trade arrangement and broader treaty); secondly, for the use of EU policy instruments - in this case specifically those of the European Community - to defend European interests in the light of unfair trading practices, and to open up protected markets. It is plain that at the broadest level, the regulation of structure through treaty links has been connected to the EU/US 'arm' of the triangle, whilst the more confrontational responses through quasi-coercive use of EC policy instruments has been linked to the EU/Japan relationship. But it is also clear that strategy and tactics on the other 'arm' of the triangle - the US/Japan relationship - have been influential in shaping EU views. More will be said about this later.

What this means in the context of the present discussion is that structure matters, and perception of structure can matter at least as much as the reality. Thus far, the discussion has been premised on the assumption of a tripolar quasi-state based relationship, in which the EU takes its place as a putative state-like body. But this can be profoundly misleading as a guide to external economic policies. It is more realistic to focus on the ways in which a multilayered international arena has generated not clear tripolar structures but rather a mosaic of different relationships, in some of which governmental action is a relatively marginal influence (Cohen 1991; Hocking and Smith 1994). As a result of these changes,

the issues of access and control, traditionally treated by reference to sovereignty and the exercise of state power, are dealt with in markedly different ways. The interpenetration of economies and of social and political processes is the key contextual and structural variable, and this conditions in its turn the possibilities for action (see below). Not only this, but the relevant institutional responses to structural conditions need not be (in many cases should not be) those of governmental and state power in the conventional sense. This does not mean that statehood is irrelevant; it does mean that it is relevant in novel ways and in novel combinations with the interests - for example - of substate government and business groupings (Hocking and Smith 1994; Mason and Encarnation 1994; Strange 1992) .

This is not the first time that this issue has come to light, and indeed much recent writing about the EU has emphasised its qualities as a system of multilevel governance engaging the interests of both state and non-state groupings (Sbragia 1992; Marks et al 1994). The concern here, though, is with the ways in which this set of conditions affects the demand for and the supply of external policies within the EU/US/Japan triangle. There are at least four such ways:

- First, the demand for policies is not deducible from a structural image of the EU/US/Japan relationship which views it simply as a tripolar quasi-state system. We have to factor into the account the ways in which the 'mosaic economy' creates new levels of action and new institutional contexts, often of a hybrid nature.

- Second, we have to pay attention to the interpenetration of the apparently separate economic arenas of the EU, the US and Japan, and to the ways in which government/industry and business relationships operate to modify the channels through which demands are expressed or aggregated. The distinction, that is to say, between 'insiders' and 'outsiders' is increasingly difficult to draw, and the capacity of state or quasi-state authorities to regulate it is limited. Thus the capacity to coordinate action and to respond to policy demands is also inevitably limited, and this applies to governments at all three poles in the triangle.

- Finally, the conventional appeal to symbols of security and to the 'security blanket' which has traditionally functioned to suppress demands for the reshaping of the EU/US and the US/Japan relationships has been rendered less powerful if not at times redundant by developments not only in the world economy but also in the global (and particularly the European) security arena, where the key factor is the fraying of the EU/US relationship within the alliance context (Buchan 1993: ch. 10; Smith and Woolcock 1993: ch. 1-2; Nau 1993).

Structure as a source of and a shaper of demands for EU external policies is thus a key issue. Given the contrasts set out above, it comes as no surprise that despite the best efforts of the EU and particularly the European Commission to shape a quasi-statelike foreign economic policy to be pursued within the EU/US/Japan triangle, the triangle has been a very elusive target (Strange 1995; Sandholtz and Zysman 1992). As already noted, the Single Market programme was sold at least partly in the early stages on the basis that it would help to rebalance the triangular structure, and to give more power to the elbow of the Commission in its quasi-governmental external policy role, but the behaviour of economic agents and of political groupings has created very different effects reflecting the increasingly interpenetrated and in some respects ungovernable nature of the structure.

This is not to downplay the significance of the Single Market programme; rather it is to suggest that its implications have less to do with the capacity of the EU to operate as a quasi-state alongside other states than with the changing structure of the world political economy and with reorientation of external economic policies in all regions of the industrial world. This means that the need to explore the bases for EU action in the world political economy is pressing.

Action

A conventional view of the EU as an actor in the world political economy would stress a number of central features. First, it would view the EC and the European Commission as the putative government of the EU economy, and the political authority for participation in the world arena. As we shall see shortly, there are severe empirical limitations to this view, but the aspiration and the prescription are undoubtedly there. A second feature follows from the first: the EC and the Commission are seen as the means for aggregating the demand for policy in the EU arena, and for representing the EU in its economic manifestations in the rest of the world. Thirdly, they are endowed with instruments and resources, both in the sense that these arise from the growing weight of the EU in the world political economy and in the sense that they are specifically granted or developed within the EU context (Smith 1994).

This set of aspirations and mechanisms for the mobilisation of policy is seen as expressing the collective interests of the EU and as providing at least limited means for their pursuit in a competitive world. It does, however, embody a tension which has dogged the development of the EU's external policies and which shows no signs of disappearing. In short, the development of the mechanisms for pursuit of assumed common interests in the EU context implies a massive transfer of the capacity to act, setting up continuing tensions between the EU and its member states. The aspiration for a common external policy mechanism and for the aggregation of collective interests under the EU umbrella comes up against powerful sectional vested interests. In turn, these interests are often strengthened rather than weakened by the developments in the world political economy already outlined.

The result, as recently demonstrated in EC commercial policy with the post-Uruguay Round controversy over EC competence, can be a standoff or a retreat from the ideal of a common external policy framework, even in areas where the competence of the EC appears to be firmly established. In other areas where the new agenda of political-economic problems spills over the internal institutional boundaries of the EU, there is even less certainty about the ability of the EC to express the collective needs of members. Recent developments in international transportation policy, competition policy and various aspects of financial services lend strength to these qualifications. Significantly, in many cases these focus on action within the EU/US/Japan triangle, where the linkages between 'domestic' and 'international' issues are at their most intense, and where the multilevel nature of policy making militates against an easy transfer of power to the EU level. To put it crudely, many of the issues and demands for action generated in the triangle do not sit easily at the EU level, since they can have their major focus at subnational or regional levels, and they can involve a complex web of non-governmental groupings not easily captured by the EU institutional framework.

There are two ways of viewing the implications of this situation. On the one hand, there could be the basis for a major expansion not of Community policy making based on the extension of Community competence, but rather of Union policy making based on the renationalisation of powers and on the increasing use of the Council of Ministers for the handling of issues long thought to be centred in the Commission. This is in effect a 'zero-sum' conception of the power to make external policy, in which the authority is divided uneasily between the Community and member states. But the argument here actually points strongly towards a different outcome: instead of a renationalisation of external policy competence, or a bipolar struggle between the EU and member states, what is likely to occur is the development of an institutional negotiated order, in which there is a constantly shifting negotiation and renegotiation of the power to act on behalf of the EU and its members (Smith 1995).

Such a negotiated order will rely heavily on the operation of policy networks and communities, and will also manifest some of the features of bureaucratic politics within the Commission as policy areas cease to correspond (if they ever did) with the formal allocation of competences through the treaties or through convention. It will also entail a substantial amount of negotiation across several levels and policy spaces - that is to say, there will need to be negotiation both vertically and horizontally within the EU framework. Whilst such a conclusion would be unsurprising if applied to many areas of internal EU policy, it is less conventional when viewed in the light of established thinking about EU external policy making (Richardson 1995).

What does this tell us about relations in the EU/US/Japan triangle? In the first place, it helps us to get to grips with the difficulty of developing either a 'US policy' or a 'Japan policy' at the EU level. Quite simply, there may be no profit in trying to aggregate the complex demands and interests which circle around the mutual entanglements of the EU with the two partners. The notions of strategic choice and collective action which are implicit in traditional views of foreign economic policy cannot easily apply here. Thus the notion of the European Commission as a quasi-government is inappropriate; far more realistic is the idea of the Commission as an executive arm and the promoter of negotiated solutions between diverse constituents with widely varying interests.

These solutions may in some cases lead to an apparent paradox: that national governments may take more control of international economic policy, rather than steadily yielding to the advance of the EU. But such control will be retaken within the negotiated framework provided by the EU and its institutions. Thus, the continued diversity of national, regional and even local approaches to (for example) American or Japanese direct investment is not a wound in the heart of the EU: rather, it is a sign of the strength of the negotiated framework that is provided by the EU more broadly. More taxing is the example of negotiations about air routes and 'open skies', where the regional interests and national interests can be said to come into conflict with the provision of an EU collective good. The outcome here, according to the argument above, is the provision of an EU negotiating framework but the generation of considerable regional variations because of the operation of that framework. Such outcomes would not necessarily damage the status of the Commission or its officials; research on US foreign economic policy gives reason to suggest that their status would grow as a result of their roles in the negotiated order and as custodians of the negotiating framework (Ikenberry et al 1988). This idea of negotiated order would gain strength because of its extension into areas bridging 'domestic' and 'international' policy making, rather in the same way that EC performance in successive rounds of GATT negotiations has established a firm set of credentials and expertise.

There is here also an important set of implications for policy style in the EU's external relations. It has been noted that within the EU/US/Japan triangle, there is a marked difference not only in the density of relations between the EU and each of its partners, but also in terms of modes of action undertaken by the EU. To put it crudely, the intense and wide-ranging cooperation with the USA, built on a developing infrastructure centred around the 1990 Transatlantic Declaration, contrasts with the attempt to coerce Japan and to instigate change through external pressure (Buchan 1993). This contrast can be overplayed, but in the context of the argument here it should be related to the nature of the negotiated order that underlies EU external actions. Again to put it crudely, the constituency and the networks underpinning EU/US relationships is more highly developed and wide-ranging than that underpinning EU/Japan relations. There is thus more opportunity for development of balanced policies and less opportunity for ad hoc antagonism in the former than in the latter. Evidence that the contrast is being blurred, by the development of industrial partnership and by the activities of Japanese groupings within the EU, only serves to verify this outline conclusion (Borrus and Zysman 1992; Mason and Encarnation 1994).

The EU/US/Japan triangle, then, is at the centre of important developments in the bases on which the EU takes international action. It constitutes the most fully developed expression of the emergence of negotiated order both within the EU and between the EU and its major partners. It constitutes at the same time a refutation of the idea that the EU or any of its institutions can aggregate and express the economic needs of its members, just as it would refute such ideas in the case of the USA and Japan. Quite simply, the issues of access, control and policy style raised by the triangle are best handled through the generation of continuous negotiations in the context of the management of differences, rather than through the search for a quasi-state solution. Recognition of this conclusion enables us to move onto the issue of interaction.

Interaction

It will not be surprising in the light of the previous discussion that it is possible to identify a conventional wisdom relating to the interaction of the EU with the US and Japan. In the international political economy, the EU through the EC and the Commission is taken to interact with its major partners in a strategic way, expressing the aggregation of economic interests within the EU and pursuing a notion of the collective good. The focus in policy terms has thus been very much on the establishment of the EU's and the EC's credentials as a partners at the level of strategic interaction. Through the mechanisms of the GATT and other international institutions, and through the development of bilateral quasi-governmental forms of representation, the EU has arrived at a position where it can speak on equal terms with the governments of its major trading partners. As already noted, however, there are important lacunae in the EU's position.

At one level, these are the lacunae of the capacity to act: where are the EU's 'US policy' and 'Japan policy' in the sense of collective expressions of the needs and interests of its members? It could be argued that if such policies cannot be developed there will be an inevitable and justifiable withdrawal of the 'power to interact', as a result of which the EU per se will become a less significant and authoritative international actor. Indeed, in some areas such as the 'open skies' negotiations, or in the post-Uruguay Round uncertainties about the distribution of commercial policy competence within the EU, this tendency can already be observed.

Linked with this is a view on the ways in which the EU expresses important principles of international interaction, in particular the principle of multilateralism. Is the EU capable of taking on board, expressing and sustaining the principles of multilateralism, or is it rather a prisoner of forces, particularly in respect of its relations with Japan, which tend in the opposite direction? The issues here are encapsulated in the principle of multilateralism itself:

'In sum, the term multilateral is an adjective that modifies the noun institution. What distinguishes the multilateral form from others is that it coordinates behavior among three or more states on the basis of generalized principles of conduct.'  
(Ruggie, 1993: 14)

If the EU in some way is led to express antagonism to such generalised principles of conduct, then clearly the implications for EU/US/Japan relations and for the world political economy more generally could be far-reaching.

Both of these questions about interaction - the power to do so and the principles it expresses - flow directly from the earlier discussion of action itself, and they address not only the substance of EU external policies but also their normative underpinnings. At their crudest, they suggest stark dichotomies in EU interaction with the US and Japan, centred on the 'power to interact' and on the divide between unilateralism and multilateralism as policy principles.

The reality, though, is rather less dichotomous (as realities often are). The EU's position in the triangle is as already noted asymmetrical and subject to the varying densities of interactions with its two partners. In particular, the relationship between the EU and Japan has none of the surrounding security linkages which characterise relations between the EU and the USA. The context is less rich, and as a result the unevenness of the economic relationship is more clearly exposed; the broader range of interactions between the EU and the US creates the possibility of tradeoffs and package deals which can be used to balance out the overall picture. Even in the case of Japan, the existence of strong and growing private linkages means that the patterns of interaction simply centred at the EU level are no real guide to the effectiveness of the 'power to interact' (Holmes and Smith 1993; Strange 1995).

There is a genuine problem, and genuine concern, when the patterns of interaction are viewed in a trilateral light. Whilst the EU has developed a 'power to interact' based broadly on the use of civilian power and the employment of language rooted in network access or network extension (in other words, working with both governments and private interests to maximise the access of EU firms or other

groupings), this has not been the case elsewhere in the triangle. In particular, there is the example of US policy towards the Japanese, in which the use of economic coercion and the linkage between the economic and the broader security relationship have been a feature (Sandholtz et al 1993; Strange 1995; Thurow 1992). Does this mean that in some ways the EU is operating at a disadvantage when it comes to the defence of its members' interests in a competitive world economy? Evidence of this concern is not difficult to find, from the actions of Sir Leon Brittan and from the repeated warnings from Brussels that American behaviour might lead to untoward consequences. But what does it mean in terms of broader patterns of interaction within the triangle, which might affect both EU policies and the broader development of the world economy?

Three possible solutions are apparent. The first would be for the EU to arm itself in the same way as the Americans and to use its new capacities to engage in its own version of market opening arm-wrestling with the Japanese (and if necessary with the Americans). This would fit well with the broader conception of EU policy as a quasi-state based version of foreign economic policy, and of the Single Market as a form of economic rearmament (Holmes and Smith 1993; Henderson 1989). On the other hand, it would not match at all the idea of 'negotiated order' as a principle not only of EU policy making but also of its actions in the world arena, with their focus on the 'soft power' of economic cooptation and the use of institutional assets (Nye 1990; Katzenstein 1993).

A second response would be a resort to bilateralism within the triangle, fostering interactions with one partner as the means of resisting or coercing the other either directly or indirectly; such a line is implicit in some of the recent discussion of the EU/US relationship, and has also been put forward in terms of resistance to the unilateralist nature of recent US policies through the fostering of closer EU/Japan ties (Strange 1995; FT articles). A third response could be described in terms of 'minilateralism' or 'small-n multilateralism' (Kahler 1993), and is visible in some respect in the activities of the so-called 'quadrilateral group' spawned by the Uruguay Round negotiations. Here, the EU, the US and Japan would operate to ensure that issues arising between them would be trilateralised or multilateralised in the light of more general principles of reciprocity or cooperation.

It will come as no surprise at all that the logic of this paper tends towards an EU strategy based on the application of multilateral principles and thus on the fostering of the 'power to interact' within institutional contexts expressing those principles. Quite simply, this process matches with the need both of the EU and its members to foster a negotiated order expressing the multilevel and cross-sectoral nature of the relations between themselves and their partners. It should facilitate the kind of learning and policy sharing that is imperative in shaping both governmental and private interactions between the three poles of the triangle. It is at the opposite pole to the quasi-mercantilist and quasi-statist patterns of interaction assumed by neo-realist arguments, and reflects the thinking of a 'critical liberal institutionalism' (Smith 1995) which should operate as a normative context for EU policies. To state it thus is, of course, to beg the empirical question: what is the evidence either that this is the tendency of EU external policies or that events are moving in the opposite direction, towards mercantilism either in the form of bloc political economy or in a less formal evolutionary process?

## Conclusion

The view of EU interaction with the US and Japan outlined above combines the earlier discussion of the nature of policy making as a 'negotiated order' with the notions of the 'power to interact' and the principles on which such interaction might be based. As such, it generates a number of key questions about the ways in which EU/US/Japan relations might develop and might be managed. It contrasts with the argument that the world is moving towards a system of large mercantilist blocs organised around dominant state or quasi-state actors. It expresses the perception that the changed nature of the world political economy, combined with the nature of policy making in the EU itself, tends logically towards the generation of an international 'negotiated order' in key areas of economic activity. But it also alerts us to the fact that such an order will inevitably be uneven and often asymmetrical in the costs imposed and the benefits conferred on its members. In such circumstances, the development of the 'capacity to



interact' is at least as important as conventional measures of power and resources. Not only this, but the approach exposes the need for awareness of the organising normative principles behind such an order, and for their embedding into the fabric of EU policies. This is only the start of a larger research agenda, which brings the study of EU external policies into the context of ideas about international cooperation, learning and policy sharing.

## References

- Albert, C. (1991), *Capitalisme contre capitalisme*. Paris: Seuil.
- Audretsch, D. (1989), *The Market and the State: Government policy towards business in Europe, Japan and the United States*. London: Harvester-Wheatsheaf.
- Borras, M. and Zysman, J. (1992), 'Industrial strength and regional response: Japan's impact of European integration.' In Treverton, G. (ed.), *The Shape of the New Europe*. New York: Council on Foreign Relations Press: 172-93.
- Buchan, D. (1993), *Europe: the strange superpower*. Aldershot: Dartmouth.
- Cohen, B. (1991), 'Toward a mosaic economy: economic relations in the post-Cold War era.' *Fletcher Forum of World Affairs*, 15(2), Summer: 39-54.
- Henderson, D. (1989), *1992: the external dimension*. London: Club of Thirty.
- Henderson, D. (1992), 'International economic integration: progress, prospects and implications.' *International Affairs*, 68(4), October: 633-53.
- Hill, C. (1993), 'The capability-expectations gap, or conceptualising Europe's international role.' *Journal of Common Market Studies*, 31(3), September: 305-28.
- Hocking, B. and Smith, M. (1994), 'Beyond foreign economic policy: the United States, the Single European Market and the multilayered policy environment.' Paper presented at ESRC/COST AT7 conference on 'The Evolution of Rules for a Single European Market', Exeter University, September.
- Holmes, P. and Smith, A. (1992), 'The EC, the USA and Japan: the trilateral relationship in world context.' In Dyker, D. (ed.), *The European Economy*. London, Longman: 185-210.
- Hufbauer, G. (ed.) (1990), *Europe 1992: an American perspective*. Washington, DC: Brookings Institution.
- Ikenberry, J. et al (1988), 'Introduction: approaches to explaining American foreign economic policy.' *International Organization*, 42(1), Winter 1988: 1-14.
- Jackson, T. (1993), *The Next Battleground: Japan, America, and the New European Market*. Boston: Houghton Mifflin.
- Kahler, M. (1993), 'Multilateralism with small and large numbers.' In Ruggie, J. (ed.), *Multilateralism Matters: the theory and praxis of an institutional form*. New York: Columbia University Press: 295-326.
- Katzenstein, P. (1993), 'Regions in competition: comparative advantages of America, Europe, and Asia.' In Haftendron, H. and Tuschhoff, C. (eds.), *America and Europe in an Era of Change*. Boulder, CO: Westview Press: 105-26.

- Marks, G., Hooghe, L. and Blamk, K. (1994), 'The European Union and the state.' Paper presented at the American Political Science Association Meeting, New York, September 1-4.
- Mason, M. and Encarnation, D. (eds.) (1994), *Japanese Multinationals in Europe: does ownership matter?* Oxford: Oxford University Press.
- Nanto, D. (1992), 'The US-EC-Japan trade triangle.' In Harrison, G. (ed.) *Europe and the United States: competition and cooperation in the 1990s*. Washington, DC: US Government Printing Office: 360-78.
- Nau, H. (1993), 'Europe and America in the 1990s: no time to mothball the Atlantic partnership'. In Story, J. (ed.), *The New Europe: politics, economics and society since 1945*. Oxford, Blackwell: 66-90.
- Nye, J. (1990), *Bound to Lead: the changing nature of American power*. New York: Basic Books.
- Office of Technology Assessment, US Congress (1991), *Competing Economies: America, Europe, and the Pacific Rim*. Washington, DC: US Government Printing Office.
- Richardson, J. (ed.) (1995), *Policy-making in the European Union*. London, Routledge.
- Ruggie, J. (1993), 'Multilateralism: the anatomy of an institution.' In Ruggie, J. (ed.), *Multilateralism Matters: the theory and praxis of an institutional form*. New York: Columbia University Press: 3-47.
- Sandholtz, W. et al (1992), *The Highest Stakes: the economic foundations of the next security system*. New York, Oxford University Press.
- Sandholtz, W. and Zysman, J. (1991), 'Europe's emergence as a global protagonist.' In Sandholtz, W., et al, *The Highest Stakes: economic foundations of the next security system*. New York: Oxford University Press: 81-113.
- Sbragia, A. (1992), *Europolitics: institutions and policy-making in the "new" European Community*. Washington, DC: Brookings Institution.
- Smith, M. (1994), 'The European Union, foreign economic policy and the changing world arena'. *Journal of European Public Policy* 1(2), Autumn: 283-302.
- Smith, M. (1995a), 'The EU as an international actor'. In Richardson, J. (ed.) *Policy-Making in the EU*. London: Routledge, forthcoming.
- Smith, M. (1995b), 'The EU and a changing Europe: establishing the boundaries of order'. Paper presented at *Journal of Common Market Studies/Loughborough University Colloquium on the EU and a changing European order*, March 17th-18th.
- Smith, M. and Woolcock, S. (1993), *The United States and the European Community in a Transformed World*. London: Pinter for the Royal Institute of International Affairs.
- Stopford, J. and Strange, S. (1991), *Rival States, Rival Firms: competition for world market shares*. Cambridge: Cambridge University Press.
- Strange, S. (1992), 'States, firms and diplomacy.' *International Affairs*, 68(1), January: 3-15.
- Strange, S. (1995), 'European business in Japan: a policy crossroads?' *Journal of Common Market Studies*, 33(1), March: 1-25.
- Thurow, L. (1992), *Head to Head: the coming economic battle among Japan, Europe, and America*. New York: Morrow.