

Transatlantic Defence Industry Integration

– discourse and action in the organizational field
of the defence market



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The integration of defence companies in Europe and the U.S. has in the defence market's environment for a long time received considerable interest. Companies see business opportunities and attractive technology on the other side of the Atlantic Ocean. Governments advocate in a public discourse that transatlantic defence industry integration is highly desirable and that it would benefit all concerned. This supportive discourse is compared to the action; the corporate integration that has occurred. The aim of the thesis is to understand and explain the level and nature of the transatlantic defence industry integration and its driving forces and inhibitors. A combination of three focal theoretical concepts has been used: integration, discourse and organizational field. The thesis shows that there is a marked discrepancy between the discourse for and the actual extent of transatlantic defence industry integration. This discrepancy and the nature of the corporate integration is analyzed and explained through the combination of discourse and integration within an organizational field.

The thesis shows that defence companies' in transatlantic acquisitions achieve very limited influence over the acquired company's strategy and operations, and that synergies and rationalization are strongly discouraged by governments. The processual integration within trans-national groups and in transatlantic defence materiel collaboration is highly restricted by governments. The thesis also shows that the defence innovation largely is separated between the U.S. and Europe. The defence market is an example of a political market showing a very different corporate rationality compared to ideal models of corporate rationality as the SCP paradigm. The findings suggest that defence companies' strategy and integration appear non-rational in isolation, but become rational when understood through the lens of the defence market seen as an organizational field – a perspective that emphasizes the influence of the government field.

If you want to understand, analyze or engage in transatlantic defence industry integration, you should benefit from this study. It should be of interest to researchers who study the defence industry, defence procurement, political markets, organizational fields, regulatory governance and corporate integration. It should be of interest to policymakers and others engaged in the discourse that concerns reforms of political markets in general, and of the defence market in particular.



Martin Lundmark is a researcher at the Center for Marketing, Distribution and Industry Dynamics at the Stockholm School of Economics. His research focuses on the defence market, defence procurement, Europeanization and the transformation within political markets. Martin also works as defence market and defence procurement analyst and deputy research director at the Swedish Defence Research Agency (FOI).

