

## 4. CONSEQUENCES IN THE EC

The principal consequences of Europe 1992 for the European legal professions are accelerated national mergers, a more rapidly growing number of offices opening in Brussels, the development of network organizations, increased power for auditing firms and active preparation for further phases of "Europeanization" and internationalization.

### 4.1 Accelerated National Mergers

As is the case in Canada, accelerated national mergers are the result of changes in the economic environment. They are caused and encouraged by the current deregulation and the need to prepare for an inevitable European opening. Current imbalances between British firms and those of continental Europe prompt the latter to strive to attain the same level as their British counterparts. However, mergers and acquisitions are also taking place at a good pace in the U.K. There were more than 300 between May 1987 and September 1989.

### 4.2 A Rapidly Growing Number of Foreign Offices, Particularly in Brussels

The rapid increase in the number of foreign offices is the result of the growing importance of Community law as compared to national laws. Offices have been opened by firms of the European Community, but also by firms from Japan and the U.S.

After opening a number of offices in Brussels in the 1960s, American and Japanese firms reduced their presence in the 1970s. However, they have returned in full force since 1985, either alone or in association with local firms. A number of them plan to transfer to Brussels lobbying techniques similar to those practised in Washington, to protect American interests facing the possible creation of a "Fortress Europe."

Similar to the Brussels office openings, certain large firms, particularly British ones, are developing offices in Europe. The F.R.G., which until now was relatively free of foreign offices, is becoming one of the prime choices for firms wishing to expand.

### 4.3 Development of Network Organizations

The first response of the legal professions to the internationalization of business is the development of international networks to have correspondents and contacts in foreign countries.

In most cases, for the time being, these networks are informal since they are not based on any type of institutionalization and, *a fortiori*, on any exclusive relationship. The game in Europe today is knowing "who is with whom," and what the nature of their relationship is. The problem is to avoid being indirectly in a "network" with a direct competitor. There is the chance that this type of situation may only be transitional.

Another type of network is the international reference system, such as EuroLink for Lawyers, that implements correspondents' international networks but, generally speaking, involves no exclusive relationships. These networks are not limited to Europe. Furthermore, networks of American origin such as the World Law Group or the Lex Mundi network do exist in Europe.

Finally, more constraining bilateral or multipolar agreements are also being set up, such as the Anglo-Spanish agreement between Boodle Hatfield and Bufete Lupicinio Rodriguez or the Franco-British agreement between Gide Loyrette Nouel and Allen & Overy, that involve much closer and regular collaboration.

Lastly, it should be noted that, concurrently, associations also develop between American and British firms such