

'Neo Liberalism' Vs 'Economic & Techno Nationalism'

Increasing asymmetries in the economies across the world have begun to encourage several countries to revert back to protectionism by practicing Techno nationalistic endeavors coupled with economic nationalism. Progressive free mobility of goods & capital flows, across the borders, envisaged under the neoliberal economic policies by virtue elimination of geopolitical barriers is being perceived to lead to severe distortions in trade, commerce and industry; affecting employment, income and demand in scores of nations, both amongst the industrialised as well as in the emerging economies. Therefore, even the votaries of neo-liberal economic policies have themselves began to resort to protectionist policies. There is clear evidence that the industrialized countries have themselves begun to realize the shortcomings of neo-liberalism and are now the front runners to resort to techno-economic nationalism. It is inspite of the fact that neo-liberalism was pushed, over-enthusiastically by those very industrialized countries. Indeed, they were then, very confident that they had neatly & effectively bound and gagged the rest of the world from overtaking the industrialized countries in industrial and technological leadership, under the various multilateral trade agreements (MTAs) coming under the domain of the World Trade Organization (WTO), including the new IPR regime. But, the Chinese initiatives of greater technological leadership & active standards based technological independence and economic resurgence in many non-OECD countries have begun to infringe these bindings of the MTAs and the new IPR regime-based bindings.

The French prime minister, Dominique de Villepin can be said to be the pioneer in adopting the present day protectionist policies, to pursue economic nationalism, defying the neoliberal economic regime, when he averted the takeover of the French dairy major Danone by the Pepsi Co. in 2005, insisting to keep Danone as a French company. In the very succeeding year Villepin again foiled the takeover bid of the Italian utility major Enel, when it tried to acquire the French electrical utility company Suez. He merged Suez with another French utility major the "Gaz de France" rendering it difficult for the Italian utility major to acquire the Suez. In the following year de Villepin also declared 11 industry sectors as strategic areas, which should remain under French control.

Even the U.S too had to obstruct the takeover of Unocal, an energy major by a Chinese company China National Offshore Oil Corporation (CNOOC) at a bid of 18.5 billion dollars. U.S. senate had seriously objected over this proposed acquisition. The European Union has also made their takeover directives most stringent against any potential takeover by non-European companies. Newzealand, a much liberal country too had averted the takeover of the Auckland airport by Canada Pension Plan Investment Board in 2008. Russia has also brought a draft legislation in 2007 to protect its natural resources wealth and selected industries. Even the China has begun to assert on protectionism by an active 'Standards-based technology Policy' embarking on new technonationalist course. The Chinese have promoted own wireless communications standard the WAPI (Wireless authentication and privacy infrastructure) in place of Intel's Centrino. Bejing had said in 2003 that it would require wireless equipment makers to use a Chinees encryption technique WAPI, notwithstanding the fact that it fails to work with chips based on WiFi. The U.S administration had to intervene for seeking Chineese concurrence to defer this decision. To protect its markets form the western DVD players and to stop royalty transfer on those technologies China has launched EVDs (Enhanced Versatile Disk) to replace VCD and DVD players.

In light of all such developments, it appears that sooner or later the world may now revert back to protectionist policies through technonationalism, economic nationalism, economic patriotism or under the guise of any other pretext. This poses serious question about the fate of neo-liberal economic policies aimed at free mobility of goods, services and capital, all leading to economic asymmetries among the nations and masses hitherto.

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