ECONOMIC NATIONALISM: MAIN CONCEPTS AND RECENT TRENDS

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ÖZET

Ekonomik Milliyetçilik: Kavramlar ve Güncel Eğilimler

Küresel ekonominin önemli aktörleri arasında yer alan bazı devletler tarafından son dönemlerde yapılan düzenlemelerin ekonomik milliyetçiliğe dair eski tartışmaların yeniden gündeme taşınmasına sebep oldukları görülmektedir. Bu tebliğin ana hedefi, uluslararası ekonomide, ekonominin siyasete üstünlüğünü öngören neoliberal ilke ile çatışma hâlinde bulunan bu eğilimleri tahlil etmektir. Tebliğin ilk kısmında kavramın teorik içeriği üzerine yapılan tartışmalar hakkında kısa bir özete yer verilmektedir. Tebliğin kalan bölümünde ise, ekonomik milliyetçiliğin güncel tezahürlerinin temel özellikleri ile neoliberal küreselleşme modelinden ayrıldığı noktalar ele alınmaktadır. Ekonomik alanın güvenlikleştirilmesi, hem gelişmiş gem de gelişmekte olan ülkelerin korumacılık programları, egemen refah fonlarının doğuşu, devlet şirketlerinin küreselleşmiş bir ekonomi içinde önemli aktörlar olarak ortaya çıkışları burada ele alınan konu başlıklarını oluşturmaktadır.

Anahtar Kelimeler: Ekonomik milliyetçilik, küreselleşme, korumacılık, egemen refah fonları, ekonomik güvenlik.

ABSTRACT

Recent regulations of some states which are important political and economic actors in global economy, give rise to the emergence of old debates on economic nationalism. The aim of this paper is to analyze those trends that are in conflict with the neoliberal tenet of primacy of the economic over the political in international economy. To construct reference points for examination, I begin to discuss the topic with a brief summary about theoretical implications of the concept. In the remaining part of the paper, my focus is on the main characteristics of current ‘economic nationalism’ and its rupture points from the model of neoliberal globalization. Principal developments which are under review at that part can be listed as follows: securitization of economic realm, protectionism of both advanced and developing countries, emergence of sovereign wealth funds and state owned corporations as important actors within a globalized economy.

Key Words: Economic nationalism, globalization, protectionism, sovereign wealth funds, economic security.

Main aim of this presentation is to attract attention to recent trends which are in conflict with the neoliberal tenet of primacy of the economic over the political in international economy. Those trends which may be a sign of an important shift in the balance between economy and politics indicate a deviation from the decades old established image of global political economy, that was designed by the rules of Washington consensus. Today, it can be easily observed that increasing strength of 'economic nationalism' starts to swing pendulum back towards 'autonomy of the political' in many parts of the world.

Recent decisions that are taken by the political authorities of big economic players have carried the less used concept of political economy, economic nationalism, back to global agenda. Actually, debate over 'economic nationalism' is not suspended even in the heyday of globalization process, and some contributions which came from the constructivist approaches only enlarged the context of discussions. Redefining 'economic nationalism' with reference to nation and national identity, rather than state, they even see economic liberalism as a form of economic nationalism (Pickel, 2005:12). In this reinterpretation of the concept, acceptance of the autonomous effects of culture and politics over the economic decisions even within a highly integrated neoliberal economic system is very interesting. But what today we face is not limited to this.

When we return back to the basics, we see that beginning from Friedrich List (List, 1856), many scholars has defined the economic nationalism with reference to the special relationship between market and state. Gilpin tried to summarize common points of different 'economic nationalisms' which were historically labeled as mercantilism, statism, protectionism, the German Historical School and New Protectionism: "Its central idea is that economic activities are and should be subordinate to the goal of state building and the interests of the state. All nationalists ascribe to the primacy of the state, of national security, and of military power in the organization and functioning of the international system." (Gilpin, 1987: 31).

Under the light of these definitions, main characteristics of current 'economic nationalism' and its rupture points from the model of neoliberal globalization can be listed as follows: securitization of economic realm, protectionism of both advanced and developing countries, emergence of sovereign wealth funds and state owned corporations as important actors within a globalized economy.

State's intervention in the economic sphere for security reasons takes different forms. What we mainly see are increasing surveillance of private economic activity and financial flows, restrictions over foreign capital by forbidding them to have acquisitions in some sectors which are declared as critical or security sensitive and usage of corporate power as direct instruments of state policies in world politics. All practices above fit the criteria of “subordination of economic activities to the interest of the state.”

Today, most extensive surveillance policy belongs to the U.S. After the 2001 attacks, President Bush signed the International Emergency Economic Powers Act that gives permission to “investigate, regulate or prohibit” any foreign financial transaction linked to “an unusual and extraordinary threat.” The surveillance program created under the umbrella of this legislation has used a new and broad interpretation of the U.S. Treasury Department’s administrative powers to bypass traditional banking privacy protections. It has scanned large volumes of international money transfers, many of them were made by U.S. citizens and residents. Brussels based banking consortium Swift is accused to violate European and Asian data protection rules by providing the United States with confidential information about international money transfers(Gellman, Blustein and Linzer, 2006). U.S. Treasury Department prepares a data-collection program, called as The Cross-Border Electronic Funds Transfer Program. It will gather information about 500 million cross-border financial transactions a year. Banks and money services are required by law to keep records on all wire transfers of $ 3,000 or more. The proposed program would mandate that each of those transactions –if they cross the U.S. border– be reported to the Treasury Department’s Financial Crimes Enforcement Network. The type of data captured would include the names and addresses of senders, the amount and dates of the transfers, the names and addresses of the beneficiaries and their financial institutions (Nakashima, 2007).

In the U.S., the most visible recent examples of economic nationalism in the form of protectionism grounded by security are the congressional opposition to the takeover bid of Chinese Petroleum Company CNOOC for Unocal and refusal to sell port management businesses in six major U.S. seaports to DP World, a company based in the United Arab Emirates. But U.S. is not alone; Indian steel company Mittal’s desire to buy Arcelor fired a huge debate that is full of nationalist rhetoric in Europe during months. French government declared 11 strategic commercial sectors that should be protected from foreign takeovers and listed Danone as a ‘strategic industry’ to prevent the sale of company to Pepsi Co. When French waste water and energy company Suez was wanted to be bought up by Italian company Enel, government announced that Suez would merge with the state-owned utility, Gaz de France (Franks, 2006). And, Italian toll-road operator Autostrade’s takeover by the Spanish company Abertis is blocked by the government.

Russia is on the line with two laws that would sharply restrict foreign ownership of oil and natural gas fields and ban foreign majority ownership of companies in 40 sectors such as aerospace, military and nuclear power industries. The government agency responsible for the investigation of foreign companies interested investing in 40 specific industrial sectors spelled out in the law is The Federal Security Service, the successor agency to the KGB (Kramer, 2007b).

As was the case in Russia, growing sensitivity over natural resources are called as resource nationalism indicating that resource rich countries tries to consolidate their control over them (Farren-Price, 2006). Recent Nationalizations in Latin American countries, such as Bolivia and Venezuela and Russian government's pressure over Royal Dutch Shell to sell 50 percent plus one share of the world's largest combined oil and natural gas development project in the Sakhalin 2 area are some samples of this new trend (Kramer, 2006a).

Legislation based restrictions over operations of private firms in sanctioned states are ordinary practices through which states remind to 'global' corporations that they are still under jurisdiction of home countries. National interest is also matter for private firms when they want to sell abroad 'critical' products and technologies although their trade within the territorial boundaries of nation state is free. For example, when Boeing applies a new technology to its planes what it should take into consideration is only the market rules. But if it tries to transfer same technology to a Chinese company, it becomes subject to approval of security institutions of state. This is the moment in which a private property turns to a national one, from being an asset of Boeing to an 'American technology'.

But states also want to affect other corporations to help their geopolitical aims. The recent case is Iran. Bush administration has met with European oil companies to warn them not to invest in Iran. Despite the administration's pressure, however, many of the world's biggest oil companies attended a meeting in Vienna held by National Iranian Oil Co. Statements of the Patricia Marie, spokeswoman for the French oil company Total S.A., shows that Oil companies justify their refusal of U.S. demands by underlining that they are under jurisdiction of a different state: "We are listening… But we respect the French law, the European laws; we are not obliged to respect American law. "(Mufson, 2007). U.S.' and Israel's joint pressure on major U.S. pension funds to stop investment in about 70 companies that trade directly with Iran, and to international banks that trade with its oil sector shows the expanding nature of such efforts(Hearst, 2007), (Jayachandran and Kremer, 2007).

In Russian and Chinese cases, instrumentalization of corporate power in the service of state's geopolitical needs takes a more direct form. Russian state owned natural gas company Gasprom, effectively used energy dependency of Ukraine, Belarus and Georgia by rising gas prices during political crises they lived with Russian state. A new international monopoly, 'gas OPEC' is on the way, and everything is happening over the infrastructure of global economy created by the globalization. Beside its gigantic corporations which are operational all over the world, China creates a state owned investment agency. It is anticipated that large portion of China's immense reserves of foreign currency, now totaling more than $1 trillion, will be allocated to this fund. This is the part of the Chinese version of Marshall Plan that works through injection of purchasing power by poor to rich economy in order to safe the deficits in bilateral trade. Meanwhile, China hopes to construct a sustainable industrial base. Announcements of Chinese officials affirm this two track strategy: China will continue to buy U.S. Treasury bonds, but at the same time it will use its hard currency reserves to purchase assets such as mines, oil fields, and whole companies (Yardley and Barboza, 2007).

State ownership of world's biggest investment fund means geopolitical concerns will possibly play a role both in the investment decisions and financial operations in the world markets. Especially during the times of great political crisis, subordination of economic rationality to security needs of the state may be expected. It is clear that this kind of relationship between 'trade' and 'flag' is contrary to neoliberal globalization's tenet of 'autonomy of the economic'. Hardt and Negri's (Hardt and Negri; 2000) claim that control over trade balances and speculation on the value of currencies are no longer in the hands of political power seems odd, when we look at the IMF's ineffectiveness and numerous trips of U.S. Treasury officials to Chinese counterparts. Today, what determine the value of dolar/yuan parity is state to state negotiations more than transnational forces as market actors.

Currency wars scenarios which were intensified especially after the Iraq war are the logical conclusion of the vision that sees economy as an extension of geopolitics rather than an autonomous terrain mainly belongs to nonstate actors which operate according to market rationality. As this vision is getting prevalence, the old 'neutral' meanings of market instruments are politicized. Dollar is no longer an unchallenged global medium of exchange under the aegis of Empire, but a state's currency in competition with others, and a strategic instrument that is among the targets which rivals would want to attack at the time of conflict. Attempts to price major commodities like oil with currencies other than dollar and key central banks' ability to affect market value of dollar by shifting the composition of their foreign exchange reserves are the fixed components of 'war games' only nations can play. Proposals to create "an international currency distinct from national currencies and national interests." are the result of concerns about the possible devastation such a hypothetic scenario can cause in the global economy (Wade, 2006).

The magnitude of its social foundations can give us some idea about the future place of economic nationalism in international political economy. In the industrial countries of the West, mass base of economic nationalism in the form of protectionism mainly consists of the people who cope with the disruptions of new competition arising from globalization. A poll cited by U.S. Treasury

Secretary Henry Paulson Jr. shows that only a third of Americans view free trade as an economic plus, while nearly half say it is bad for jobs and wages. But the source of opposition is not only about job losses. The list continues as follows: downward pressures on wages, concentration of income at the top that benefits from globalization and the erosion of the social safety net (NYT, 2007). As the last congress elections show those reactions are started to be reflected in policy processes. So, it would not be a surprise to see the escalation of protectionist regulations in the near future, beginning from the U.S.

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