

NIMBY....OR NOT IN MY BACK YARD UNTIL “BUDDY CAN YOU SPARE A LOAN” – ALL CURRENCIES ACCEPTED

For those with a long memory, you might recall that globalisation was touted as a sort of business panacea; embrace this concept and all will be well with international trade. A keen supporter, surprisingly, turned out to be Bin Laden himself (or perhaps one of the 20 plus people the CIA believe might be him.) He appeared in a video wearing a Taiwanese watch; carrying a Chinese Kalashnikov; speaking into a Japanese camera; and transmitted via a US satellite uplink, espousing his particular version of the Internationale.

Ah, things were so simple then. Now, it is not a good time to be a foreigner in a globalised, UK, world. Workers at nuclear power plants in Sellafield, and Heysham joined oil refinery workers at Lindsey to protest at the employment of non UK nationals, leading Lord Mandelson to proclaim that the strikers were pursuing the “politics of xenophobia”.

Meanwhile, on the streets of Paris, the French do what only they can do so well...la greve entier....total strike....in protest at what the unions see as the failure of the government to deal with the economic downturn and the influx of the “pied noir”. Globalisation brings social unrest. Discuss.

But there is a broader point here; EU law provides for non-discrimination between domestic workers and those from the rest of the EU. Quite clear. Except a tad undermined by Gordon Brown’s now infamous outpouring some two years ago about “British jobs for British workers”. Perhaps he meant something else, but the devil, as always, is in the reporting.

So what do we have? Essentially a collision between the supporters of liberalising the economic system, aka globalisation, and an unlikely combination of bedfellows from the Left and nationalist Right in the UK pursuing the end of the free market.

Elsewhere what has been called President Obama’s “Buy American” clauses in the \$800bn pump priming package indicates just how far sympathy is moving. But underlying all the hype is that history, to paraphrase one US car maker, is not just “bunk” but shows that protectionism just does not work. It increases costs and supports the mediocre business over the excellent. It destroys incentives and supports countries which get their revenge...i.e tariff barriers....in first. Remember the UK’s own “imperial preference” and what that did to trade?

A leading investment analyst has argued that protectionism “makes the world a less efficient, more expensive, lower growth and more dangerous place than one built on the principles of free trade and open markets.”

As UK inc offers loans to its Indian, American and French car makers there is another thought; some cynics have argued all this economic crisis stuff is playing into the hands of the Labour Party and its policy wonks. The banks have been all but nationalised; other sectors are on the brink, Government loans are available to support their preferred industries, the House of Lords is back on the agenda and the unions are stirring.

Who needs revolution? Perhaps the previous issues of Future Imperfect have been barking up the wrong crisis tree. Why push the Government to conduct a detailed analysis of the crisis in order to take corrective action when they already know what they want and are likely to get it; lets get straight to the depression.

Our thanks to PM Gordon for pointing this out earlier in the week. And in passing does anyone recall Clause 4 of the Labour Party constitution and what it laid out?

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