

III. THE POLICY FRAMEWORK

2.1 Technoglobalism vs Technonationalism

Technoglobalisation is the trend toward internationalization of industrial activities due to technological needs.²⁸ This trend is being driven largely by corporations pursuing global market strategies who have a critical need for "best practice"²⁹ technology. Technonationalism, on the other hand, is a force emanating from government policies which act to restrain technoglobalism. Technonationalism is a policy, falling under the aegis of strategic trade policy, which aims to restrict access to technology developed domestically to those firms which meet a definition of national firms. According to Candice Stevens of the OECD, it is "a territorial view, usually national but also regional, which treats technology as a commercial and strategic asset to be nurtured and kept at home."³⁰

Ms. Stevens points out that although markets and competition in a number of industries are increasingly global, most multinational firms retain their roots in the nation-state, subordinating their subsidiary operations to the discipline of corporate headquarters and conducting the bulk of their R&D in their country of origin. She writes: "Technology is a driving force behind both the globalization of industry and growing trade protectionism. Today's multinational corporations are pursuing technoglobalist corporate strategies while supporting technonationalist government policies. Various theories have been advanced to explain this seeming dualism in corporate behaviour. Corporate managers may be practising "short-termism" with regard to government trade policies in ignoring the longer-term consequences for their global activities."³¹

Another view put forward by Lester Thurow of MIT³² is that the end of the "cold war" marks the beginning of a new confrontation among the economic

²⁸ Candice Stevens, "Technoglobalism vs. Technonationalism: The Corporate Dilemma", *Columbia Journal of World Business*, VolXXV, No. 3, (Fall 1990), p. 42.

²⁹ "Best practice" technology is not necessarily the "best available" or even "state-of-the-art" technology, but is that which is the most commercially viable given the underlying costs and benefits of the technology.

³⁰ *Ibid*, p. 44.

³¹ *Ibid*, p.42.

³² Author of *Head to Head: The Coming Economic Battles Among Japan, Europe and America*. These remarks are extracted from an overview of his book which appeared in the *Sloan Management Review*, Spring 1992, entitled "Who Owns the Twenty-First Century?", and from related conversations with Canadian officials.