

By focusing on the notion of "imperfect" competition in strategic environments in the analysis of international markets, a heated debate was set in motion such that some economists were accused of providing theoretical justification for protectionist industrial policies.⁵ However, other economists have interpreted the evidence differently. As one author comments: "An early flirtation with quasi-mercantilist perspectives has been followed by growing analytic consensus, supported by recent empirical research, that trade liberalization in strategic environments is generally (admittedly not always) a more powerful generator of economic benefits than ever."⁶

Nevertheless, it is now apparent that emerging policy trends in the U.S. and Europe reflect, in some measure, an acceptance of the interventionism advocated by strategic trade theory, with its emphasis on stimulating innovation and, in particular, public support for high-technology consortia. This may imply increased restrictions on foreign participation in these consortia and, therefore, may represent a barrier to Canadian access to technology.

The purpose of this paper is to examine the issue of Canadian firms' access to membership in foreign-based technology consortia. The scope of research has been limited to technology consortia engaged in precompetitive research which receive government support. There is also a bias towards the commercial aspect of these alliances, since this bias appears to be prevalent in much of the management literature on innovation and public policy.

More specifically, the task was to compile an inventory of major consortia⁷, together with details of membership requirements, funding levels and any relevant government regulations that might apply to foreign members. We can then determine whether Canadian firms seeking to participate, on a full partnership basis, but without access to foreign government subsidies, are being treated in a non-discriminatory manner. By "full partnership basis", we mean those firms which are capable of dedicating the appropriate resources in terms of expertise and financial commitment, and should, therefore, be entitled to participate and to enjoy the benefits of intellectual property rights arising from the consortium, commensurate with their contribution.

⁵ For a non-technical critique of strategic trade policy models, see Klaus Stegemann, "Policy Rivalry Industrial States: What Can We Learn From Models of Strategic Trade Policy?", *International Organization*, 43:1 (Winter 1989).

⁶ J. David Richardson, "The Political Economy of Strategic Trade Policy", *International Organization*, 44:1 (Winter 1990), pp. 108-109.

⁷ This will include major funding programs which are initiated by government to improve the competitive position of national industries in global markets.