

CHANGING SCENARIO OF GLOBAL ECONOMY-POLICY OF PROTECTIONISM AND SOME OPPORTUNITIES

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ABSTRACT

Global economy means economy that is free from all restrictions and boundations etc. It can be correlated with the concept of 'Global Village'- The world is being changed in like a village. Production, consumption, trade, business are being performed same as being performed in a village. Therefore, there must be no taxes, no import-export, no trade barriers which can prevent the flow of goods, capital, labor etc. Economics of all nations of the world should be inter-connected very well. Global economy should prevail its true meaning that is "Free Flow" of products/goods, capital, finance, labor.

KEYWORDS: *Global economy, Global Village, capital, finance, Free Flow.*

Introduction

The Global economy has a while meaning and criteria regarding the nations of the world. It does not accept the geographical boundaries or any barriers while talking about markets, finance, capital etc.

But this is also a fact that in history, we do not find any era where global economy has been prevailed in its true form. It changes according to time and circumstances. We never find total free flow in economic sphere. It may be that intensity may be different. Sometimes many restrictions were put by some countries on import and sometimes they became liberal for it.

It is true that for a country his national interests are the core elements in terms of behave with other countries. In this context the present scenario can be described as "**Policy of Localization/Protectionism**".

Protectionism is the economic policy of restricting imports from other countries through actions like tariffs on imported goods, rules and regulations which can be imposed very hard for other countries.

Trade was between America and China is a set example to prove this. Both the countries have imposed heavy tariffs on import knowingly better that it is an obstacle in global economy.

Similarly the issue of "**Data Localization**" has been raised between India and America. It means to store data at local level by MNCs.

Thus, this is sure that at present no country is thinking about the true implementation of global economy. The idea of global economy has been thrown out of the mind to protect and increase care national interest which includes economic development also.

Other changes which are taking place at present are the declination of powerful economies either we talk about USA or Japan there is no economic growth. The economies of powerful nations are decreasing gradually.

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All the nations are trying to make their economy more powerful to survive and China is also one of them."The Policy of Protection" is an outcome of this scenario.

An economic crisis has been happened recently when Greece, Portugal etc were in danger due to inflation. To save these countries from bankruptcy bailout package was managed. This incident inspired other nations to make their economy more powerful to be safe in future. These are only some examples defining present picture of Global economy.

Actually the concept of global economy is a wide concept and is always in the hands of superpowers/nations, who control it, regulate it and defines according to their own interests. Small countries are always just onlookers to this mindset of big countries. But this is also a truth that small countries also have improved their economy like UAE, Singapore etc are some examples having growing economy.

It can be said that global economy does not have a set patterns & it is also fact that we however seen global economy in its true meaning and present scenario is moving towards Protectionism.

Opportunities

We may criticize current form of global economy as most of us favor free flows of economics which benefit every nation but present picture also includes some benefit or opportunities in itself. It is good for the citizens of that country which adopts the policy of Protectionism as well as for the trade, business, industries and economic development of that country. Through this they get a chance for growth without the fear of trade rules and regulations of other countries.

When markets of a nation are closed for the other countries it also indicates that a nation is self-sufficient in resources, production etc.

Economy of small countries is also emerging as powerful economies of the world which inspires other small nations to work hard for development and small countries do not depend on strong countries any more.

Thus we can say that Policy of Protectionism is the fact of present global economy along with many challenges and opportunities and emergence of economics of small nation may balance it.

References

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