



Globalisation is here to stay

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I strongly believe free trade is the way forward in the long run. Even though it's tempting in the short run, the strategy of national champions - a euphemism for protectionism - will only bring inefficiency and artificial monopolies. Europe will eventually lag behind and jobs will be lost. In that sense economic patriotism, heroic though it may seem, is in fact anti-social.

I'm not naïve; globalisation brings risks, but it also brings endless opportunities. This is nothing new; the Dutch economy has always been an open one and it has brought us great wealth. To this day we exploit our location as a gateway to Europe. As a point of entry and distribution The Netherlands greatly profits from the rise of China, both through Schiphol Airport and the Port of Rotterdam.

It is a big misconception that growth elsewhere in the world will be deducted from our own. On the contrary, economic growth around the world leads to a greater demand for Dutch - or French for that matter - products and services. Not only do we sell more to more people, our own cost of living is coming down due to price cuts as a result of the transfer of production to Eastern Europe or Asia.

It is true that a number of companies transfer part of their activities to other countries. Companies want to improve their market position and create new opportunities. This can lead to the loss of jobs in the short term but ultimately it is essential for the continuation and growth of the company in question and therefore for employment in The Netherlands and in Europe in general.

I'm pleased to tell you that the transfer of jobs is not one-way traffic either. Foreign companies are omnipresent in The Netherlands, over half a million Dutch men and women work for an international employer. This means 1 out of every 6 jobs is a result of in sourcing. Recently a number of large Chinese companies like Haier and Huawei have found their way to Holland as well. I'm convinced these are just the first of many more to come.

However globalisation does not only create winners, there are people who loose as well. No government can ignore that. The best strategy is to make sure your country is appealing to both existing foreign companies and eager innovative entrepreneurs to be. Cut red tape. Improve the infrastructure. Make research and development a top priority, also for SME's. Invest in human capital.

Also governments have to defend their nation's entrepreneurs. Make no mistake, when Chinese or other companies don't play by the international rules of trade I'm the first one to speak up. Illegal copying of products, be it a CD, a DVD or a Viagra tablet, is not on. Free trade is for those who believe in their own strengths, who are willing and able to abide by the rules and still come up winning.