

Q. No 6 Explain the concept of Economic Liberalism and relate its core interest with the concept of Neo-imperialism or creating Economic dependency.

Ans

Introduction:

Economic liberalism and neo-imperialism are come under the umbrella of International Political Theories (IPE). These theories are responsible to define how politics influence economy and how economy influence politics. Indeed, human part is full of ideologies and efforts that made to stabilize the future of mankind. However, there were also anti-thesis of their ideologies as well which is normal thing.

1. Explanation of Economic Liberalism:

Economic liberalism is well known as anti-mercantilism or anti-socialism. After seventeenth century onward, it had grabbed the attention of people and it had seem splitting of people into different groups.

a) Main purposes of Economic Liberalism

(i) Free market / Free trade

Main purpose of economic liberalism was free trade. They did not want interference of state or government in economic activity. They said their ideas were about freedom from state's dominance and monopoly; And this concept was given by Adam Smith in his book called "The wealth of nations" and he beautifully described concept of liberalism.

is still more but human have found it, and will be possible until one does hard work. Human have fought successfully with environment because eager of power, human nature, because eager of power, human nature

He said free trade will definitely more progressive as compare to monopoly and state's dominance.

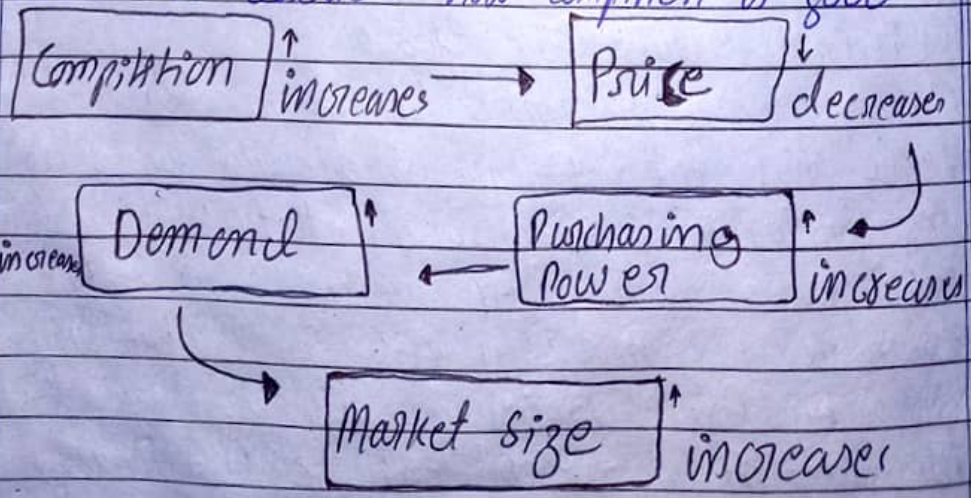
* Benefits of Free trade

- People will show more interest in the business, and they would try to get maximum final products for good statistics.
- It will reduce corruption
- Mitigation of inequalities among people
- Cross demand product (CDP) will increase

In Addition, there are many other factors which are suitable for civil or individual in concept of trade and business. Adam Smith had well define it in his books.

(ii) Economies of scale / Laissez Faire

A terminology as jorgon has used for Economic liberalism which in "Laissez Faire" it is latin jorgon which means "Let do", there should not be any restriction from state. Economies of scale term was also given by Adam smith. He explain that competition is not but fear of competition is. In anti thesis of mercantilism he describes how competition is good.



However, this model was given by Adam Smith while describing how competition is good for progressive economy, and its effects on people. Competition causes price to fall because, if one thing is cheaper or in some amount of money you find choice to purchase then businessmen will reduce price to attract buyers and price of other things will reduce. Therefore, cheap prices attract people which will directly increase the purchasing power, and purchasing power plays a pivotal role in the market place that it increases demand for products. Now, for example, if you earn ten PKR in a day by selling two things as compared to earning twenty PKR by selling ten things, is it not beneficial? In addition, increasing purchasing power increases market size and increases production of products.

* Free trade and economies in scale both ideas were given by Adam Smith which I have discussed above, and these are two other ideas in Economic Liberalism that are given by "David Ricardo" which are discussed below:

(iii) Invisible hands

Human greed, this concept was given by David Ricardo. Economy is totally dependent on production and consumption, now the point is that how consumption rate increases because it is directly proportional to production or market size. So, cost of product should decrease in order to increase demand. Costly products which are made costly sold costly for, when unit of cost decreases

increase in production and consumerism that definitely leads to expansion of market and boosting up economy.

(iv) Focusing on opportunity / hitting on strong points

Devil suggested that opportunities should be availed, and there is not any doubt about it, that when a state or any institute focuses on its substantially strong side of it leads to growth and progress. He said instead of investing too much on production, one should beautify its products with packaging and quality. A company or institute analyze given circumstances that what is needed or demand and that is not common in market so that will be produced and sold it out.

2- Overlapping interest among Economic Liberalism and Neo-imperialism

Just like Liberalism, imperialism is also practiced since inception.

a) Definition of Imperialism

The term imperialism is defined as expansion of a state over a region or a state is called imperialism.

b) Types of Imperialism:

i) Colonialism

It is defined as when a country with force and military takes control over a region or country is called colonialism.

• Difference between colonialism and imperialism is just physical force, in colonialism physical force or military's role required, and

in imperialism - there was not only need of physical force because, imperialism is played with ideas and mind game.

(ii) Neo-colonialism

Neo-colonialism is upgrade version of colonialism and it was found while 3rd and 4th generations wars. In this concept what happens a state does not involve military but play political game to influence any country or region.

(iii) Neo Neo-colonialism

This concept always used as alternative of Neo-imperialism. In Neo Neo-colonialism, a state influence through globalization and development that attract people's mind set and makes -men- men addictive. Food, social media buildings and many other things surround us is product of Neo Neo-colonialism.

c) Neo-Imperialism and Economic Liberalism agreed on free trade

Neo-imperialism is also advise free trade to reach far and cover too much area of globe.

d) Both Economic Liberalism and Neo-imperialism are in favour of competition

e) Both promotes globalization

Neo-imperialism concept is always in favour of globalization to reach every corner of the world and introduce -men- their tradition, culture, development, education and other things. Economic liberalism also deals with it Adam Smith said exposure to new things in terms of production and

and areas where it should be in beneficial for economic growth.

5- Economic Liberalism and Economic dependency
Economic dependency is - theory of imperialism which tells how one country is depend on another country. It also called labour theory.

Rail Prebisch said this world is divided into two cores: periphery core which is responsible for work hard and earn less, and second one is, central core that are do work less and earn more - like Economic Liberalism, they said economy should be free from state's influence, in dependency theory it also describe periphery states should work on production because central core do not want want they grow because if they grow who will work for them.

6- conclusion

International Political Economic theories (IPE) which are deals with how state and economy influence each other and how economic sector grow in its path. Economic Liberalism tells, economy should be private and free from government's influence increase competition and market size. In Neo-imperialism and dependency theories it has been focuses on globalization. However, these ideas has been practicing since inception, some are believing them and there are many who does not.