

The new western politics - Globalization, Populism and Protectionism

by Brian Friedman,
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That was then



**From walls to
webs.....**



..... and back again



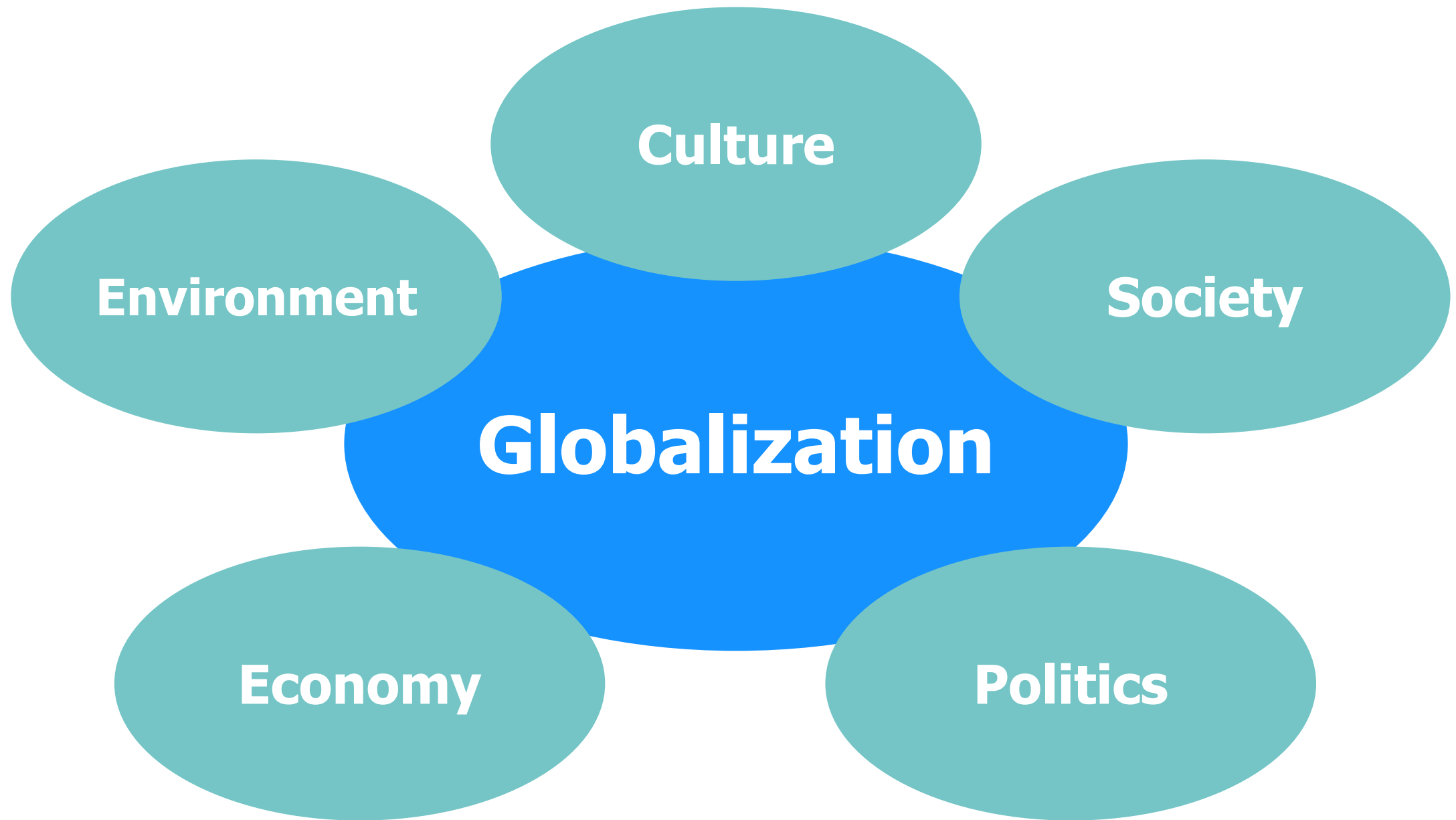
Globalization



Globalization Defined

“

“Globalisation is the process by which the world is becoming increasingly interconnected on a corporate, personal, societal and governmental basis”



A Selection of Key Aspects of Globalisation



Trade to GDP ratios are increasing for most countries



Expansion of Financial Capital Flows between countries



Foreign Direct Investment and Cross Border M&A



Rising number of global brands – including from emerging countries



Deeper specialization of labour – components come from many nations



Global supply chains & new trade and investment routes e.g. South-South trade



Increasing levels of international labour migration and migration within countries



Increasing connectivity of people and businesses through mobile and Wi-Fi networks

Globalization Good or Bad?



Globalisation is good

The Good

- Increased productivity
- High standards of living
- Increase flow of foreign capital
- Increased competition
- Increase in the foreign trade
- Induce domestic growth

Globalisation...is bad

The Good

- Increased productivity
- High standards of living
- Increase flow of foreign capital
- Increased competition
- Increase in the foreign trade
- Induce domestic growth

The Bad

- Takeover of national firms
- Brings instability
- Impact on traditional industries
- Affects small industries
- Widens disparity
- Cultural impact

WHAT HAPPENS WHEN



**AN UNSTOPPABLE FORCE MEETS
AN IMMOVABLE OBJECT?**

Globalization: The Unstoppable Force



Globalization: The Unstoppable Force

Technology



Globalisation



Global War for Talent





“

“Computer power is now 8,000 times less expensive than it was 30 years ago.

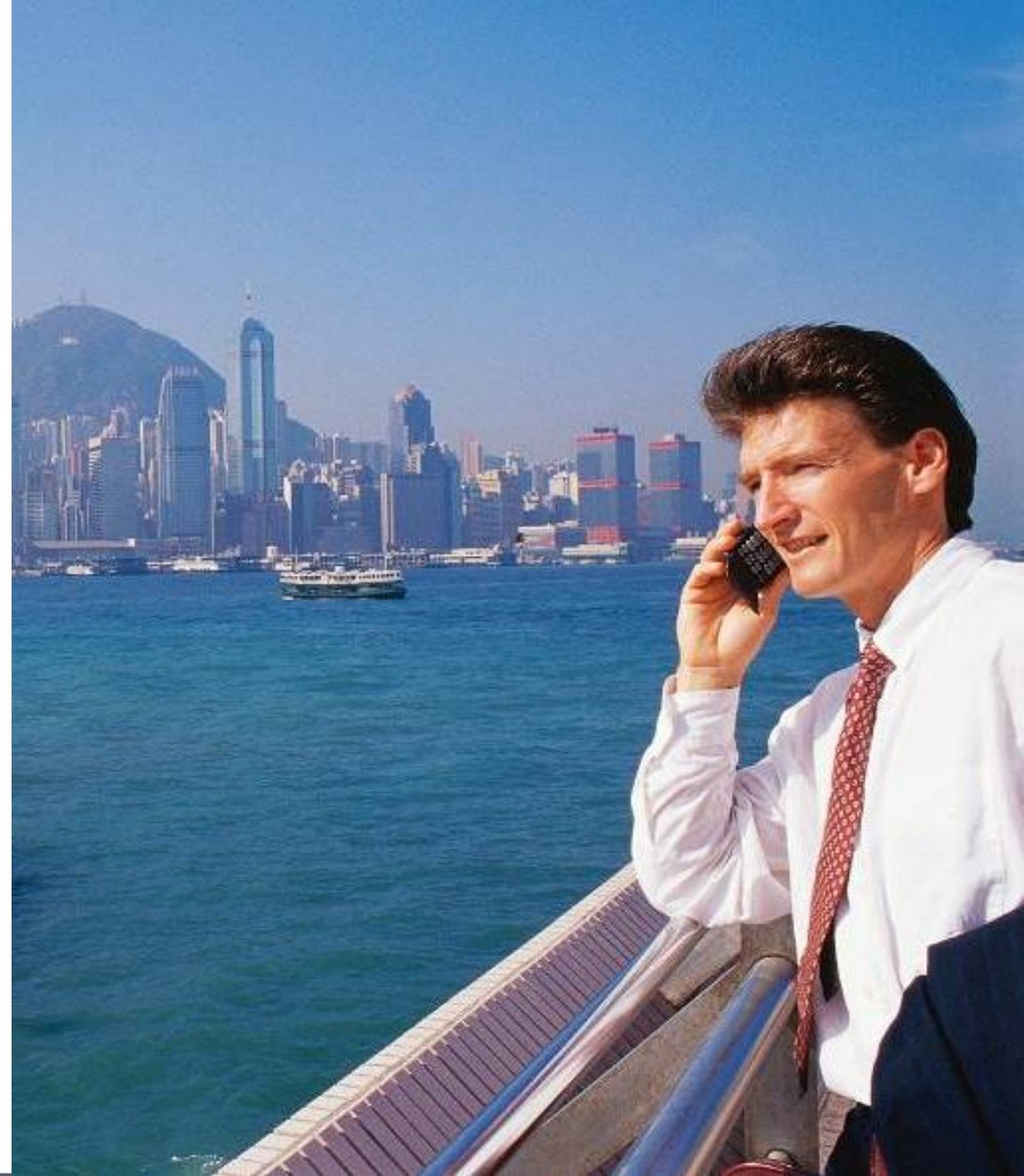
If we had similar progress in automotive technology, today you could buy a Lexus for about \$2. It would travel at the speed of sound, and go about 600 miles on a thimble of gas.”

The Global War for Talent

40% of FTSE 100
have a non-national as CEO

98% of FTSE 100
have a non-national on the
board

The rise of India and China



Birth of the Global Village

“We live...in the electric age, when our central nervous system is technologically extended to involve the whole of mankind and to incorporate the whole of mankind in us.

Time and space have vanished. We now live in a global village... simultaneous happening.”

Marshall McLuhan (1964)



Time to reach 50 Million users – 75 years



Time to reach 50 Million users – 38 years



Time taken to reach 50 Million Users: 13 years



Time taken to reach 50 Million users – 3.5 years



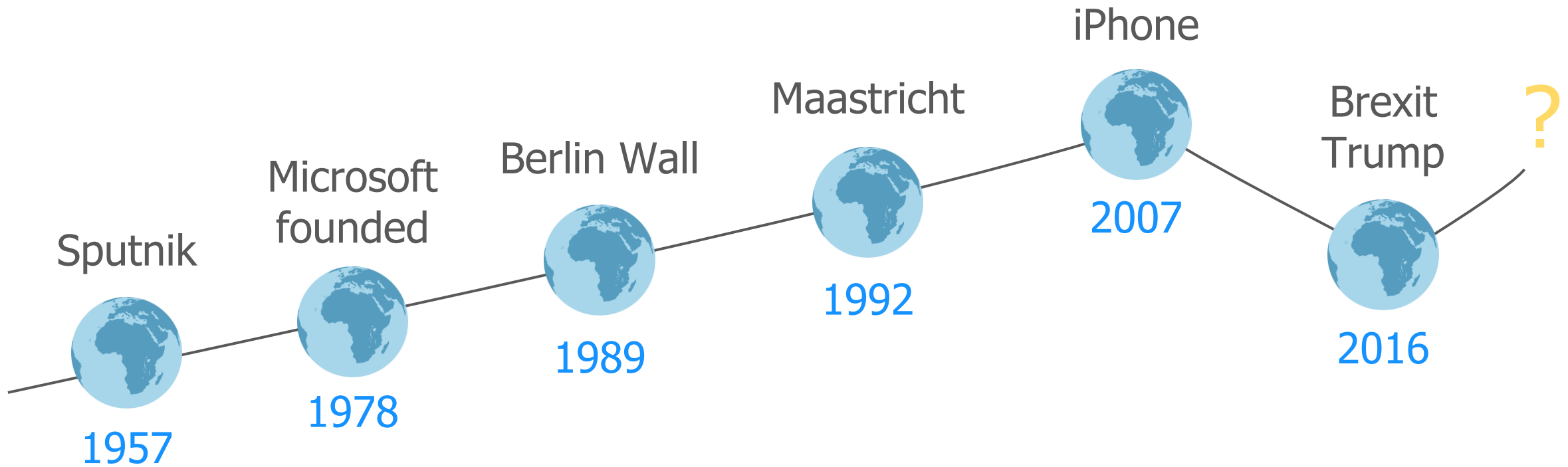
Time taken to reach 50 Million users – 3 months



Time taken to reach 50 Million users – 35 days !!!



60 years of globalization



**Make
fries,
not war**





Fact



**“No two countries
that have McDonalds
have ever gone to
war together.”**

The mega-trend... Globalution



Broader span of operation

Cross-border mergers

Global talent-management

**Global Cost containment
(India, China etc.)**

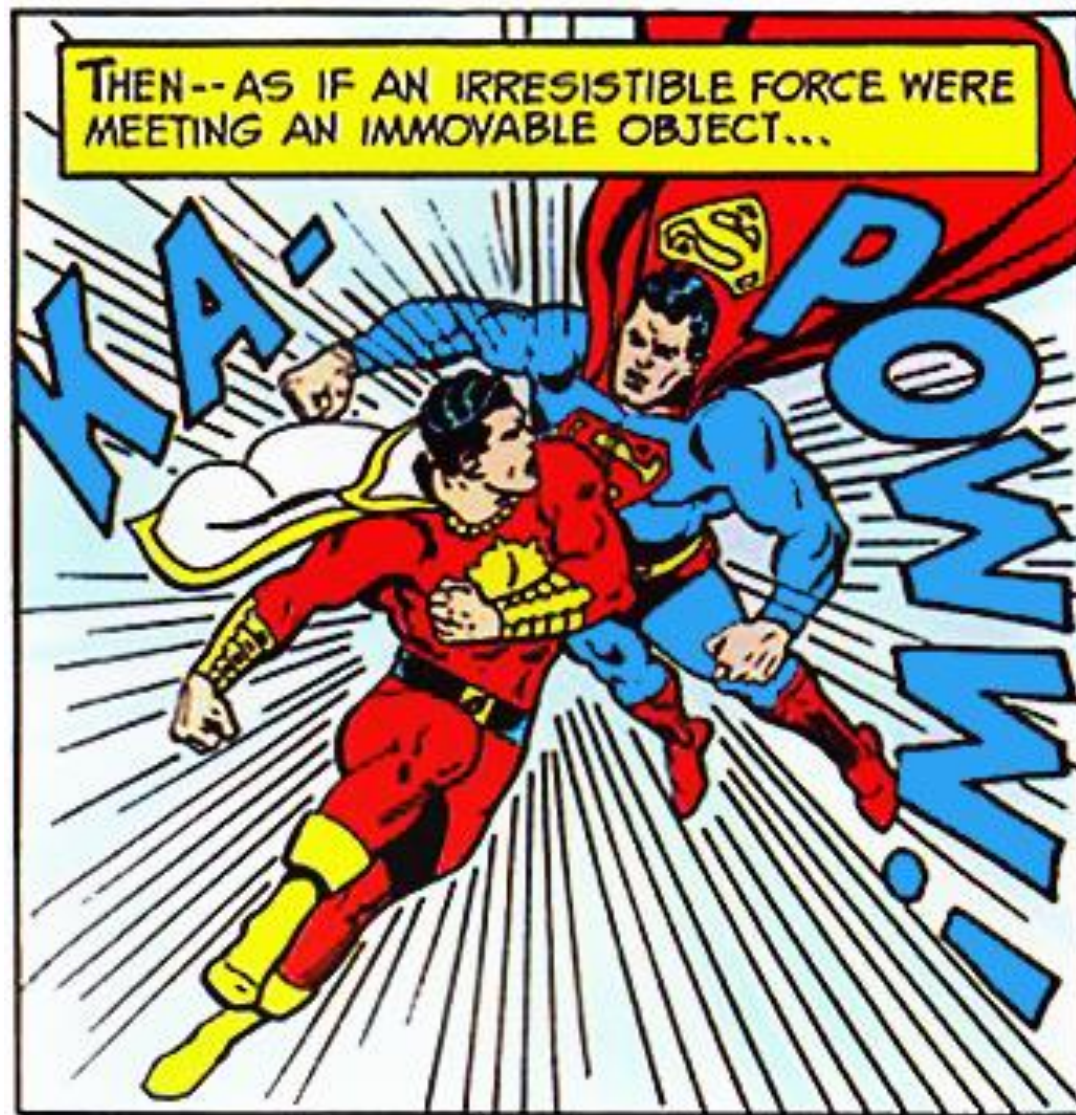
**Mobility of people (and
jobs)**

CAUTION



The Immovable Object: National Identity

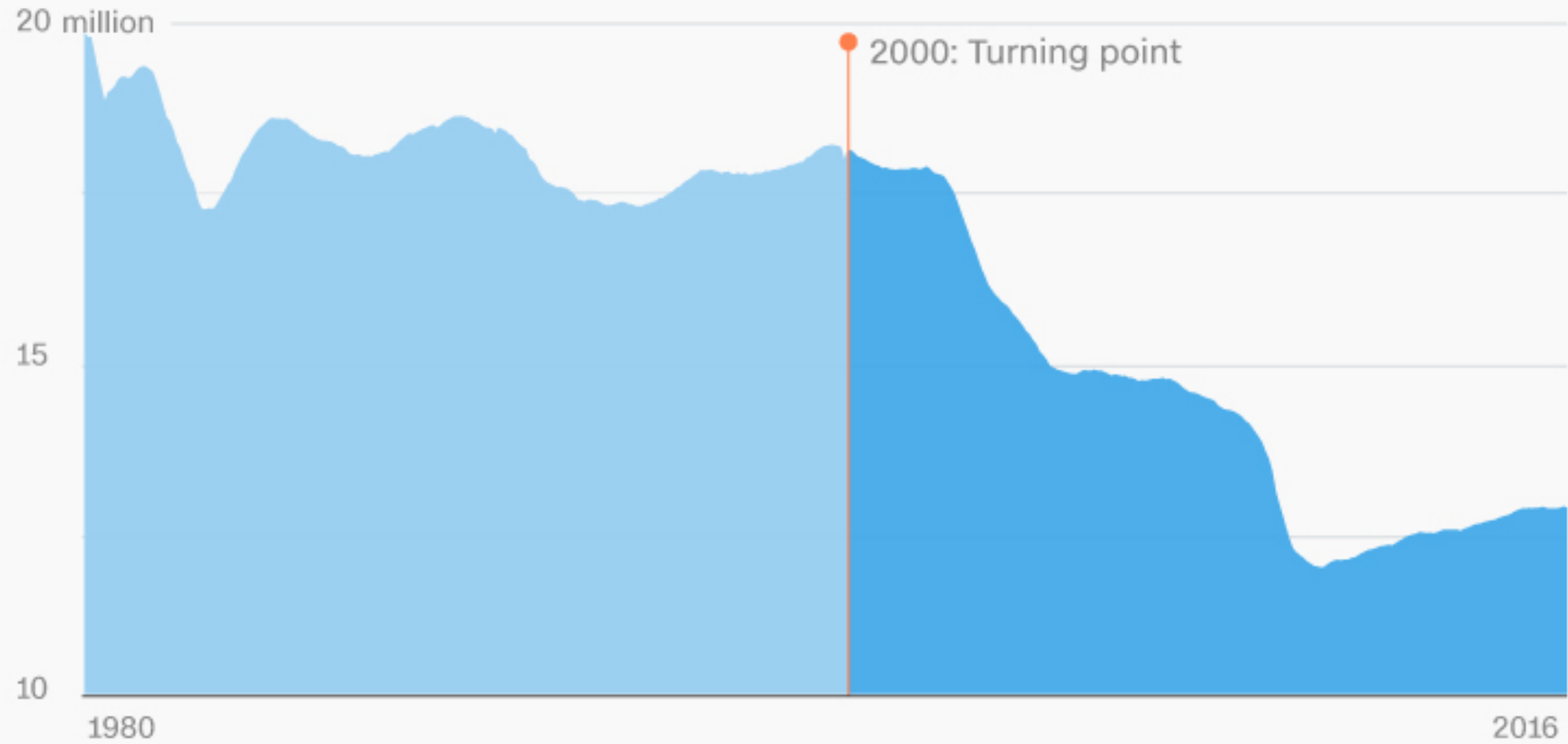




Populism.....

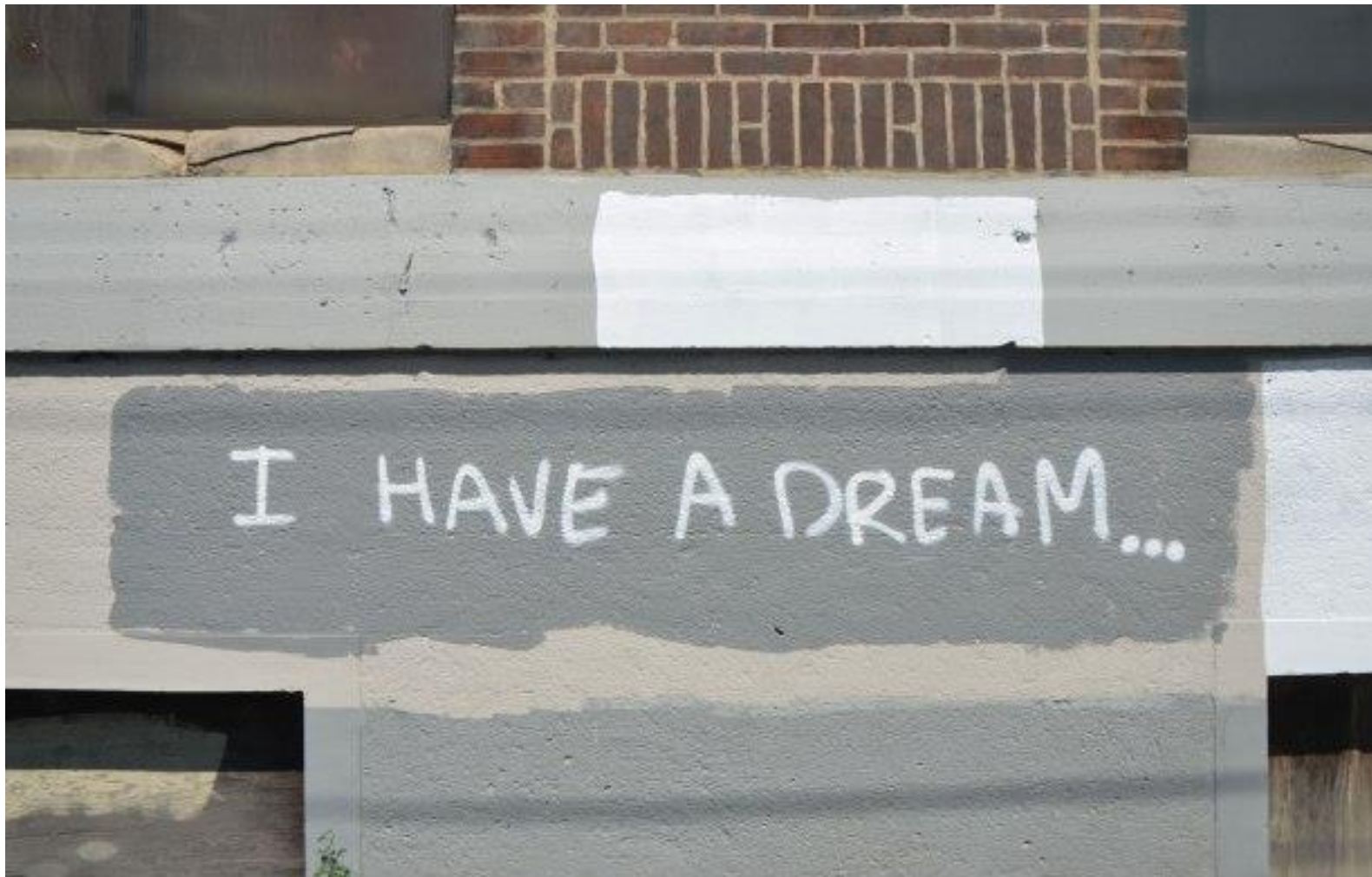


U.S. manufacturing jobs rapidly declined since 2000



SOURCE: BLS

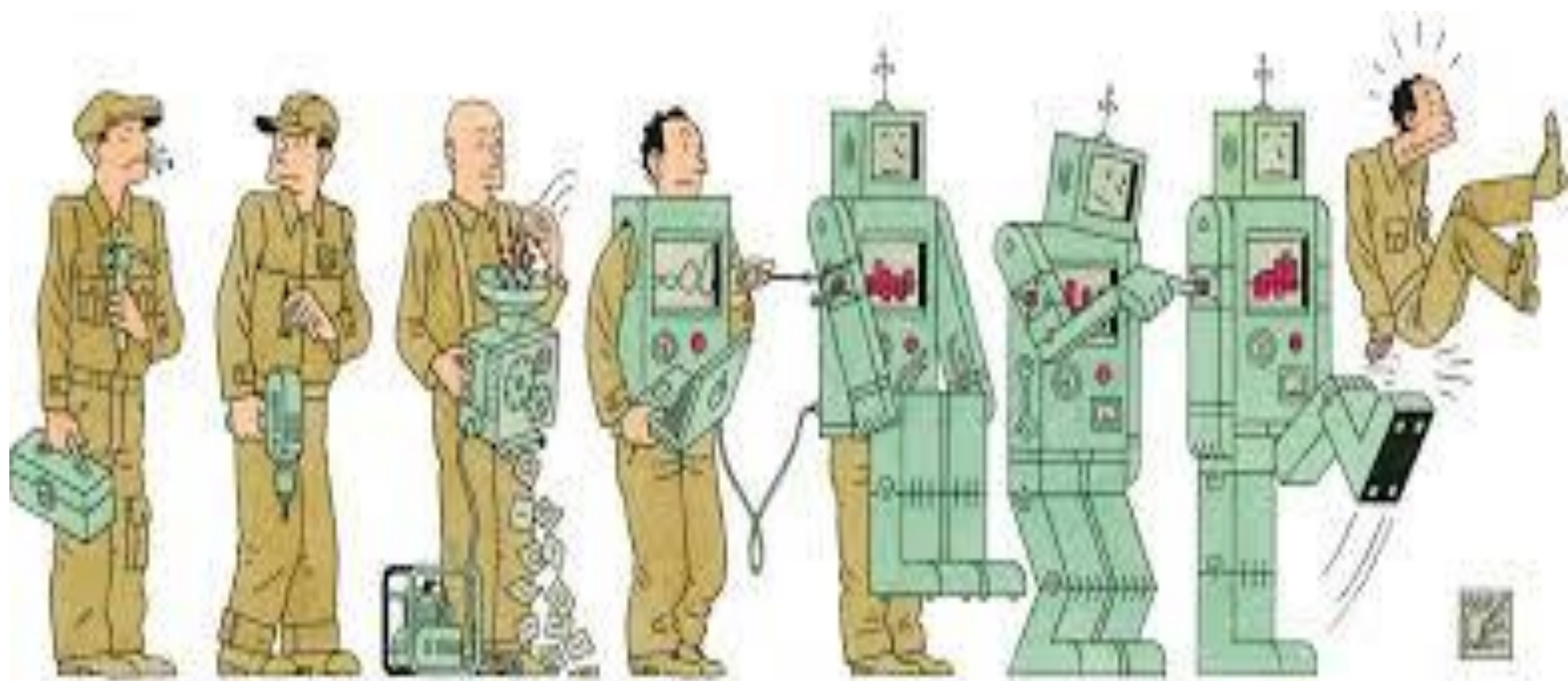


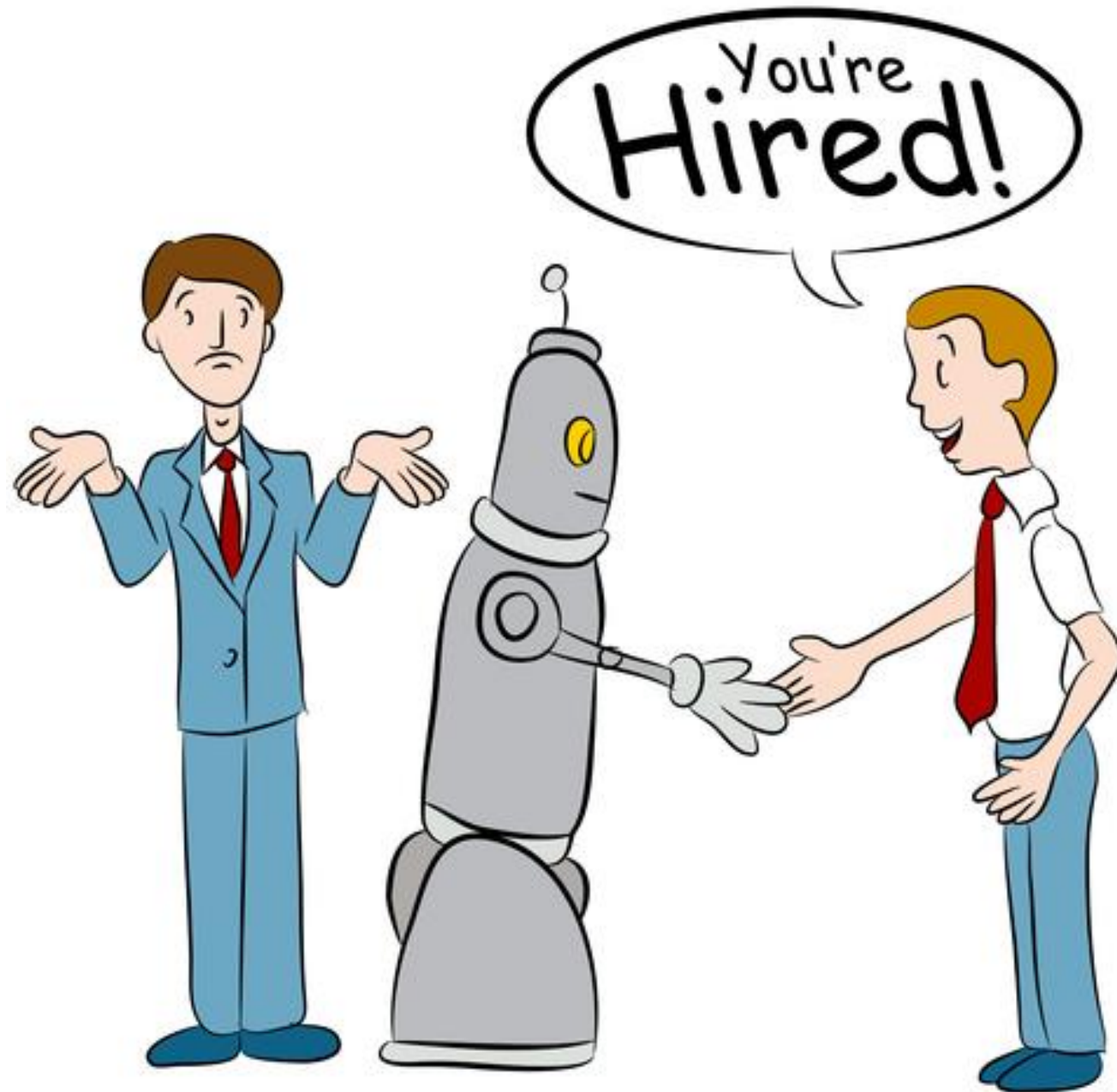




**It's
Globalization**
Stupid!









A close-up photograph of Donald Trump speaking and pointing his right index finger towards the camera. The image is tinted with a purple and red color scheme. The background is dark, and there is a diagonal light-colored shape behind the text.

“

*I'm going to bring
the jobs back
from China.*

”



What exactly
is inside the
Brexit
mystery
box?



ANOTHER ANGRY VOICE

“

“The first lesson of international economics is that free trade makes us all better off and trade barriers make us worse off.”

“

“The first lesson on politics when it comes to international trade is to ignore the first lesson of international economics”

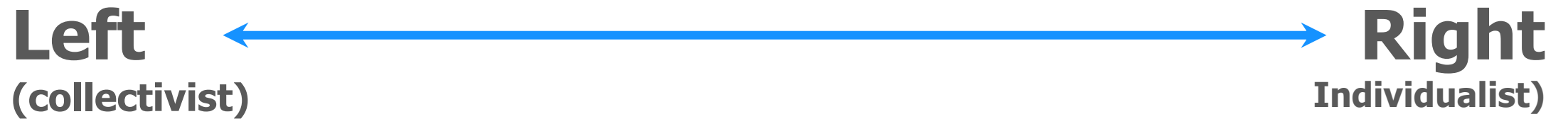
Redefining Politics – The old paradigm

Left

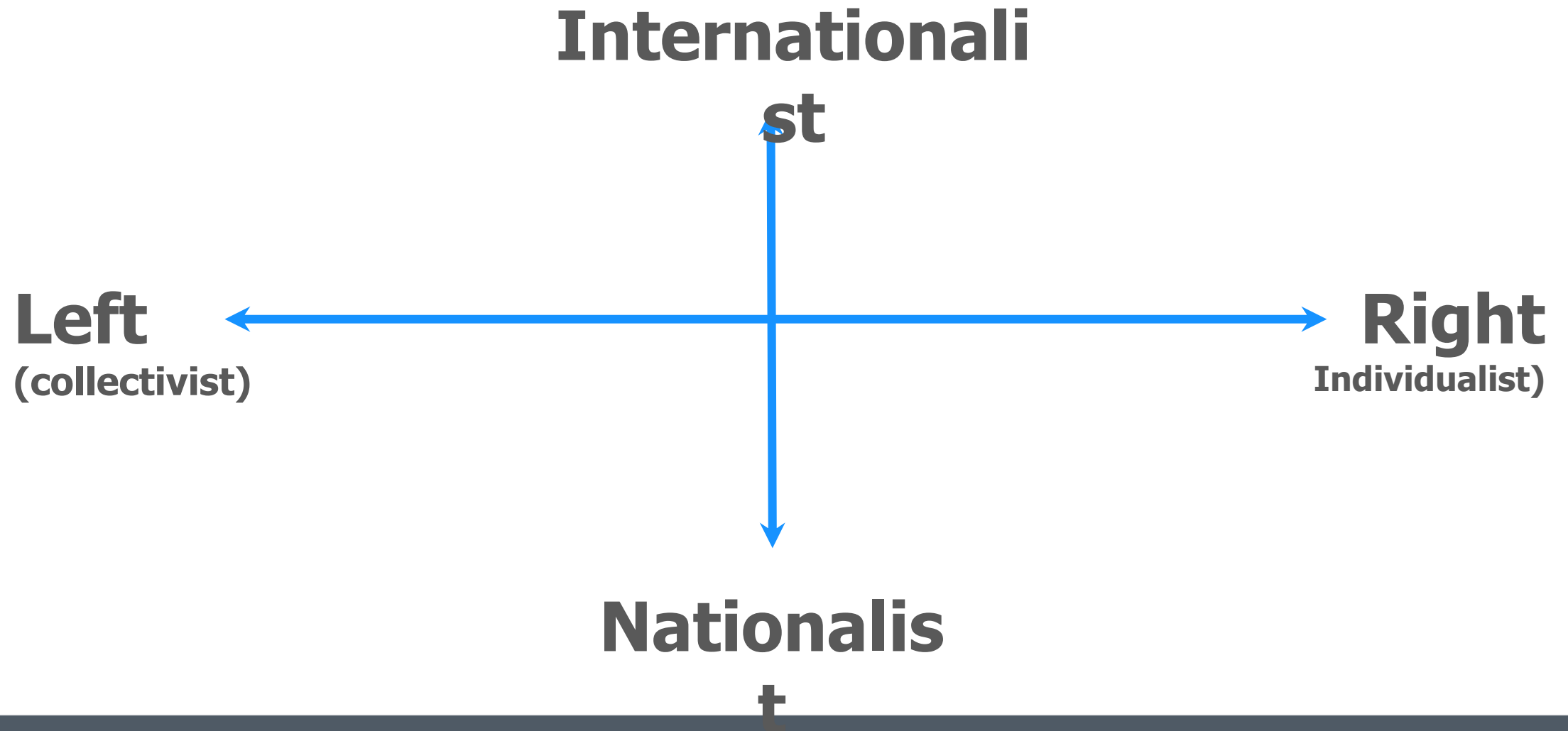


Right

Redefining Politics – The old paradigm



The New Politics



Impact on globalisation and global mobility

Trade barriers will make the world poorer

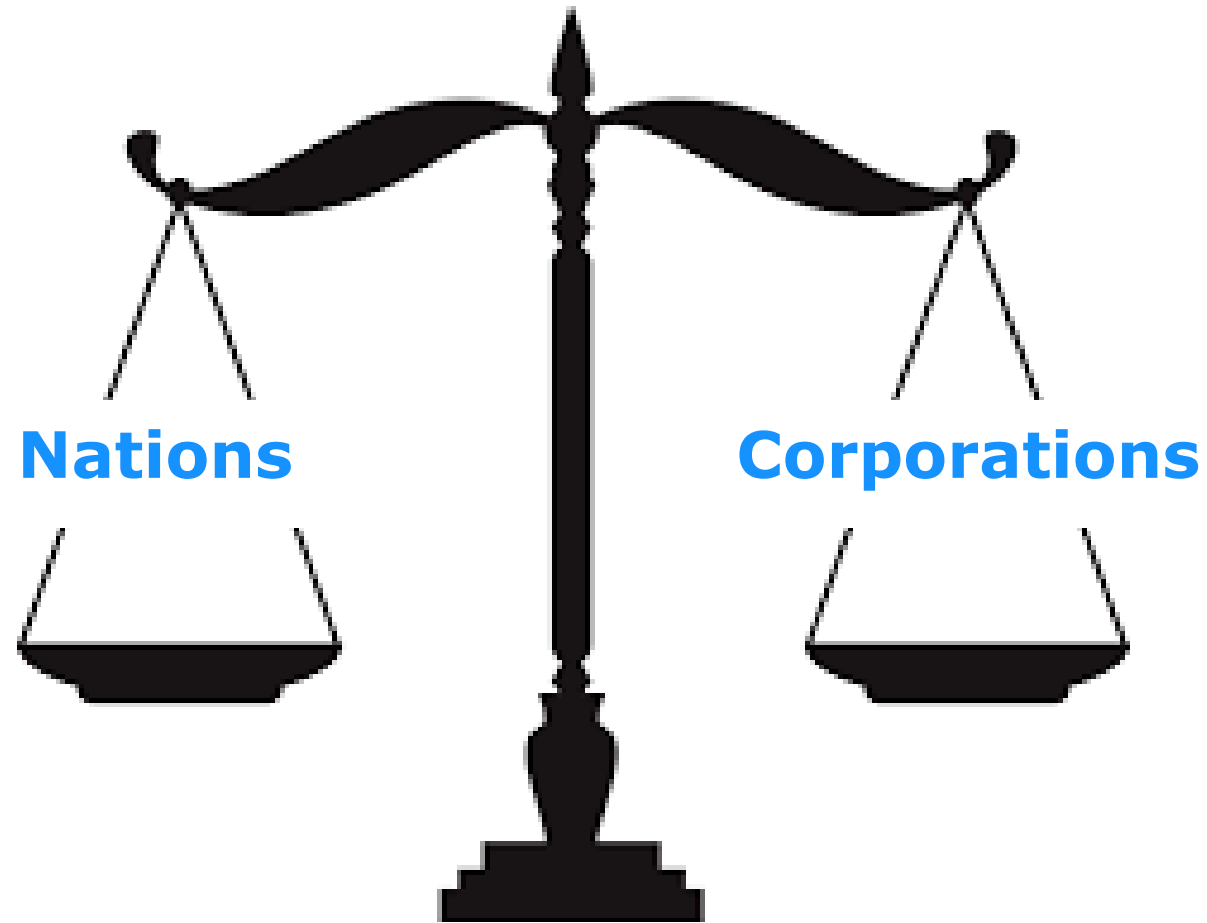
People are our Greatest Asset. Having less assets won't make us richer!

Brexit will be bad for Britain

..... But better for the EU



The new balance of power



Competing Value Systems

Nation	Corporation

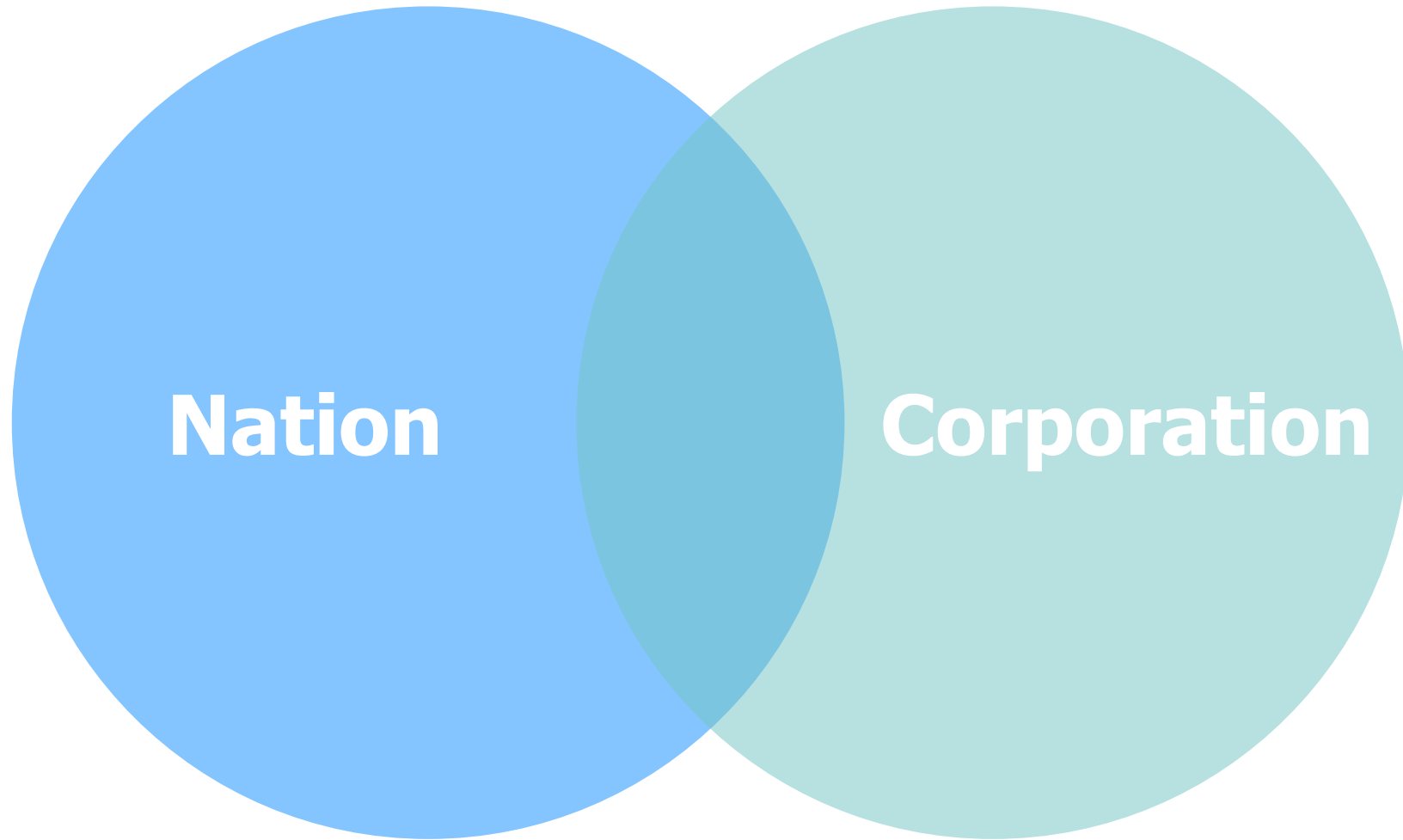
Competing Value Systems

Nation	Corporation
<p>Protect Citizens Protect Jobs Protect Revenues</p>	

Competing Value Systems

Nation	Corporation
<p>Protect Citizens Protect Jobs Protect Revenues</p>	<p>Maximise Profits Minimise Taxes Location Neutral</p>

The new balance of power



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