



Globalization and Populism: The Link

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Ken McAtamney, Partner

PORTFOLIO MANAGER

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[Technological disruption is facilitating globalization](#) by changing how economies work and how businesses function. It is also changing the human experience, which is one of the causes of the rise of populism.

In many emerging markets, globalization has been beneficial. The average citizen of an emerging market has likely experienced an uptick in quality of life over the last few decades.

Many citizens of the developed world have had a different experience.

A number of skill sets have become obsolete. Employment prospects have changed and/or diminished. Differences between the haves and have-nots have increased, and the gap in equality has widened.

The result has been an increase in populism and protectionist measures around the world.

It's not surprising, then, that media sentiment has soured toward globalization. According to the *Harvard Business Review's* "Globalization in the Age of Trump" (July/August 2017), the tone of news stories containing the word "globalization" in leading U.S. and U.K. newspapers has taken a sharply negative swing.

This has led many to the conclusion that globalization has peaked or is in decline.

But it might not be globalization that is causing the societal angst we have seen in many regions over the past few years; I believe it's the disruption resulting from our entering a fourth industrial revolution and a pace of innovation that is moving faster than society can adjust.

We saw this during earlier industrial revolutions—those involving electricity, steam power, and the proliferation of computing.

While each of these revolutions has brought short-term disruptions, over time many more economic benefits have emerged.

Typically, once the proliferation of a technology is substantial enough, productivity growth resumes, and with it, employment prospects and wages improve as well.

What we need currently is not rhetoric about whether globalization is good or bad, but for policy initiatives to catch up to technological changes.

These could include better social safety nets, improved training for displaced workers, or even changes in incentives via the tax system.

Such policy initiatives will become increasingly essential because the pace of innovation and disruption is only likely to increase in the future.

Ken McAtamney, partner, is a portfolio manager on William Blair's Global Equity team.

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