Global Trends
Identifying Global Risks & New Nationalism in 2017
Globalization

the process by which national economies, politics, cultures, and societies become integrated with those of other nations around the world
Globalization Trends

• Like many other trends, globalization has seen ups and downs.

• The late 19\textsuperscript{th} century was an important era for globalization, but the post WWI depression caused economies to plummet and trade to halt.

• Post WWII is a period called “re-globalization” referring to its resurgence from the post WWI slump.
Globalization Trends

• What are some reasons we saw this upward trend?
  o Emerging global treaties and unions (the UN, NATO, the EU)
  o Technological advancement and better communication
  o Breaking down of political barriers (the end of the Cold War, the fall of the Berlin Wall)
  o Economic growth due to broader trade

• In fact, this period was specifically designed to promote peace and stable economies after the blood-ridden decades of both World Wars
Globalization Trends

• Though globalization is supposed to herald peace in the 21st century, many people have reservations about the trend.

• What concerns could people have about globalization?
  o It sets up the economy so that the rich get richer
  o There are still significant trade barriers
  o Jobs in developed countries are outsourced to less-developed countries
  o Corporations are increasingly involved in political decisions
Globalization Trends

- Global trade peaked in 2008 and has been falling since
- Economists don’t know if falling trade is caused by de-globalization or if de-globalization is caused by falling trade. **What do you think?**

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**Figure 13: Global trade/GDP peaked in 2008**

*Source: WTO, Krizsany and Milonios (2014), Penn World Tables, Deutsche Bank*
New-Nationalism

the renewed interest in nationalistic sentiments; the term is used to describe modern anti-globalization policies and an interest in building up national defense rather than acting as part of the global mechanism
Global Risks in 2017
The Global Risks Report

• Beginning in 2004, the World Economic Forum began publishing yearly Global Risks Reports.

• The reports are meant to show trends and issues that need to be targeted in the coming year so that policymakers can be well-informed.

• This year, more than 750 experts weighed in and determined the 5 most pressing trends of 2016 that need to be addressed in 2017.
1) Wealth Disparity

- From 1900-1980 wealth disparity between and within industrialized countries fell dramatically.
- During the 90s and continuing to the present, the top 1% saw an income increase of 50%, while the rest of the population saw an increase of only .5%.
- Developing and least developed nations have been hit even harder by the wealth disparity in their countries.
- The middle class has less power than ever, and we know that the key to a thriving economy is a happy middle class.
2) Climate Change

• The past 10 years have seen an overwhelming push for climate change policies
• The last 16 years have been among the hottest on record
• World leaders have agreed to measures such as the Paris Agreement, but these treaties and legal agreements have not been enough
• If we do not actively work to reduce emissions and set country/industry standards, the globe will continue to shift through dramatic climate phases

Figure 1.4: Projected Global Greenhouse Gas Emissions, 2025–2030
3) Societal Polarization

• As refugees and immigrants continue to seek safe and prosperous places to live, cultures grow more polarized

• Politics are determined by emotional truths that may not match facts

• Even generations within the same culture are beginning to clash as younger citizens actively seek to change laws which the older generation defined
4) Cyber Dependency

- More than half of jobs around the globe are at risk of becoming automated.
- More jobs are lost to machines than lost to outsourcing or trade.
- This means that jobs will be lost to more efficient processing done by computers and other machines.
- We risk job disruption and a growing income gap when we give work to computers instead of people.
5) Fraying of Global Cooperation

- Global leaders are becoming more distrustful and less likely to work with other nations on a variety of problems.
- Many countries are building up defenses, such as nuclear programs and military equipment.
- It’s important that global leaders actively seek multilateral agreements.
- The global and borderless problems that the world faces today are too big for just one country to handle alone.
Leaders of the New-Nationalism Movement
Population: 79,814,871
Government Type: Parliamentary Republic
Current Constitution Ratified: 1982
GDP: $1.67 trillion
GDP Per Capita: $21,198
Current Challenges: Turkey is highly divided among religious, cultural, and generational lines. Their main struggle is with the Kurdish people who are currently attempting to create a nation of their own.
Recep Tayyip Erdoğan
President of Turkey
Population: 114,554,993
Government Type: Semi-Presidential Federation
Current Constitution Ratified: 1993
GDP: $3.68 trillion
GDP Per Capita: $25,185
Current Challenges: Russia is facing scrutiny concerning espionage, government corruption, and falsifying information. Many worry that Russia is attempting to sway politics in other countries.
Vladimir Putin
President of Russia
Population: 323,995,528
Government Type: Constitutional Federal Republic
Current Constitution Ratified: 1788
GDP: $18.56 trillion
GDP Per Capita: $57,300
Current Challenges: America is facing deep division between political parties and different generations. Countries worry that the U.S. will soon lose its superpower status.
Donald Trump
President of the United States
Population: 64,430,428
Government Type: Parliamentary Constitutional Monarchy
Current Constitution Ratified: N/A
GDP: $2.78 trillion
GDP Per Capita: $42,500
Current Challenges: England is currently facing scrutiny for Brexit. Citizens within England as well as Scotland and Ireland are unhappy with the decision. Others are thrilled to leave the EU and define their own immigration, economic, and political landscape.
Theresa May
Prime Minister of England