



# Are we listening?

THE RISE OF GLOBAL POPULISM AND ITS IMPACT ON THE WORLD ECONOMY IS AN UNDENIABLE REALITY. WHAT IS HAPPENING IN THE SOCIOPOLITICAL LANDSCAPE THAT BUSINESSES OPERATE IN? DOES IT MATTER, AND WHAT IS THE CORPORATE SECTOR'S ROLE IN A WORLD THAT IS CHANGING BEFORE OUR VERY EYES, ASKS **CLEMENT CHINAKA**.

AROUND THE WORLD, FROM THE STREETS OF BRAZIL TO THE CITY SQUARES OF EUROPE, FROM CAMPUSES IN SOUTH AFRICA TO VOTING BOOTHS IN THE UNITED KINGDOM, THERE IS A GROWING FEELING THAT THE VOICE OF THE COMMON MAN IS NOT BEING HEARD.

Populist uprisings are a global talking point, and for good reason – they concern issues that have a ripple effect around the world.

It's a subject that is ripe for dissection and discussion, and one that we believe inspires fascinating conversations; a topic that forces us to ask ourselves compelling questions.

Drawing a contrast between the 'people' and the 'elites' is pivotal to the protests. By definition, it divides people and creates an 'us versus them' scenario. (For a very interesting read on the difference between right-wing and left-wing populism, turn to Johan Fourie's essay on page 34.)

We have seen this manifest itself around the world. The left-wing Occupy Wall Street movement brought the message across with the slogan 'We are the 99%' that pitched the vast, voiceless population – the 99% – against the 1%, the privileged elite.

But while many populist uprisings have been political in nature, I believe we must all be concerned about the problems they are highlighting. Leaving them to the politicians to fix won't solve them.

Populism, although often seen as a sociopolitical mobilisation by the 'common people', is very much an economic movement, too. I therefore believe that it is particularly important for business leaders to engage in this discussion and to pay careful attention to it. After all, it is our employees, customers and clients who are making their voices heard, and it is not a happy voice.

Almost every business these days will tell you that it has a customer-centric focus. If that really is the case, it follows that you will know your customer and understand what your customer needs. You have to listen.





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Old Mutual Corporate Wisdom Forum attendees are our clients from the private sector, such as captains of industry and business leaders. You could argue that, simply by virtue of who is invited, Wisdom Forum speaks to the 1%. Why, then, did we decide to focus on populism? Because, simply put, the 1% can significantly influence the economic and social landscape.

To make change happen and address the concerns raised by those who count themselves among the 99%, we brought the discussion to the 1% by saying 'This party won't go on forever. It's time to wake up. We all have to be aware of what is happening in the wider community.'

**When we talk about** globalisation, populism and changes to the established status quo, the conversation often focuses on events in the developed world. But make no mistake, emerging economies have to think about these matters, too.

Direct foreign investment, which so many of them rely on heavily, comes, of course, from developed countries. If developing countries, because of whatever brand of populism is prevailing there, were to turn their focus inward and shut themselves off from the rest of the world, that investment would dry up very quickly. It's a real issue and cause for deep concern.

Also, most of the technologies shaping our world are created in the developed world. Globalisation is the mechanism that allows technologies to scale up, move

across borders and be utilised everywhere in the world. That, in essence, is the great argument in favour of globalisation: if something could benefit the whole world, everyone should have access to it.

While globalisation is being tested by the current tide of nationalism and parochial thinking, I don't think it's crumbling. Not yet, at least. But it is fair to say that its existing systems and structures are going through severe changes. The forces of globalisation have not died. If you consider major world economic powers – countries like China, Germany, Japan – you will see that they are still pushing quite hard for it. And if you were to ask the world's leading powers, most would still say that globalisation serves the common good. Therefore there is a large, critical mass of people, companies and governments who still believe in globalisation. They are not entirely wrong. While globalisation has not been perfect, and while we should listen to the concerns that are now being raised, we should be wary of a wholesale jettisoning of what we have and replacing it with something that has not been thought through.

In fact, there is almost a sense, a year after the UK voted to leave the European Union, that more people are saying, 'Hmm... Not so fast.' The government has already said that a so-called hard Brexit, which would see the UK give up full access to the single market and customs union, is not the best option. The reality of the situation is becoming clear even though Brexit technically has not happened yet.

**Political leaders who rode the wave of populism** are discovering that they cannot enact all the promises they made during their election campaigns. Voters are realising that some of the promises they bought are not being delivered on. It is certainly the case in the beUS where many who had voted Donald Trump into power now are showing signs of not being entirely happy with their new president.

Of course, we have populist discontent in South Africa. Although it's a different kind of populism to that experienced in countries like the US, it is populism all the same.

Whereas the US is experiencing a right-wing uprising, here at home we are seeing a growing left-wing populist agenda. It is something that could destabilise the country. Corruption is a big problem in South Africa and if left unchecked, it could foster leftist populism. The daily uncovering of suspect financial dealings, state capture, alleged white monopoly capital and so forth are entrenching the belief that a certain group is enjoying privileges others don't have access to.

At Old Mutual we work with South Africa's business leaders through the CEO Initiative to try and ensure that government and business work together. All too often there is a divide between the two, and we actively work to bridge that gap. It is important that all of us put our shoulders to the wheel for the betterment of the South African economy and the good of the country in general.

The Old Mutual Corporate Wisdom Forum, meanwhile, aims to kick-start change by identifying and debating issues and challenges. The themes and format are conceptualised

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to prime South Africa's business landscape for progressive thinking. One of the questions that resonated at this year's event was: what can the world – including South Africa – do to avoid succumbing to the current wave of populism?

Many good things happened in the past 70 years or so since globalisation as we know it took shape as world trade took off after the World War II before being boosted by the IT revolution. Now recent social and political events indicate that the status quo is not sustainable and is in real danger of collapse – and that's not a healthy environment in which to survive, let alone do business in.

So, what does the world have to do? Should it resist the change, or embrace it? What can be done to listen to the people's concerns *and* at the same time push back against the divisionary nature of populist agendas? How can we preserve that which is good about the world order of the past 70 years? Should we even preserve anything about it? And how should we respond to the messages coming from the streets, squares and campuses to ensure that economic and social benefits are distributed more equally than it has to date? These are just a few of the questions that we will continue to seek answers to. ■

Old Mutual Corporate MD Clement Chinaka knows Old Mutual Group inside out. As an Old Mutual Mathematics Olympiad winner, he was awarded a bursary to study BSc (Statistics and Computer Science) at the University of Zimbabwe. Upon graduating, he joined the Old Mutual Life Assurance Company of Zimbabwe in January 1992. Ever more senior positions followed until he took on the role of acting MD of Old Mutual Corporate in 2014, an appointment that was made permanent in January 2015.