

## Globalisation

# It's time for the second draft of globalisation

Capital markets need to be better attuned to individual countries' goals and the interests of workers

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The global economy is in a strange place: we know more about the next seven years than the next seven days.

For nearly two months, I've been travelling around the world and hearing the same question: what's going to happen with tariffs? There are only guesses. The worst-case scenario is bleak: supply shocks, spiralling inflation, economic slowdown. But at this point, the guessing itself has become a commodity, priced in, speculated to death, endlessly churned through headlines.

That's the seven-day story. The seven-year story is quieter, but far more consequential.

The Trump administration's tariffs are the symptom of a backlash to the era of what might be called "globalism without guardrails". Global GDP grew more since the fall of the Berlin Wall in 1989 than in all recorded history before it. But the benefits weren't evenly shared. S&P 500 investors saw a return of more than 3,800 per cent. Rustbelt workers did not.

So it's no surprise that this model of globalisation is now coming apart. But its proposed replacement — economic nationalism behind sealed borders — isn't any more convincing.

The real question here is what replaces the model that led us to this point. And the answer is coming into focus. It's neither globalism nor protectionism, but a blend: open markets with national goals — and workers — in mind.

At the heart of this new model are the capital markets: exchanges where people invest in stocks, bonds, infrastructure, everything. Why? Because markets are uniquely suited to transforming global

growth into local wealth — even though, historically, that hasn't always happened.

Under globalisation, money often chased returns around the world without necessarily benefiting the people back home. We should still want capital to move freely towards opportunity — that's what makes markets efficient. But that doesn't mean countries can't steer more of that capital home.

In a more nationally attuned model, markets channel citizens' savings into local businesses and infrastructure. The gains flow back to people, helping them afford homes, education, retirement. Put simply: people will fuel their country's economic growth, and own a piece of it.

The first step? Helping more people become investors. This is the deeper shift I'm seeing in the economy. Governments are rethinking whom markets are for. For decades, they primarily served countries' wealthiest citizens and largest institutions. Now, countries are democratising markets recognising that the same factory worker left behind by globalisation can be an investor, too.

Take Japan. Until recently, it had no tax-incentivised way to invest for retirement. Now its Nisa programme is booming — enrolment surpassed 25mn last year. Meanwhile, lawmakers in the US are weighing a market-based twist on baby bonds: an investment account for every American at birth. Even a modest deposit could grow, by the age of 50, into a retirement cushion or college fund.

But creating more investors is only half the battle. Every market has two sides: the people who invest, and the places where capital gets put to work. Ensuring

it's put to work domestically is hard, and in Europe, for instance, it has triggered an economic reckoning.

Capital can't fuel growth if it's trapped in bureaucracy. Yet the EU operates under 27 different legal systems. And even if you navigate that red tape and decide to invest — say, in an energy company — it can take 13 years just to permit a power line. You might back that project to meet soaring demand from data centres, but if those centres are training artificial intelligence, it triggers an entirely new layer of regulation. The result is paralysis. Europeans save more than three times as much of their income as Americans, but invest far less of it.

However, the ground in Europe is shifting. There's growing momentum to remove the barriers holding capital back: faster permitting, less red tape on AI, a single regulatory framework instead of 27, and, most critically, a true savings and investments union. If I were an EU politician, that union would be my top priority. Investors will be watching closely to see if the reforms stick.

Of course, expanding markets won't fix everything. Unchecked, financialisation can fuel inequality. That was the first draft of globalisation: enormous wealth, unevenly distributed, with little thought for who benefited — or where. What's emerging now is globalisation's second draft, a re-globalisation built not just to generate prosperity, but to aim it towards the people and places left behind the first time.

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