CAN DEVELOPING COUNTRIES REDUCE INEQUALITY IN TODAY'S WORLD ECONOMY?

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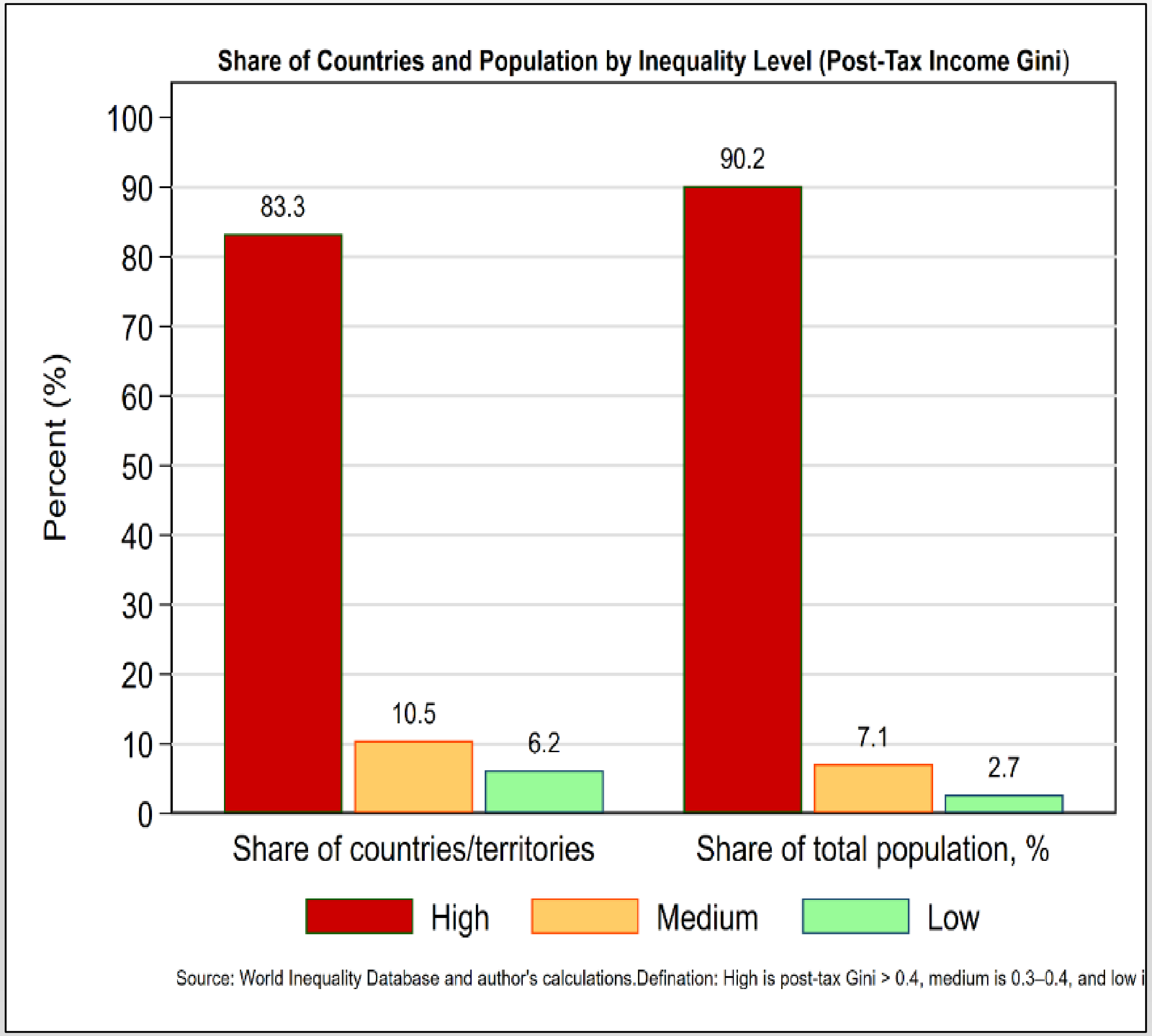
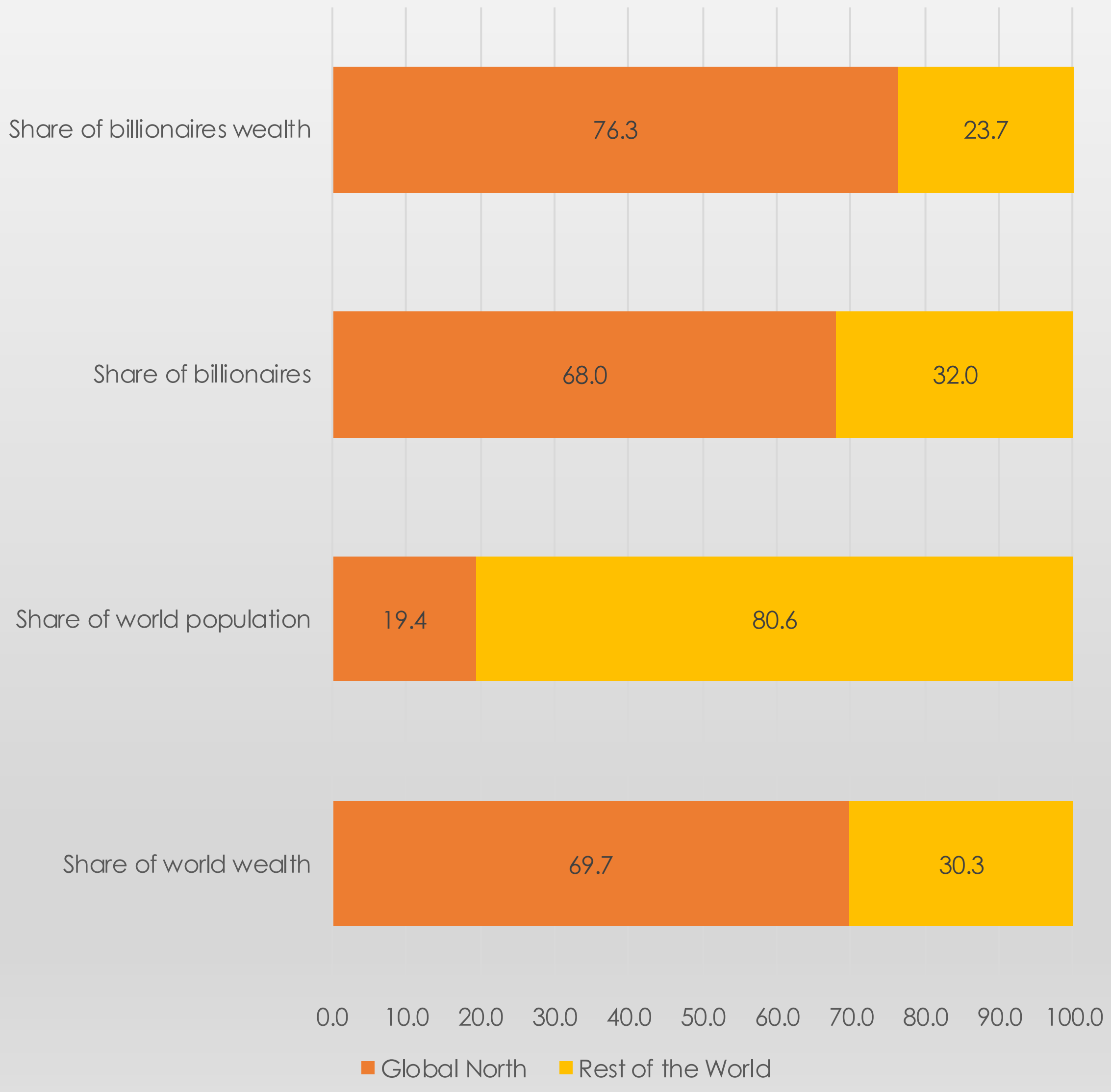
SCALE OF GLOBAL INCOME INEQUALITY

- Globally, income inequality between everyone in the world has fallen since 2000, due largely to economic development in China, but remains very high, with a Gini coefficient of 0.61.
- The bottom 50% of the world's population have seen their average real income increase by US$358 in 40 years, while the income of the richest 1% has increased by USD$191,000 (constant 2024 USD) over the same period
- Nationally, 83% of countries have high income inequality (i.e., a Gini coefficient above 0.4), accounting for 90% of the world's population



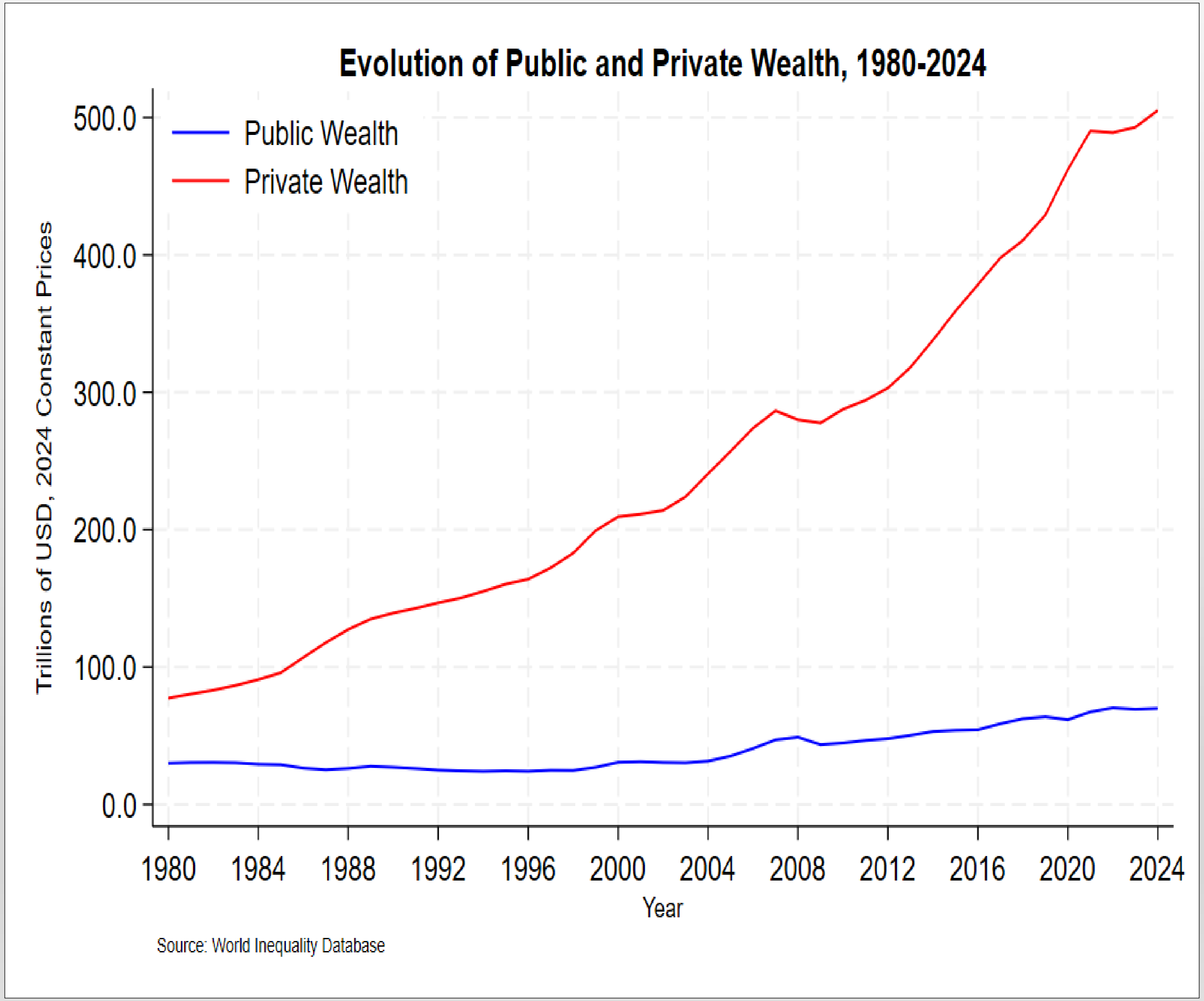
SCALE OF WEALTH INEQUALITY



- Wealth inequality is far higher than income inequality.
- Between 2000 and 2024, the richest 1% captured 41% of all new wealth, in contrast to just 1% being captured by the bottom 50%.
- The richest 1% have seen their average wealth increase by US$1.3m since 2000, while the poorest half of humanity's wealth increased by an average of US$585 over the same period.
- The top 1% increased their average wealth 2,655 times as much than the bottom 50%.
- \- The wealth of the world's over 3000 billionaires is now the equivalent of 16% of global GDP, and the first trillionaire is expected within a decade.

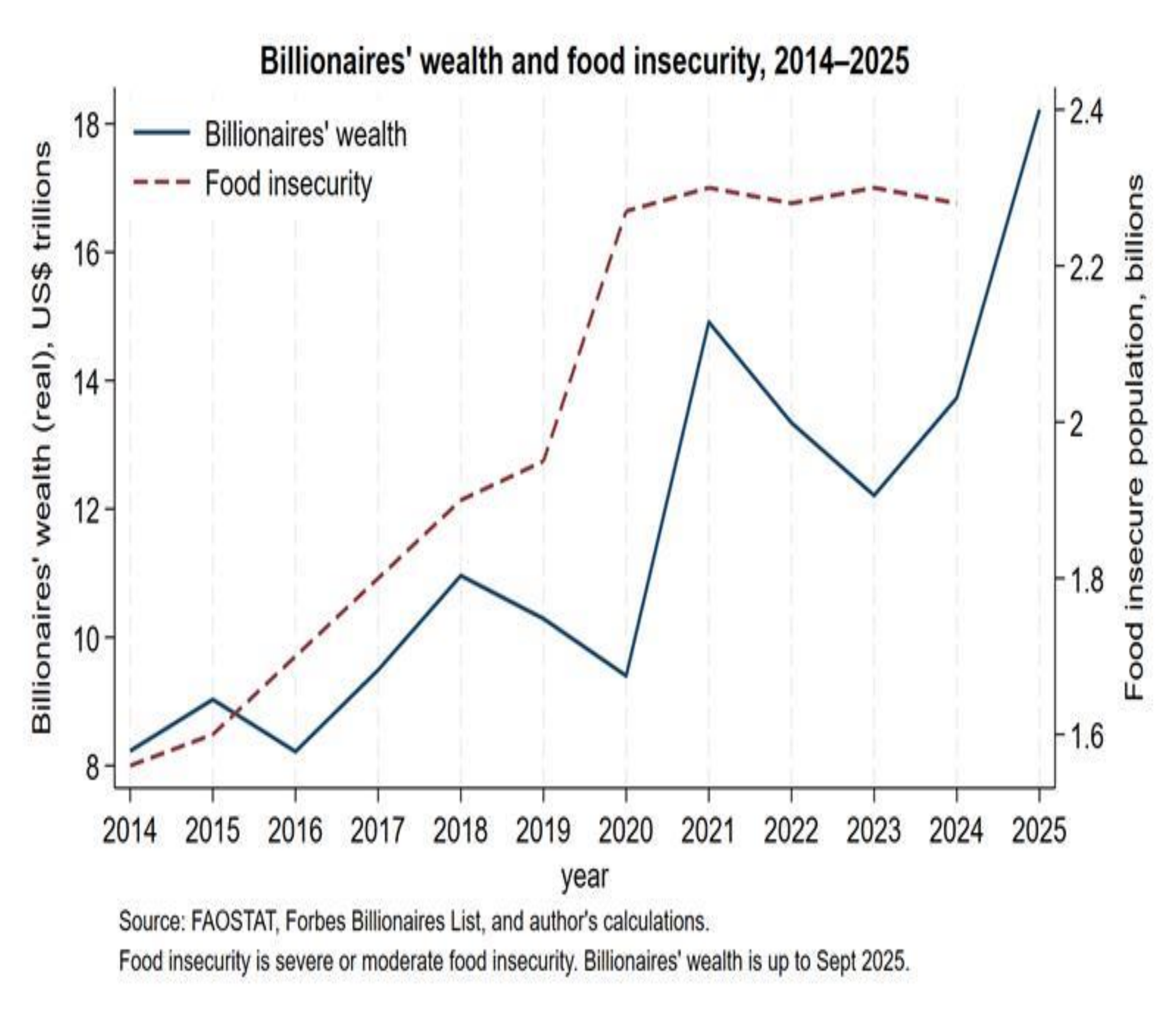
PUBLIC AND PRIVATE WEALTH

- The growth of private wealth has far outstripped that of public wealth.
- Some governments, including in many of the richest countries, now face significant net debts.
- This affects governments' ability to provide public services and ensure socio-economic rights.
- It results at least in part of policy choices made by governments, especially with regard to the financial sector and protecting financial and corporate interests through crises.

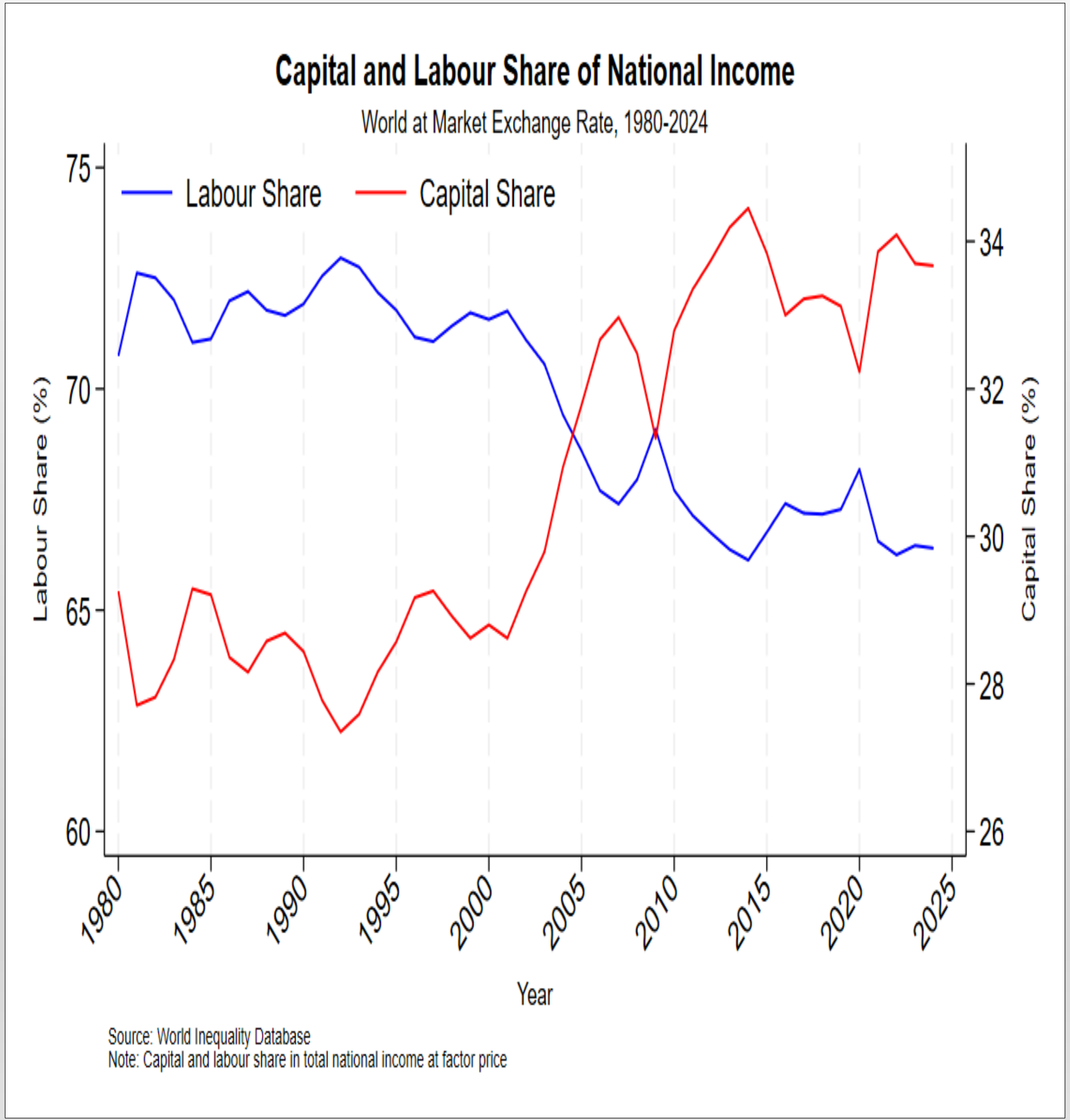


INEQUALITY TRENDS

- The number of US dollar billionaires in the world has risen sharply to over 3000 people, who now have wealth equivalent to 14.1% of global GDP, up from 2.5% in 1990.
- The world briefly got its first trillionaire (Elon Musk) who could once again become one soon.
- Meanwhile number of people experiencing food insecurity increased rapidly from 2016 and has stayed high.



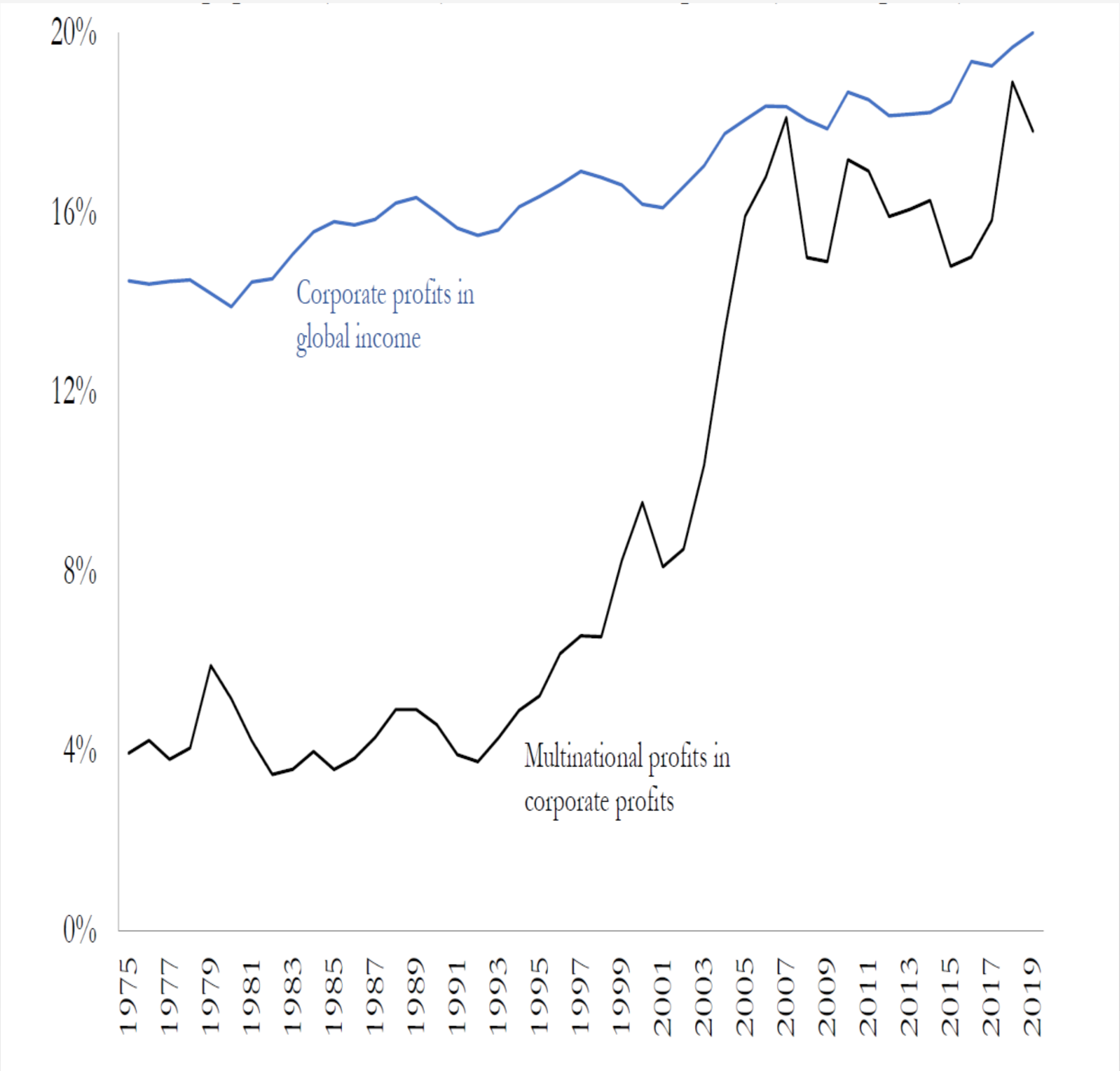
SHARES OF NATIONAL INCOME



- Over 1990-2024, share of national income going to capital rose in 56% of countries representing 74% of the global population.
- 85% of the world's population derive no income from capital. The world's financial and productive assets are owned by only 15% of people.
- **Even within incomes from capital, there was increased concentration, with the largest corporations and richest taking growing shares.**
- Global average markup rose from 15% above costs in 1980 to 60% above costs in 2016, driven by dominant firms at the top, not the vast majority.
- Large MNCs' share of global profits rose from 4% in 1975 to 18% in 2019.

REGULATORY ARBITRAGE IS MAJOR FACTOR IN INCREASING MNC PROFITS

- MNCs have become not just larger but more "global" than before.
- MNC profits have been increasing much faster than the profits of all firms.
- "Winner-take-all" model of corporate expansion and concentration
- This is not due to higher productivity or innovation, but ability to grab rents.
- This is generating a shift towards rent-driven capitalism, rather than pure profit motivation.
- Access to state power (rather than just market power) is now key, because it determines laws and regulations.



US FIRMS DOMINATE GLOBAL PROFITS

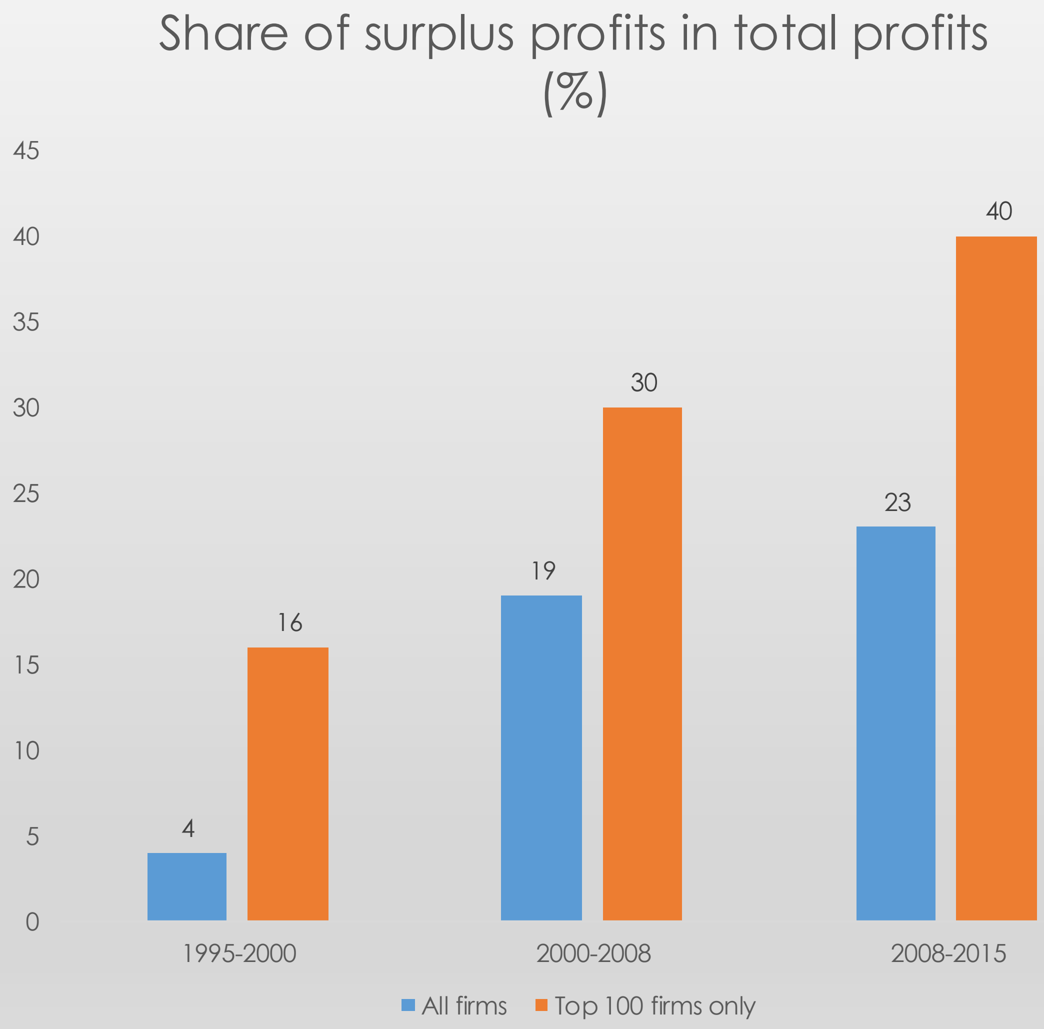
(TOP 4000 LARGEST COMPANIES IN WORLD)

	United States	Europe	Rest of World	Total
2005-09	214 (49.5%)	145 (33.6%)	73 (16.9%)	432
2015-19	417 (76.5%)	115 (21.1%)	12 (2.2%)	545

- The top 500 companies share of revenues fell from 61 to 60%, but their share of profits ***increased* from 82 to 97%**.
- US corporations dominated in global profits, AND significantly increased their share of total profits to more than 75% .
- They got more than 3.5 times as much profit as European companies over 2015–19, and 30 times as much as large companies in the rest of the world.
- China's large and dynamic companies are included in "Rest of World" with low and declining shares of total profits—even though they had the most productive investment.

SURPLUS PROFITS AS RENTS

- Some (not all) rents result from technological forces that enable concentration within sectors, through economies of scale and network externalities.
- Focus here is on rents that are **created and enabled by the state**, through various institutional, legal and regulatory means and other policies.
- UNCTAD 2017 study: “Surplus profits” are gap between actually observed profits and benchmark (median) profits.
- Persistence and increase suggest higher temporary profits evolve into rents.
- Legal changes, regulatory capture and fiscal policies have played important roles in this.

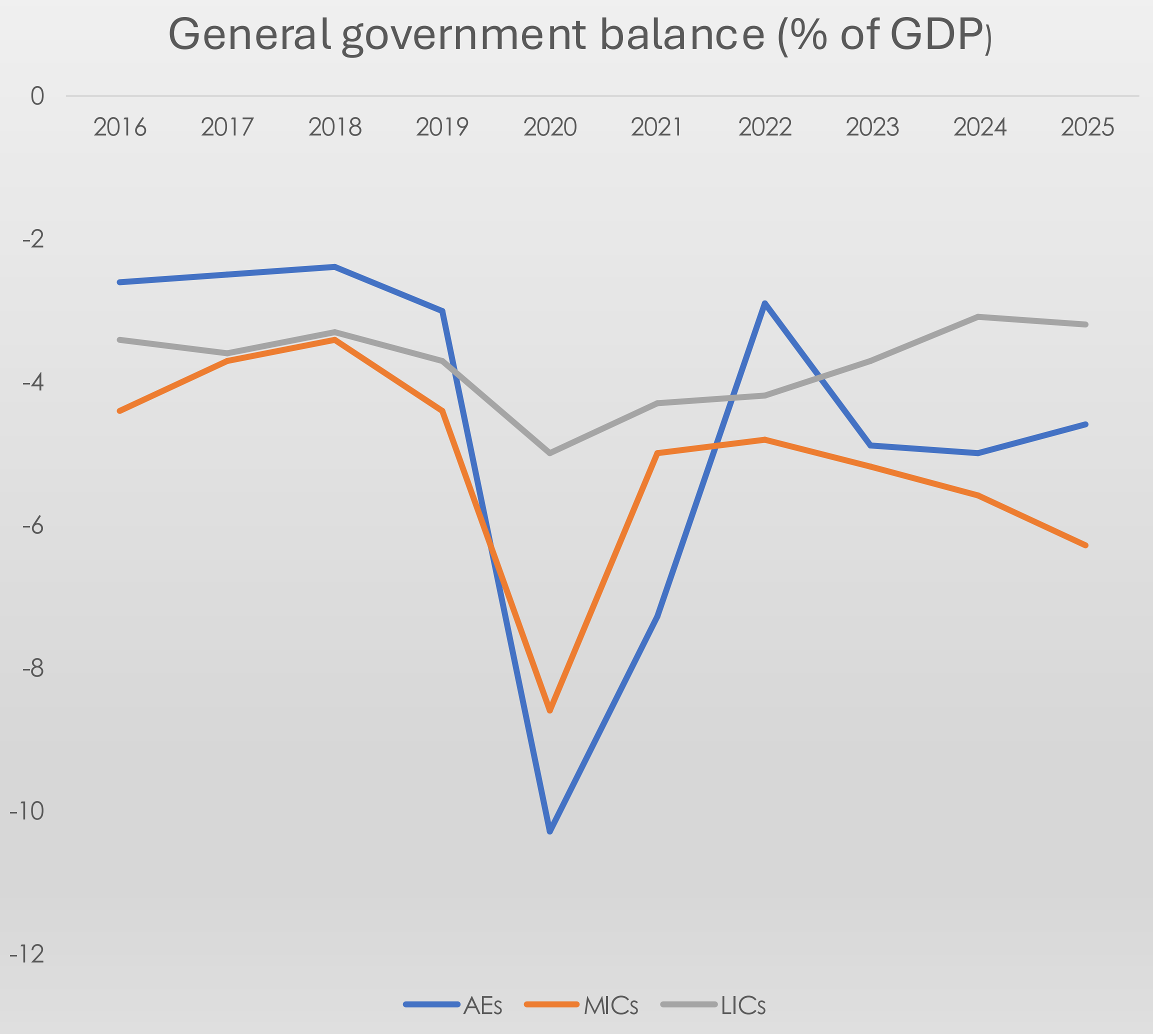


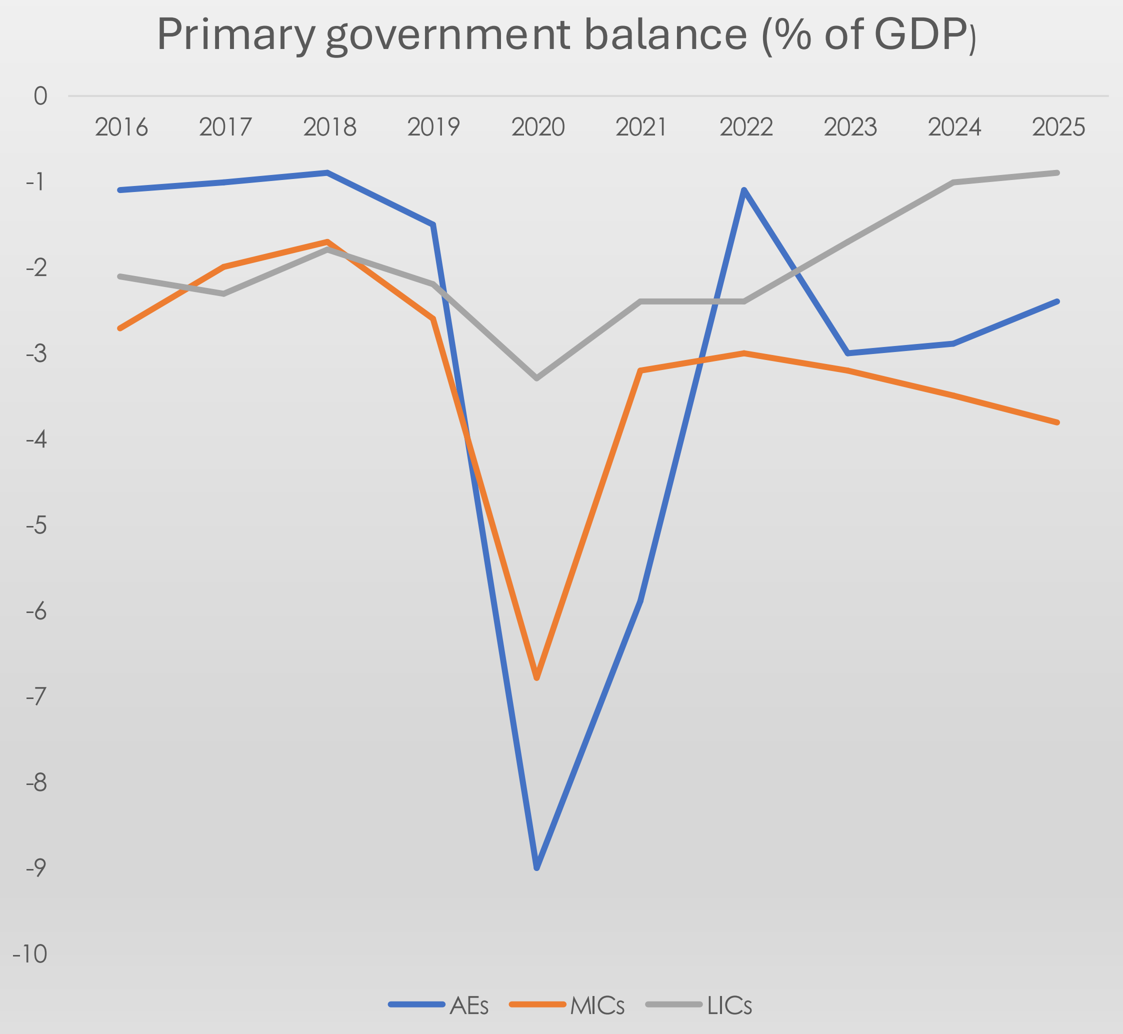
HOW DOES THIS OCCUR?

- Institutional barriers to entry and easing extractive powers, through national states and extension globally through trade and other international agreements.
- These include
  - changes in intellectual property regimes nationally and globally;
  - the creation of new forms of "property" like knowledge, cyberspace and formerly publicly delivered amenities and services;
  - supposed "deregulation" of investment that allows capital to function without constraints;
  - weakening of anti-monopoly legislation;
  - removal of protections such as those for labor or the environment.

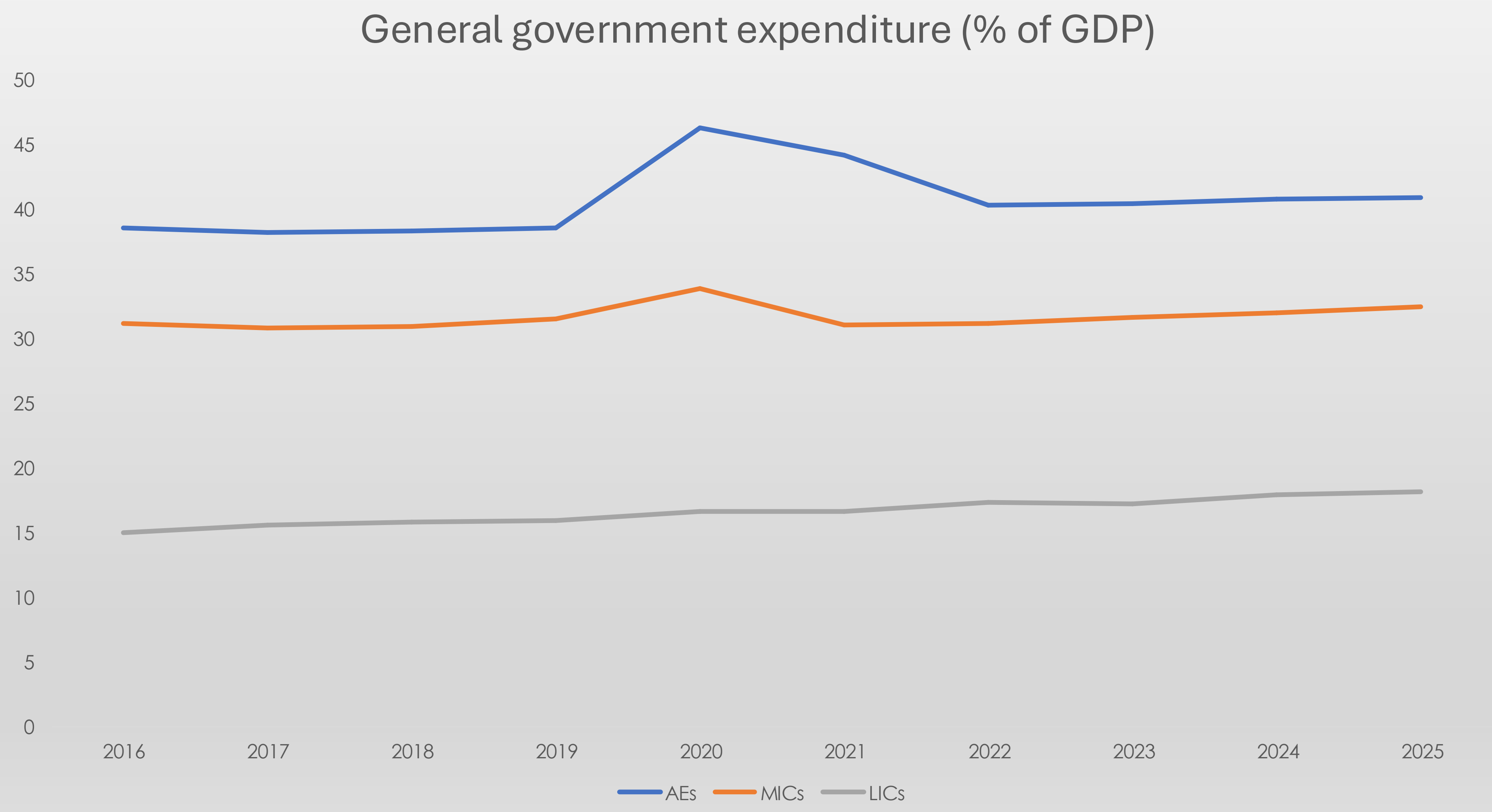
- Some examples:
  - Cyberspace, digital technologies and data
  - Pharma companies and IPR regimes
  - Finance
  - Essential services
  - Mineral extractive industries
  - Taxation

CURRENCY HIERARCHIES MAKE FINANCIAL INTEGRATION ADVERSE FOR LIMCS, WHICH ARE FORCED TO PRACTICE "FISCAL DISCIPLINE"

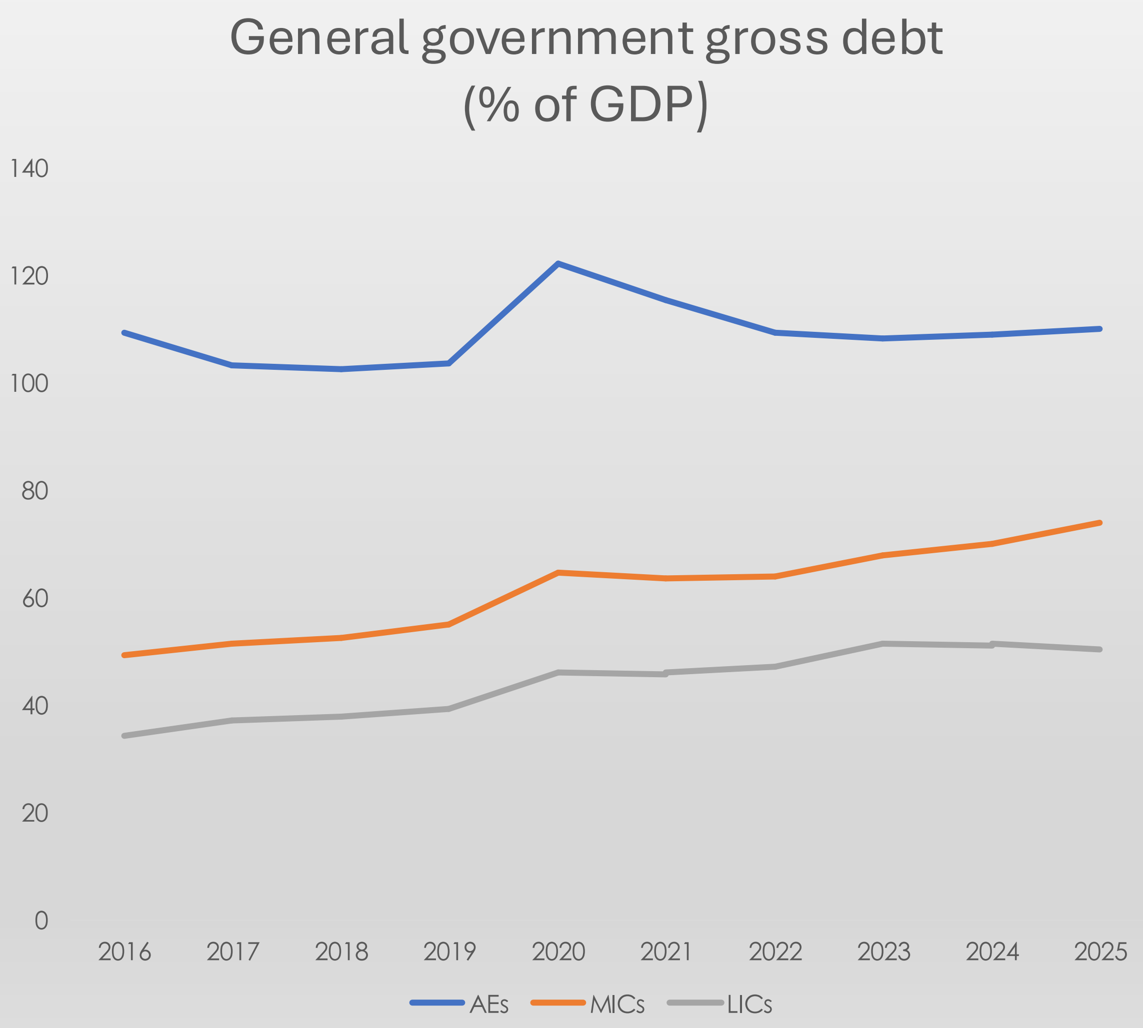


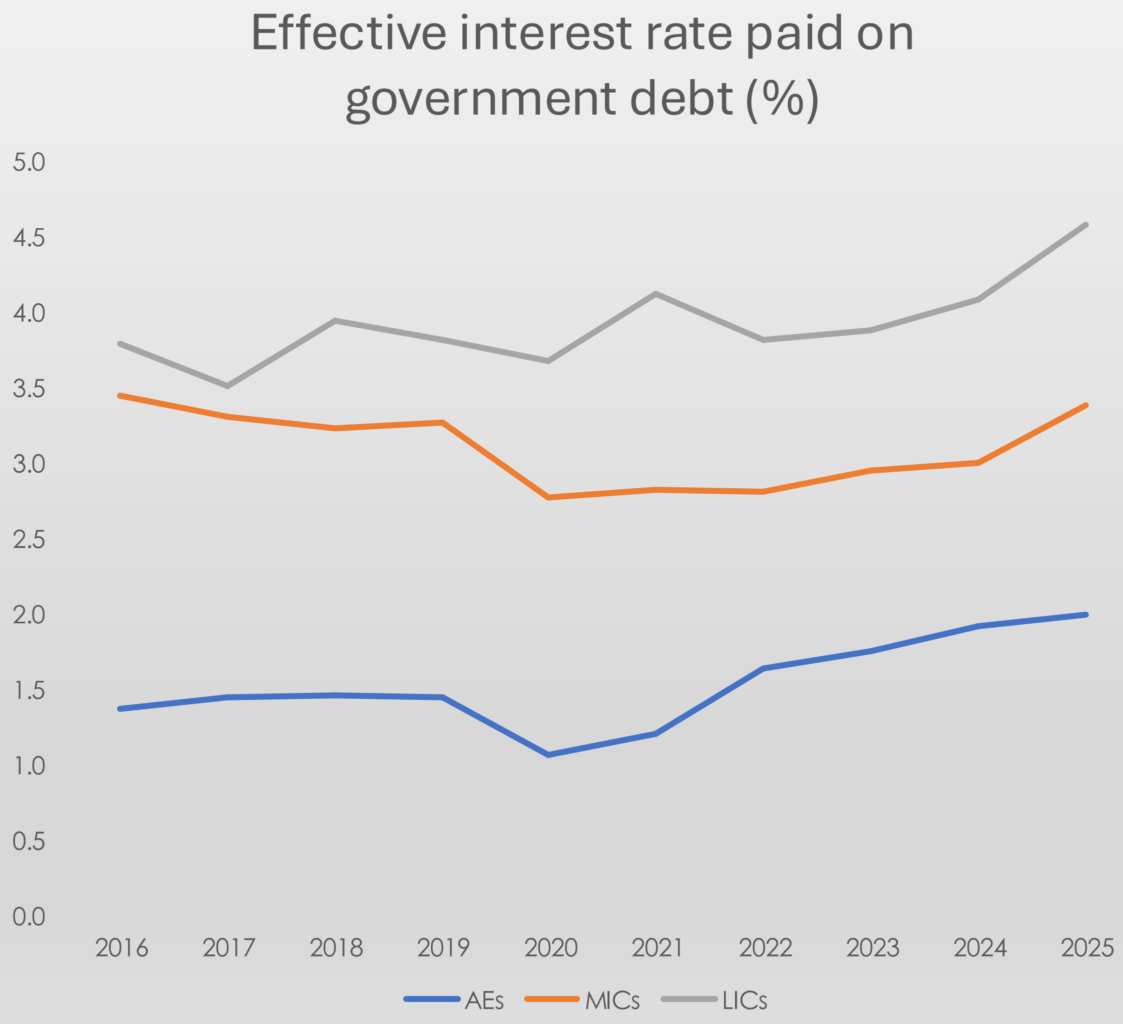


IN LMICS, FISCAL DISCIPLINE MEANS CONTROLLING PUBLIC SPENDING, RATHER THAN PROGRESSIVE TAXATION

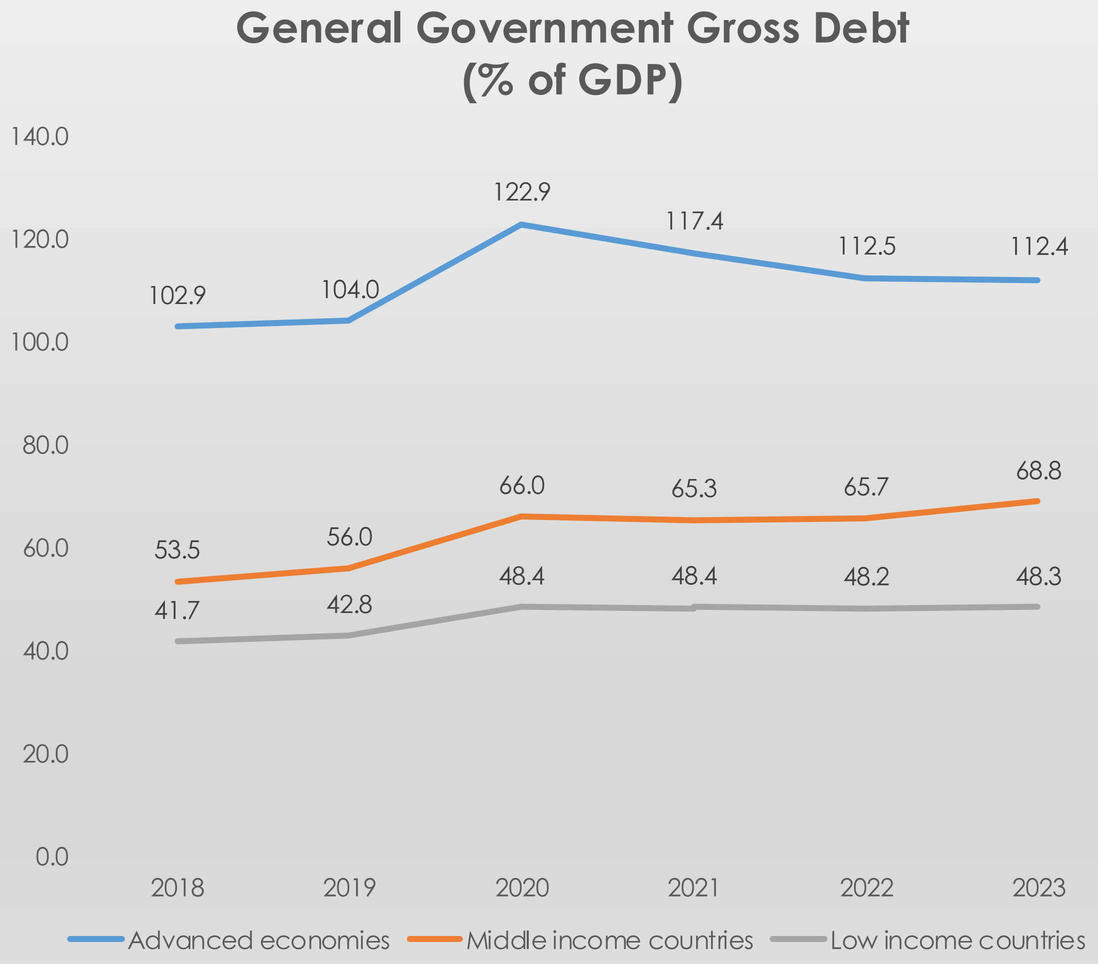


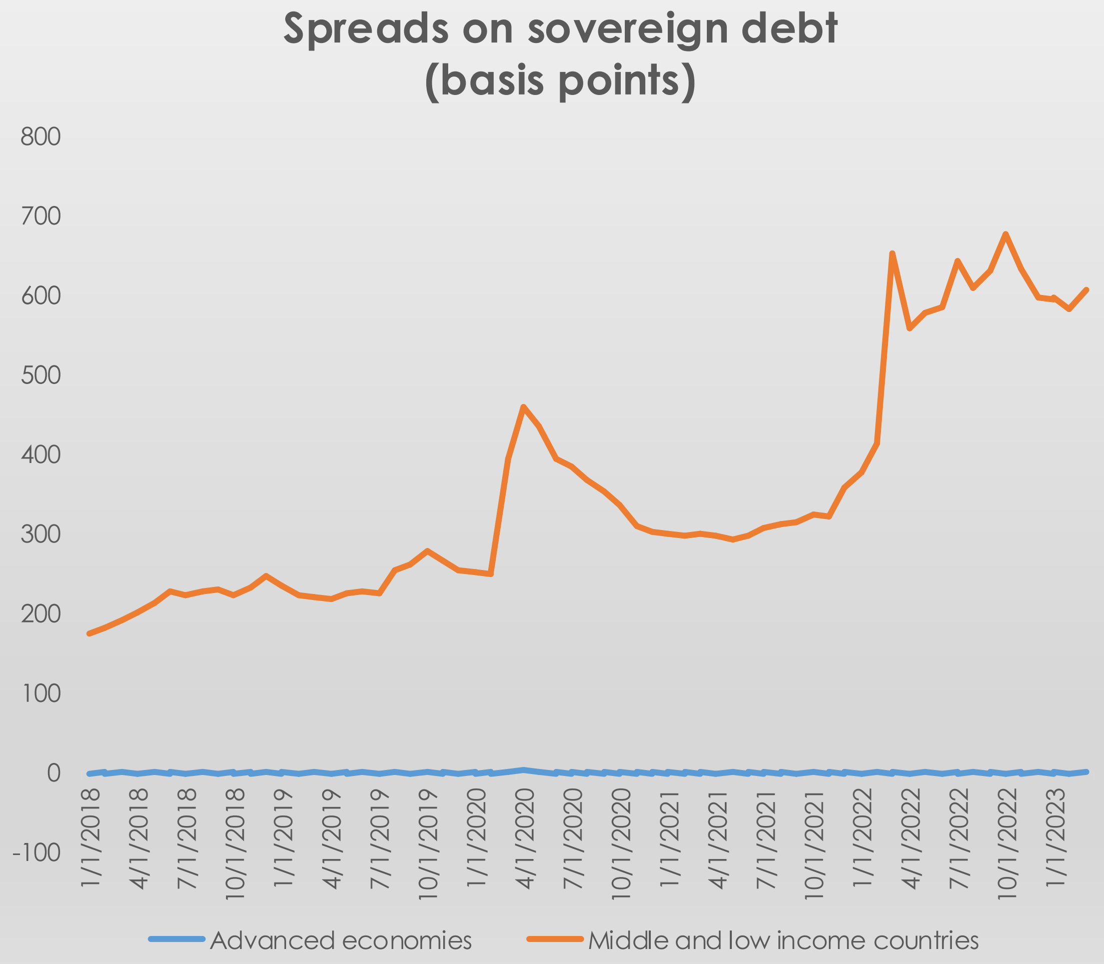
BUT RICH COUNTRIES THAT HAVE LARGE DEBT GET AWAY WITH MUCH LOWER EFFECTIVE INTEREST PAYMENTS



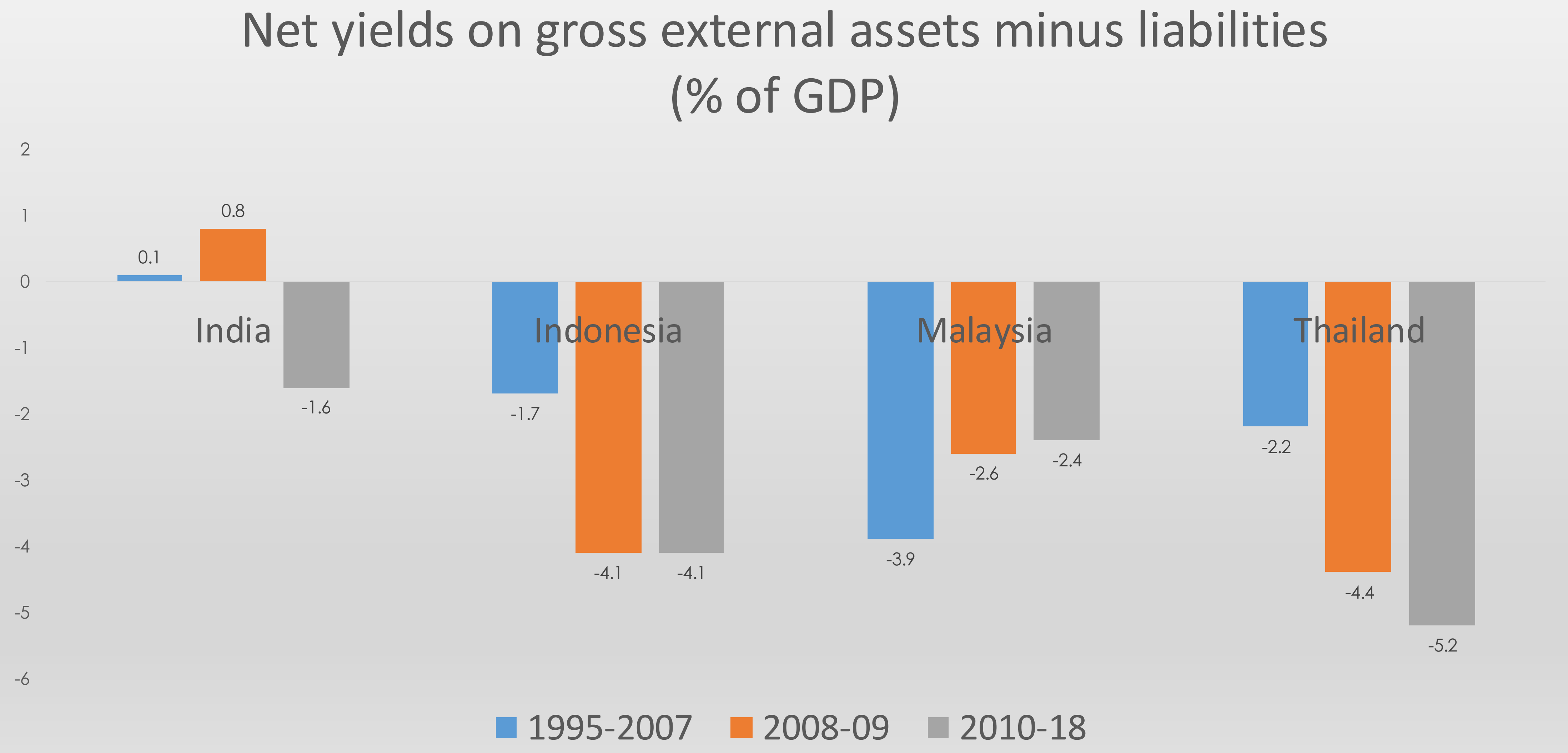


DURING THE COVID-19 PANDEMIC, LMICS WERE HAMMERED BY RISING SPREADS ON SOVEREIGN DEBT, DESPITE LOWER DEBT-GDP RATIOS THAN HICS





THERE ARE SIGNIFICANT SEIGNORAGE COSTS OF OPEN CAPITAL ACCOUNTS EVEN FOR “SUCCESSFUL” MICS



DIFFERENTIAL RETURNS ARE NOT JUSTIFIED BY "FUNDAMENTALS"

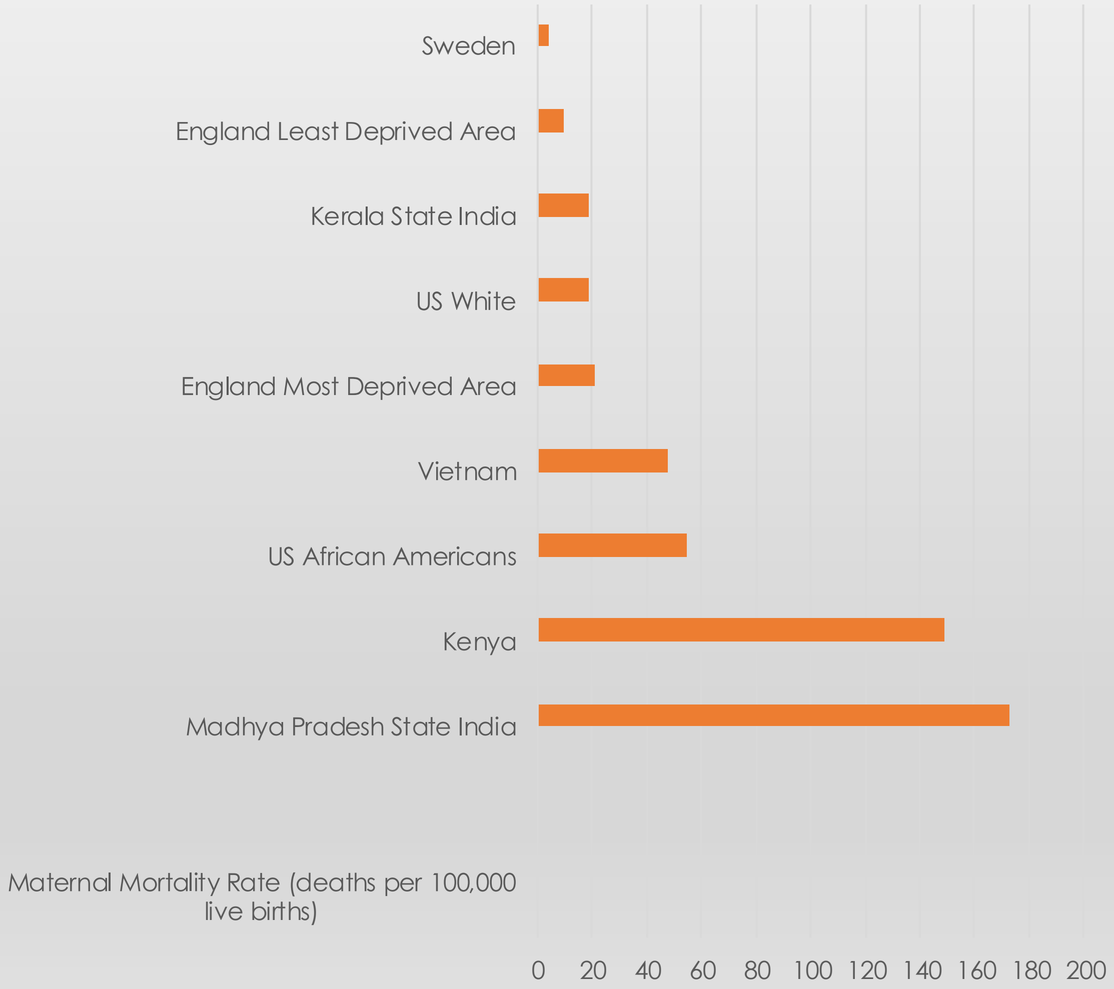
- Higher returns for capital based in advanced economies are NOT because greater risk of expropriation, etc.
- Nor because of risk of volatility and lower returns because of currency depreciation—despite depreciation, investors from rich countries have received high returns and capital gains for more than three decades, including from debt-stressed countries..
- Nor because of lower rates of return on rich countries' public debt, because private debt shows similar patterns.
- Rather, it's a privilege created by **power**, not just geopolitical and military power, but power over international institutions (IFIs, CRAs etc.); over global rule-setting; power of the ability to lobby for and ensure policies in lower income countries that are favorable for globally mobile capital from rich countries.

INTERSECTIONAL INEQUALITIES

INEQUALITIES OF CLASS, RACE, GENDER AND INEQUALITIES OF HEALTH, EDUCATION AND OTHER SOCIAL OUTCOMES

- In Kenya, a child from a rich family has just over a one in two chance of continuing his studies beyond secondary school, a girl from a rich family has a slightly lower, but very similar chance. Yet a boy from a poor family has a 1 in 40 chance of doing continuing beyond secondary school, whereas a girl from a poor family has a one in 100 chance
- Location also matters.
- In the USA, African American women are more than twice as likely to die in pregnancy or childbirth than white women, or women in the state of Kerala in India.

RACIAL, REGIONAL AND GLOBAL INEQUALITY MATERNAL MORTALITY (DEATHS PER 100,000 LIVE BIRTHS)



THE INEQUALITY EMERGENCY

- It undermines democracy and corrodes politics. Excessive wealth brings excessive power, to influence laws, regulations and public policies in ways that further the interests of the wealthy. It gives rise to rent-seeking behaviour.
- It undermines poverty reduction and is bad for economic activity in several ways:
  - lower aggregate demand because of constraining mass consumption, and reduced economies of scale;
  - adverse effects on those who lack income and assets, affecting their ability to be productive and makes them more vulnerable to adverse shocks;
  - inequality of outcomes reflects and further reinforces inequality of opportunity, wasting the potential of those at the bottom;
  - intergenerational transmissions of advantage and disadvantage undermine social mobility, squander talent, and generate wrong incentives.
- It undermines our ability to stop climate breakdown because of excessive carbon emissions of consumption and investment decisions of very rich.
- It undermines social cohesion and destroys trust, generating unpleasant social and political outcomes.

INEQUALITY NEEDS TO BE MONITORED AT GLOBAL LEVEL

- Recommendation for an **International Panel on Inequality**
- Similar to Intergovernmental Panel on Climate Change (IPCC)
- Technical body centred on data and policy-relevant analysis (not advocacy).
- It would provide a global public good for knowledge on inequality, and its analysis would be held in the public domain.
- It would not directly do research but monitor existing and new research, assess gaps in knowledge and the availability of quality data.
- It would produce periodic, policy-relevant assessments on the drivers, measurement and impacts of income and wealth inequality, and their relationship with inequalities in other dimensions, such as health and opportunity.
- It would identify trends and processes which have given rise to them, with a special focus on the international architecture.
- On the basis of these assessments, it would make recommendations on needs for further research and assessments of the impacts of various proposals, events, and policies.
- This would also enable the public to demand specific policies to reduce inequalities.

DRIVERS OF INEQUALITY

- Historical legacy of colonialism determining inequality across countries and and high inequality in developing countries
- Structural changes, e.g., those induced by technology or demography
- Public policies and practices, laws, rules and regulations, both domestic and international:
- Deregulation of the labour market and legislation to restrict trade unions reduced the power of labour versus capital.
- Regulation of businesses reduced states’ ability to curb monopoly power and enforced the legal primacy of returns to shareholders above the rights of all other stakeholders.
- Taxation became less progressive, with effective tax rates on corporations and the richest individuals in most countries falling dramatically, and there was an increasing reliance on regressive taxes like VAT.

MORE POLICY DRIVERS OF INEQUALITY

- Privatisation of education in a context of absent or falling inheritance taxes led to greater intergenerational transmissions of inequality.
- Financial and capital market liberalisation generated volatility and crises, forcing governments to restrict spending or avoid countercyclical spending for fear of capital flight, and enabling more tax avoidance and evasion.
- Privatisation of state-owned enterprises and services in sectors like energy, water, transport, education and health drove up corporate profits and prices for consumers, reducing access for people living in poverty.
- Privatisation also led to greater wealth inequality, as it was used as an opportunity for “looting” the state, i.e. transferring valuable state assets to private wealth owners at prices that did not fully reflect their value.
- Policies not only enabled the significant expansion of financial wealth but also protected it through crises (e.g. through financial sector bail-outs), which themselves were caused to a large extent by deregulation.
- Neglect of good quality employment as an important policy goal.
- Subordinating interests of micro, small and medium enterprises to favor large and mostly multinational capital.

ROLE OF INTERNATIONAL RULES AND INSTITUTIONS

- Economically powerful countries have used their power to shape global rules and institutions to their benefit.
- Disproportionate role in international financial institutions like the IMF and World Bank. De facto power imbalances at the World Trade Organization (WTO) and the World Intellectual Property Organization that make it harder to close the large knowledge gap between developed and developed countries.
- Austerity and other conditions imposed on DCs by IFIs.
- IFA promotes finance to flow in wrong way: between 1970 and 2023, Global South governments paid US$3.3tn in interest to creditors in the Global North.
- Other in this ‘uphill’ flow: international rules on taxation and intellectual property. Around $90 bn flows out of Africa each year in illicit financial flows.
- Repeated financial crises and lack of framework to resolve sovereign debt crises.
- Global trade rules allowing for escalating tariffs have played a role in sustaining neocolonial trade patterns, whereby developing countries continue to specialise in primary production, with limited ability to enter into higher value-added activities

ELITE CAPTURE AS A MAJOR DRIVER OF INEQUALITY

- The influence and interests of economically powerful elites on politics and policymaking both drives and reinforces economic inequality.
- Data from 136 countries suggest that, as economic resources become more unequally distributed, so too does political power, leading to policy outcomes reflecting upper-income preferences and interests more than those of lower-income groups.
- It is estimated that at least one-third of billionaire wealth is derived from crony connections to governments.
- Elites and MNCs lobby for lower incomes taxes, more subsidies, monopoly rights through patents (e.g. during Covid-19 pandemic), less workers protection and changes in rules in cross-border trade and investment agreements.

EMERGING INEQUALITIES

- Legal systems show more inequality, affecting access to justice and greater impunity for the rich and powerful.
- Greater concentration of media ownership, now on global scale because of importance of digital platforms and social media.
- This can reinforce other social inequalities of gender, race, etc.
- Access to and control of data is a new facet of inequality.
- Data centers—also used for AI—add to inequality also because they are resource-guzzling and heavily carbon-emitting, with uncertain benefits for people as a whole.

REDUCING INEQUALITY REQUIRES CHANGING THE RULES OF THE GAME, NATIONALLY AND GLOBALLY

- Improve access to knowledge, foods, medicine and digital technology, especially by enhancing competition
- Rein in corporate concentration, break up monopolies, restrict anticompetitive practices, and provide public options
- Rewrite international intellectual property (IP) rules, particularly including waivers in the event of pandemics and compulsory licenses/waivers for technologies related to climate change
- Improving access to food at stable prices, including through regulation of commodity markets and public intervention through physical stock holding at national and regional levels
- Stabilize pricing of essential goods and services through strategic and targeted interventions that reduce monopoly pricing power
- Digital transformation for the public good, not only for large corporations

NEW MODELS FOR NATIONAL ECONOMIC POLICIES

- LMICs must move away from debt-driven model of development and reduce dependence on external finance.
- National sustainable industrial strategies and developmentalism, instead of narrow protectionism
- Cooperation with like-minded governments for new national and international coalitions and partnership arrangements, especially for green energy transition
- Redesigned global, regional and bilateral trade and investment agreements away from corporate-friendly to people-friendly designs
- Pro-worker regulation and pushing for better working conditions for both paid and unpaid
- Reconsideration of government's relationship with the private sector, with more regulation.

INVESTMENT IN PUBLIC GOODS AND SERVICES

- Rethink macroeconomic and structural frameworks used by the IFIs, especially to recognise important role of domestic demand and economies of scale, and avoid austerity measures as crisis response
- Emphasize role of universal, publicly financed and delivered social services
- Prioritize equitable and last-mile access to quality public services, especially care services.
- Consider publicly provided services in a range of other areas beyond education and health – including public energy, transport, housing
- Provide universal, adequately financed and well-designed social protection

IMPROVING MACRO POLICIES, REBUILDING PUBLIC WEALTH AND EXPANDING FISCAL SPACE

- Reform the international tax system to enable the fair and efficient taxation of multinational corporations and the very wealthy
- At national level, countries to strengthen progressive taxation and move away from reliance on regressive taxes
- Address illicit financial flows, including by putting constraints on “enablers” in rich countries
- Reform the governance, and policies and programs of the international financial institutions (IFIs)
- Debt restructurings and liquidity support for the many developing countries and emerging markets with excess debt
- Enable greater use of capital account management tools
- Transformative public financing produced through new institutional mechanisms of coordination between central banks and fiscal authorities

THE URGENCY OF TAX REFORM

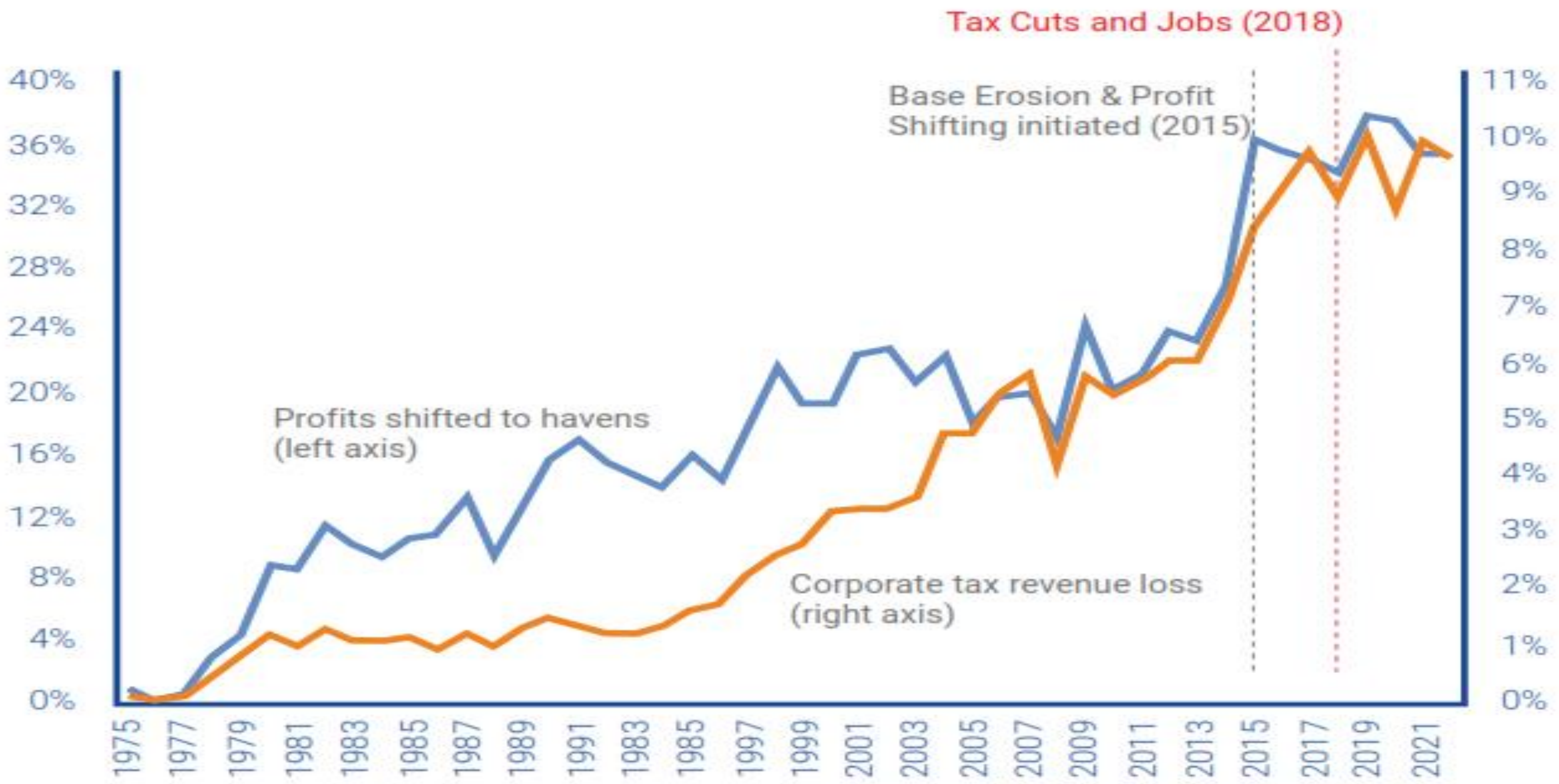
- Enhancing public revenues is essential.
- But taxation must be progressive (may the richer pay more) NOT regressive (putting greater burden on the poor)
- The immediate goal is to enable countries to raise domestic revenues that are currently **lost** due to the current international financial and taxation architecture.
- Some major concerns regarding revenue losses:
  - Inadequate taxation of High Net Worth Individuals (HNWIs)
  - “Legal” tax avoidance by MNCs
  - “Illegal” or illicit tax evasion by companies and individuals using profit shifting and moving assets abroad
  - Pressures exerted on governments to lower tax rates for fear of capital flight, inability to attract corporate investment, or mobility/change in tax residence of HNWIs.

TAX AVOIDANCE BY MNCS

- By shifting profits to tax havens, MNCs deprive governments of $240-460 bn per year.
- Developing countries worse off because their revenue sources are more limited, so they rely more on corporate tax receipts to fund public services.
- While MNCs operate with a centrally managed business model, with global operations determining total profits, current international tax rules still treat subsidiaries of MNCs as legally independent firms which trade at “arm’s length” commercial practices.
- This enables MNCs to minimise their tax liability by shifting profits to jurisdictions with low or zero tax rates: Base Erosion and Profit Shifting (BEPS)
- The rules are also skewed in favour of rich countries because they help multinationals’ home countries get the biggest share of tax from global profits.
- This “transfer pricing” has been made worse by tax competition: average corporate tax rates have fallen by more than half in three decades.
- Country-by country reporting by MNCs can help to reduce this, but it is not enough.

Figure 2.8

Global profit shifting and associated tax revenue loss, 1975-2022

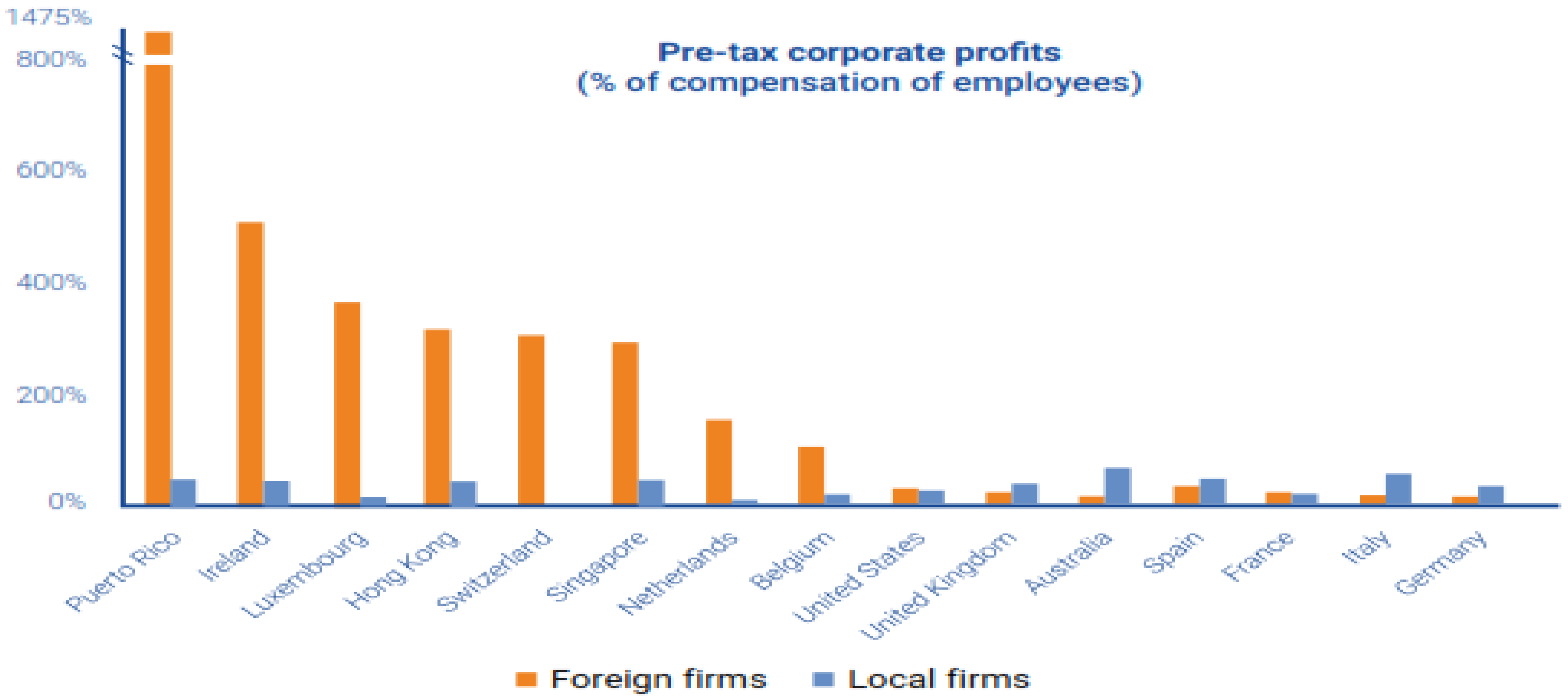


Notes: This figure reports the evolution of the fraction of foreign profits shifted to tax havens globally (left-axis) and the tax revenue loss caused by this shifting, as a fraction of collected tax revenue (right-axis). For reference we indicate the start of the Base Erosion and Profit Shifting process in 2015 and the Tax Cuts and Jobs Act in 2018. Estimate for 2021 and 2022 are projected based on data covering US multinationals only (see text) and as such are preliminary and subject to revision; they are marked with a dashed line. Source: Ludvig Wier and Gabriel Zucman (2023), "Global Profit Shifting 1975-2020", EU Tax Observatory working paper, updated to 2022 by the EU Tax Observatory.

SOME TAX HAVENS ARE WELL KNOWN, OTHERS LESS SO

Figure 2.1

The excess profitability of foreign firms in tax havens



Notes: This figure shows the ratio of pre-tax profits to compensation of employees for local firms and foreign firms in eight large tax havens and seven large non-haven high-income countries in 2019. In tax havens, foreign firms are much more profitable than local firms, and vice-versa in high-tax countries. Sources: Ludvig Wier and Gabriel Zucman (2023), "Global Profit Shifting 1975-2020", EU Tax Observatory working paper.

BIGGEST TAX HAVENS ARE NOT THE USUAL SUSPECTS:

- **UK**—Crown Dependencies (Jersey, Guernsey and the Isle of Man) and 7 Overseas Territories (mostly in the Caribbean, including the British Virgin Islands, Cayman, Bermuda and Turks & Caicos.)
- **US**—states that have low tax rates and are **secrecy jurisdictions** (e.g. Nevada, Delaware, South Dakota, Wyoming, Florida). US is estimated to hold $5.6 trillion in trust/estate assets undetected by tax authorities.
- One building in the US (1209 North Orange Street, Wilmington, Delaware) was headquarters of 285,000 separate businesses in 2012.
- Ireland, The Netherlands, Singapore are also important

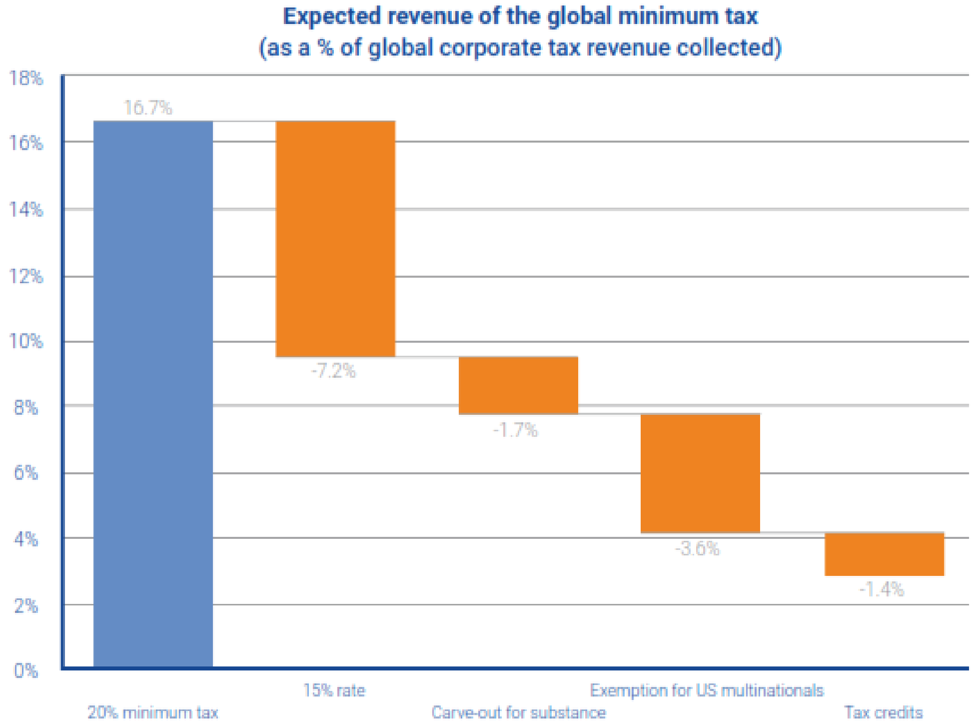
WHAT CAN BE DONE ABOUT THIS? ICRICT PROPOSALS

- **Global Minimum effective Tax rate**
  - A minimum of 25% tax rate (the median of current international tax rates) would reduce incentives for BEPS.
  - Even a tax rate of 21% as proposed by the US in early 2021, would make a big difference.
- **Unitary taxation of MNCs with formulary apportionment**
  - Tax a company according to its global profits, not the profits in any one country.
  - Each country will estimate its share of global profits according to a formula based on sales, employment and capital.
  - It can then be taxed at the same rate as national companies based on this share of global profits.
  - This is similar to tax policy operating already in US states.

OECD PROPOSAL OF MINIMUM TAX RATE ACCEPTED, THEN WEAKENED, THEN DESTROYED

Figure 3

The weakening of the global minimum tax



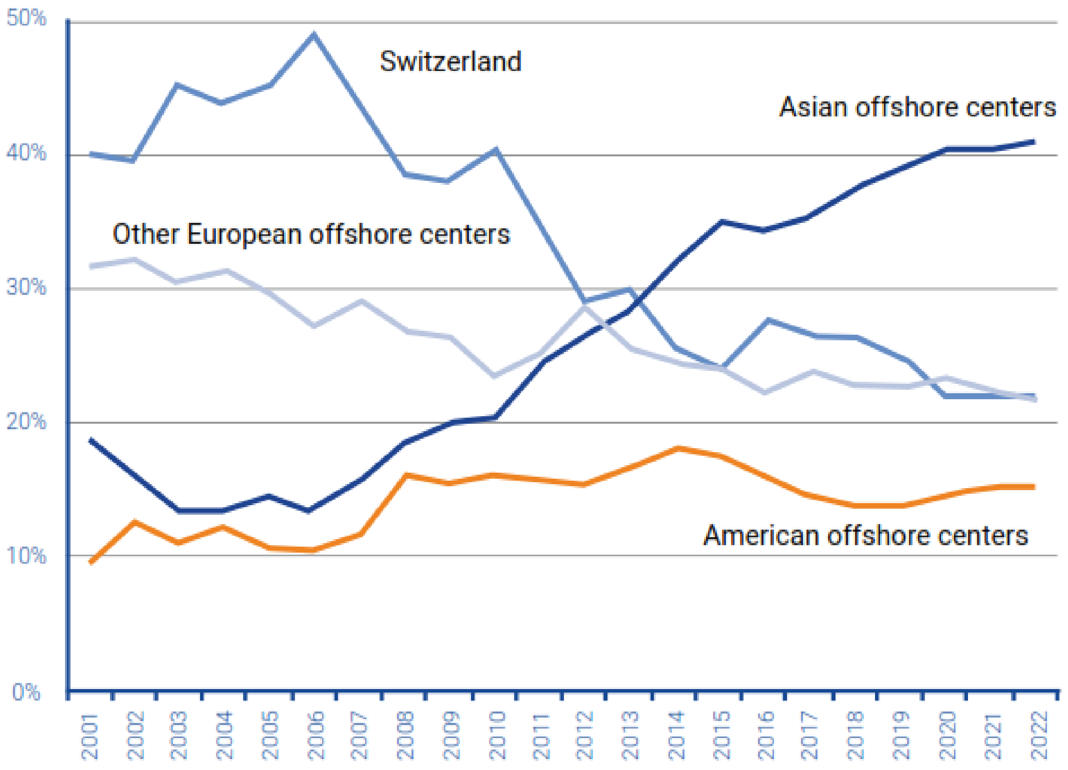
Notes: This figure reports the estimated revenue of a 20% minimum tax on the profits of multinational companies with no exemptions, and the effects of various provisions incorporated in the Pillar Two 15% minimum tax of the OECD Two-Pillar framework: (i) rate of 15% instead of 20%; (ii) carve-out for economic substance (allowing firms to exclude 8% of assets and 10% of payroll from the base of the minimum tax in the first year), (iii) exemption of US multinationals from the minimum tax (due to the non-participation of the United States and the temporary suspension of the backstop measures allowing other countries to collect the taxes uncollected by the United States), and (iv) preferential treatment of refundable tax credits (which are not counted as negative taxes). A 15% minimum tax without loopholes would generate the equivalent of 9% of global corporate tax revenues; after the carve-out, US, and tax credit loopholes, revenues are reduced to about 3%. Sources: EU Tax Observatory computations; see chapter 2 for complete details.

- ICRICT suggested 25% as median of corporate tax rates across the world.
- Janet Yellen suggested 21%.
- Finally, lobbying by MNCs and Ireland+Singapore brought it down to 15%.
- But carveouts for “economic substance”, exemptions for UN MNCs (even before Trump), refundable tax credits, etc., have reduced expected revenues to one-quarter of those originally estimated.
- The Trump forced G7 and then OECD to exclude US MNCs!

ONE SUCCESS: COMMON REPORTING STANDARD FOR AUTOMATIC SHARING OF BANKING INFORMATION

Figure 1.2

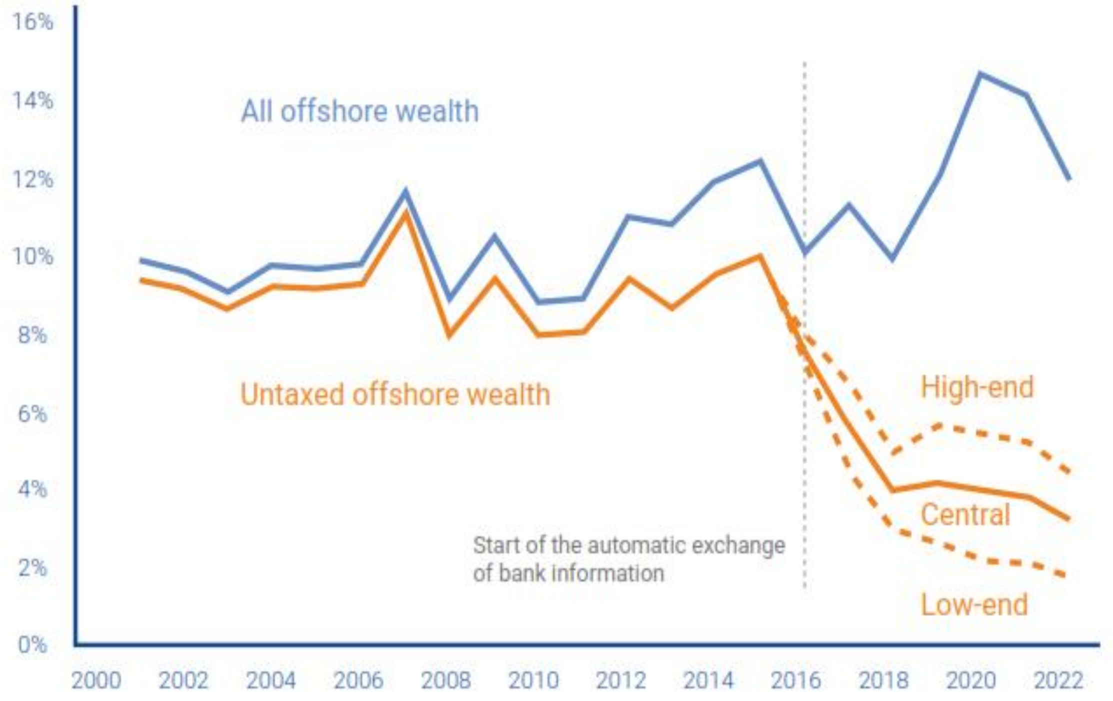
Where is the world's offshore household wealth located?
(% of total offshore wealth)



Notes: This figure plots the evolution of the share of global household offshore financial wealth managed in the different offshore centers (as a % of total offshore wealth) over the period 2001 – 2022. "Other European offshore centers" include Cyprus, Guernsey, Jersey, Isle of Man, Luxembourg, Belgium, and the United Kingdom; Asian offshore centers are defined as Hong Kong, Singapore, Macao, Malaysia, Bahrain, as well as (due to data limitations making it impossible to isolate those havens in BIS statistics) the Bahamas, Bermuda, and the Netherlands Antilles; American offshore centers are defined as the Cayman Islands, Panama, and the United States. Source: Souleymane Faye, Sarah Godar, and Gabriel Zucman (2023), "Global Offshore Wealth 2001 – 2022", EU Tax Observatory working paper. Data available on the *Atlas of the Offshore World*, https://atlas-offshore-world.org.

Figure 1.4

Unreported offshore household financial wealth - 3 scenarios
(% of world GDP)



Notes: This figure reports the evolution of global household offshore wealth (expressed as fraction of world GDP), and three scenarios about the evolution of untaxed offshore wealth. In the low-end scenario, 15% of offshore wealth is untaxed in 2022, representing 1.8% of world GDP; in the central scenario 27% of offshore wealth is untaxed, representing 3.2% of world GDP; and in the high-end scenario 37% of offshore wealth is untaxed, representing 4.4% of world GDP. See text for the construction of the central, high-end and low-end scenario. Source: for global offshore wealth, Souleymane Faye, Sarah Godar, and Gabriel Zucman (2023), "Global Offshore Wealth 2001 – 2022", EU Tax Observatory working paper; for untaxed wealth: EU Tax Observatory computations.

POTENTIAL OF WEALTH TAX

- 25 per cent of global offshore financial wealth remains untaxed.
- Not all offshore financial institutions comply with the reporting requirements—and the US, which contains several tax haven states, does not participate in the CRS.
- Also, the very rich can choose to hold non-financial assets, such as real estate. (In Dubai, for example, foreign owners hold 27 per cent of the real estate.)
- Loopholes for tax evasion within countries remains strong: global billionaires have effective tax rates of around 0-0.5% of their wealth, largely because they use shell companies to avoid income taxation.
- A wealth tax only on dollar billionaires –even a low tax rate of 2% would generate tax revenues of close to $250 billion annually from less than 3,000 people.
- Can consider lower threshold (centimillionaires) especially for LMICs.

SIGNIFICANCE OF TAX NEGOTIATIONS AT THE UN

- Efforts by Africa group led to UN General Assembly agreeing to begin negotiations towards a UN Framework Convention on International Tax Cooperation (UNFCITC).
- Success in agreeing to decisions **by vote** rather than consensus.
- Currently, framework convention being negotiated as well as two “early harvest” protocols
  - Taxation of income derived from the provision of cross-border services in an increasingly digitalized and globalized economy
  - Prevention and resolution of tax disputes
- US has stayed out and is trying to influence negotiations from te outside through bilateral threats.
- This can be resisted if more governments stay on course.
- This is in the interests of people everywhere, not just in developing countries.

BLOCKING ROLE OF INTERNATIONAL AGREEMENTS

- Currently many Free Trade Agreements, Economic Partnership Agreements and Bilateral Investment Treaties constrain progressive tax reform, because companies can sue governments under Investor-State Dispute Settlement (ISDS) clauses.
- This is especially true because of the very loose definitions of “investment” and “expropriation” in such agreements, with most of the case law going against sovereigns.
- Global tax co-ordination will need to reach agreement on superseding such clauses and preventing ISDS moves by companies in appropriate contexts and cases.
- Many such agreements and their dispute settlement mechanisms need to be revisited/reformed.
- Architecture of dispute settlement needs to be calibrated—a level playing field is not really level when economic and geostrategic power is very unequally distributed.

COALITIONS ARE ESSENTIAL

- Governments have to cooperate and create coalitions to work towards this.
- Even if multilateral agreements do not fulfill all the desired goals, countries can work together, especially in knowledge sharing, financing arrangements, tax cooperation, and coordinated regulation.
- This can be important before and during multilateral international negotiations—plurilateralism as shown by the Seville Platforms for Action.
- African Union can play an important role.
- Civil society needs to be actively involved in this within countries and in international discussions.

ULTIMATELY, THE VISION OF THE ECONOMY AMONG POLICY MAKERS AND PEOPLE MUST CHANGE.

THE ECONOMY MUST BE DESIGNED TO SERVE SOCIETY AND PEOPLE, WITHIN PLANETARY AND ECOLOGICAL LIMITS.