
A perfect storm

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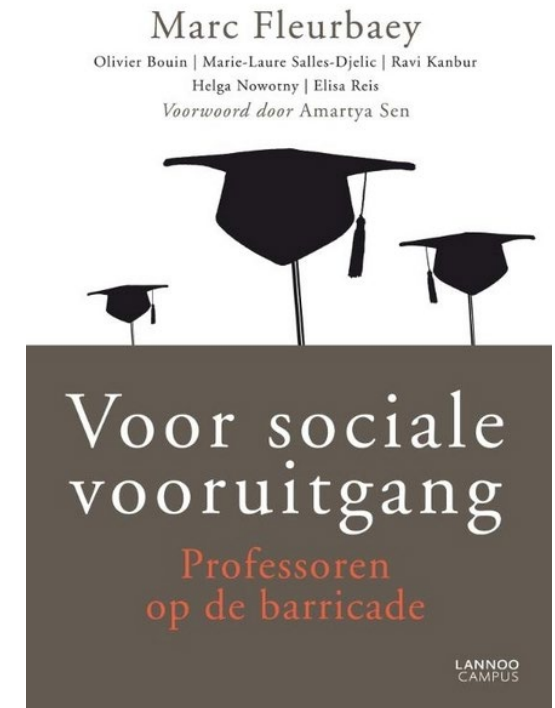
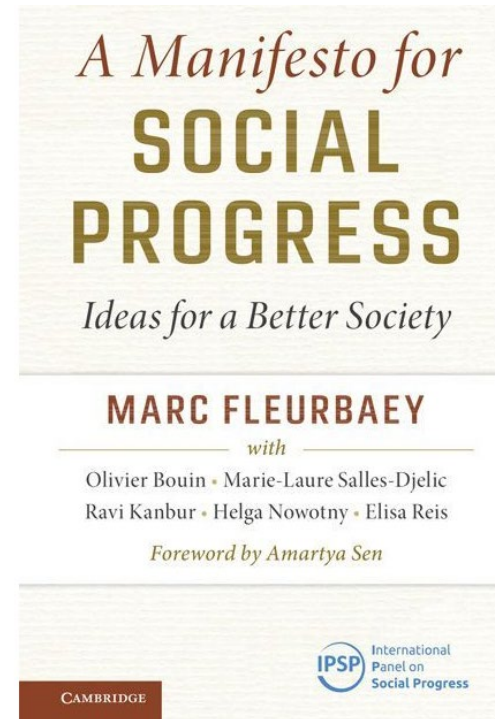
Outline

- Assessing the situation
 - Crossroads
 - Challenges
 - Interlinkages
- Seeking solutions
 - Transformations
 - Actors

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Assessing the situation

Past progress

- Economic growth
- World poverty
- Health, longevity
- Decolonization, democracy
- Globalization
- Inclusive values
- Environmental awareness

Challenges

- Inequalities
 - Within countries
 - Development gap
 - Technology
- Environmental degradation
 - Climate
 - Biodiversity
 - Pollution
- Governance crisis
 - Distrust
 - Populism

Covid-19

- Inequalities
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Question: How do you perceive the importance of each challenge?

- Inequalities



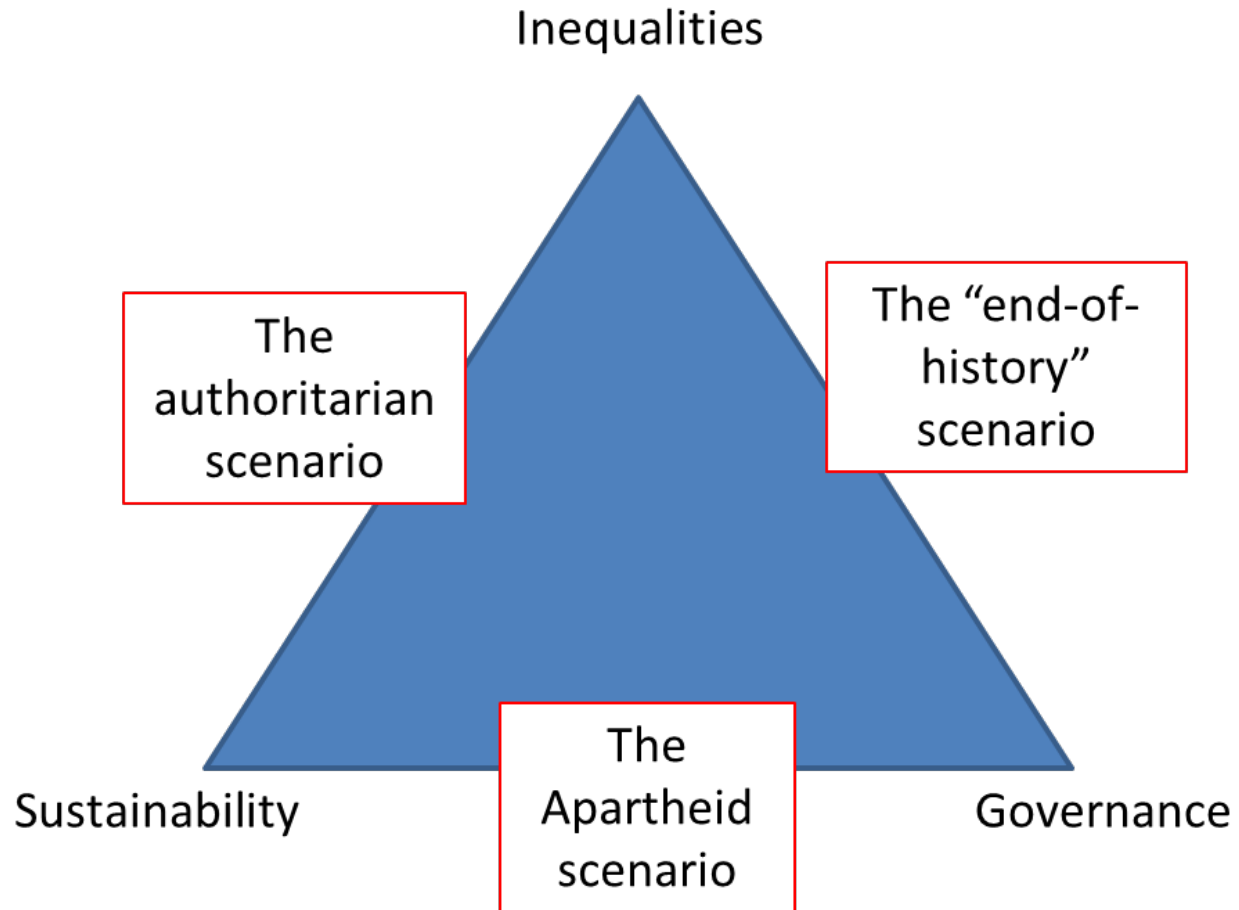
- Sustainability



- Governance



Three ways to fail



Seeking solutions

What does well-being depend on?

- Not just resources but also:
 - Inclusion
 - Control

Where are reforms needed?

- Welfare state
- Business
- Politics

The future of the welfare state

- The welfare state still has some power in a globalized world
- But real pressure:
 - Mobile factors
 - Debt
 - Ageing
 - Workers in transition

The future of the welfare state

- Three philosophies:
 1. Rescue the losers
 2. Prepare for the competition
 3. Change the rules of the game
- From the welfare state to the “emancipatory state”

The Scandinavian model or...

- Centralized bargaining
- Wage compression
- Market discipline
- Cooperative ethos
- Human capital investment
- Universal safety net and services
- Protect workers not jobs

...a decentralized variant

- **Decentralized** democracy in the workplace
- **Minimum** wage
- Market discipline
- (**Local**) cooperative ethos
- Human capital investment
- Universal safety net and services
- Protect workers not jobs

Additional levers

- Shift the tax base away from labor and toward externalities and rents (including market power)
- Guide/incentivize technology choices
- Gig economy: match dependence with employer responsibilities
- Develop transparency and labelling to support ethical consumers and investors
- Curb tax competition, tax evasion, tax expenditures

Reform the corporation

1. Mission (from shareholder value to stakeholder value and beyond)
 2. Governance (inclusive, participatory)
 3. Reporting (transparency on impacts)
- Competition weeds out less productive units but also penalizes the socially responsible
 - Level the playing field to make responsible management viable

Deepen democracy

1. Curb the influence of money
 2. Enhance participation and deliberation
 3. Treat the information system as a common good
 4. Reform the electoral system
- Democracy is not a competition but a common good

Actors

Question: How much can be done at the local level?

- Inequalities



- Sustainability



- Governance



Bottom up

- A participatory society cannot be a top down transformation
- Need to allow for diversity of experiences
- Civil society an emerging source of initiatives
... that needs scaling up

- ...but political leaders must seize the opportunities

Think global, act local?

- A lot can be done at the local level (families, businesses, local associations, cities)
- But global challenges call for global coordination
 - Intergovernmental
 - Intercities and jurisdictions
 - NGOs, unions

Thank you

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