

INEQUALITY

WHAT IS TO BE DONE



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Located in the northeastern Brazilian state of Paraíba, this region has been a focal point of resistance for Indigenous nations facing European invaders. The spirit of Indigenous pride remains strong, yet the current Brazilian population often fails to acknowledge the historical debt owed to the country's poorest communities of Indigenous and African descent. © Gérard WORMSER

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From panic-mode governance to a living economy

G rard Wormser

How to reconcile answers to the climate crisis with the unfurling of AI over the next 30 years? Social consciousness will be the key. There must be a consensus as to what a life of dignity is and how to mobilize what is necessary for 10 billion human beings to benefit. If not, there will only be deadly strains and struggles and a generalized chaos. The extraordinary denial of justice and the scandalously unequal distribution of resources condemn the *laissez-faire*. By stimulating expansion and profits, globalization pulled millions of people out of misery. But because the concentration of capital has no limits, a minority of super rich no longer acknowledges human beings who are unable to improve their situation and whose existence is a succession of problems to solve¹. Moreover, unlike what occurred a century ago, the extraordinary diffusion of means of production and the necessity for workers to maintain their living conditions have eliminated any possibility of revolution. In any case, it is difficult to see how a revolution could bring a lasting improvement:

1. *The Guardian* points out that some individuals could personally become owners of a capital equal to that of the biggest companies today listed on the stock exchange in the USA. <https://www.theguardian.com/technology/article/2024/sep/07/elon-musk-first-trillionaire-2027>; also: <https://informaconnect.com/academy/companies-entering-trillion-dollar-club-in-2024/>.

occurring where the suffering is the most extreme, a revolution would only increase the differences in the world's regions. The recent shipwreck of the *Bayesian* yacht with several millionaires on board took place near the beaches where thousands of African migrants crossing the Mediterranean come ashore: impossible to find a better symbol of our times.

We must find the best tools to reduce the growth rate of inequalities and their multiple expressions. These two objectives go hand in hand: some inequalities in rights and possibilities can be corrected by public rules and quotas in education, housing, and jobs, without having an impact on the better off or affecting the general distribution of goods. Likewise for the equal participation of women and men in all areas, which does not in itself modify the social structures. Creating inclusive incentives and the conditions for better public governance are to everyone's benefit. It would seem that a growing share of the educated young will support new universalist dynamics and spirit against exclusion. None of this is revolutionary, which greatly increases the chance of success. During the G 20 meetings in Brazil, *Sens Public* put together an exceptional group of texts driven by an enlightened spirit of social cooperation and solidarity for a humanity able take on the challenges of generation 2050. Do we dare?

MINIMUM AUDIT

Rich States massively subsidize companies in the name of employment, but salaries do not follow. Countries must act to counter the risk of declining labour income share. We need policies that promote an equitable distribution, said Celeste Drake, ILO Deputy-General¹. The only way of avoiding the unpopularity of those in charge is a panoply of varied transfers—but elections provide outlets when defiance is taken over by populist tribunes who make democracies ungovernable. The more financial markets cheer American multinationals, the less humanity resolves global problems. The 2030 United

1. <https://www.ilo.org/resource/news/global-labour-income-share-declines-putting-upward-pressure-inequality-sdg>.

Nations Millenium goals are unattainable¹. Wars, epidemics, urban riots, coups d'État, flooding and famine are back in the news, not to mention the climate catastrophes and the millions of people living in deplorable conditions in all the great metropolises. At the same time multi-millionaires rake in the greatest part of the wealth and are about to transmit more than 80 billion dollars in the next 30 years². Meanwhile, the middle classes toil to keep up their standard of living to enable them to transmit social and cultural values to the young generations. Their income stagnates, their activities are too intense, and most of those of working age are responsible for their children and their parents. If the least incident becomes a catastrophe, those who contribute to maintaining civil peace through their taxes and job are in a critical situation. This small group upholds the values of equality, respect of others and of justice and fights to find a place for those who are without. They also attempt to control the government leaders because they are not able to bear upon companies' decisions. With demonstrations, press denunciations and local actions, these people create participative democracy. But they are up against administrative and budgetary strictures and multinationals' cynicism, all the more frustrating because they often find their jobs and work in those companies against their ethics. Our technological societies seem thus to be ready to break. According to Branko Milanović, Chinese authoritarian capitalism looks forward to a smoother future than the one full of democratic values that is disappearing as we watch³.

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1. *An additional 23 million people were pushed into extreme poverty and over 100 million more suffered from hunger in 2022 compared to 2019. While some health targets improved, overall global health progress has decelerated alarmingly since 2015. The COVID-19 pandemic has undone nearly 10 years of progress on life expectancy. Education, the bedrock of sustainable development, remains gravely threatened as many countries see declines in student math and reading skills, jeopardizing core competencies that will determine future prosperity, writes Li Junhua, Under-Secretary-General for Economic and Social Affairs.* <https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf>; see also <https://www.un.org/fr/summit-of-the-future>; The report's authors emphasize the importance of the statistics in the fight against inequalities. Severe poverty—income less than half of the local median income—is at 12.1% globally; 58% of world jobs are in the informal sector. In 20 years, the proportion of the GDP going to salaried income decreased to 52.9% in 2021, continuing a trend observed for 50 years.
 2. <https://www.ubs.com/global/en/media/display-page-ndp/en-20240710-gwr-2024.html>.
 3. Milanović, Branko, *Capitalism, Alone, The Future of the System That Rules the World*, Harvard U.P. 2019.

This Report presented at the G20 in Brazil brought together internationally recognized experts of these questions. Critiques haven't gone away showing the internal contradictions of capitalism by John Maynard Keynes or Thorstein Veblen, which are different from the socialist ones. Socialists described these situations and isolated their main components but were unable to promote negotiated solutions with the dominant classes. Arrow's impossibility theorem suggests that a strong power is the only way of deciding questions of society when the protagonists cannot find agreement. But such a power prevents actors from expressing themselves freely. It is possible to impose total submission on a group of human beings but (Montesquieu pointed this out) all dictatorships are based on a caste of loyalists feeding on sinecures and preying on the rest of society. Bad luck doesn't count. This was how it was for slave and colonial societies and for the early industrial capitalism.

The expulsion and then the genocide of the European Jews brought this to a paroxysm by dangling advantages to the Reich-dominated populations, and first Germans. Post-war saw less harmful transactions around decolonialism, brought about by the ruin of the European powers and the USA-USSR rivalry. But the 1960s third-world hopes turned into the rise of the great powers' technological power energized in opposition to the impossible demographic equation of India and Africa, the weakness of domestic markets in Latin America's intermediary economies, and the European and Mediterranean areas, etc. Universal financialization accomplished the rest as of 1973 and the planet is still dependent on more American capital. Basically, it is essential to improve the skills of the greatest number and to train local managers able to reduce the privileges derived from generations of people subject to the masters enjoying total impunity. The passive resignation of the dominated is a crucial factor of shared hardship: the traditional or bureaucratic societies and the rigidity of misfortune and immobilism; the overcrowded suburbs and their unsanitary conditions and violence. While the dominated classes of the rich countries were able to improve their situation up to about 1970 by organizing collectively, since then, pressed by decades of inflation and technological unemployment at first, then by globalization's industrial offshoring, followed by robotization, uberization and the concentration of productive regions, they are victims

of a massive process of expulsion¹ that weakens the alliances working to reduce inequality.

At the bottom of the ladder, millions of people lack the most elementary tools and family and daily problems absorb individual energies; the lack of leadership, of incentives of training and capital do the rest: entire regions stagnate. In spite of the progress in public health, communication networks, and even the security of goods and people, emigration and its precarity still seem to be the escape route over a future of immobilism. The incalculable number of individual, institutional or networking decisions at all levels and all places show so many contradictory hopes but also hold out positive combinations. Since Condorcet's studies on voting (many peoples have had since long the experience of it) we know that the algorithms of collective preferences can lead to no optimal solution. British laissez-faire and the industrial revolution made stochastic management the way of the contemporary world. How to act in this framework to encourage initiatives that carry continuing progress rather than resigning ourselves to the walls that separate and morbid regressions?

Let's consider that poverty does not necessarily lead to a comparison in terms of inequality. Darrin M. McMahon demonstrates this clearly in this work: thinking inequality means making comparisons, that is, entering the variations of the imaginary and the representations human history is made of—with very different perceptions according to time and place. The author notes that our generation in particular fights cultural, decolonial and gender injustices and accepts the apparent paradox of claiming differences to enable equality. But identity politics cannot be a substitute for the imaginary of material equality. Nevertheless, this is not obvious. In the Brazilian Nordeste, most of my neighbors lack education, money and professional skills. They do not see the difference that separates us in terms of abilities and security. They know that I travel by plane and that I work with books in several languages. But how could they calculate the incredible accumulation of time and capital over several generations that my arrival among them

1. Sassen, Saskia, *Expulsions, Brutality and Complexity in the Global Economy*, Harvard U.P., 2014.

necessitated? They appreciate my attempts at understanding and sharing, my Portuguese accent has the charm of sincerity, I pay for the services I need from them. But human understanding does not change their existence. Raising their resources by financial money transfers and public services would be theoretically easy. That would initially decrease the differences of capital very little, which would be acceptable for the rich and would stimulate local demand. That would be a priority for any governmental action; it would be necessary to increase taxes on real estate speculations and the most excessive profits which would not penalize employment. But this is not on the docket, essentially because most of these people are looking at local practices while the richest Brazilians are living under protection thousands of kilometers away. The society is most often a fiction, and billions of human beings do not experience their material distress mainly through inequality but much more by simply getting by.

The people who suffer the most from these lacks are unable to fight against this poverty. Seeing poverty more than lack of justice, they are caught up in local conflicts far more than they can revolt against them. The illiterate remain dependent. The only ones who think that there is a “society” are those who know that the differences in wealth and prejudices affect the life of those in precarious situations. Most of those shamelessly consider their privileges as legitimate. They congratulate themselves on the good they do around them, in particular for the service staff. But their way of life paralyzes indispensable public investments. In Brazil, whole neighborhoods are targeted by a wild real estate frenzy where the builders do not even have to follow specifications for sidewalks, public schools, a square or a public garden or even parking places for people other than the owners. Throwing people out involves everyone except the real rich who pay for exclusive systems of all kinds. Darrin McMahon quotes Paul Sagar who says that the universalist equality project belongs to a narrative dimension, above all, concept determining practices. Moreover, the fact that the basic digital services that make the life of the poor easier are “free” has its counterpart in the fact that the existence of the wealthiest is “free.” And their daily extravagant expenses don’t touch their capital. All of this is magic. Inequality is thus a fate in which the lived experience is essential. Fighting against inequality means both compensating for the accidents that the very poor experience

(accidents of life, administrative arbitrariness, absence of support at times when one's existence can tip over for the better or the worse, ignorance, isolation), creating alliances to connect the fights, initiatives, and social inventions of the most motivated groups and guarantee that the material contributions of the haves is proportionate to the differences of luck and chance that they benefit from, through taxes, quotas, expenses connected to residence and buying, to incentives for charity and humanitarian aid, etc. It is not only a question of financial arrangements: if all the non-scholarship students would really participate in social and urban rehabilitation projects or popular education their vision of reality would be greatly enriched. And if all the young people were able to take advantage of a right to subsidized credits and a help for their project, it would be equal to the busing program in the USA two generations ago.

Some random examples show that inequality always goes along with something else: with injustice such as the suicide of Mohamed Bouazizi, the Tunisian orange seller that precipitated the 2011 fall of Ben Ali's regime. That was after a policeman confiscated his stall. The same thing has just happened to Fabiana, a young Brazilian woman, to her great despair; with dreams —« Dream is not good sometimes. Me, I dream »¹: Wendell, truck driver in the Philippines, came to Paris and never left. Clandestine, he walked dogs for some rich compatriots; with ignorance: Edcrecia, a mother exploited by a restaurant owner for years, paid and assigned a category under her skills, exhausted and burned out, but as a good Catholic, hoped to leave with a bonus from her boss. As she had not prepared for getting her rights by requesting legal aid, she is now accused of professional misconduct for leaving her job. These are examples of absurd and penalizing dysfunctions, as for Philippe, young unemployed whose low aids were reduced by social security because his mother was not paying

1. Excerpt from Hayden, Sally, *My Fourth time, we drowned, Seeking Refuge on the World's Deadliest Migration Route* 2022. The author spent a number of years on the routes used by Erythrean refugees to join Europe through Sudan & Libya... She points the scandalous gap existing between the international civil servants employed by various agencies & the horrible situation of the millions of deprived, humiliated, enslaved or tortured refugees. This is another aspect of contemporary inequalities which nobody should ignore.

her medical and hospitalization charges. These structural inequalities push thousands of people into dramatic situations. But who sees this? Don't we protect ourselves by conjuring up the phantom of personal responsibility when accidents and failures are simply the fact of the little choice offered to millions? When 13 million women become mothers before 18 year of age every year, how many escape poverty? How many girls take their own lives to avoid the shame they experience?¹

BENIGN NEGLECT, UTOPIA AND DIPLOMACY

According to recent figures, in 1992, the value of financial assets listed on financial markets was inferior to the world's GDP. It grew to nearly three times this number in 2020 before stagnating during the post-Covid economic recovery. Today, the top 10 largest companies represent 25% of the total market capitalisation on the main stock market index; in 2009 they represented only 10%! Largely dominated by the United States (81%), followed by Taiwan (5.8%) and Japan (3.2%), the global "tech" industry is worth 20 trillion dollars. The euro zone accounts for 4.2%. The American market also distinctly dominates the telecommunication (75%) and health (69%) industries. In the US, the value of financial assets (not only equities and bonds, but also cash deposits, loans, private equity and pension fund reserves) is significantly higher than the country's GDP, « *which illustrates the financialization of the American economy and the high level of wealth inequality in the United States* » explains Bank of America Securities. « *Wall Street is currently 6 times the size of Main Street* » . That is twice what it was before 1990. The American government debt currently grows by 1 trillion dollars every hundred days. The amount of global debt (313 trillion dollars at the end of July 2024) equals three times the global GDP². In parallel with these staggering figures, world population is about to reach 10 billion inhabitants

1. <https://unstats.un.org/sdgs/report/2024/The-Sustainable-Development-Goals-Report-2024.pdf> p. 13.

2. <https://investir.lesechos.fr/actu-des-valeurs/la-vie-des-actions/les-etats-unis-representent-65-du-marche-mondial-des-actions-et-81-du-secteur-de-la-tech-microsoft-est-la-seule-entreprise-a-figerer-dans-le-top-10-des-capitalisations-tout-au-long-du-21e-siecle-2114519>.

with almost as many senior citizens as infants. In 40 years, people older than 65 are set to outnumber (2.2Bn) those under 18¹. How may we, in current conditions, rise to these challenges? British politician Gordon Brown finds it frightening and advocates an immediate reduction of the least advanced countries' debts:

At a time when we are on the verge of the most innovative advances in medicine, artificial intelligence (AI) and environmental technology that the world has seen since the introduction of electricity, and which could foreshadow the biggest increase in productivity and prosperity for decades, we are at risk of losing the benefits by succumbing to protectionism, mercantilism and nativism. High interest rates and bond and loan repayments meant that nearly \$200bn flowed out from developing countries to private creditors in 2023, completely dwarfing the increased financing from the international financial institutions²

Philippe Engelhard said thirty years ago that half the Brazilian population lives on the edge of survival and that only a third of Brazil's total population is integrated³.

The average resource gap between the richest 1% of the population and the poorest 50% has grown to more than 30 times; knowing that 2% of Brazil's population—around 7.5 million people—have to survive on the equivalent of a single dollar a day and the average income in Brazil is about \$550 dollars monthly (a third of the Brazilian population lives on less than \$200 a month in purchasing power parity)⁴. This gap is largely due, everywhere in the world, to the destitution of farmers. Without capital or means of pressure on the aggressive agribusiness whose exports are made to offset the industrial deficit, poverty has closed in on billions of people barely

1. https://www.lemonde.fr/planete/article/2024/07/11/la-population-de-la-terre-devrait-atteindre-son-maximum-avant-la-fin-du-siecle_6248844_3244.html.

2. <https://www.theguardian.com/commentisfree/article/2024/aug/24/august-2024-world-turning-point-political-environmental-threats-urgent>.

3. Engelhard, Philippe, *L'Homme mondial, les sociétés humaines peuvent-elles survivre?* Arléa, 1996, 118.

4. <https://static.poder360.com.br/2024/08/desigualdade-2024.pdf>.

surviving on minimum assistance. This shows a precarious and dire poverty thought to have disappeared with unimaginable profits reinvested in the fastest growing areas.

Can we agree on the existence of institutional processes? Simple benign neglect invalidates many a “restrictive” disposition and Gordon Brown’s hope of seeing the political reality move against financial markets is tenuous. But, as Amartya Sen pleads, similar orientations may emerge from disparate individuals—we may call them “shared values”¹. On the global scale everything hinges on power relationships centered on the future of the world. And on the local scale everything depends on the coordination of initiatives capable of bringing people together.

Off these two beaten paths, we are bound towards utopia. What would happen if we managed to lay down procedural rules of global scope, analogous to Kant’s moral imperative? Patrick Mardellat advocates for a gift economy going beyond being a mere compensation for the distortions of financial markets. Political economy, even if “it does not satisfy itself with the factual state of the human condition”², remains under the influence of the exclusive possession model. Just like Sen in his own way, John Rawls outlines a liberal-type pattern. But “giving is always a fulgurance, an event in itself”³. It doesn’t belong to any ethical economy which would only need to avoid the “winner takes all” logic. Giving is not sharing, but to rid oneself of wealth that always comes from some type of hold over others. According to Levinas, it’s about “a more radical way of thinking: others are always the poor, poverty defines them as others”⁴ and everybody is always in debt to them. Giving is a human commandment—if we have received life as a gift, and the poor “reveals himself as the prospect of another economy. Each of us, in the depths of ourselves, carries the poverty that belonging to the world’s economies entails. It’s giving that irrigates the life-economy we received in

1. Sen, Amartya, *Home in the world*, 2022.

2. Mardellat, Patrick, *Economie radicale*, Hermann, 2024, 443.

3. *Ibid*, 470.

4. *Ibid*, 479; Cf: Levinas, Emmanuel, *Autrement qu’être*, p. 100.

a state of poverty.”¹ Its symbol would be kid who’s playing and to whom to give is a primordial human evidence. How can we match this utopia to liberal economy?

The expectations of financial markets drag us in the opposite direction, as Rawls himself acknowledges: principles of equality can’t be used between groups whose essential values are mutually exclusive. Gift-based life-economy, which finds its point of origin in the otherness of the poor, is something else entirely. Let’s take a look. First point: preference for the short-term benefits only the speculators; we must steer clear of it. Without any locally sustainable framework, there are only windfall effects favouring an irrational extraction of value which in turn destroys the basic social structures. The diversity of adaptative capacities (resilience) is essential and contributes to a diverse and durable world. Second point: fighting inequalities demands the sharing of certain behavioural standards. Beyond communitarian illusion and in order for the battle to spread past ourselves, societies must rally. Contrary to the communitarian *doxa*, opening oneself to others, training to discuss and argue, envisaging institutional and procedural courses is indispensable and so are professional training and policies to support demand. Comparing diverse opinions and heterogenous populations facing the same challenges is an asset to democracy. Fighting inequalities demands therefore policies on diversity and an altruistic culture. The works of Sen, Yunus and Dufflo set the course for a collaborative approach to capitalistic concentration and communitarian seclusion. Whatever the practical benefits, its basis is to consider inequality as a situation which obliges us all. For want of being able to prompt a complete conversion of civilisation, this utopic dimension contributes to renew the imagination of equality by drawing inspiration from the most remarkable thinkers of the twentieth century, who, from 1925 onward, were aware of the upcoming disaster set in motion by the returning of lethal nationalisms strengthened by nazi or Stalinian fascist, racist and anti-semitic ideologies. Their ideas, which here are represented by Emmanuel Levinas, were summarised by the United Nations’ Universal Declaration of Human Rights signed in 1948 and most fervently desired by Eleanor Roosevelt. Human

1. *Ibid*, 479–481.

dignity was made the organising principle of the text by its main writer, René Cassin. As an unconditional principle, this right supersedes any other legal-economic principle and establishes a universal claim that our societies are far from respecting. So much so that one could say that we are far from living in society. We must at least acknowledge the inexistence of juridical universality and the pure relativity of our rights, and rid ourselves therefore of the idea that there exists any unity of human populations. Our relations are mediated by filters of inclusion and exclusion while everywhere states of exception which sort people out for extrinsic reasons—a passport or a diploma, a salary or a bank account, a place of residence or the reputation of a neighbourhood—continue to live on...

TOOLS FOR THE 2050 GENERATION!

The 2050 generation is already born. The question is simply whether it will long accept that its organisational capacity cancelled out by the discretionary decisions of one or two thousand super-billionaires who control the bulk of the capital accumulated over the last fifty years through the methodical destruction of natural environments, the general disruption of social structures, the subjugation of the critical spirit of researchers summoned to respond to the demands of producing 'on the frontier' technological devices, and general monitoring of individual behaviours through connected gadgets, and let's not forget the 5 or 6 billion people left to live with little to no control over the condition of their lives' evolution, serfs to self-validating systems with no place for critics, and unknowingly submitted to the interest rates of public debt. The question, therefore, is what pressure can we exert on investors to thwart the pernicious tendencies of economy. This is not easy in a world where "CEO pay has soared in recent decades compared to typical workers' pay. From 1978 to 2022, CEO pay increased by 1,209.2% compared to just a 15.3% increase in median worker compensation, according to a 2023 report by the Economic Policy Institute"¹. Monitoring billionaires and reinforcing technical education & training everywhere are the two sides of the same coin. The first is a must to

1. <https://www.theguardian.com/us-news/article/2024/aug/29/ceos-with-lowest-paid-us-workers-focused-on-own-short-term-windfall-report>.

adjust fiscal contributions imposed upon disproportionate wealth. That's the proposition of the Zucman Report for the 2024' G20 Summit. Its justifiability is its reasonable appropriateness: taxing 3,000 identified super-billionaires is possible and applying an internationally verified cumulated taxation rate of 2% would not even diminish their wealth, which has a yearly growth rate of around 5%. We can consider that conglomerates listed on the stock market benefit from global speculation and that their value bears no relation to the state of the market. Consequently, taxing their main shareholders isn't at all confiscatory: such a tax will not affect the share price, and therefore not burden the pensions that depend on them, while getting back in public budgets a speculative manna of money which would not normally be invested in public goods. This virtual money would then become real as it would allow to build health, education, green energy and transport infrastructures which are essential to future productivity and enrichment. The limits of such a project? It will not be counter-cyclical: taxes will follow the stock market prices and decrease in the event of a financial crisis.

On the second side, technical learning, this is what start-ups have taught us: it's imperative to enable the younger generations to get involved in inspirational projects. It doesn't matter whether they are cultural, political, financial, environmental, administrative or sporting. Idleness and a lack of perspective is far worse. Since training is a necessary prerequisite, the realistic utopia is to make it available everywhere, easily accessible by all possible means, and to mix courses for existing local jobs with teachings that allow the young to discover different languages and new, creative, spaces open to exchanges and which stimulate imagination and a taste for innovation. This ties in with Branko Milanović's message: we should not smear the paleo-leftists—they had identified the importance of growth in making people of diverse conditions equal, and had made clear as well that public discussion was paramount to stop growth from getting out of hand and into the pockets of a few, in the form of super-profits. No equality without education. This is why projects like *Sens Public*, a space for enlightened discussions and open to all unlike the specialised journals that only address experts, are so important. Between research labs and mainstream press, the democratic space feeds on initiatives on the fringes of institutions, such as SciencesPo's Impact Studio. Intellectual value chains question financial value chains, and healthy polemics lead to in

depth reshaping. Without them, no Green Deal, no mission-driven companies, no international solidarity and no legal controversies... Regulatory approaches must be combined with rallying actions. In order to shape a well-structured public opinion, the energy of press institutions must be associated to the motivation of academic researchers. Therefore, the stance the educated middle-classes will take in the face of the press relays of the global majors will be essential—that's the message conveyed by John Dewey's century old lectures *The Public and its problem* published in 1926. Strengthening the public's capacity to question information seemed to him essential to protect democracy. What more is there to say? Only a worldwide awareness guiding public policies can hold technological giants, which take over every possible territory, accountable. This total conversion of mindsets seems hard to imagine, of course; but should our future be left to an unrestricted "business-as-usual" mindset? Here, Pascale Bracq, Claire Poirson and Agnès Saal plead for strict gender requirements. Every detail of negotiation matters, every local operation is essential, every teaching or transfer of expertise paramount, and the ratchet effect of regulations, even symbolic ones, is important.

Inequalities in inheritance are not the only inequalities and not necessarily the most hindering. Daniel Waldenström demonstrates it in the present volume: small inheritances allow millions of families basic security. Moreover, Niels Planel offers to give every youth a start-up capital in order for them not to depend on penalising loans to set up projects. As they are mostly invested in economy, even the most important patrimonies are less penalising to society than we might expect. They often are leverages for appropriate investments, the success of which create a future tax bases! It's only natural that the public opinion has made central the question of their use. Ever since the French Revolution, the respective efficiency of public investment and company decisions has been discussed. In practice, the policies conducted in the US over the last 50 years have proven that inflation sets back any control over the economy and that mixing public incentives and technological successes has permitted prolonged growth. There still remains to correct the negative effects on poorer populations and the environment by proactive decision-making. Current dynamics of the global economy must consequently support vulnerable populations and threatened areas (urban as well as rural).

This demands a mix between taxing and well-oriented tax exemptions¹ as well as the support from richer countries to the rest of the world. An international discussion enriched by multiple field experimentations is all the more essential that national parliaments are most often incapable to serenely address a just & rational future—as shown here by indigenous Brazilian deputy Celia Xakriabá. By contrast, at the individual level, priority is set on taking into account people’s living conditions, gender and prejudices, post-colonial remnants, housing and mobility. Suraj Yengde gives us a synthetic overview of the intact power of castes that long have kept the power to themselves, since the independences, and whose practices of dominion over penurious farming masses underlines the hypocrisy of egalitarian speeches. Organising struggles based on statistical elements & carrying demands to the main decision-makers in order to break free from submission and fear is the best lever for greater justice—but this implies that international fundings will not come to top up institutions complicit to the worst injustices. It will also be essential to fund mobility. Even when not taking into account the desertification of territories due to climate change, how can social progress combine with environmental conservation without giving back to nature certain sparsely populated regions which do not possess suitable services to productively restructure concentrated strategic areas: programmes including accommodation, schools, administration and economic zones would be more useful; a rebuilt neighbourhood is in itself an immense equality factor when compared to an unhygienic favela or a village with no transport. Evidently, it will not be enough to erase every trace of prejudice, the abolishment of which cannot be simply declared. A recent report from the Brazilian organisations combating inequality states that:

76.07% of black women live in precarious housing conditions, compared to 22.84% of non-black women. Black lives are constantly

1. Tax levies must not be aimed exclusively at reducing the scale of wealth; they must finance public services and social transfers, support and guide private investment and limit dumping between different states. The super-billionaire taxing project intends to slow down the rise of the highest incomes and redistribute half of their gains on a constant system basis - it would in no way change the distribution of income... Cf <https://gabriel-zucman.eu/files/report-g20.pdf> and the declarations from the July 2024 G20 Finance Ministers Meeting <https://www.g20.org/en/documents/documents-resulting-from-the-3rd-g20-finance-ministers-and-central-bank-governors-meeting-rio-de-janeiro-25th-and-26th-of-july-2024>.

threatened, both by precarious living conditions and by the structural violence that marks daily life in Brazil's peripheries and favelas. The lack of access to quality education perpetuates the cycle of social exclusion, limiting these women's opportunities for social and economic advancement. the population served by water supply. In 2022, 85% of residents had access. But territorially, there is a big difference: this percentage is 64% in the North compared to 92% in the South, and in Amapá only 47% have access to this service compared to 96% in Paraná¹

The lack of training and professional perspective sets millions of people back. On the other hand, for educated populations, the contrast between qualifying courses and the fact that most jobs are meaningless makes them doubt their own accomplishments. Freeing human intelligence is a project much more complex than AI, on which the future depends. Going from a world of negative manipulations to a universe filled with human possibilities demands that local actions be all the more developed, and include a gratifying practical side and profoundly humane, social and relational dimensions. These lead to multi-scalar cooperations, combining local knowledge, individual talent, and essential reflectiveness. That's how human solidarity takes shape in a technological world. Without necessarily reaching the giving utopia, it nonetheless embodies all of life's intuition, which Georg Simmel talked about: "any individual action is life itself; it still is life itself even when the contents of the moments might reveal themselves as very diverse and opposed to one another"². We must come to terms with the fact that the continuous variability of our state of minds and the motives that lead us to acting or not constitute the base of human communities in a tangible way that methodological

1. «76.07% das mulheres negras vivem em condições de habitação precária, comparado a 22.84% das mulheres não negras. a vida negra é constantemente ameaçada, seja pela precariedade das condições de vida, seja pela violência estrutural que marca o cotidiano das periferias e favelas brasileiras. A falta de acesso a uma educação de qualidade perpetua o ciclo de exclusão social, limitando as oportunidades de ascensão social e econômica dessas mulheres. A população atendida com abastecimento d'água. Em 2022, 85% dos residentes tinham acesso. Mas territorialmente, há muita diferença: este percentual é de 64% no Norte contra 92% no Sul, sendo que no Amapá apenas 47% acessam este serviço contra 96% no Paraná.» <https://static.poder360.com.br/2024/08/desigualdade-2024.pdf>.

2. Simmel, Georg "The Law of the Individual", in *The view of Life* 2011 [1918]: 131–132.

individualism omits by design: it's within human interactions that we are moved to act in more or less selfless ways. Strategies to combat inequality should serve to structure such motives, one moment after another. However long term their visions may be, feasibility studies and the best intellectual and scientific works will not take the place of the personal dispositions of all of those who act on a daily basis. We can only leave the symbolic and material environment we dwell into through certain circumstances or our own efforts; be they migrants' attempts to adapt to foreign contexts or philanthropic actions, these acts bring us back to the polysemy of "gift": indeed, this term designates both a talent we have received, the data in which we act and a generous donation establishing a human community. The concept of donation has been made, by philosophical tradition, an indication on how to think about reality in the way it presents itself. Let us affirm therefore that combating inequality is a way for us to access the full meaning of human existence.

Gérard Wormser is a French philosopher who joined the European conversation from the phenomenological & existentialist perspective. He then founded the open digital journal *Sens Public*. Assuming that our world must be thought through the lens of the Atlantic routes shaping modern & contemporary history, after various travels, he entered in Brazil in 2015 to be confronted to the contrasted approaches developed by intellectuals rooted in different social & cultural contexts. The present publication can be seen as a manifesto.

3,000 billionaires, a 2% tax

How to restore fiscal justice in the age of globalization

Gabriel Zucman

Will 2024 mark a turning point in the taxation of the world's great fortunes? Under the auspices of the G20 and the OECD, the international community has made significant strides over the past decade in combating banking secrecy and the tax optimization of large companies. These efforts culminated in the signing of an agreement establishing a minimum tax of 15% on the profits of multinational companies, which came into force on January 1st, 2024 in the European Union and a dozen other countries.

Many voices are now calling to extend this effort to the taxation of large fortunes. Brazil, which chairs the G20 in 2024, is showing remarkable initiative on this subject and has included it on the agenda of international negotiations.

This would be a logical development. As revealed by the "Global Tax Avoidance Report 2024," published in October 2023 by the EU Tax

Observatory, billionaires pay proportionately less in taxes (all taxes included) than the rest of the population in all countries where data exists. The simple reason is that the richest can easily structure their wealth to generate little, if any, taxable income. Hence, at the top of the wealth pyramid, there is a virtual collapse of the income tax, which is typically the cornerstone of fiscal progressivity.

The American media outlet ProPublica highlighted this issue dramatically in 2021 by revealing the meager tax contributions of the great American captains of industry: no income tax for Jeff Bezos in 2011—he even managed to receive family allowances—or \$8,410 for Elon Musk in 2018.

The problem is more systematic, however, and is found to varying degrees in all countries. It is likely even more pronounced in France and the European Union than in the United States, which has more sophisticated anti-abuse mechanisms, particularly limiting the use of holding companies for tax optimization.

This situation of virtual non-taxation of billionaires is difficult to justify. Given the massive investment needs in health, education, and the fight against climate change, as well as the deteriorated state of public finances in most countries after the COVID-19 crisis, governments will need to request additional efforts from wealthy taxpayers broadly. These efforts will be hard to accept if billionaires can escape them.

The most effective way to proceed would be to create a new international standard under which the tax paid by the ultra-rich could not fall below a certain level. This approach would combat all possible forms of tax optimization.

The minimum tax rate should be referenced to wealth itself, as the notion of wealth is much better defined and easier to observe for billionaires than income, which is easily manipulated. We could consider a minimum rate of 2% on global billionaires, a proposal formulated by the EU Tax Observatory and endorsed by Brazil.

In practice, such a levy could be structured as an income tax surcharge. For wealthy individuals who already pay the equivalent of 2% or more of their wealth in taxes each year, nothing more would be due. For those—the vast majority—who pay less than this, additional income tax would be levied to reach 2%.

The financial stakes are significant. There are only around 3,000 billionaires globally, including around 150 French individuals. However, their wealth, which has boomed since the 1980s, is substantial: approximately 13 trillion euros globally today, with 750 billion euros held by the French alone. Yet, this wealth is almost untaxed. The income tax paid by these billionaires represents around 0.3% of their assets, and close to 0% for ultra-rich French individuals. A minimal tax, even at the modest rate of 2%, could yield significant returns: Around 220 billion euros globally, and 15 billion euros in France.

Some may call this utopian. But who would have imagined, ten years ago, an agreement that would end banking secrecy? Or a minimum tax on multinationals? In reality, the technical obstacles are minor. This tax on billionaires would be quite simple to levy, given the small number of taxpayers concerned and the high visibility of their wealth, often consisting of shares of publicly traded companies.

Since the G20 took up the subject, a real momentum has developed. France, South Africa, Spain, Belgium, Colombia, and the African Union have already supported this proposal. In the United States, Joe Biden is advocating for a similar measure: he included a billionaire tax proposal in his budget, with terms slightly different but with identical aims. Public opinion, exasperated by the unequal dynamics of globalization since the 1980s, supports these reforms.

The Brazilian presidency of the G20 can take a decisive step toward the emergence of a new form of globalization regulation, finally addressing its unequal aspects. Everyone stands to gain, even the richest, as the very sustainability of international economic integration, from which they benefit so much, is at stake.

Gabriel Zucman is a professor of economics at UC Berkeley. His research focuses on global wealth, inequalities and tax havens. Together with Emmanuel Saez, he is the co-author of *The Triumph of Injustice* (2019), a forensic investigation into a dramatic transformation: Even as they have become fabulously wealthy, the ultra-rich have seen their taxes collapse to levels last seen in the 1920s. Meanwhile, working-class Americans have been asked to pay more. Their work offers a comprehensive view of America's tax system alongside a visionary, democratic, and practical reinvention of taxes.

The equal participation of women and men in governance is a prerequisite for sustainable peace and development

2GAP

Introduction

The most enduring and tragic inequality throughout human history, which persists on a large scale in all countries of the world, is the one that exists between women and men. This inequality is particularly pronounced and often exaggerated when it comes to the sharing of governance.

Yet, as the UN Secretary-General has repeatedly emphasized, no major global challenge—whether political, economic, social, cultural, or ecological—will be overcome without the effective participation of women in decision-making, whether in the economic sphere or within public institutions: *“To forgo the equal participation of women and men is to forgo the intelligence, experience, and knowledge of half of humanity. Making it possible is the key to stability. It fosters conflict prevention and paves the way for sustainable and inclusive development. Gender equality is the sine qua non*

for a better world.”¹ It is the prerequisite for significant progress in reducing global inequalities, particularly between women and men, as women are structurally poorer than men worldwide.

However, the legitimate demands of civil societies still face strong resistance from institutions, established bodies, societies, businesses, and organizations whose governance still too often excludes women, despite notable progress. Women’s rights around the world continue to advance at a very slow pace, if not regressing. At this rate, it will take 257 years to achieve economic parity.² This inertia is largely due to the insufficient presence of women in decision-making positions. This exclusion is the result of systemic mechanisms born from a double denial: of justice, resisting equality in law and in fact for half of humanity; and of performance, even though women’s competencies are evident, and despite the demonstrated positive impact of gender equality in political, economic, and social governance.

How can we ensure that the world finally learns to walk on both legs in a balanced way as quickly as possible, to create a better future and a better world for all?

1. Speech by António Guterres, UN Secretary-General, on Women and Power at The New School, New York, on February 27, 2020.
2. World Economic Forum. (2020). *Global Gender Gap Report 2020*. https://www3.weforum.org/docs/WEF_GGGR_2020.pdf.

SHARING GOVERNANCE BETWEEN WOMEN AND MEN: THE KEY TO CHANGE

**The current state of the world is the result
of global governance in which women are nearly absent**

**The absence of women in national and global governance
is systemic**

As of 2024, only 27 out of 197 countries (13.7%) have women serving as heads of state or government¹. None of these 27 countries have achieved gender equality in the highest positions of power.

Women make up 26.9% of parliamentarians worldwide, compared to 11% in 1995. Only six countries have 50% or more women in their parliaments. In many countries, such as France, men relinquish their positions to women only when legally required, but these women are often assigned to less influential roles. Even within assemblies, women do not equally hold leadership positions, such as chairing Parliamentary Commissions. The higher up the power hierarchy they go, the scarcer their presence becomes.

Moreover, there is a gendered distribution of power throughout the world. Women often occupy positions in areas considered less influential or “soft politic”, such as social affairs, human rights and education. Regalian ministries, such as defense, strategic affairs, natural resources or transport, are largely dominated by men. Women account for just 12% of ministers in charge of defense and local government, 11% of energy portfolios and 8% of transport-related posts. Data compiled by UN Women also reveal that women accounted for 23.3% of ministerial cabinets on January 1, 2024². This gendered distribution of power is indicative of persistent gender stereotypes, where areas deemed “essential” are often reserved for men, while roles considered “less central” are assigned to women.

1. Facts and figures: Women’s leadership and political participation. (2024/06/12). UN Women. <https://www.unwomen.org/en/what-we-do/leadership-and-political-participation/facts-and-figures>.

2. ONU Femmes: UN Women Political Leaders 2024.

In major international organizations, the UN has never had a female Secretary-General since its inception in 1945¹. The G7 has had only two female leaders, while the G20 has been led by a woman just once. The World Bank has had only one female president since its creation in 1944². No woman as Secretary General of NATO, created in 1944, while the first woman President of its Parliamentary Assembly was only elected in 2018³.

At the current rate of progress, gender equality in the highest positions of power will not be achieved for another 130 years⁴.

This governance that excludes women has failed to establish lasting peace and sustainable development

The world has been designed by men for men. Women have contributed to its development but not to the decisions that have shaped the destiny of populations. Today, this world and the planet we share are facing worsening dangers, threatening the survival of humanity.

In 2024, the global economy stands at a crossroads, confronted by the depletion of natural resources and the rise of economic and social inequalities. Global consumption of natural resources, which has tripled over the past 50 years, continues to grow at an alarming rate, with a projected 60% increase by 2060⁵. This increasing pressure on vital resources such as water, rare metals, and agricultural land is causing massive environmental degradation and exacerbating social inequalities, particularly in developing countries where the most vulnerable populations are hardest hit.

1. Former Secretaries-General of the United Nations <https://www.un.org/sg/fr/content/former-secretaries-general>.

2. Kristalina Georgieva. (2024, 12 avril). International Monetary Fund <https://www.imf.org/fr/About/senior-officials/Bios/kristalina-georgieva>.

3. Secretaries General of NATO https://fr.wikipedia.org/wiki/Liste_des_sec%C3%A9taires_g%C3%A9n%C3%A9raux_de_l%27OTAN.

4. Facts and figures: Women's leadership and political participation. (2024, 12 juin)

5. Our resources are running out. These charts show how urgently action is needed, world economic forum, 4 mars 2024 <https://www.wefor>.

At the same time, global economic inequalities have reached critical levels: in 2022, 1% of the world's population held 63% of global wealth¹, a gap that has worsened due to recent economic crises and conflicts over resources. The combined effects of resource depletion and rising inequalities are fueling a vicious cycle of poverty, violence, and environmental degradation, posing major challenges to sustainable development.

According to the Normandy Index², which measures the level of threat to peace, security, and democracy worldwide, global conflict rates have been steadily rising since 2012, reaching levels comparable to the most conflict-ridden periods of the 20th century. As noted by the International Crisis Group, the number of violent conflicts increased from 41 in 2010 to 56 in 2020 and continues to grow in 2024³. These conflicts are becoming increasingly violent, with the number of deaths rising to levels not seen since the end of the Cold War. Recent conflicts are marked by prolonged civil wars, foreign interventions, and violence linked to climate crises. Today, 37% of countries are under authoritarian regimes⁴. None of these states are led by women. Every dictatorship in the world, without exception, has been established by men⁵. The largest genocides have also been decided and perpetrated by men.

The predominance of men in armed conflicts and violent crimes should not lead to essentializing the practice of violence. Similarly, women who are victims of violence are not vulnerable due to an inherent weakness of the female sex⁶. It is the socially organized systems of gender inequality, based on social structures that give most men greater access to resources and decision-making power, that significantly increase women's vulnerability and

1. ce-consumption-urgent-un/.

2. Indice Normandie, European parliament.

3. <https://www.crisisgroup.org/fr/global/10-conflicts-watch-2024>.

4. The Economist Intelligence Unit. (2023). Democracy Index 2023: Global Democracy in Retreat. The Economist Intelligence Unit Limited.

5. Naves, M.-C. (2020). *La démocratie féministe. Réinventer le pouvoir*. Calmann Levy Ed.

6. Nathalie Pilhes, "La paix et la sécurité sont tributaires de l'égalité entre les femmes et les hommes", in Cahiers de la Sécurité, IHEMI, 2024.

the violence against them¹. The dynamics of these systems within societies, along with the inequalities and violence they create, are reflected in relations between countries.

The positive impact of gender parity on organizational performance is proven

Accelerating the equal participation of women and men in global and national governance at all levels of decision-making and introducing gender parity in positions of power, is it a sine qua non condition for a better world?

The principle of parity involves equal sharing of representation and decision-making power between women and men. It is a governance principle that should be reflected at all levels of management and leadership across all organizations and institutions. Gender diversity is a key dynamic element of this process.

Parity improves organizational performance: this has been widely demonstrated in businesses, but it is also true for public decision-making, which better addresses the needs of the entire population and thus contributes to the pacification of societies and the sustainability of development.

Parity improves business performance

Numerous studies have shown the positive impact of gender diversity in an organization's management levels on its performance, starting with McKinsey's series of studies, *Women Matter*², which consistently confirm a positive correlation between women in leadership positions and financial performance. Companies that include a high proportion of women in management or are led by women, achieve better economic results and are more socially responsible.

1. Jennifer Wittwer et Megan Bastick, Geneva Center for Security Governance (2020); https://cdn.peaceopstraining.org/course_promos/preventing_violence_against_women/preventing_violence_against_women_english.pdf.

2. McKinsey & Company. *Women Matter*. McKinsey & Company. <https://www.mckinsey.com/featured-insights/gender-equality/women-matter>.

Parity increases a company's financial performance

The 2016 IMF report already established a clear positive link between return on assets (ROA), business performance, and the proportion of women in leadership positions: “we find a strong positive association between the share of women in senior positions and firms’ ROAs”¹. The correlation is stronger in sectors where critical thinking and complementary skills are highly valued (knowledge-intensive sectors).

A study on the financial performance of CAC 40 companies in France in 2021² shows that the most gender-diverse companies recorded an 18% growth in their operating margin from 2016–2020, compared to 10% for others, and their stock value jumped by 51%, compared to 31% for others. “Our various approaches indicate a positive correlation between performance and parity,” the study concludes. From 2019–2020, the 20 CAC 40 companies with the most gender-diverse executive committees saw a 5% decrease in revenue and a 2% decrease in their stock value, compared to a 10% and 5% decline, respectively, for others.

This analysis is supported by the annual studies of the Skema Observatory on the feminization of businesses, which found that the Gender Equality Index (10 companies with the most gender-diverse management, with 45% to 65% women) outperforms the stock market performance of the CAC 40 and the Male Index (10 companies with the least gender-diverse management, with 12% to 20% women) in the long term (2007 to 2019) and proved more resilient during the 2008 financial crisis.

Parity is an indicator of an organization's social responsibility

The same study shows that the social responsibility of the 10 CAC 40 companies with the most gender-diverse executive committees is 29.70%

1. International Monetary Fund. (2016). *Gender Diversity in Senior Positions and Firm Performance: Evidence from Europe* (WP/16/50). <https://www.imf.org/en/Publications/WP/Issues/2016/12/31/Gender-Diversity-in-Senior-Positions-and-Firm-Performance-Evidence-from-Europe-43771>.

2. Junior Entreprise. (2021). *La parité dans les entreprises du CAC 40*. CentraleSupélec.

better than those of the 10 companies with the least gender-diverse executive committees. The social responsibility of the 10 companies with the most gender-diverse management is 29.09% better than that of the 10 companies with the least gender-diverse management.

Parity allows for organizational restructuring and innovation

The link between parity and organizational transformation is also well established.

Implementing parity rules leads to the modernization and professionalization of an organization's management practices: reflecting on overall organization, innovation, and productivity, better identifying required skills, transparency in procedures, talent scouting, and creating talent pools, detecting and neutralizing gender biases in all human resources procedures in terms of job descriptions, recruitment, software (...) This is complemented by essential considerations in terms of mobility, both in criteria and support actions, time organization of work, working conditions, and training actions.¹

Given this financial, societal and organizational reality, some investors, to optimize their investments, have decided to pressure companies to increase the presence of women in their governance, as exemplified by the 30% Club. This internationally established club brings together major management firms. In France, the 30% Club France Investor Group represents nearly 3 trillion euros in assets under management. At companies' general meetings, members of the Investor Group can use their voting rights to urge companies to act when measures taken to promote gender diversity are deemed insufficient, and engagement with the company has not yielded satisfactory results. Their goal is to increase women's representation to at least 30% in leadership positions because they believe that: "The gender diversity of company leadership fosters more effective and innovative decision-making processes and enables better talent retention. As investors, we want to promote the sustainable growth of

1. Haut Conseil à l'Égalité. France (2021). *10 ans de la loi COPE-ZIMMERMANN 2011–2021*. https://www.haut-conseil-egalite.gouv.fr/IMG/pdf/livret_-_10_ans_loi_cope-zimmermann-2.pdf.

the companies we invest in, and we are convinced that this requires better representation of women in leadership positions.”

Parity improves the quality of public decision-making

Research on the impact of parity on public decision-making is, for now, less extensive than that on businesses due to the difficulty of identifying objective criteria for the quality of public decisions and actions. Nevertheless, some studies indicate that “*parity often raises the average competency level of assemblies, particularly because it accelerates the departure of less competent men.*”¹

This parity also allows for a better consideration of a broader range of issues and a more balanced approach, given the still very differentiated social roles between women and men.

For example, in India, the 30% quota for women in the equivalent of mayoral positions, introduced into the constitution in 1992, has had a significant impact on policies at the village level where women are in charge. Villages were required to comply with this by rotation: the first third had to elect a woman in the election following the reform, then another third in the next election, and so on. A study published in 2004 showed that villages led by women invested more in infrastructure such as water and roads, directly related to women’s needs².

At the international level, a study conducted on 139 countries between 1995 and 2012 demonstrates that “*following the introduction of a quota policy, an increase in the number of women in parliament leads to a significant increase in public spending on health. This increase is partially offset by a decrease in military spending.*” Other studies reveal that “*women propose laws more closely related to women’s interests in the population and vote more often in favor of such laws.*”³

1. “Les femmes au pouvoir. Que change vraiment la parité en politique?” Quentin Lippman, Ed. Rue d’Ulm, 2023.

2. Cf Q. Lippmann, citing R. Chattopadhyay et E. Duflo “Women as policy makers: Evidence from a randomized policy experiment in India”, 2004.

3. Q.Lippmann & D.Cohen (2023). *Les femmes au pouvoir: Que change vraiment la parité en politique?* Rue d’Ulm Ed.

By addressing the entire population, and not just the male portion, public policies better respond to the expectations of the entire society. Thus, parity transforms public policies and improves the quality of decision-making.

Gender equality is at the heart of the ability to maintain peace

Equality: a factor for social peace

Systems of inequality are inherently sources of violence, especially when they exclude half of the population, particularly from decision-making. The pacification of societies largely depends on the redistribution of power between women and men in all spheres (state, businesses, families, etc.), which implies establishing social structures where women and men have equal access to resources and power and are equally involved in decision-making processes¹.

Shared governance between women and men is based on the principle of equality, with no performance conditions linked to gendered norms: for women, empathy, intuition and listening skills; for men, a sense of strategy, rigor and decision-making. From then on, women leaders would be expected to demonstrate their added value and complementarity in relation to men. But skills have no gender. Valuing women for so-called feminine skills is tantamount to benevolent sexism².

This implies that women should have access to decision-making positions, not because they meet certain imposed criteria, but because their fundamental right to participate in governance as equals should be recognized, without having to prove their worth according to traditional standards designed by and for men.

1. Lisa Denney, «Genre et maintien de l'ordre», Boîte à outils Genre et sécurité, DCAF (*Geneva Center for Security Governance*), OSCE/ODIHR et UN Women, Genève, 2019.

2. Sénac, R. (2015). *L'égalité sans condition: genre, parité, diversité*. Rue de l'Echiquier.

Gender equality as a factor for global peace

At the international level, the positive impact of shared decision-making between women and men is particularly evident in the link between women's participation in public decision-making processes and the establishment of peace. It is at the heart of the "Women, Peace, and Security" agenda developed by the UN Security Council since Resolution 1,325 in 2000, demonstrating the impact of gender diversity on the quality of public decision-making.

Men have traditionally played a dominant role in armed groups and public decisions and have always been considered the sole agents of conflict and its resolution. However, it is observed that strengthening women's participation in international decision-making and operational processes offers real benefits for peace and security:

- UN peacekeeping missions demonstrate that the presence of female military personnel is essential for building trust within communities and better identifying their protection needs.
- The inclusion of women in decision-making processes tends to improve the effectiveness of humanitarian assistance and contributes to speeding up economic recovery.
- Women's participation has a direct impact on the durability of peace agreements: they increase by 35% the likelihood that the agreement will last at least 15 years, which is particularly important given that half of the countries emerging from conflict relapse into violence within five years. However, women participate very little in peace negotiations (from 1992 to 2011, women represented only 4% of peace agreement signatories and less than 10% of participants in peace discussions¹), even though their involvement in decision-making increases the chances of finding solutions to issues threatening peace and security for all².

1. UN Women, 2012, UN Women Collection on Women, Peace, and Security, p. 2 and p. 6.
2. Jennifer Wittwer et Megan Bastick, *Geneva Center for Security Governance* (2020); https://cdn.peaceopstraining.org/course_promos/preventing_violence_against_women/preventing_violence_against_women_english.pdf.

The equal participation of women and men in governance is not a constraint, but an opportunity

To accelerate the pace of addressing society's expectations and build a more sustainable and peaceful world, it is necessary to neutralize the world's largest system of inequality: that between women and men.

To do this, promoting and facilitating women's access to leadership positions in all sectors of public action and political, economic, cultural, and social governance is essential. This is not a categorical or essentialist approach but a desire to improve the effectiveness of businesses and the quality of public, national, and international decision-making for the benefit of all. Gender equality must be one of the foundations of the society we want today for ourselves, our children, and future generations. It is about adhering to the universal principles of equality and justice and recognizing that a society cannot be at peace with itself or others, nor be prosperous and sustainable, without the equal participation of women and men in its construction.

THREE CONCRETE ACTIONS TO MOVE FORWARD

What is not visible does not exist: we must count

To move toward truly shared governance between women and men, it is essential to make persistent inequalities visible and to assess the progress made. This visibility requires precise and systematic measurement of the presence of women in decision-making bodies, both in the private and public sectors. Indeed, what is not visible does not exist, and to transform practices, it is imperative to count.

This approach is based on a dual perspective, both quantitative and qualitative. On the quantitative side, it involves measuring the presence of women in decision-making spaces. But these data alone are not enough. It is also necessary to examine the content of the missions assigned to women and identify gender stereotypes that might limit their influence. Indeed, if women are present in numbers but confined to so-called "female" or secondary roles, quantitative statistics alone risk masking more subtle inequalities.

Therefore, organizations must implement mechanisms to evaluate these aspects precisely.

In France, this dynamic was set in motion as early as 1983, with the obligation for companies to provide a report on the comparative situation of men and women, based on numerous indicators and within the framework of collective bargaining with social partners. More recently, the creation of three indexes—one on pay differentials¹, the other two on the position of women in decision-making positions in companies with over 1,000 employees, and in the civil service—as well as the AFNOR (Agence Française de Normalisation) Professional Equality Label, introduced in 2004, make it possible to monitor the progress of parity and, in so doing, also reveal the biases and stereotypes that hinder its progress. Companies and public institutions are thus encouraged to submit to rigorous criteria that assess the proportion of women in decision-making positions (quantitative parity) without, at this stage, making it possible to evaluate the nature and importance of the responsibilities entrusted to them (qualitative parity).

By making inequalities measurable, these tools provide a solid factual basis to justify and guide corrective policies. They allow us to detect areas where progress is slowest and adjust strategies accordingly.

Counting, therefore, means not only seeing but also acting.

Nothing will advance naturally: we must compel progress

Quotas: A necessary evil to counter structural inequalities

Parity always stops at the doors of power. **And without quotas, there are no results.**

1. Law No. 2018-771 of September 5, 2018, on the Freedom to Choose One's Professional Future. Decree No. 2019-15 of January 8, 2019, on the Methods of Calculation and Publication of the Gender Equality Index in the Workplace.

This is why the law had to impose quotas, both for political representation and at the head of companies and administrations¹.

There are still many criticisms against quotas, fearing that they may impact the level of competence. Observation of reality has concluded the opposite, as we have seen earlier².

In France, the level of competence of boards of directors increased after the introduction of the Copé-Zimmermann Law³, particularly because women had specifically prepared for these new roles, and men ensured they would not be “left behind”⁴. The same phenomenon is observed in other countries. In Italy, the introduction of quotas in boards of directors increased the average qualification of the boards. In Norway, women who joined boards after the implementation of quotas in large companies, had a higher level of qualification than those recruited without quotas.

However, contrary to what was expected in France with the Copé-Zimmermann Law, which allowed women to enter the boards of large companies, it had no effect on the highest positions, such as ExCom and Management Committees. Similarly, in the political sphere, it was observed in France that the parity in municipal elections, introduced by the law of June 6, 2000, had no effect on the number of women mayors, the highest position of power among elected officials, because this function was not targeted.

1. Ferreira, Daniel and Ginglinger, Edith and Laguna, Marie-Aude and Skalli, Yasmine. (November 5, 2020) *Closing the Gap: Board Gender Quotas and Hiring Practices*. ECGI – Finance Working Paper No. 520/2017, <https://ssrn.com/abstract=2992213>.

2. Crédit Suisse. (2021). *The CS Gender 3,000 in 2021: Broadening the diversity discussion*. Credit Suisse Research Institute. https://m4.ti.ch/fileadmin/CAN/SGCDS/pari_opportunita/Newsletter/CreditSuisse.pdf.

3. Law on Balanced Representation of Women and Men on Boards of Directors and Supervisory Boards, Law No. 2011–103 (2011) (France). <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000023487662/>.

4. Ferrary, M. (2019). *Les effets de la loi Copé-Zimmermann sur la gouvernance des entreprises: une étude empirique sur l'évolution des conseils d'administration en France*. *Revue française de gestion*, 45(279), 43–60.

The resistance to sharing power between women and men remains very strong. This is why all decision-making and governance positions must be targeted by quotas¹. This is what France has begun to do, for companies with more than 1,000 employees, with the Rixain Law of December 2021².

Equal conditionality: A powerful lever

Equal conditionality, a neologism coined in France by the High Council for Equality (HCE) in 2014 and now commonly used, conditions the granting of public funding or administrative authorizations on adherence to egalitarian principles, based on a certain number of criteria. **It is based on the fundamental idea that public money is not neutral and should be a tool of achieving equality³.**

This principle, initially applied to public procurement, allows us to move from a traditional logic of excluding inequalities to a logic of including equality as a selection factor for a contract. Equality thus becomes an action lever that must be closely monitored, especially in times of economic recovery.

The international and European context clearly supports this principle of equal conditionality.

The European Union, based on Article 157 of the TFEU, which authorizes positive actions aimed at strengthening equality between women and men, makes equality between women and men a condition for obtaining European funds, particularly in the context of structural funds. Similarly, the Development Assistance Committee of the OECD has established “gender”

1. European Union. European Parliament. *The Pay Transparency Directive*. Directive (EU) 2023/970. Adopted May 10, 2023. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023L097>.

2. France. National Assembly and Senate. Law Aimed at Accelerating Economic and Professional Equality. Law No. 2021–1774. Adopted December 24, 2021. <https://www.legifrance.gouv.fr/jorf/id/JORFTEXT000044559192>.

3. Périvier, H. (2020). *L'économie féministe. Pourquoi la science économique a besoin du féminisme et vice versa*. Sciences Po Les Presses.

markers for the allocation or adjustment of funding, based on an assessment of the impact about women and men of the expenditure.

In France, parity rules for legislative elections, based on calculating public aid to political parties based on the percentage of female candidates, fall under this same principle of equal conditionality. The Rixain Law has included equal conditionality clauses for the allocation of funding by BPI France (Banque Publique d'Investissement France) to increase funding for women's entrepreneurship. However, there is still significant room for improvement in terms of equal conditionality. For public procurement, which represents 15% of GDP each year, **2GAP proposes** complementing the public procurement code (which governs the financing granted by public authorities) with a "social execution clause" and a new criterion in the scoring points, integrating equal conditionality criteria into recovery plans and future investments, engaging public authorities at the national and local levels to sign equal conditionality commitment agreements, and more broadly, engaging public and private structures to work on a gender-integrated budget.

Establishing effective monitoring, controls, and dissuasive sanctions

A law is only useful if it is effectively applied and if its provisions are continually evaluated and adapted to society. Here again, it concerns the general interest and the quality of public decision-making, and the proper functioning of a state governed by the rule of law.

The sanctions provided by law must be sufficiently dissuasive and enforced. Law enforcement must be effective to prevent or minimize circumvention actions.

For instance, the sanctions imposed on political parties in France for non-compliance with the law on parity are insufficient. Parties set aside funds to cover penalties while continuing to place female candidates in non-electable positions. Some political parties prefer to pay the fine, regardless of its amount.

It is therefore crucial to ensure that sanctions have a dissuasive impact, not only financially but also reputationally. The reputation of an organization,

whether a company or a political party, is a valuable asset that influences its credibility, its ability to attract talents or votes, and its relationship with the public and stakeholders. Reputational damage is becoming an increasingly effective sanction.

By making public the results of organizations regarding parity and shared governance, a form of social pressure is established pushing entities to meet their commitments. This transparency allows consumers, voters, investors, and partners to make informed decisions in favor of or against an organization based on its concrete actions for equality.

Creating a favorable environment for women in leadership roles by combatting sexism and gender-based violence

Sexism, which includes both an ideology asserting the superiority of one sex over the other and acts, words, and behaviors ranging from so-called ordinary sexism to sexual harassment, sexual assault, and rape, as well as discrimination based on sex, **is a scourge on our society**. By ranking members of society according to their sex and establishing systemic inequality, it hinders women's freedom and multiplies obstacles at every stage of private and professional life. It is a major obstacle to the promotion of women to positions of power, preventing the conditions necessary for truly equal and shared governance. By inhibiting women and reinforcing men's dominant roles, sexism opposes the creation of an inclusive and open culture, which is essential for equal opportunities¹.

The conditions for the success of shared governance, allowing real recognition of women's competencies and their ability to reach the highest positions in both the private and public sectors, alongside men, **rest on the deconstruction of gender stereotypes and the creation of an egalitarian culture**. This is also the mission of associations, NGO and professional networks involved in 2GAP, which work daily in their companies and sectors, both private and public, to propose concrete solutions to build a society free from sexism.

1. Jablonka, I. (2019). *Des Hommes Justes. Du Patriarcat aux Nouvelles Masculinités*. Seuil Ed.

One of the major barriers to women's progression into leadership roles is the unequal distribution of parental and domestic tasks. To create an environment truly favorable to women's access to positions of power, **it is essential to promote balanced parenting.** This means supporting policies that encourage men to be as involved as women in child-rearing and managing domestic life, such as paternity leave. Balanced parenting helps reduce the pressure on women, giving them more freedom and time to dedicate to their careers.

To achieve this, it is crucial to start from an early age **by providing equal education to boys and girls.** This requires teaching the same social codes, the same psychosocial skills, and the same tools for navigating the professional and personal worlds. Gender stereotypes must be actively challenged in schools, families, and the media so that girls feel as legitimate as boys in aspiring to positions of power. By giving them the same opportunities and acculturating them to the same norms of leadership and success, we build the foundation for a society where parity in decision-making bodies is a norm rather than an exception.

Companies and institutions must be continually challenged from within to evolve toward more inclusive governance. **Women's professional networks play a key role in providing platforms for mutual support, resource sharing, and the development of skills and self-confidence.** They also exert constructive pressure on existing structures to recognize and integrate female talent at all levels. By developing such networks, women can better prepare for the specific challenges they face in accessing power positions and equip themselves with the necessary tools to navigate environments often dominated by men. Additionally, these networks help to make female role models of success more visible, amplify women's voices, and foster a culture of mutual aid and solidarity, which is essential for overturning existing power dynamics.

CONCLUSION

Gender equality is a matter of general interest on which the future of Humanity depends.

The world is at the most critical moment in its history. The greatest destructive capacities, particularly political, military, and climatic, are at work. The urgency to act is acute in the face of climate change, energy challenges, health and political crises, and the weakening of peace.

Gender equality, especially in governance, is one of the conditions for the solution.

The world condemns itself if it does not change its governance, both public and private. It is time to move to the next level.

Once again addressing the entire world, the Secretary-General of the United Nations reminds us that *“Gender equality is a matter of power. It is about power that has been jealously guarded by men for millennia. We are facing an abuse of power that harms our communities, our economies, our environment, our relationships, and our health. We urgently need to transform and redistribute power if we want to preserve our future and our planet.”*¹

2GAP is an associative collective (NGO) that brings together professional women’s and mixed networks from both the public and private sectors, with nearly 1.5 million members worldwide. Its ambition is to achieve shared governance between women and men in all sectors of society in France and globally. 2GAP works to make women’s participation in solving all global challenges more effective, more visible, more recognized, and a

1. Guterres, A. (2020, February 27). Speech on Women and Power at The New School, New York. United Nations.

driving force for a common project of a more just, peaceful, and sustainable world.

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Imaginary Equality

Darrin M. McMahon

It is easy to grow discouraged about the state of inequality in the world. The evidence would seem to be overwhelming. Whether measured in terms of income, wealth, or opportunity, by gender, race, or nationality, by access to health care, clean water, or education, susceptibility to the ravages of global warming, or countless other criteria, inequality is a stubborn fact of our planet that continues to divide its people and places. The numbers are grim, and in many places, have been getting worse. The United Nations estimates, for example, that 71% of the world's population lives in countries where inequality has grown over the last three decades.¹ And one's place of birth and citizenship status continues to be a powerful predictor of overall life chances, accounting for close to 80% of the variation in average income. That means that where you come from largely determines your economic "fate," with vastly unequal outcomes for different peoples around the world.²

To be sure, there are some bright spots. Inequality between countries on a per-capita basis, for example, has fallen considerably in recent decades along with global poverty rates, and there are some places in the world, notably in

1. <https://www.un.org/en/un75/inequality-bridging-divide#:~:text=Income%20inequality%20within%20countries%20is,countries%20where%20inequality%20has%20grown>.

2. See, for example, Branko Milanović, *The Haves and the Have-Not: A Brief and Idiosyncratic History of Global Inequality* (New York: Basic Books, 2011), 120–124.

Latin America and the Caribbean, where domestic inequalities have actually decreased. Yet is not at all clear that those positive trends will continue; they may have already abated. And regardless, there is still a long way to go. As recently as 2018, the 26 richest individuals in the world controlled as much wealth as half the global population, or 3.8 billion people.¹ Needless to say 26≠3, 800, 000, 000.

Given such disparities, it is hardly surprising that journalists, critics, and scholars have devoted heightened attention to inequality in recent years. Economists led the way, rediscovering a subject that had been largely neglected for much of the twentieth century. Providing concrete data, they were able to show that after a long period of economic compression that spanned much of the twentieth century, within-country inequalities began to spike up again in the 1980s, particularly in the prosperous nations of the global north. That information, coupled with the shock of the Global Financial Crisis of 2007/8 shone a spotlight on what the economist Joseph Stiglitz took to calling the new 1%. Not long thereafter in 2013, Thomas Piketty published his bestselling *Le Capital au XXI siècle*, which drew global attention to the problem of wealth inequality over the historical *longue-durée*. In the same year, President Obama described inequality as the “defining challenge of our time.”²

Soon, everyone seemed to be talking about inequality, which made headlines even at such unlikely places as the World Economic Forum at Davos. Think tanks and non-governmental organizations studied the phenomenon, issuing yearly “inequality reports,” while a flood of publications covered the topic from every conceivable angle, tracing the history of inequality from the “stone age to the twenty-first century.” Such was the volume of this output that the

1. Larry Elliott, “World’s 26 Richest People Own as Much as Poorest 50% says Oxfam,” *Guardian*, January 20, 2019, accessed at <https://www.theguardian.com/business/2019/jan/21/world-26-richest-people-own-as-much-as-poorest-50-per-cent-oxfam-report>.

2. Joseph Stiglitz, “Of the 1%, by the 1%, for the 1%,” *Vanity Fair*, May 2011; Barack Obama, “Remarks by the President on Economic Mobility,” December 4, 2013, White House, accessed at <https://obamawhitehouse.archives.gov/the-press-office/2013/12/04/remarks-president-economic-mobility>.

British sociologist Mike Savage labeled it the “new inequality paradigm,” which seemed to be fashioning much of the world in its image.¹

There can be no question that the defining challenge of our time remains. And yet to focus exclusively on inequality can also be distorting, drawing our attention away from other facts and possibilities. It is also the case, as Savage insists, that the new inequality paradigm reflects the vantage point of a disillusioned age, one that has resigned itself to “limiting the damage of excessive inequality” while effectively giving up on the possibility of progressive social change. For all the importance of the research it has prompted, the new inequality paradigm risks a failure of imagination, the failure to imagine equality itself.²

IMAGINING EQUALITY IN THE PAST

If equality needs to be imagined, that is in large part because equality itself is imaginary. To say as much is not to suggest that equality is illusory. Rather, it is to insist that equality is first and foremost a relationship that we conjure in our minds. Empirically, when we see the world, we see difference and inequality first. From our fingerprints to our facial features, each one of us is distinct. No two people are alike. And so equality claims necessarily involve the abstracting out of a shared characteristic (or characteristics) in order to draw comparisons between dissimilar things. Philosophers call that characteristic a “host property,” or the *tertium comparationis*, the third point of comparison to which any two may be likened to reveal what they share. From a common soul to a common humanity to a common place of birth, the rationales are extensive, and over time they have changed, privileging at various stages religion, reason, virtue, sex, race, age, and dignity, to name only a few. But in order for those points of comparison to have purchase, they must be

1. Walter Scheidel, *The Great Leveler: Violence and the History of Inequality from the Stone Age to the Twenty-First Century* (Princeton, NJ: Princeton University Press, 2017); Mike Savage, *The Return of Inequality: Social Change and the Weight of the Past* (Cambridge, MA: Harvard University Press, 2021).

2. Savage, *Return of Inequality*, 211–215.

taken up by members of a group. Only then does imaginary equality become the common feature of many minds, part of the social imaginary, and so a norm that is shared. That, in effect, is how imaginary equality becomes real.¹

It follows that equality can be imagined in many different ways, and historically it has been, although until recently, surprisingly, scholars have not paid much attention to the fact. Rather they have tended on the whole to treat equality teleologically as something unfolding progressively over time towards its full and final realization, mining the past for anticipations of equality's present and future.

Yet if we examine equality contextually in terms of the ways it has actually been understood and put to use in the past, it tends to look rather different. For one thing, ideas of equality have very often served inequalitarian ends, functioning not just to erode established hierarchies, but to uphold them. Nor is equality a purely modern notion, or one somehow exclusively the product of the West. Although ideas of political, social, and economic equality emerged with particular force in Europe and the Americas in the 18th century, they did not do so *ex nihilo*. There is a long history of equality that precedes modern egalitarianism, and many cultures contributed to it. If we struggle today to imagine equality in our own times, it may help to begin by considering how equality has been imagined in the past. By studying a history of imaginary equalities, we can begin to imagine it anew.

What has equality looked like in other times and places? There are, to be sure, continuities across the ages that can and do look familiar. From very early on, for example, stretching all the way back to the ancient Egyptians, equality has been represented as a form of justice, whose attributes can be measured on a scale. Less familiar to moderns, however, may be the way different ancient peoples mourned equality as a primordial human state that had been irretrievably lost or overturned, or how others conceived of equality as a reversal of the pyramids of power that governed in the world, an active inversion of the tendency to domination that lurked in human beings as in other great apes.

1. See Darrin M. McMahon, *Equality: The History of An Elusive Idea* (New York: Basic, 2023), 5–6. Much of what follows is drawn from this book.

Then again, to see equality as the fellowship and love demanded of God's children, as it was in many of the world's great wisdom traditions, may seem less foreign to us today. And we are certainly familiar with the idea of equality as fraternity (and all its gendered assumptions), the equal relations aspired to by a band of brothers, as in ancient Athens or among the male citizens of the French Revolution.¹

To think of equality as a form of domination, on the other hand, will likely seem odd to many modern observers, though this has how it has often functioned in history when groups of self-professed "equals" set themselves apart from (and over) those who are allegedly not. One form this can take is levelling, and it is significant that among the oldest symbols for equality is the carpenter's "square," most often depicted as a triangle with a plumb bob, used to level, flatten, and make straight. The connotation is captured in the Latin root of the word "equality," the verb *aequolaequare*, to make level or straight. The word evokes an activity, the practice of making level, as a carpenter does when smoothing down a surface with a plane. To equalize in that sense is to grind down the protruding bits and straighten out the whole so that all is uniform, plumb, and straight. In both the ancient world and the modern, actors have seen fit to do just that, leveling up and, more menacingly, leveling down, as when French Revolutionaries employed what they dubbed the "scythe of equality," the guillotine, to literally cut down those who stood too tall. As a Jacobin song of 1793 put it:

Il faut raccourcir les géants (We must shorten the giants)
Et rendre les petits plus grands (And raise the small to their heights)
Tous à la même hauteur (When we are all at the same level)
Voilà le vrai bonheur (Then we will have true happiness).²

Whereas leveling generally entails force and often violence, there is an even more explicit form of equality as domination that was brandished openly and unashamedly by fascists in the 1930s and 1940s, and in some circles is being

1. I treat these, and many other, ways of understanding equality at length in my *Equality*.
2. Cited in Michel Vovelle, *La mentalité révolutionnaire: Société et mentalités sous la Révolution française* (Paris: éditions Sociales, 1985), 128.

actively revived today. To speak of equality in relation to fascism may strike many as strange, even perverse. And yet in both Italy and Germany fascist regimes developed self-conscious discourses that invoked the equality of the people or *Volk* and exploited deep-seated resentments against alleged elites and inferiors. The very symbol of Italian fascism, the Roman *fascēs*, in fact, was a longstanding symbol of the unity and equality of the people. It was chosen for a reason. And Nazi legal theorists were explicit in their embrace of what they styled racial equality or the “equality of type” (*Artgleichheit*), as well as in their critique of what they saw as the hypocrisy and self-obfuscation of liberal claims to universal equality. As the so-called Nazi crown jurist Carl Schmitt put it, “Every actual democracy rests on the principle that not only are equals equal but unequals will not be treated equally. Democracy requires, therefore, first homogeneity and second—if the need arises—elimination or eradication of heterogeneity.”¹ In Schmitt’s trenchant critique, based largely on historical examples—from the United States, Great Britain, France, to Weimar—liberal regimes were simply kidding themselves when they disavowed that patent truth. The Nazi regime, by contrast, embraced it openly, with all the terrible consequences that ensued.

But it was not just fascists who cast aspersion on the false universal claims to equality of Western liberal regimes. Marx and Engels, who dismissed the invocation of equality by bourgeois capitalists and vulgar socialists alike as “the illusion of the age” (*die Illusion dieser Epoche*), exposed narrow class interests masquerading as universal ideals. In their view, as repeated forcefully by Lenin, the “concept of equality” was “a most absurd and stupid prejudice.” What mattered most was the abolition of class.²

Many anti-colonial intellectuals shared a similarly contemptuous view of the hollowness of Western equality talk. How could they not? Frantz Fanon spoke for many when he mocked in *The Wretched of the Earth* “the piles of

1. McMahon, *Equality*, 277–310; Carl Schmitt, *The Crisis of Parliamentary Democracy*, trans. Ellen Kennedy (Cambridge, MA: MIT Press, 1988), 8–13.

2. Karl Marx and Friedrich Engels, *Die deutsche Ideologie, in Werke, vol.3* (Berlin: Dietz Verlag), 39; V. I. Lenin, “First All-Russia Congress on Adult Education,” May 6, 1919, accessed at <https://www.marxists.org/archive/lenin/works/1919/may/06.htm>.

speeches on the equality of human beings” uttered by Western statesmen as they subdued much of the globe.¹ The very same period that witnessed the emergence of equality talk in the West as a domestic social and political aspiration was the same period that saw the rise of Western global domination and growing inequalities of power and prosperity between peoples and states.

Fanon was no more surprised by that coincidence than Marx or Schmitt. Yet unlike the latter two men, he refused to turn his back on the prospect of universal equality.² Nor was he alone. Indeed, one of the concomitants of anti-colonial movements was the “globalization of equality” as a broadly shared set of ideals. Culled from both indigenous traditions and doctrines appropriated (and reconceived) from the West, they percolated in the 1920s, 30s, and 40s only to burst into the open with the yearnings expressed in the Universal Declaration of Human Rights and the full onset of decolonization. As the British developmental economist Barbara Ward noted in a book published just a year after Fanon’s untimely death in 1961, a “revolutionary idea [was] now at work from one end of the world to the other: the revolution of equality—equality of men and equality of nations.” Human beings’ “passionate desire to see themselves as the equals of other human beings,” she insisted, “without distinctions of class or sex or race or nationhood is one of the driving forces of our day.”³

That passionate desire played itself out in various ways. Amidst post-war prosperity, the nations of the global north pursued the construction of welfare states that went some way toward effecting what Piketty has called the “great redistribution” of the twentieth century.⁴ Meanwhile, the newly independent postcolonial states, albeit with considerably fewer means at their disposal, pursued similar aspirations. As the historian Samuel Moyn has observed, “Few postcolonial leaders failed to dream in public of providing the sort of fairness

1. Frantz Fanon, *The Wretched of the Earth*, trans. Constance Farrington. (New York: Grove Press, 1963 [1961]), 88.

2. Susan Neiman, “Fanon the Universalist,” *New York Review of Books* (June 6, 2024), 19–21.

3. Barbara Ward, *The Rich Nations and the Poor Nations* (New York: Norton, 1962), 14–15.

4. Thomas Piketty, *A Brief History of Equality*, trans. Steven Rendall (Cambridge, MA: Belknap Press of Harvard University Press, 2022), 121–150.

on the basis of economic abundance that extant welfare states increasingly conferred on their metropolitan citizens but denied to their empires, before losing them.”¹

These aspirations were accompanied by concerted efforts at the international level to combat longstanding prejudices of race and gender, as well as to form alliances and leverage multilateral bodies like the United Nations, where member states from the global south spearheaded initiatives with an economic thrust such as the New International Economic Order (NIEO) of the early 1970s. The NIEO’s Declaration solicited the broadest co-operation among states of the international community to work to “correct inequalities and redress existing injustices” in order “to eliminate the widening gap between the developed and the developing countries.”² The effort met with resistance from the United States and other powers in the global north and ultimately came to naught. But it is significant that just at this same time, in the early 1970s, one can trace the appearance of a neologism, “global equality.”³ The phrase contained a new aspiration and conception of equality—namely, that *all* the world’s people might live together on equal terms.

The dream had been dreamed, and to some it was vivid. But before much work could be done at either the national or international scale to make it a reality, a reaction began to set in, energized by a neo-liberal resurgence. “With the elections of Margaret Thatcher, Ronald Reagan, and Helmut Kohl,” one observer notes concisely, “inequality was pushed off both domestic and international agendas,” with the result that “justice claims based on the inequality of resources among states” steadily disappeared.⁴

1. Samuel Moyn, *Not Enough: Human Rights in an Unequal World* (Cambridge, MA: Harvard University Press, 2018), 100.

2. UN General Assembly, “Declaration on the Establishment of a New International Economic Order,” 1974, United Nations Digital Library, <https://digitallibrary.un.org/record/218450>.

3. Christian Olaf Christiansen, “The Making of Global Inequality: A Conceptual History, 1945–1980,” *Contributions to the History of Concepts* 16, no. 2 (Winter 2021): 83–107.

4. Ngaire Woods, “Order, Globalization, and Inequality in World Politics,” in *Inequality, Globalization, and World Politics*, ed. Andrew Hurrell and Ngaire Woods (Oxford: Oxford University Press, 2002), 14–16.

RE-IMAGINING EQUALITY TODAY

It would be beyond the scope of a short essay like this one to try to summarize all that happened since that time. But to my mind, there are two trends that help explain where we are today and where we may need to go in the future to imagine equality anew.

The first has to do with identity, and what might be called the politics of difference. Already at the time of the NIEO, its drafters were calling attention to the “remaining vestiges of alien and colonial domination, foreign occupation, racial discrimination, *apartheid* and neo-colonialism in all its forms [which] continue to be among the greatest obstacles to the full emancipation and progress of the developing countries and all the peoples involved.” The drafters spoke largely in structural economic terms of the barriers impeding a more equal world. But many articulate and influential voices since that time have emphasized identity instead and its complicated intersections, calling out historical vestiges and prejudices bound up with issues of ethnicity and race, indigeneity and hybridity, gender and sexuality.

Those voices, beginning with advocates of Black power and second wave feminism in the 1970s and continuing through those of so-called “identity politics” today, refused what they regarded as the specious universalism of their predecessors, which served too often as a cover for domination and exclusion. In its place they asserted their own essential difference as the grounds for their equal inclusion. As the noted writer and Black activist Audre Lorde put it, “As women, we have been taught to either ignore our differences or to view them as causes for separation and suspicion rather than as forces for change.” “But that was a mistake,” Lorde affirmed. “Difference was that raw and powerful connection from which our personal power is forged.”¹ The noted feminist and historian Joan Scott was no less insistent, urging marginalized groups “to refuse to oppose equality to difference and insist continually on differences—differences as the condition of individual and collective identities, differences

1. Audre Lorde, “The Master’s Tools Will Never Dismantle the Master’s House,” in *The Essential Feminist Reader*, ed. and intro. Estelle M. Freedman (New York: Modern Library, 2007), 333.

as the constant challenge to the fixing of those identities, history as the repeated illustration of the play of differences, difference as the very meaning of equality itself.”¹

These were bracing, and to my mind, historically necessary claims, part of a more general collective assertion of voices long marginalized or unheard. Phrases like “Black is beautiful” and “Gay is good” reinforced the message, serving as expressions of pride in particular identities. Together, they affirmed that those who had long been overlooked should now be seen not in spite of their differences, but because of them.

Assertions of the compatibility of equality and difference were not without precedent. As W. E. B. Du Bois insisted as early as 1915, “the equality in political, industrial and social life which modern men must have in order to live, is not to be confounded with sameness. On the contrary . . . it is rather insistence upon the right of diversity.”² Logically, that insistence followed naturally from fact that to make an equality claim of any kind is to draw a comparison between dissimilar things.³ And yet the very word “comparison” should serve to remind us, too, that to look for equality is invariably to look for similarity amidst difference. The word derives from the Latin *compar* (com, “with,” and par, “equal”), meaning “equal” or “like.” To *compare* different peoples is to go in search of what they share. Thus, although equality claims are perfectly compatible with differences of many kinds, and even presuppose them, they also demand that we see equals as fundamentally alike.

It is in large part for that reason that those who have invoked equality in the past have most often insisted on the similarities that unite the circle of equals. It is revealing that early modern dictionaries regularly defined equality as “conformity” or “uniformity,” or having “the same degree of

1. Joan W. Scott, “Deconstructing Equality-Versus-Difference: Or, the Uses of Poststructuralist Theory for Feminism,” *Feminist Studies* 14, no. 1 (Spring 1988): 46.

2. W. E. B. Du Bois, “The Immediate Program of the American Negro,” *The Crisis* 9, no. 6 (April 1915): 310–312.

3. Ulrike Davy and Antje Flüchter, “Concepts of Equality: Why, Who, and What For?,” in *Imagining Unequals, Imagining Equals: Concepts of Equality in History and Law*, ed. Ulrike Davy and Antje Flüchter (Bielefeld: Bielefeld University Press, 2022), 11–31.

dignity.” Indeed, Noah Webster’s dictionary of 1806 glossed the word simply as “sameness.”¹ From this perspective, if no two equals are alike, they are nonetheless fundamentally the same.

Whether embraced openly and proudly as in the fascist appeals to the racial equality of the *Volk* or, as in the case of the liberal democracies, hidden behind false universals, this emphasis on equality as sameness has invariably been exclusionary. For that reason, marginalized groups have strongly contested it, insisting not on the similarity of equals but on their difference. That insistence is understandable in historical terms. And yet to insist too strongly is to risk obscuring the bonds of our shared humanity. To see the world exclusively through the prism of difference is to blind ourselves from the points of comparison necessary to imagine ourselves as basic equals.

Nor, of course, is it simply multicultural progressives who risk being caught up in what one critic has described as the “identity trap.”² Identitarian politics are no less the stuff of a large number of nationalist movements around the world today, whose leaders—from Russia, India, and Brazil, to Sweden, France, and the United States— target immigrants and minorities, while invoking various forms of populism and racism to pursue their own politics of identity. They even speak of forging greater equality among their own people alone, exploiting resentment against outsiders in a redux of the equality talk of right-wing groups of the first half of the twentieth century. But collectively these groups fall into what Piketty describes as the “social-nativist trap,” which too is understandable as a response to inequality. “When people are told that that there is no credible alternative to the socioeconomic organization and class inequality that exist today, it is not surprising that they invest their hopes in defending their borders and identities instead.”³

1. Noah Webster, *A Compendious Dictionary of the English Language* (New Haven, CT: Sidney’s Press, 1806), 105.

2. Yascha Mounk, *The Identity Trap: A Story of Ideas and Power in our Time* (New York: Penguin, 2023).

3. Thomas Piketty, *Capital and Ideology*, trans. Arthur Goldhammer (Cambridge, MA: Belknap Press of Harvard University Press, 2020), 966.

Developing “credible alternatives” to today’s unequal socioeconomic relations is clearly a crucial part of being able to imagine equality anew. Economists and policy experts are busy tackling that problem now. But just as important, to my mind, is renewing our commitment to a radical universalism that is prepared to defend the basic equality of *all* human beings. This must be a genuine universalism that is fully and inclusively human, a universalism that sees, recognizes, and affirms difference, while at the same time takes pains to underline what it is that we as human beings share, emphasizing what makes us comparable in our difference and so worthy of common consideration as equals. Such a view would reject the dynamic that Schmitt correctly identified in the liberal-democratic past and that he and other fascists embraced openly as the way of power in the world in which not “only are equals equal but unequals will not be treated equally.”

That will not be easy. As philosophers know better than most, grounding the basic equality of all human beings is a task that has so far proved elusive. One recent commentator, the political theorist Paul Sagar, goes so far as to argue that in the absence of water-tight philosophical arguments to ground basic equality, we should simply embrace it pragmatically as a useful “fiction” that has emerged for historical reasons since the eighteenth century and that has gradually spread around the world.¹ Another observer, the philosopher Anne Phillips, despairing of the prospect of justifying basic equality in purely philosophical terms, argues for what she describes as “equality as enactment.” Taking a cue from Hannah Arendt, who maintained that people “are not born equal,” but that equality is something we commit ourselves to, Phillips suggests that the best way to justify equality is to bring it into being through political action.² Finally, the philosophers Jeremy Waldron and Charles Taylor have each argued in different ways for embracing the fact that modern secular ideals of equality have evolved out of deep religious commitments. As Waldron puts it, “I actually don’t think it is clear that we—now—*can* shape and defend an adequate conception of basic human equality apart from some religious

1. Paul Sagar, *Basic Equality* (Princeton: Princeton University Press, 2024).

2. Anne Phillips, *Unconditional Equals* (Princeton: Princeton University Press, 2022), 51–55.

foundation.”¹ In a sense, both men suggest, though they hardly leave the matter at that, we should take the equal worth of human beings partly on faith.

I am sympathetic to each of these positions. To imagine equality today and for the future is to acknowledge its historical trajectory, to understand its enacted character, and to have faith in the proposition that all human beings are of equal worth. Such “faith,” in my view, need not require explicit religious foundations. But I do believe, with Taylor, that “people who are deeply rooted in their spiritual sources, often religious” are particularly well-placed to enhance our sense of fellowship and endow the idea of human equality with the power and sacrality it requires to move from the realm of the imaginary to the social imaginary and so to action.² One need only think of Gandhi in this regard, or Martin Luther King. And while it is true that the world may not be so fortunate as to witness the emergence of a leader of their power any time soon, we can help prepare the ground as we wait by keeping the flame of equality alive, even as an unequal world threatens to snuff it out.

Darrin M. McMahon is the David W. Little Professor of History at Dartmouth College. His latest book, *Equality – The History of an Elusive Idea* (Basic Books, 2023) is the definitive intellectual history, tracing equality’s global origins and spread from the dawn of humanity through the Enlightenment to today. Equality has been reimagined continually, in the great world religions and the politics of the ancient world, by revolutionaries and socialists, Nazis and fascists, and postwar reformers and activists. A magisterial exploration of why equality matters and why we continue to reimagine it, *Equality* offers all the tools to rethink equality anew for our own age.

1. Jeremy Waldron *God, Locke, and Equality: Christian Foundations in Locke’s Political Thought* (Cambridge: Cambridge University Press, 2002), 13; Waldron, *One Another’s Equals: The Basis of Human Equality* (Cambridge, MA: Belknap, 2017), 16–18.

2. Charles Taylor, *Cosmic Connections: Poetry in the Age of Disenchantment* (Cambridge, MA: Belknap, 2024), 579.

Struggle, Rights, and the Indigenous Peoples of Brazil

Célia Xakriabá

Our struggle is not only to secure our lands, but also to occupy screens, spaces of power, political spaces, universities, and stages. Even though we aspire to occupy all these places, we know that the most important stage we have is the ground of the struggle, and that's why we call upon humanity from the Earth, because there will be no politics, no stage, no place to wield the power of the pen if there is no planet.

I carry with me the strength of thousands of headdresses. The struggle is our fourth power; a permanent power, without which we would not be able to face the challenges that institutionalism and the racism of absence impose on us.

The struggle shapes thinkers, lawyers, journalists, doctors, nurses, filmmakers, communicators, doctors of body and soul, of spirituality, of life, of the land, of the forest, beyond the academy. From it, authorities are born—shamans, healers, midwives, ministers, presidents, parliamentarians—because just as the struggle is the fourth power, the greatest power is nature and the science of the Earth.

In a Brazil that begins with us, many speak of love for the homeland and forget that we are women of the “matria.” In the face of various confrontations, how many times did we think we had exhausted all legal resources, only to find that it was through ancestral resources—such as the Guarani people’s fire prayer, the toré, the power of the maracá—that we were able to stop regressive projects. We understand that if it is not the law that guarantees the struggle, it is with much struggle that we guarantee the law.

I also extend reflections on our presence in political spaces. If our bodies-territories are the ground we walk on, they are also political bodies, forged in the ground of the struggle. Politics and its spaces must also recognize the power of our knowledge, the power of our culture and ancestry, and consider our voices and our words in the weight of their pens. Today, I live in a space where much is said, but little is heard: the National Congress. I enter this place with the certainty that I want to sign and not assassinate rights, but I wonder if by entering this house of lords with my body, beyond resonating our voices, we can make it listen? Can we stop the violence, the racism of absence, and conquer rights with our presence?

It is necessary to recognize the power of thought, which is not a singular thought. It is plural, anchored in the formative matrices of the territory, which are, for example, the knowledge of orality, of the very relationship woven in the territory, in the struggles of reclamation, in the experience with the land, and in the connections with our ancestries.

Brazilian society and the world need to understand that we are in a war that is not only humanitarian but also civilizational. It is a scenario of two pulmonary respiratory crises. Those who survived the first will have to face the second, that of climate change. Indigenous peoples represent the guardians of the world’s largest oxygen balloons. If they do not understand the need to protect indigenous peoples, they will be killing the cure, the active principle to face this other respiratory war that is already announced. For this, we are like pulmonologists, for we can save the lungs of humanity, we are a barrier to prevent extermination. The planet will have the highest fever, will enter convulsion, the world will have to face the second respiratory war, but without the indigenous peoples, they will suffer acute shortness of breath and will not have the cure.

All of this calls for reflection. Today we face the threat of sophisticated weapons, which do not only use bullets, but other munitions. If the bullet in the revolver was once used for the genocide of indigenous peoples, necropolitics is used as the ammunition of the “genocide by pen”. The structure of the State, which should serve to protect indigenous peoples and Human Rights, is at the same time being converted into the acceleration of the process of freeing up mining and deforestation, consolidating the politics of death.

I understand that it is not possible to move towards a standing Brazil by putting indigenous rights on the ground, and what we are seeing today in Brazil is a legislated genocide. The pen has been assassinating the rights of indigenous peoples.

*Inspired by what I once heard
From a knowledgeable woman,
I reproduce her words here:
Rights are what you seize
When you have no other choice.*

*Stop tearing down our rights and our forests,
The destruction is cruel,
Indigenous peoples prevent the sky from falling.
We are the people who resist through the power of song,
Before the Brazil of the crown, there is the Brazil of the headdress.*

Célia Xakriabá is a Member of the Federal Congress from Minas Gerais, Brazil, since 2023. Following brilliant studies that took her from one of the poorest regions of Minas Gerais to the universities of Belo Horizonte and Brasília, she was appointed to the Minas Gerais Board of Education at the age of 25, and fought since then for the preservation of Brazil’s indigenous territories and cultures. In 2022, she became the first indigenous woman to be elected to the Federal Congress, as a member of the PSOL. Cf. also : <https://www.sens-public.org/dossiers/1668/> & <https://www.sens-public.org/dossiers/1656/>

Report of the Brazilian Inequalities Observatory presented by the National Pact to Combat National Inequalities / August 2024¹

ABCD/CEBRAP

The Brazilian Inequalities Observatory aims to monitor inequalities in Brazil using selected indicators. These indicators allow the government and society to monitor progress and setbacks, identify priorities and understand which public policies need to be improved. The areas covered include education, health, income, food security, public security, political representation, climate and environment, access to basic services and urban inequalities. Inequalities of race/color, gender and between Brazilian regions are cross-cutting axes of analysis. In 2023, several organizations came together to select 42 indicators to be monitored. The first report, released in August of the same year, sought to establish a baseline from from which annual update would allow a comparative look to know in which areas the country has made progress and in which which areas efforts and priorities. The 2024

1. <https://static.poder360.com.br/2024/08/desigualdade-2024.pdf>.

update considers the subsequent periods the indicators defined in the previous year, offering a comprehensive of the various dimensions of Brazilian society. Income inequality in Brazil has not changed and remains on high levels: the richest 1% has average monthly per capita income 31.2 times higher than the poorest 50%. In 2022, it was 30.8 times. Taxation, as seen from the IPRF, has changed little changed: it is progressive up to the 10 to 15 to 15 minimum wages and then becomes regressive; although we do see an increase of those earning more than 320 minimum wages. It is noteworthy that the richest 0.1% had an average annual income of 21.5 million reais in 2022 and in total they deducted 12.1 billion reais in medical expenses, an average of R\$295,400 per taxpayer at the top.

In 2018, 29.4% of the Brazilian population aged between 15 and 64 was considered functionally illiterate. In the Nordeste, the rate of functional illiteracy was higher and reached 42.1% of the population aged between 15 and 64. Participation in higher education remained stable in all regions of the country. The most significant growth occurred in the Nordeste (+1.3 p.p). Black people were the most successful participation in increasing higher education between 2022 and 2023 (an increase of 1.2 pp). Of particular note are black women, who increased their participation from 17.1% to 19.2% over the period, a growth of +2.1 pp, higher than that seen among men, whether black or not. Nevertheless, black men continue having poor access (13%), clearly contrasting the average access for non-white women reaching 1/3 of their generation.

Cisele Ortiz , Instituto Avisa Lá

Regional inequalities are intertwined with racial inequalities. The proportion of the black population is higher in the North and Northeast, the least favored regions of the country. But these inequalities are present throughout the country. IBGE data shows that the percentage of people in informal occupations and the percentage of the population living in households without property documentation is higher among blacks and browns than among whites in all regions of the country.

The inequalities between blacks and whites are reproduced in different dimensions. In economic terms, the average income among white people is

approximately 1.7 times higher than among black people, among whom poverty rates are twice as high and this difference exists regardless of educational level. In terms of exposure to violence, the prevalence is significantly higher among black people and black men are more than twice as likely to be victims of homicide as white men. In this context, it is unrealistic to think that health policies alone can eliminate health inequalities, but they can contribute to reducing them – and the country has a successful track record in this area. The construction of the Unified Health System (SUS) and the huge expansion of primary care coverage through the Family Health Strategy are a prime example of this.

Matías Mrejen, Universidade federal Fluminense

TACKLING RACIAL INEQUALITIES IN BRAZIL: WHERE DO WE NEED TO GO FROM HERE?

We know that racial inequalities in Brazil are the result of a historical process of exclusion and marginalization, deeply rooted in the country's social and economic formation. Its persistence is the result of the construction of public policies without attention to tackling it, as well as daily and institutional discriminatory practices. At the crucial moment of democratic reconstruction that Brazil is going through, it is imperative to address these inequalities broadly, linking the historical and structural causes to current public policies and paving the way for a fairer and more equal future.

As the Brazilian Inequalities Observatory pointed out in its 2024 report, black people face greater difficulties in getting an education, occupying better positions in the job market, living in decent housing and reducing their exposure to violence. In the labor market, racial disparities are deeply rooted. Black people in Brazil earn, on average, R\$2,122 per month, while non-black people earn R\$3,277, showing a significant wage gap that perpetuates economic inequalities. In addition, the unemployment rate among the black population is consistently higher, reflecting the additional difficulties these people face in entering and staying in the job market.

In the area of housing, the inequalities are even more evident: 76.07% of black women live in precarious housing conditions, compared to 22.84% of non-black women. When we consider men, the disparity continues, with 32.41% of black men living in inadequate housing, compared to 12.95% of non-black men. Violence also affects the black population disproportionately. The homicide rate among young black men (aged 15 to 29) is alarming: 144.93 per 100,000 inhabitants among black men, compared to 25.03 among non-black men.

Among black women, the rate is 77.58 per 100,000, much higher than the rate of 4.67 for non-black women. These figures reflect a reality in which black life is constantly threatened, both by precarious living conditions and by the structural violence that marks everyday life in Brazil's peripheries and favelas. This data underlines the urgent need for public policies that address not only economic and educational disparities, but also basic living conditions and security, which continue to be denied to a significant portion of the Brazilian population.

The creation of the Ministry of Racial Equality was an important step forward in this regard. The ministry has implemented public policies aimed at reducing racial inequalities, with a focus on affirmative action, combating racism and recognizing and strengthening quilombola communities. Despite its low budget, some important public policies are being created.

The enactment of the decree reserving 30% of vacancies in positions of trust in the federal public administration for black people is an important example of this attempt to promote equity. This measure aims to correct the under-representation of black people in spaces of power and decision-making, recognizing not only the inequalities of access, but also of trajectory within the public service.

With regard to racial violence, the Juventude Negra Viva (Black Youth Alive) Plan stands out, which seeks to reduce the vulnerabilities that lead to the alarming homicide rates of young black people. This plan not only addresses public safety, but also includes measures to improve access to education and employment for young black people, recognizing that violence is a symptom of deeper inequalities.

In education, racial quotas in public universities have been one of the most effective policies in promoting racial inclusion. Since their implementation, the presence of black students in higher education has increased significantly, contributing to the diversification of academic environments and the formation of an intellectual elite that is more representative of the Brazilian population.

Demographic composition

The TSE's decision that the distribution of resources from the Special Campaign Financing Fund (FEFC) and free electoral advertising time on radio and television should be proportional to the total number of black candidates was an important step forward. The Amnesty PEC was a huge step backwards and civil society must mobilize to ensure that this decision is implemented. To tackle racial inequalities effectively, it is essential that public policies are strengthened and expanded, and above all institutionalized. The following recommendations are key to advancing this agenda: Education is an important pillar of racial inequalities. Investing in quality schools in peripheral and rural areas, as well as ensuring students' permanence are crucial strategies that need to be aligned with the fight against racism in the classroom.

Labor market inclusion programs need to be strengthened, ensuring that black people have access to decent, well-paid jobs. Policies such as encouraging the hiring of black people in the private sector and promoting specific professional training are essential. The institutions responsible for promoting equality need to be strengthened, with adequate resources and autonomy to implement and monitor effective public policies. This includes the creation of independent commissions to investigate discriminatory practices and guarantee the application of anti-racism laws. The fight for racial equality must be a commitment of the whole of Brazilian society, requiring coordinated efforts between the government, civil society and the private sector.

THE IMPORTANCE OF INTERSECTIONAL PUBLIC POLICIES AND THE SITUATION OF BLACK WOMEN

The term intersectionality was coined by Kimberlé Williams Crenshaw in 1989 when she analyzed how courts frame and interpret the stories of black women as plaintiffs. One of the cases studied was the lawsuit filed by five black women against a car manufacturer. They claimed discrimination because the company did not hire black women before 1964. All black women hired after 1970 lost their jobs because of seniority during a recession. The court, however, rejected the claim, stating that it hired (white) women and (black) men. Crenshaw used this case to illustrate how traditional legal approaches to discrimination tend to treat race and gender issues separately, ignoring the ways in which these identities overlap and intertwine in the lives of black women. From there, she proposed intersectionality as a way of understanding these interactions and ensuring that civil rights policies are truly inclusive and equitable.

In Brazil, the scenario is not different. As studies have shown, if our affirmative actions in higher education were based on income alone, poor whites would have more access compared to blacks. From the point of view of income, for example, the intersection of race and gender produces a hierarchy that remains constant: black women earn less than black men, black men generally earn less than white women and white women earn less than white men, who occupy the top of this pyramid of inequalities.

As discussed by the Brazilian Inequalities Observatory in its 2024 report, the analysis of the housing deficit, for example, shows that black women account for 58.71% of cases, while white women are in a relatively better position. The disparity is even more pronounced when we consider precarious housing conditions, where 76.07% of homes in subhuman conditions are occupied by black women, in contrast to only 22.84% occupied by non-black women.

In the labor market, these inequalities are also evident. Black women face the highest unemployment rates and the lowest incomes. Although they make up a significant portion of the workforce, their incomes are significantly lower than those of non-black men and women, showing racial discrimination that overlaps with gender discrimination. This data reveals that, in addition to

gender barriers, black women are doubly penalized by an economic system that places less value on their contribution.

In the political context, these inequalities take on an even more worrying dimension. The number of women occupying high-profile political positions is lower than their demographic representation. For black women, the barriers are even greater and involve not only the underfunding of their campaigns, but also gender-based political violence. The upcoming Constitutional Amendment 133, which amnesties parties for not investing the minimum amount of resources in black candidates and complying with gender quotas, is a clear example of how institutionalized racism perpetuates the exclusion of black men and women from spaces of power. Although the amendment has been justified by its supporters as a measure of reparation, in practice it represents a step backwards, undermining recent achievements of the black movement, such as the proportional allocation of electoral resources to black male and female candidates.

This scenario reinforces the importance of public policies that address these inequalities in an intersectional way, recognizing that intersectional way, recognizing that race and gender discrimination are interdependent and manifest themselves in complex ways in the lives of black women. As Kimberlé Crenshaw points out, intersectionality is an essential tool for understanding the multiple layers of oppression that these women face and for developing policies that can effectively promote social justice.

Therefore, the fight against inequalities in Brazil requires an approach that goes beyond the traditional categories of race or gender, recognizing the unique experiences of black women. Only in this way will it be possible to create an environment where all Brazilians have equal access to opportunities and can contribute fully to the country's development.

Afro-Cebrap is a research, training and dissemination center on racial issues at the Brazilian Center for Analysis and Planning (CEBRAP). Created in 2019, the center's priorities are the production of research with high methodological rigor, the training of new researchers and scientific dissemination.

Growth with economic and political equality

Branko Milanović

A few years ago, when I had a discussion during a podcast¹, the interviewers mentioned one of my pieces on what I called the “paleo-left”. In the podcast, I went over the main features of the paleo-left, and I think that it may be useful to put them down again in writing. And hopefully to show that they can be readily made into actionable policies and are not just a set of nice words strung together.

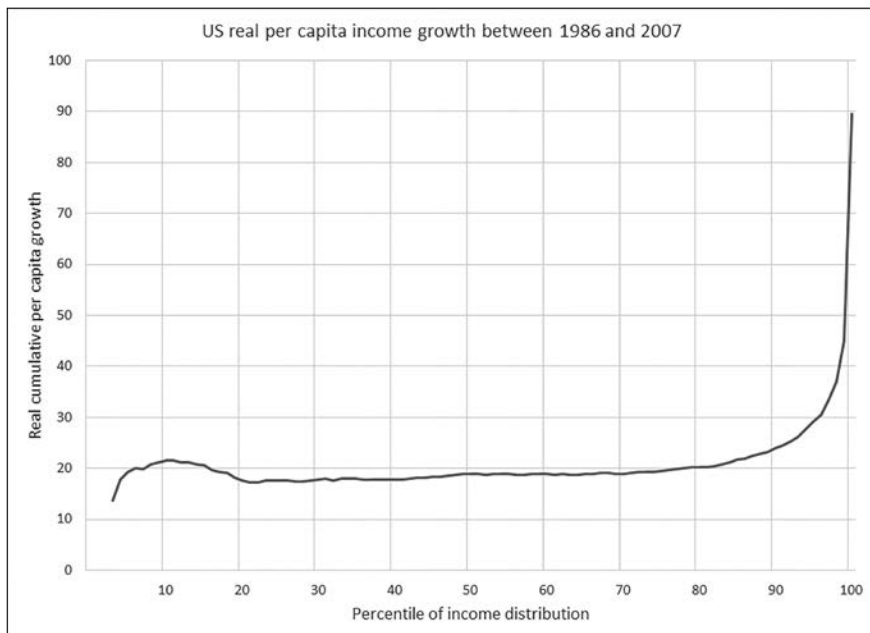
The paleo-left agenda, in my opinion, has four key planks: it is pro-growth, pro-equality, for freedom of speech and association, and for international equality. Let me explain each.

Being in favor of growth means that the paleo-left acknowledges that income and wealth are indispensable conditions for human self-realization and freedom. We cannot achieve our potential, nor enjoy other non-pecuniary activities unless we have enough income not to worry where the next meal comes from or where we are going to sleep the next night. The paleo-left is against the constant denigration of growth because it recognizes that for an ordinary person improved material conditions of living open the “realm of freedom”: we do not want households where mothers have to wash clothes in the nearby creek

1. <https://bungacast.podbean.com/e/286-what-was-communism-ft-branko-milanovic/>.

or in the bathtub; we want households with washing machines. (Of course, for people who already own washing machines this might seem like a trivial demand. But for half the world that does not it is not trivial at all.)

Growth as such without taking into account who benefits from it is neither ethically acceptable, nor politically sustainable. That's where the second plank comes in: economic equality. Growth cannot be blind, nor can it be such that most of it, like in the US in the period 1986–2007 (see the graph below) is collected by the rich. It must be pro-poor which means that incomes of the lower groups should rise, in percentage terms, at least as much as incomes of the richer groups. How to achieve this? Not only through direct taxation or indirect taxation of activities and goods consumed by the rich (the latter is an area which is, in my opinion, under-utilized). It can be achieved through high inheritance taxes which would ensure reasonably equal starting position regardless of parental wealth, by almost free or fully free public education and health, and by special support for the young, around the time of their first jobs. The young are now in the developed Western societies as a group in need of as much support as what people who are currently old managed to politically achieve in the 1960s and 1970s.



Reduced income and wealth inequalities are both an objective in themselves and a tool for achieving something else: relative political equality. That equality is undermined in today's advanced societies not, as it is claimed, by an ill-defined "populism", but by a very opposite danger: that of plutocracy. The fact that rich people fund the campaigns, pay politicians (which is just a more subtle form of bribery), and control most of the mainstream media, makes mockery of political equality.

The paleo-left should, in my view, eschew such terms that the neoliberal discourse has captured and made meaningless, like democracy. We have to acknowledge that the term "democracy" has been hijacked by the neoliberal plutocracy in the same way that the term "people" was hijacked by the communist authorities in Eastern Europe. Both terms are used to cover up the reality.

Instead the paleo-left should focus on something much more real and measurable: approximate political equality. The latter implies public financing of political campaigns, limits (or bans) on rich people's control of the mass media (no "Washington Post" ownership for Jeff Bezos), and equal participation in the electoral process which in turn means making participation in the elections easier for hard-working people. Current elections in the US are intentionally scheduled for a working day, and it is neither a surprise, nor an advertisement for "democracy", that even in the most important elections one-half of the electorate simply does not participate.

The paleo-left also recognizes that the freedoms of speech and association are largely meaningless so long as approximate political equality does not exist. Individuals can spend hours and days arguing on Twitter, but it will carry zero political influence as compared to well-paid and organized think-tanks and other institutions whose objective is to directly affect policy. It is in that area that a vague use of the term "democracy" in reality conceals vast inequality in access to political power.

The last plank is internationalism. This is, of course, an old left-wing slogan, and it should not be seen as something that is just tacked on to the rest of the domestic agenda. It is a constituent part of the overall agenda. The paleo-left accepts that different countries and cultures may have different ways in which

they choose their governments or in which they define political legitimacy. The paleo-left is not ideologically hegemonic. The paleo-left might believe (and should believe) that its own approach is the best, and is right to argue for it, but the argument must be always at the level of ideas, must avoid gross interferences in the internal affairs of other countries, and must obviously never use violence. The paleo-left must get rid of the noxious idea of a “liberal world order” which is either meaningless (as it changes depending on what is politically convenient for its proponents) or is an outright invitation to wage wars. It replaces it by the respect of international law as defined by the United Nations, and by other institutions that are inclusive of all peoples. The paleo-left proselytism is made only by non-violent means, and with respect for other cultures and states, and with no coercion of any kind.

There are many other issues that cannot be directly covered by these simple rules. They concern migration, gender and racial equality, relations between the church and the state etc. but they can be, I believe, relatively easily deduced from these four general principles.

Branko Milanović is Senior Scholar at the Stone Center on Socio-Economic Inequality at the City University of New York and Visiting Professor at the International Inequalities Institute at the London School of Economics and Political Science. “How do you see income distribution in your time, and how and why do you expect it to change?”: In *Visions of Inequality – From the French Revolution to the End of the Cold War* (Harvard University Press, 2023), that is the question Milanović imagines posing to six of history’s most influential economists: François Quesnay, Adam Smith, David Ricardo, Karl Marx, Vilfredo Pareto, and Simon Kuznets. Probing their works in the context of their lives, he charts the evolution of thinking about inequality, showing just how much views have varied among ages and societies. Indeed, Milanović argues, we cannot speak of “inequality” as a general concept: any analysis of it is inextricably linked to a particular time and place. See also <https://www.sens-public.org/users/730/>

Inheritance, Wealth Inequality, and the Role of Taxation

Daniel Waldenström

The generation of wealth is key for any prosperous society. Capital is needed for production, investment in private and collective structures, building buffers against unexpected shocks. As we strive to understand the factors contributing to wealth accumulation and for the disparities in wealth ownership across groups, the role of inheritances is a theme that consistently draws attention.

Throughout history, family fortunes have been created and passed down through generations. Many of entrepreneurs run their firms with the aim to pass on wealth to their children, which indicates the powerful role that inheritance can have for promoting capital accumulation in the market economy. Inheritances also shape dynasties and set out long-term generational paths of social status. Researchers have studied inheritances from many of these angles, and thanks to recent achievements in the assembly of individual microdata from administrative registers, scholars are able to present a more consistent picture than previously.

This essay discusses key lessons from the recent economic research on inheritance. One of these lessons concerns the overall extent of inherited wealth in the macroeconomy, estimating its aggregate importance and evolution over

the past century through relating it to national income and total household wealth. Another perspective of inheritances concerns the impact it has on wealth inequality, analyzed both in the cross-section, that is, how bequests influence the wealth distribution among heirs, and by examining how inter-generational correlations are affected. Finally, the essay discusses the role of inheritance taxation in the modern economy, reflecting over the lessons from economic theory and practical experiences.

THE MACROECONOMIC IMPORTANCE OF INHERITED WEALTH

When studying the economic importance of inheritances in the economy, it can be instructive to examine its aggregate imprint on the macroeconomy. How much funds are actually transferred from the deceased to the living each year in relation to other incomes or the wealth households own? In recent economics research, new methods have been developed to calculate a country's aggregate total inheritances each year. The estimations use different kinds of population data on wealth ownership, mortality rates, and the relative size of wealth of deceased individuals to wealth of the living (Piketty 2011, Ohlsson et al. 2020).

In Figure 1, broad historical trends on the aggregate economic importance of inheritances over the past 120 years. The figure consists of three panels that capture distinct aspects of inheritances in three Western countries for which reliable historical data are available: France, Sweden, and the UK.

Panel a in the figure presents the magnitude of annual inheritance flows as a share of national income. Before World War I, France exhibited inheritance flows amounting to 20 to 25 percent of its national income, the highest such rate in any of the sampled nations or periods. The UK also showed elevated levels during this early era whereas Sweden, by contrast, exhibits inheritance flows around 10 percent of national income. Looking at the factors behind these differences, studies attribute them primarily to falling values of wealth relative to income growth. The interwar and postwar periods saw reductions in inheritance-income flows across all examined countries, primarily

attributable to falling mortality rates and continued falls in in the economic importance of wealth. However, this descending trend arrested in the 1980s, when inheritance flows as a proportion of national income began to rebound, fueled primarily by ascending wealth levels.

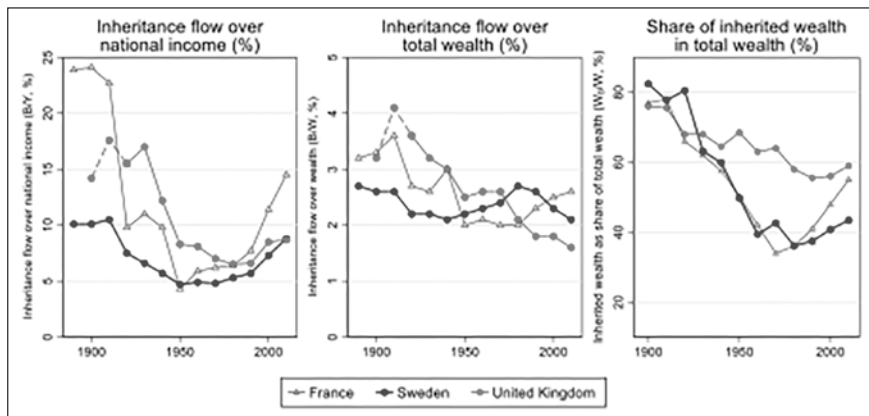


Figure 1: The Historical Evolution of Inheritance in Western Economies¹
 Source: Ohlsson et al. (2020), Waldenström (2024)

Turning to panel b, we instead relate the inheritance flows to all privately-owned wealth. Doing this shows a similar, but more consistent decreasing trends across the three nations. Over time, inheritance flows have waned, reducing their share of total private wealth from 3 to 4 percent around the year 1900 to 2 to 3 percent by 2010. Among these, the UK exhibited the most pronounced decline, while Sweden’s rates remained relatively stable across the century.

Panel c, finally, turns attention to the proportion of wealth in the economy that comes from inheritance compared to wealth that is self-made. This question and how to answer it has been debated by economists for many years, partly related to different methodological approaches to calculate the inheritance share. The figure exposes an intriguing historical trend in the Western

1. The UK data are somewhat less reliable due to subsequent revisions in wealth–income ratios, indicated by a dashed line pattern in the UK series before 1920.

countries: the proportion of wealth that is inherited has notably declined over the last century. Specifically, from 1900 to the 2010s, the percentage of wealth that was inherited dropped from around 80 percent to between 40 and 60 percent. History offers some variation across countries, with the fall being larger in France and the UK than in Sweden, indicating a more rapid postwar transition from old to new capital in the former.

Overall, the macroeconomic and historical evidence suggests that inherited wealth is an important part of the resources that households command. Each year, heirs receive inheritances worth around ten percent of national income, and roughly half of all the wealth people hold today has been inherited. Historically, however, inherited wealth constituted an even more important part of the macroeconomy. Both as share of national income or household wealth, today's societies seem to contain more of the kind of dynamism that encourage new wealth to be created. New savings and entrepreneurship generate relatively more wealth today than in the past, pondering the overall role of inheritances.

DO INHERITANCES AFFECT WEALTH INEQUALITY?

A recurrent question in the discussion of inheritances is how they influence wealth inequality. This relationship is intricate and can be studied along several dimensions. One focuses on the impact of bequests on the wealth distribution among the heirs. Another dimension is the generational links in wealth holding, and to what extent inheritances influence the correlation of wealth across parents and their offspring.

Some people argue that bequests and gifts make wealth more unequally distributed, presuming that rich kids inherit more money from their wealthy parents or grandparents. Others point to the fact that almost all parents give something to their children, and many heirs may receive bequests well in excess of their ownership before inheriting.

Several research studies have examined the question of how inheritances influence wealth inequality. The early literature relied primarily on

computational simulations in the absence of actual data, and they predominantly found that inheritance widens the wealth gap taking into account both the wealth-building effects and distributional characteristics among donors as well as their heirs. By contrast, empirical analyses that use observational data from tax statistics or household surveys tend to reach the opposite conclusion. The reason for the latter finding is that although individuals with greater wealth inherit larger sums, these inheritances constitute a smaller proportion of their overall net worth when compared to those of their less wealthy counterparts.

An enlightening case study arises from a comprehensive analysis of Swedish population register data (Elinder et al. 2018). Our scrutiny of these data allowed us to examine the direct consequences of inheritances on the distribution of wealth among various socio-economic strata. Figure 2 presents the main results from this analysis. The left panel shows that richer heirs inherit more money. This result mirrors the well-established positive correlation of wealth across generations.

Intriguingly, inheritances have at the same time an equalizing effect on wealth inequality. The right panel of the figure displays a pattern where the relative importance of the inheritance actually decreases in the level of heirs' wealth. Despite the positive wealth correlation between generations, and that richer heirs inherit more money, the inheritances matter more for less wealthy heirs in relation to their pre-inheritance assets. In other words, inheritances reduce the gaps between the rich and the poor.

Looking at the quantitative effects on the wealth distribution by inheriting, data in the figure represents as seven percent decrease in the Gini index during the 2000s. This level of equalization is actually quite large, comparable in size to the inequality fall observed in the wake of the slashing of some large fortunes during the dotcom crash of 2000. However, the equalizing potential of inheritances appears to be attenuated by spending behaviors, with the negative inequality effect being reduced in the years right after inheriting. Such offsetting behavioral responses corroborate longstanding economic theories propounded by Keynes and Friedman, which argue that less wealthy individuals are inclined to spend any additional income they receive.

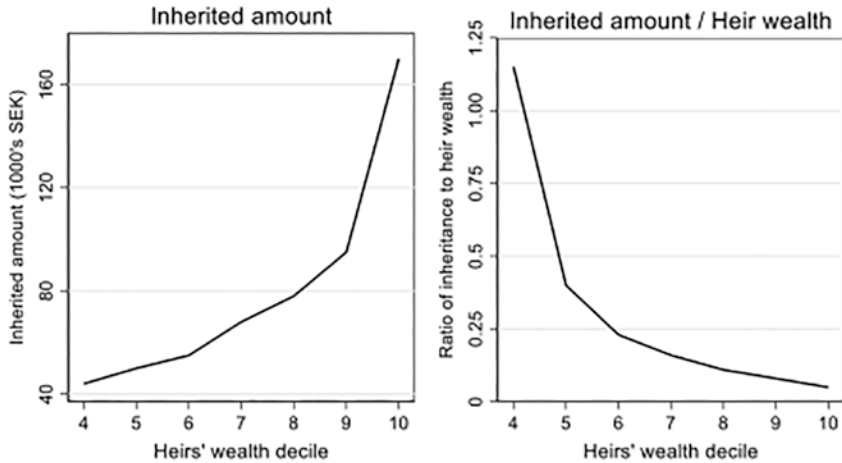


Figure 2: Inheritance and Wealth Inequality¹

Beyond assessing the differences in outcomes, as in wealth inequality among heirs, one can also look at the inequality of opportunity. Do inheritances influence socio-economic mobility across generations?

The exchange of inheritances and gifts within families is a universal practice and serves as a vivid illustration of the correlation between capital accumulation and life opportunities across generations. Wealth is not just a matter of what you have but also a question of how you came to possess it. This draws the attention towards the relationship between inherited wealth and the correlation of family affluence across generations.

Research on this relationship is unfortunately much scarcer than in other strands of the inheritance literature. The main reason is the formidable data requirements. At a minimum, the researcher needs consistent information about individual wealth across at least two generations, obtained at a comparable life stage and, in addition, information about inherited wealth. In most countries, these data come from disparate sources that need to be

1. Data and analysis from Swedish administrative registers (Elinder et al. 2018).

collected separately and then matched together to capture the lifetime wealth accumulation of individuals.

A few studies have been able to shed some light on the issue (Adermon et al. 2018; Adermon et al. 2021; Hällsten and Kolk 2023; Black et al. 2020; Fagereng et al. 2021). In one of these studies (Adermon et al. 2020), data from Sweden were used, combining different administrative sources and spanning outcomes from several generations. The results were revelatory. A strong positive correlation emerged between parent and child wealth, indicating that a parent possessing wealth 50 percent above their generational average would likely have a child with wealth 15 percent above the average in their own generation. This confirms that, while parental wealth is a significant factor, it is not the sole determinant of a child's future financial status. The finding that the wealthier a parent is, the wealthier we can expect the child to become, confirmed previous findings in the research literature.

However, the most surprising result came from the analysis of how inheritances affect the correlation of wealth across generations. The analysis showed that when measuring the specific role of bequests and gifts to the wealth of heirs, the analysis reported a decline of over 50 percent in the parent-child wealth correlation. This is a remarkably large reduction. The implication is that inherited capital appears to be a predominant factor in explaining intergenerational wealth continuity.

INHERITANCE TAXATION AND WEALTH INEQUALITY

The taxation of wealth and inheritance has attracted much attention among academics and policymakers alike. As with the discussion of other taxes, inheritance taxes can be viewed from both an efficiency and a distributional perspective. Passing on wealth to children constitutes a central motivation for building wealth during the lifetime. In this perspective, an efficiency cost of taxing inheritances arises if a major motivation to work and accumulate wealth is the desire to transfer wealth across generations. Bequests can also have substantial behavioral impacts on recipients, mainly due to income effects affecting labor supply and early retirement. Such income effects must not be

distortionary per se, but they can be important as behavioral responses to the acquisition of inheritances can lower tax revenue from labor income taxes, and increase pension-related government expenses. In fact, this in itself provides an efficiency reason to tax bequests.

Among the equity arguments for inheritance taxation is the principle of equality of opportunity. This principle asserts that individuals should be compensated for disadvantages outside of their control but not for those within their control. In this context, an inheritance can be viewed as an unearned benefit, which justifies its taxation. This rationale is why inheritance taxes are often favored by market liberals and those who do not adhere to the principle of social welfare maximization, which suggests that income redistribution can enhance social welfare.

For many, the primary equity argument for taxing inheritances is that they constitute an 'unearned advantage' that should be taxed to promote equal opportunities within society. However, the equity implications of inheritance taxation are not entirely straightforward. Firstly, inheritances provide utility both to the donor, who experiences the 'joy of giving,' and to the recipient. This dual benefit is sometimes cited as a reason to subsidize inheritances (Farhi and Werning, 2010). Secondly, the effectiveness of inheritance taxation in redistributing wealth is significantly compromised by the challenges in accurately taxing the transfer of (non-listed) family businesses, which constitute a substantial portion of overall inheritance flows.

Several countries still tax inheritances and estates, but their number is falling. The revenues from these taxes are also quite modest, averaging around 0.2 percent of GDP, a level that has been steady over the past decades (Bastani and Waldenström 2022). The fact that some countries have chosen to abolish wealth and inheritance taxes despite rising inheritance amounts in many countries, suggest that practical tax design issues and political economy aspects matter.

A significant challenge in the administrative application of inheritance and estate taxes is to define the tax base. Ideally, all transferred assets should be included in the tax base and assessed at their current market values.

However, in practice, many assets are assigned values for tax purposes that significantly deviate from their actual market worth due to substantial discounts or, in some instances, complete exemptions. Business equity, in particular, often benefits from substantial discounts, resulting in only a portion of its true value being included in the inheritance tax base. Many countries have implemented valuation discounts for business equity in non-listed firms. The taxation of family-owned business successions is arguably the most contentious issue in the debate over inheritance taxation. For example, the Netherlands has established a highly favorable regime for family firms, offering significant tax concessions that primarily benefit the very wealthy, leading to considerable tax advantages. A common argument supporting such concessions and opposing inheritance taxation in general is that inheritance taxes can jeopardize the survival of family firms due to liquidity challenges faced by heirs when they are required to pay the tax. Proponents of including family firms in the tax base emphasize the importance of equity and the principle that all assets and heirs should be treated equally. Moreover, there are efficiency arguments supporting the inclusion of family firms in the inheritance tax base (see Bennesen et al., 2007).

When evaluating the distributional consequences of inheritance taxation, it is crucial to consider both the distribution of inheritances and the economic status of those who receive them. Empirical research generally indicates that inheritances have an equalizing effect, as the distribution of wealth among the deceased is often more balanced than the distribution of wealth among their heirs (see, for example, Elinder et al. 2018). However, sufficiently progressive inheritance taxation, coupled with appropriate adjustments to taxes and transfers, can also function as a tool for enhancing redistribution.

Some empirical studies have focused on the behavioral impacts of inheritance taxation. In a seminal study, the author explored estate tax planning in the United States by analyzing the effects of receiving news about terminal illness on the timing of estate planning (Kopczuk, 2007). The findings reveal that the value of estates declined for individuals who received early notification of their terminal condition, largely due to tax planning strategies. Similarly, Goupille-Lebret and Infante (2018) investigated the effects of changes in French inheritance taxation on private savings in life

insurance funds. By utilizing discontinuities in the tax code related to timing and age, they aimed to distinguish between real capital accumulation effects and tax avoidance behaviors, ultimately finding modest effects on real capital accumulation.

Inheritance taxation in the Nordic countries has been the subject of limited research. Henrekson and Waldenström (2016) explored the development of the Swedish inheritance tax over the past century, highlighting that the historically high tax rates during the 1950s, 1960s, and 1970s were linked to significant tax avoidance behaviors and cross-border capital flight among the wealthiest individuals. In an unpublished study utilizing Swedish administrative register data on inheritances and firm performance, Escobar (2017) discovered that firms whose owners inherited substantial amounts tended to survive longer than similar firms. However, this increased longevity did not appear to result from higher productivity, as measured by firm profits or owners' incomes, but rather from enabling less capable small business owners to maintain their operations for longer periods.

When evaluating the distributional effects of inheritance taxation, it is essential to consider both the distribution of inheritances and the economic circumstances of the recipients. As previously discussed, several studies have identified an equalizing effect of inheritances, as the distribution of wealth among decedents tends to be more balanced than among their heirs (see, for example, Elinder et al. 2018). Nevertheless, a sufficiently progressive inheritance tax, coupled with appropriate adjustments to taxes and transfers, can also be an effective tool for enhancing redistribution.

To fully comprehend the evolution of inheritance taxation in the Western world, it is essential to consider political-economic factors. Scheve and Stasavage (2012) analyze the political drivers of inheritance taxation over the past two centuries and argue that the significant increases in inheritance taxes during the first half of the twentieth century are better explained by mass mobilization for warfare than by the expansion of suffrage. Their explanation suggests that wartime mobilization involves individuals risking their lives, leading to a societal demand for the wealthy to also make sacrifices by contributing a portion of their wealth.

The repeal of the inheritance tax in Sweden in 2004 offers an interesting case to study from a political-economy standpoint. The exceptionally low basic exemption for bequests in Sweden (see Henrekson and Waldenström 2018; Bastani and Waldenström 2021), coupled with rising property values during the 1990s, resulted in a significant portion of heirs—around one-third by 2000—being liable for the tax. Simultaneously, the government introduced expanded tax reliefs for business equity in the 1990s, effectively rendering most large bequests nearly tax-exempt. This led to a situation where a growing number of taxpayers at the lower end of the wealth spectrum were paying the tax, while those at the top increasingly avoided it. Furthermore, widespread perceptions of common inheritance tax avoidance further eroded the perceived effectiveness of the tax. Consequently, when the Social Democratic government eventually proposed abolishing the tax, even the left-wing parties did not oppose the move.

CONCLUDING REMARKS

Inherited wealth is a natural part of a functioning market economy. Generational ties create incentives to build wealth that can be passed on to the following generations, and this explains why around half of all the wealth that households own today has been inherited.

However, going back to the beginning of the twentieth century, the historical facts presented here shows that inherited wealth was even more predominant in the past than it is today. This suggests that the market dynamism has elevated through time as we generate a higher degree of self-made fortunes today than before.

The distributional effects of inheriting is a central theme in many discussions about wealth. Research shows that although there is a positive correlation between how wealthy heirs are and how large amounts they inherit, the relative importance of bequests and gifts is larger for less wealthy heirs. Strikingly, this pattern is found across all Western countries in which this has been studied, from egalitarian countries like Sweden and Denmark to the more market-oriented US.

Whether to tax inheritances is a contentious issue. Even if there is a decline in the number of countries taxing inheritances and estates, most Western countries still have such taxes. However, the problems with these taxes are mounting in the globalized and increasingly dynamic economies. Almost all countries have preferential tax treatment of wealth pertaining to family firms, reflecting a concern for family-firm successions. Exemptions for the inheritance of these firms have effectively reduced the tax burden for the very wealthy, while upper middle-class households with expensive residential property have continued to pay the full effective tax rates. This regressive element has been shown to erode the political support for the inheritance tax. Given these problems, in combination with the tiny revenues coming from these taxes, this suggests a continued trend away from inheritance taxation in the Western world.

Daniel Waldenström is Professor of Economics at the Research Institute of Industrial Economics (IFN) in Stockholm, Sweden, where he directs the Taxation and Society research program. In his book, *Richer and More Equal: A New History of Wealth in the West (Polity, 2024)*, Waldenström shows that what stands out since the late 1800s is a massive rise in the size of the middle class and its share of society's total wealth. Unfettered capitalism, it seems, doesn't have to lead to boundless inequality. The key to progress was political and institutional change that enabled citizens to become educated, better paid, and to amass wealth through housing and pension savings, and Waldenström argues that it is key to pursue tax and social policies that raise the wealth of people in the bottom and middle rather than cutting wealth of entrepreneurs at the top.

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Social Classes of Global Castes

Suraj Yengde

Inequality is a catchphrase for developmental and welfare economics. It has also become a rallying call for social and political justice. Inequality is not a condition, but it is a state that has been maintained by various forces who also despise inequality but embrace it partially as it benefits their goals.

We've spent important policy dossiers on understanding inequity through the dialectical partnership of economy and politics. What if public policy memos are themselves ingrained with retaining the biases of elite reproduction through social classes? The public portfolio of those who are responsible for articulating the understanding of society is filled with apprehensions of the historical Other.

An elite who is responsible for deciphering the conditions of its society will hardly emphasize the culpability of their own—family, clan, caste, ethnicity, race—in short, the social castes.

Caste is an unequal institution that prolongs justice for a considerable time period. It is not just the inequality that sits at the bedrock of this institution, but it is also the absolutism of power and ownership of resources within the geographical scale of the caste system. The caste system operates worldwide. It draws on the legitimacy of a particular reading of nativist history and considers external intervention as the corruption of supreme, respectable values of their society.

Presently, the major focus of caste is rooted in the religious dominion of relations. The absence of commonality built on the dominance of insulted dependability makes the caste system a manifestation of society's rigid and unscrupulous desires. Beyond the religious and social undertaking of this hierarchical system, caste legitimizes the ownership of resources held by one group at the expense of the other. It is done through arbitrary social laws and cultural dictates praised as tradition.

For example, the castes in the class system are units of ranked professions whose productivity is expected but not fairly compensated. The ones working with hard labour, sweat, creativity, and innovation are held as despicable units of people. The farmers, peasants, blacksmiths, and service providers, among a host of other groups whose vocation is premised on productive labour, are ranked as lower in the hierarchy.

The Dalits in South Asia, for example, are expected to participate in hard, menial labour, but their compensation is negligible. The traditional rules demand Dalits to be essential labour but not claim equal participation in the wages. The manual scavenging profession is a case in point. Human beings are forced to enter the manhole for a wage of less than \$30 per month.

Inequality here stems from the anxiety of the productive classes, who cannot be easily replaced. Therefore the only way to control the political economy of the vocational castes is to dominate them by ritual and religion—political fear. The policymakers have grossly committed a series of injustices to the victims of the caste system by making two overarching tragic mistakes. The first is to understand caste within the national political spectrum, and second to compare it with other contesting hierarchical societies.

By doing this, the policy was able to redress the injustice of one group over another. The mantra was that the state needed to intervene actively. In post-colonial societies, the power metric was imbalanced from the start of independence. Thus, the level playing field was not a precondition of a new state formation. In fact re-distribution of elite power sources amongst the ruling class was a precondition of the colonial freedom movements. These very groups of elites exercised the colonial structural power by becoming

policymakers during the colonial regime and post-independence technocrats. Their skewed understanding of the system reduced the towers of hierarchies to mere state handouts.

The policy frameworks looked at society in a deferential manner wherein the receiver, as well as the giver, were meant to operate in a change of bureaucratic, logistical loopholes. The Western institutions commissioned studies by inexperienced writers and scholars who did not belong to the community of victims. As a consequence, the state was politically asked to compromise for its ineptitude.

The framework of inequality has an economic basis legitimized through social laws and cultural values. The major focus on economic independence was regulated through state distribution of resources. However, the state's innate nature to control and dominate the masses disfigures the unity of the nation-state. Caste operates as an outside institution posing challenges to the state. But it also weaves through the state operation by accessing political tools of governmentality.

The policy recommendations for the policymakers are as follows:

1. Understand caste as an economic coercion with social and political rationalizations, regularized through laws and customs.
2. Inequality is not a standalone capital premise but a cumulative power monopolized by groups benefiting from the neoliberal policies of the state.
3. Caste has to be reimaged as a global predicament that regulates a society based on the historical regulation of the ruling classes' desires to invent a society based on those facts.
4. Caste has to be one of the primary indicators of assessing inequality in any society.
5. Impacted groups should be at the helm of producing commission-based reports for policy think tanks for national and international institutions.
6. To not see caste as a temporary relief from economic subordination but to invest in the projects that demand representation, accountability, and eventual extermination of the system.
7. The examination of inequality has to be understood from comprehensive intra and interdisciplinary approaches.

8. Addressing precolonial, colonial and post-colonial understandings of society through the experiences of power relations endorsed through culture and society.
9. The non-profit industrial chamber needs to be brought into a critical assessment for their work in the communities and beyond.
10. The lesson from caste studies is that to redress the injustice of inequality; the social classes have to be made responsible for their individuated position in the complex relational dynamics made accountable through taxation, compensation, and relief of reconciliation.

The unequal flows of finance should not focus on the country as a macro, hegemonic organization but on communities that are in cohesion with the internal dependable linkages with each other.

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The Case for a Universal Capital Endowment for Youth in the 21st Century

Niels Planel

Only new, radical policies can turn the tide in the face of increasing inequality and growing populism in advanced economies. Distributing a capital endowment to all their citizens who turn 18 to start a business, buy a property or get a college degree is one of them.

INEQUALITY IS BACK. NOW WHAT?

Today, rising inequality in a context of slow growth has become the defining reality of many advanced economies. In the US, one of the OECD's most unequal countries, more than two thirds of the wealth is concentrated in the top 10% of earners¹; and according to the Brookings Institution², Americans are quite unlikely to move far up (or down) the wealth ranks early in life; their chances actually decrease with age. In France, society looks every day more

1. Statista, *Wealth distribution in the United States in the fourth quarter of 2023*. Available at: <https://www.statista.com/statistics/203961/wealth-distribution-for-the-us/>.

2. Ember Smith, Ariel Gelrud Shiro, Christopher Pulliam, and Richard V. Reeves, *Stuck on the ladder: Wealth mobility is low and decreases with age*, Brookings Institute, June 29, 2022.

and more *Ancien Régime*. For the first time in History, the richest man and woman on earth were both French¹ in 2023; at the same time, only 10% of children born to parents in the bottom 20% can reach the top 20% in adulthood, four times less than children from the top 20%². Is hard work a factor? Eighty percent of French billionaires inherited their wealth³, according to the Financial Times. The top 1% of heirs now enjoy a higher standard of living⁴ than that obtained by the top 1% of “workers.”

On the other side of the Channel, things aren't better. In the UK, children of the wealthiest fifth of parents are eight times more likely to be in the wealthiest fifth themselves than are the children of the poorest fifth, but the children of the poorest fifth are less than three times more likely to be in the poorest fifth themselves than are the children of the wealthiest fifth⁵. In 2017, members of the Social Mobility Commission resigned out of frustration at the lack of political will to address inequality, warning about “*the sense of political alienation and social resentment that so many parts of modern Britain feel*”⁶. In Japan, formerly the second largest economy, where previously the Japanese would take pride in self-identifying as members of a vast, stable middle class for decades, nonregular workers made up around 40% of the total workforce⁷ starting nearly 10 years ago. Most OECD countries follow similar trends, whether Sweden⁸, that was

1. Le Monde, « *L'homme et la femme les plus riches du monde sont, pour la première fois dans l'histoire, tous les deux français* », April 5th 2023.

2. Gustave Kenedi and Louis Sirugue: *Intergenerational Income Mobility in France: A Comparative and Geographic Analysis*, August 9, 2023. Available at SSRN: <https://ssrn.com/abstract=4180259> or <http://dx.doi.org/10.2139/ssrn.4180259>.

3. The Financial Times, *The billionaire boom: how the super-rich soaked up Covid cash*, May 14th 2021.

4. Conseil d'analyse économique et sociale, *Repenser l'héritage*, n° 69, December 2021.

5. Alex Davenport, Peter Levell and David Sturrock *Why do wealthy parents have wealthy children?* IFS, September 8th 2021.

6. Social Mobility Commission, *State of the Nation 2017: Social Mobility in Great Britain*, November 2017.

7. Nippon.com, *Regular Full-Time Positions Increasingly Elusive for Japanese Workers*, February 29th, 2016.

8. The Lancet – Regional Health Europe, *Sweden's economic inequality gap is widening and worrying*, March 2023.

known for its strong egalitarian system, or New Zealand¹, often hailed as a beacon of progressivism under the leadership of Prime Minister Jacinda Ardern (2017–2023).

These statistics fail to capture that even when social mobility works, the challenges faced when one ascends in society are massive. A brilliant teen in a tiny rural French town where I officiate as city council member was accepted at Harvard and Cambridge at 16. Originating from an upper-middle-class family, she is now entering adulthood facing more than a hundred thousand dollars of debt, an amount that has left her with no margin for error in the decade to come and that will dictate every single one of her life decisions well into the middle of her career. Unless she chooses the field of finance, I doubt she will ever be able to work in France, where 90% of the population earn less than 4,000 euros a month; she will instead remain an economic outcast in her own country for a long time to come, condemned to travel the globe in search of debt-repaying jobs.

This anecdote is one out of the hundreds I have internalized as I navigate professionally between the world of the wealthy and, through personal projects in destitute areas of France, that of the poor. While some parents around me start preparing their kids for the hyper competitive, globalized era we live in as soon as they turn 3, a kindergarten teacher in rural France recently told me she regularly sees children for which, at that age, “*it’s already too late*”.

Time is not likely to naturally correct these trends: Inequalities have a compounding effect, whereby wealth balloons while poverty is transmitted from one generation to the next. In fact, the Baby Boomers, a generation that has accumulated more wealth than previous ones while also having fewer children, will soon further exacerbate the problem through inheritance. In the US, the *New York Times* has aptly anticipated what is to be the “greatest wealth transfer in History”², with dozens of trillions likely to turbocharge

1. Stats NZ, *Distribution of wealth across New Zealand households remains unchanged between 2015 and 2021*, March 3, 2022.

2. The New York Times, *The Greatest Wealth Transfer in History Is Here, With Familiar (Rich) Winners*, May 14th, 2023.

inequalities over the next two decades, while the French Government has questioned whether it is possible to avoid the formation of an 'inheritance society'¹—where a few inherit a lot and the others not much—if at all.

FROM OCCUPY WALL STREET TO THE YELLOW VESTS

From Occupy Wall Street in the US to Spain's Indignados or France's Yellow Vests, activists have warned for more than a decade that this situation is untenable. Even the OECD, the rich countries' think tank not known for any Marxist penchant, now advocates for taxing inheritance² to reduce inequality.

While a large share of the Millennials (1981–1996) started their professional careers in the midst of the 2008 financial Armageddon, experiencing wage and wealth losses, Generation Z (1997–2012) started theirs facing Covid and an inflation crisis. The OECD warned³ in 2019 that, although 70% of the Boomers were part of the middle class in their twenties, only 60% of the Millennials are that lucky, adding that the Boomers enjoyed more stable jobs during their working life than younger generations. Owning a property has become a distant dream for young people, especially in gentrified cities, and the rat race to own a degree to secure a decent job has left many deep in debt.

The broken promise of social mobility has many youngsters growing disillusioned with that bedrock of the Western political system, democracy. Suffering from economic exclusion, they shun the voting booth: According to the Centre for the Future of Democracy, higher levels of youth unemployment and wealth inequality are associated with rising dissatisfaction in both absolute and relative terms—that is, a growing gap between assessments of democratic functioning between youth and older generations⁴. And when Gen Z votes

1. France Stratégie, *Peut-on éviter une société d'héritiers?*, n° 51, January 2017.

2. OECD, *Inheritance Taxation in OECD Countries*, May 11, 2021.

3. OECD, *Under Pressure: The Squeezed Middle Class*, May 1st, 2019.

4. Centre for the Future of Democracy, *Youth and Satisfaction with Democracy: Reversing the Democratic Disconnect?*, Cambridge, UK, 2020.

in the US, they rather appear to mobilize for gun control, the environment, reproductive health, education, and racial justice¹.

Interest in socioeconomic inequality, which exacerbates many of these issues, ran high in the aftermath of the 2008 financial crisis but Covid and geopolitical crises shifted our focus away from it. Thus, former World Bank's lead economist Branko Milanović has a dire warning about liberal capitalism's current failures: "*It is the renegeing on some crucial aspects of this implicit value system, namely a movement toward the creation of a self-perpetuating upper class and polarization between the elites and the rest, that represents the most important threat to the longer-term viability of liberal capitalism*"²—a warning that echoes in today's politics.

A POPULIST BACKLASH INDEED

Japan, a country not used to political violence since the end of WW2, lost a former prime minister in 2022 to a gun's bullets, and the current one barely survived an assassination attempt by a 24-year-old in 2023. The suspect is a member of Gen Z who, in his lifetime, has mainly experienced a country shaken by the 2008 financial crisis, the 2011 Fukushima nuclear disaster due, in part, to corruption, a dramatic increase in the share of nonregular workers, Covid in 2020, unpopular Olympic Games in 2021 and now, inflation, an uncommon phenomenon in Japan.

In France, research³ by Aurélien Delpirou and Frédéric Gilli has shown that areas where Marine Le Pen's far right movement performed well in the 2022 election cycles were rural ones where social mobility is low; where the fate of factories and jobs is decided by companies located beyond France's borders;

1. Harvard Gazette, *Rising political tide of young adults, Gen Z*, April 14th, 2023.

2. Branko Milanović, *Capitalism, Alone – The Future of The System That Rules The World*, Harvard University Press, 2019.

3. Aurélien Delpirou and Frédéric Gilli, *Après les élections: géographies plurielles d'une France en déséquilibre*, Métropolitiques, June 22nd, 2022.

where violence is an issue; and where depopulation is a reality. In short, places where their inhabitants feel dispossessed of their own destinies.

So there. The US and the UK saw the ascent of populism with Donald Trump and Brexit in 2016—the outgrowth of the scar left by increasing inequality. In Europe, social democracy’s decline has been met with the far right’s rise. In Finland, despite sky-high approval ratings, Sanna Marin performed worse than the Finns Party, losing her premiership in 2023, while in neighboring Sweden, the far right has been part of the leading coalition since 2022—the same year that Giorgia Meloni, known for her belief that fascist leader Mussolini was a “*good politician*”, climbed to power in Italy. In the Netherlands, Geert Wilders won almost a quarter of the seats in the 150-seat parliament in the fall of 2023; in France, despite massive rejection of its candidates by the French in the July 2024 snap elections, Marine Le Pen’s party attracted enough voters for it to become the largest of the National Assembly; and in Germany, AfD sent shockwaves with its historic performance in an election in the eastern state of Thuringi. Meanwhile, Trump has remained a towering presence over one of the two parties that can shape the future of America despite his attacks on democracy and his legal woes. All promote a politics of grievance.

That the West went from enjoying the grotesque abundance of the *Trente Glorieuses* to staring into the political abyss in less than a generation should be a wake-up call for anybody who pays attention. Today’s far right is not just obsessed with immigration. Political scientist Juliana Chueri warns that populist radical right-wing parties in Western Europe have almost without exception shifted their position on distributive issues, now advocating for a “dualistic” welfare state: Preserving and expanding consumption policies for the “deserving” and pursuing austerity and workfare measures for social policies targeting the “undeserving”¹. They are reintroducing that same, poverty-enhancing divide that existed in medieval Europe about the deserving/undeserving poor—a dichotomy that modern societies gradually got rid of. With the advance of the far right, decades, if not centuries, of progress could be lost.

1. Juliana Chueri, *An emerging populist welfare paradigm? How populist radical right-wing parties are reshaping the welfare state*, *Scandinavian Political Studies*, 45:383–409, 2022.

A BREAK WITH HISTORY?

Progress indeed. Thanks to major transformations, we are now treating the poor better than at any point in History. Extreme poverty has virtually disappeared in the West since the 1960s¹, and vast segments of the population are materially better off and enjoy an increasing diversity of rights than during the feudal era. The 1789 French Revolution introduced a modern paradigm throughout Europe regarding poverty and the need to cure its root causes rather than its symptoms. Inspired by the Enlightenment’s progressive ideas but also by major political figures such as Turgot and Necker, the *Comité de mendicité* set up in 1790 conducted major work that led to restructuring assistance for the poor (the “*non-proprietary class*”) while helping to deregulate access to work for those who could care for themselves—a major break from feudalism, when said access was heavily regulated.

In his *Memoir on Pauperism*, Alexis de Tocqueville observed that, at the dawn of the feudal era, “*the cultivator became a tenant-farmer instead of an owner. Inequality was legalised; it became a right after having been a fact. Feudal society was organised and the Middle Ages were born*”. At its twilight, Adam Smith cheered in the *Wealth of Nations* the perspective of modern societies doing away with the feudal laws, guilds, corporations and other apprenticeships that very tightly regulated labor markets, preventing individuals from freely embracing economic opportunities, and generating ever more poverty, including for people seeking alternatives to slaving in their lords’ fields.

These new, immense efforts resulted in vastly reducing poverty among the advanced economies over time. Yet, a basic, at-birth inequality remained: Some are born poor, some are born rich. Today’s trends are deepening, and we might have never managed to come close to addressing this challenge: Research² on the family origin of members of the contemporary English elite and that of members of the same class in the 12th century has concluded that

1. OECD, *How Was Life, Vol. II: New Perspectives on Well-being and Global Inequality since 1820*, March 25th, 2021.
2. Gregory Clark and Neil Cummins (2014). *Surnames and Social Mobility in England, 1170-2012*. Human nature (Hawthorne, N.Y.). 25. 10.1007/s12110–014–9219-y.

the same families remained in place 800 years and 28 generations later; similar conclusions hold, for instance, regarding the elite of the city of Florence, Italy¹, or in countries that had been known for their embrace of egalitarianism, such as Sweden and Japan².

Inequality, and the resulting freedom deprivation for many, remain a challenge, not least because deciphering its root causes implies taking a hard look at the fundamental power structure of societies. But worst of all, since the decline of social democracy, no major vision has emerged to promote progress and emancipation for future generations, precisely at a time where finding new tools in favor of decreasing inequality has become an imperative to preserve democracy.

“AN INHERITOR OF SOMETHING TO BEGIN WITH”

Putting a system of universal capital endowment in place could correct a main source of inequality. An ambitious formula would offer \$50,000 over 5 years to any citizen reaching the age of 18, to start a business, obtain a college degree, or acquire property. This would come in addition to existing welfare state policies, as this mechanism is not meant to replace any among the latter. The idea was reintroduced in the contemporary debate by various figures such as London’s School of Economics professor Julian Le Grand, French banker Bernard Berteloot or Yale’s scholars Bruce Ackerman and Anne Alstott³ starting in the late 1980s, when inequality became a concern for a few, prescient observers.

1. Guglielmo Barone and Sauro Mocetti, *Intergenerational Mobility in the Very Long Run: Florence 1427–2011* (April 28, 2016). Bank of Italy Temi di Discussione (Working Paper) No. 1060.

2. Gregory Clark, *The Son Also Rises: Surnames and the History of Social Mobility*, Princeton University Press, 2014.

3. Julian Le Grand and Saul Astrin, *Market Socialism*, Oxford, 1989; Bernard Berteloot, *Un capital*, Christian/JAS, 1996; Bruce Ackerman and Anne Alstott, *The Stakeholder Society*, Yale University Press, 1999.

Yet the idea is not new: notably, Marquis de Condorcet came up with the concept in an essay¹ written in 1793–94. However, it is a man with whom Condorcet collaborated, Thomas Paine (1737–1809), a revolutionary born in England who became famous in America for his seminal ideas and best-selling pamphlets before becoming a lawmaker in post-1789 France, who advocated passionately in *Agrarian Justice* (1797) for the creation of “*a National Fund, out of which there shall be paid to every person, when arrived at the age of twenty one years, the sum of fifteen pounds sterling, as a compensation in part, for the loss of his or her natural inheritance, by the introduction of the system of landed property*” so that every individual born in what is an unequal civilization—where some own lands and others don’t—“*shall inherit some means of beginning the world*”.

The Englishman espoused the egalitarian and liberal traditions of his era, whereby access to self-employment was seen as key to avoiding poverty and to attaining standing as free equals in society; yet, the egalitarians also saw that self-employment could be threatened by sickness, old age or disability and were consequently among the first ones to propose a social insurance scheme². Paine pondered:

Would it not, even as a matter of economy, be far better to adopt means to prevent their becoming poor? This can best be done by making every person when arrived at the age of twenty-one years an inheritor of something to begin with.

In his profound essay, Paine does not set himself up as an opponent of property but defends the cause of those who have been deprived of it at birth. He notes that the emergence of civilization has produced great poverty and inequality between the richest and the poorest, with barely any traces in the more primitive societies. These societies did not, however, enjoy any of the advantages of agriculture, science, industry, or the arts proper to civilization and its development. According to Paine, there is no turning back: These assets have enabled the human population to grow, but to such an extent that

1. *Sketch for a Historical Picture of the Progress of the Human Mind*, published in 1795.

2. Elizabeth Anderson, *Private Government: How Employers Rule Our Lives*, Princeton University Press, 2017.

the expanses of land that each individual would now need to feed themselves using the techniques of the natural state (hunting and gathering) would be far too great to ensure the survival of all—otherwise, precisely, than by further developing the advantages that civilization procures. I would call it the Paine paradox: There is no going back, and yet, while we need ever more of its benefits, civilization generates growing inequality among us.

Paine wishes to correct those injustices. *“Every proprietor therefore of cultivated land, owes to the community a ground-rent; for I know no better term to express the idea by, for the land which he holds: and it is from this ground rent that the fund proposed in this plan is to issue”*. The goal is to offer an “indemnification” to those who suffer from the original spoliation created by the emergence of private property and which has since generated *“a species of poverty and wretchedness that did not exist before”*. To compensate for this, Paine suggests distributing 15 pounds to all at majority—enough to buy a cow and equipment to cultivate a few acres of land. Paine concludes his reflection in *Agrarian Justice* by observing: *“It is not charity but a right, not bounty but justice, that I am pleading for. The present state of civilization is as odious as it is unjust. It is absolutely the opposite of what it should be, and it is necessary that a revolution should be made in it”*. While Paine was concerned with abject poverty, today’s key difference would be that the distribution of an endowment would also focus on correcting inequality.

THE MORAL CASE FOR A CAPITAL ENDOWMENT

I made the moral case for a capital endowment in a 2019 book¹ in which I argued that a universal system of endowment for youth is not simply a rebalancing force for equality of opportunity toward a more complete realization of one’s potential. It also is a cornerstone of a fairer society in which a flaw of the original social contract is corrected. I confronted the concept to the idea of *justice as fairness*, as established by John Rawls in *A Theory of Justice*², first

1. Niels Planel, *Abolir l’inégalité*, Librio, Paris, 2019.

2. I refer in the next paragraphs to the 1999 revised edition, published by Harvard University Press.

published half a century ago, generalizing and carrying to a higher level of abstraction the traditional conception of the social contract. In our age, the social contract allows for citizens to evolve in a society where their rights are guaranteed and protected and their duties clearly stated. Yet this contract is flawed, for some are born rich, and some poor, which prevents the latter from realizing their full potential, everything else being equal: As Rawls anticipated, there are pervasive inequalities that deeply affect “*men’s initial chances in life*”. This resonates with the reality that many of the poor in advanced economies are young: For them, upward mobility is an empty promise. A powerful tool of distributive justice, the universal capital endowment system directly tackles this social contract’s defect and contributes to breaking the generational transmission of poverty.

AN ENDOWMENT SYSTEM RESPECTFUL OF THE TWO PRINCIPLES OF JUSTICE

As Rawls built the case for justice as fairness, he advanced two fundamental arguments to support it: the greatest equal liberty principle, on one hand, and the difference and the fair equality of opportunity principle, on the other. In this framework i) each person is to have an equal right to the most extensive total system of equal basic liberties compatible with a similar system of liberty for all; and ii) society can tolerate social inequality just as long as it provides benefits to everyone, and particularly to the most disadvantaged citizens, and it must maintain positions that are open to all. From that perspective, a universal system of endowment does not prevent someone else from achieving their project while I accomplish mine with the endowment I receive. Another citizen’s liberty and mine do not collide, but both of ours are enhanced thanks to an endowment that enables everyone to realize projects that would have been far more difficult to achieve without it.

This endowment provides benefits to the most disadvantaged in two ways: Directly, through the endowment itself; and indirectly, as it creates a better educated citizenry (through higher education), a wealthier economy (through potential profits to be made and trickled down through the innovation generated by entrepreneurship) or extended ownership (through improved

access to real estate). Some form of social inequality would still persist under the endowment system, but overall, there would be a net improvement for the disadvantaged compared to the present situation as they would have many more opportunities to achieve their potential regardless of their social origins. While this system may leave some other sources of inequality unaddressed—including in terms of outcome achieved through the use of an endowment—it is firmly grounded in a Rawlsian idea of fairness. Lastly, newly empowered citizens would have equalized prospects of occupying various positions of influence: A smarter citizen, a wealthier one, or one that is not preoccupied with losing a home, could dedicate more time to running for office, defending causes she deems important, or using freedom of speech, among other things.

UNIVERSAL OR MEANS-TESTED?

Rawls also insisted that “*in a property-owning democracy the aim is to carry out the idea of society as a fair system of cooperation over time among citizens as free and equal persons*”. In today’s society, a fair system of cooperation among free and equal persons is not a reality: even if the laws protect property, even if regulations ensure fair economic competition, and even if access to higher education is open to all, an individual starting in life with no wealth whatsoever is obviously disadvantaged compared to the child of a wealthy family that can offer vast amounts of resources to help set up a business, purchase a house or cover a college program’s tuition fees and related expenses. By contrast, a universal endowment system institutes a society as a fair system of cooperation, as advocated by Rawls: while it leaves the above-mentioned institutional arrangements untouched, it allows for citizens to interact as free and equal persons.

It must be noted that the proposed system also handily meets the test of Rawls’ veil of ignorance. Per Rawls’ thought experiment, “*the idea of the original position is to set up a fair procedure so that any principles agreed to will be just. (...) Now in order to do this I assume that the parties are situated behind a veil of ignorance. They do not know how the various alternatives will affect their own particular case and they are obliged to evaluate principles solely on the basis of general considerations*”. I cannot think of an individual situated behind a veil

of ignorance who would, if offered an endowment, decline it: the prospect of being offered some money, especially in a fair way where everyone benefits, can only be appealing to all, including morally.

Some may regret that the system is conceived of as universal, hence also benefitting individuals who can rely on inheritance or significant family donations. I posit that this is not a concern so long as the projects it is intended to implement or promote (acquiring a property, setting up a business or getting a higher education diploma) are within financial reach of the poorest individuals of the society. Under the difference principle, Rawls clearly stated that “*while the distribution of wealth and income need not be equal, it must be to everyone’s advantage (...)*”. Its universalism will make it morally acceptable to various segments of society. Lastly, in many cases, such as for education, there is only so much one can spend on tuition so it doesn’t matter whether one person has much more financial means than another: Once the endowment helps cover the fees, the rent and food a student needs, it puts all the students on an equitable footing to compete and fulfil their academic potential. Similarly, from the perspective of equity, what matters in acquiring a property is not so much the dimension or architecture of the house as a roof over one’s head, without the fear of becoming destitute. So that then one can potentially start a business, politics or a family—a challenge for young generations facing an expensive housing market. (In children-scarce societies, it could also ease the economic cost of having babies, with parents not needing to save for their future). In the case of a business, while \$50,000 may not be enough when competing with other entrepreneurs with far more resources, it is nonetheless a significant amount and achieves a key objective which is to level the playing field in this respect, regardless of gender, race, ethnicity, or religion. We know that access to credit is often limited in the poorest communities and may also be subject to the good will or the prejudices of a banker or investor. It also increases risk-taking behaviors among all young entrepreneurs and is thus likely to spur innovation across society. This plan could also help each generation tackle the challenges it faces with private sector solutions. Think no farther than climate change today, which requires a long list of technologies to foster mitigation and adaptation efforts.

MONEY WASTED?

The notion that funding would be wasted if given to all with no substantive strings attached is a recurring argument against such policies, especially when it concerns the truly disadvantaged. I certainly do not subscribe to the view that the poor are inferior in any way to wealthier segments of society; the poor are poor, not by birth, but because of cumulative adversity: key elements of their ecosystem prevent them from realizing their potential. Capital is scant, discrimination is high, schools are underfunded, local transportation system is dysfunctional, police forces are overwhelmed by the severity of the challenges, healthcare is inadequately provided, etc. Nobel of economics Amartya Sen observes that “*real poverty (in terms of capability deprivation) can easily be much more intense than we can deduce from income data*”¹; he advocates instead an approach assessing one’s “capability” to fully realize her potential in a given era. In this regard, an endowment also enhances capability.

For the sake of argument, however, I will briefly discuss the notion that, beyond income, wealthier parents’ offspring most likely have access to a better education during their upbringing, to a wider network, and to more information as to how to orient themselves in life, thus offering them a better optimization of their assets.

The system I am putting forward supposes that decent, free public education remain accessible to all until the end of high school, as is mostly the case in OECD countries. I accept that it will not be enough to correct for the initial absence of assets and the management of a new endowment. Additionally, through its complexity, our world differs from Paine’s, where most people were farmers and starting a life essentially meant having a plot of land, a cow and some tools. In order to correct for any potential disadvantage and to limit abuse, I thus propose establishing an agency to advise young individuals on how they can spend the endowment, build capacity in this regard (through financial literacy and advice on the type of

1. Amartya Sen, *The Idea of Justice*, Harvard University Press, 2009.

studies to pursue or business to start, and what sort of property to purchase, which would also benefit the whole society overall by making young citizens more responsible). It will also ensure that the funding is not spent on projects outside the proposed scope. Concurrently, private-sector-driven innovation could provide complementary approaches to offering guidance and orientation. But it is important to emphasize that this policy is not meant to replace existing ones in the modern economies' welfare states but would only complement, if not reinforce, existing schemes. Harvard sociologist William Julius Wilson observed that “*agency is expanded or inhibited by the circumstances people confront. These include interactions in families, social networks and institutions in distressed environments, including neighborhoods featuring racial constraints*”¹. For the poorest to expand their agency, policymakers need to address these challenges in a holistic way; an endowment is an additional, powerful tool in this context but would not function by itself alone.

THE IDEA IS GAINING GROUND AMONG ADVANCED ECONOMIES

In 21st century America, a seminal study² authored by Darrick Hamilton and William Darity Jr. and focusing on “baby bonds” (of amount of \$50,000 to \$60,000) has found an echo in US politics. The Senator and former presidential candidate Cory Booker proposed “American Opportunities Accounts” and reintroduced the proposal in 2021, an idea that garnered the support of no less than 15 senators³.

1. William Julius Wilson, “The Travails of Urban Field Research.” Review of *On the Run: Fugitive Life in an American City*, by Alice Goffman, and *This Ain't Chicago: Race, Class, and Regional Identity in the Post-Soul South*, by Zandria F. Robinson. *Contemporary Sociology*, 43.6, November 2014.

2. Darrick Hamilton and William Darity, Jr., *Can 'Baby Bonds' Eliminate the Racial Wealth Gap in Putative Post-Racial America?*, *The Review of Black Political Economy*, May 31st, 2024.

3. Politico, *Booker reintroduces 'baby bonds' bill to give all newborns a \$1K savings account*, February 4th, 2021.

Currently, a quarter of US States' legislatures are showing interest in such programs but none has come closer to implementation than Connecticut, the first State to pass legislation in 2023 enacting a baby bonds program¹. Endowing the poorest with some capital to start adulthood was seen as key to break the generational transmission of poverty: Since July 1st, 2023, eligibility is automatic to the extent that the new born is covered by HUSKY, the State's Medicaid program. The State invests US\$ 3,200 in the Connecticut Baby Bonds Trust², which is already funded for 12 years, on behalf of each child born in poverty (for an average of 15,000 babies every year). The initial grant is invested in the financial markets and the later it is claimed the more it is likely to yield—between \$11,000 and \$24,000 per individual. The grant can be cashed between the ages of 18 and 30 to launch a business, acquire a post-secondary degree, purchase a home, or save for retirement. To claim their benefits, citizens must have acquired some financial literacy by completing a course, and to remain eligible, they need to be Connecticut residents: it is expected that resources will be re-invested locally, in the housing sector, the economy or the universities. Children born in poverty may re-invest their funds in their own, often impoverished, communities, thus fostering inclusive growth. Regulations are being designed to develop a claim process; while State officials concede some individuals might try to circumvent the rules, they believe most are likely to use their endowments for the original goals. A similar, \$100 million program in California will target minors from the foster-care system³.

In the United Kingdom, Labor leader Gordon Brown (2007–2010) set up an experimental “Child Trust Fund” in the early 2000s. When introducing the policy, Prime Minister Tony Blair (1997–2007) declared⁴: “*Piece by piece we are dismantling the barriers that hold people back from developing their potential to the full*”, in order to create a “*real land of opportunity for all*”. While the 2008 financial crisis and the political changes that followed put an end to the experiment, more than 5 million Britons reaching the age of majority since

1. Niels Planel, *American States Are Quietly Embracing the 'Baby Bonds' Revolution to Fight Inequality*, Harvard Kennedy School Students Policy Review, April 8th, 2024.

2. CT Baby Bonds. Available at: <https://portal.ct.gov/OTT/Debt-Management/CT-Baby-Bonds>.

3. AP, *California OKs 'baby bonds' to help combat child poverty*, July 22nd, 2022.

4. BBC, *Blair banks on baby savings scheme*, April 27, 2021.

September 1, 2020 and until January 2029 are eligible to receive their shares of the £ 9 billion in baby bonds¹ held in accounts opened at birth and topped up by the government according to the families' level of wealth.

In France, under right-wing President Sarkozy (2007–2012), a commission examined a modest, 4,000 euros proposal in 2009², but the financial crisis certainly restrained policymakers in being entrepreneurial. Center-left President Hollande (2012–2017) was expected to make the case³ for a 5,000 euros endowment during a reelection campaign but didn't run again. And while Australia's center-right New South Wales Liberals have introduced a "Kids Future Fund" proposal in 2023 as a pillar of their platform in local elections, in Spain, Yolanda Díaz, originally a politician from the Communist Party, pledged to set up 20,000 euros "universal inheritance"⁴ for Spaniards turning 18. It could indeed be a consensual idea politically in today's highly polarized societies.

“ENOUGH IS NOT ENOUGH”: HOW MUCH SHOULD WE START WITH?

While the challenge of implementing this idea cannot be underestimated, many financing mechanisms have been considered over time, from Thomas Paine and his national fund to a wealth or an inheritance tax, improved steps to tackle tax evasion or restructure tax loopholes, accounts opened at birth bearing fruit from their interest and/or parents' contributions, or even a combination of all of the above. Once economists start putting their brains to work, we will have a better understanding of the price tag of such a major reform but also of the economic growth and numerous benefits it would bring to society. Technical as it is, this proposal can be funded. There remains a fundamental divergence among the advocates of the idea: its amount. In summary, some imagine it closer to \$5,000 while others peg it at \$50,000, or even beyond \$100,000.

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1. The Guardian, *£9bn bonanza begins as child trust funds come of age*, August 22nd, 2020.
 2. Les Echos, *La dotation en capital pour les jeunes ne convainc pas l'Élysée*, July 1st, 2009.
 3. L'Obs, *Un patrimoine universel: l'idée choc du quasi-candidat Hollande*, November 30, 2016.
 4. El Mundo, *Yolanda Díaz desvela las líneas de Sumar y plantea una "herencia universal" al cumplir los 18 años a costa del patrimonio de los ricos*, April 27th, 2023.

To guide this debate is a framework developed by Yale's Samuel Moyn, who has renewed the reflection on the fight for equality in a must-read essay¹ that distinguishes between supporters of two ideals of justice, of two imperatives of distribution: namely those in favor of *sufficiency* and those who advocate for *equality*—between those who believe that it is simply necessary to distribute “enough” to make it possible to exceed the poverty line and those who believe that more must be done to achieve equality, including even establishing a ceiling on inequalities. And Moyn is clear: Enough is not enough. A world in which basic needs are met does not prevent the maintenance of major hierarchies, and can even split into two distinct societies with different lifestyles, “*the wealthy towering over their economic inferiors*”. “*At least a modicum of equality in the distribution of good things in life is necessary*” posits the egalitarian, who morally disapproves of such a state of affairs.

Thus, \$5,000 is not enough. One can intuitively think of what a college degree costs or what is required to start a business or acquire a property through a down payment. What would one do with a modest amount to launch a long-term initiative to remove oneself definitively from one's original condition? Who in the wealthier fringe of the population would consider that \$5,000 is a substantial sum to carry out a major project over several years? So why think that people with more economic disadvantages could be satisfied with so little? Conversely, with \$50,000 enabling each and every individual to be off to a strong start in life, would that be such an extravagant amount? A significant amount towards the achievement of equality may be more appropriate than one aimed at sufficiency, which does not enable full emancipation.

A PILLAR OF A RENEWED 21ST CENTURY SOCIAL CONTRACT

In the last chapter of his masterpiece on US democracy, Tocqueville concluded that a “*state of equality is perhaps less elevated, but it is more just; and its justice constitutes its greatness and its beauty*”. A capital endowment

1. Samuel Moyn, *Not Enough – Human Rights in an Unequal World*, Harvard Belknap Press, 2018.

surely honors this very idea: A sign of society's trust in its youngest citizens, it will become a pillar of a renewed, 21st century social contract and foster fairness and optimism at the start of adult life as much as prosperity and well-being throughout existence. In a time and age where too many are dispossessed of their destinies, it is a tool to reclaim one's future. Indeed, its strength is that the promise of social mobility satisfies an imperative of social justice on the Left, while each individual can also better realize her destiny, according to the demand for freedom on the Right.

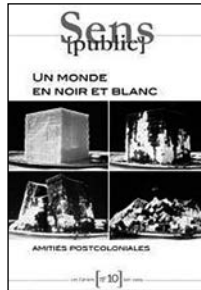
Why should we be afraid of giving it a try?

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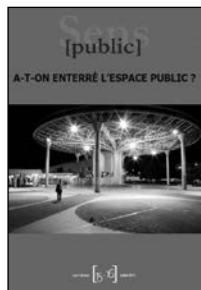
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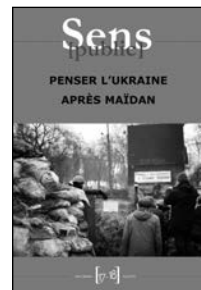
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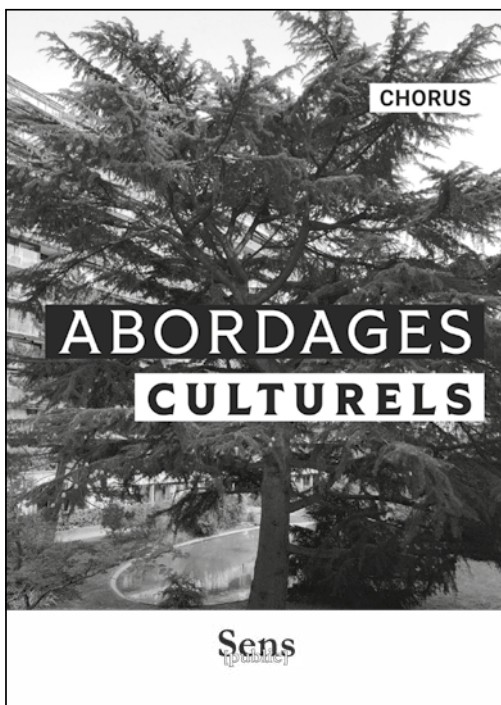
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