TRANSCRIPT

Linking Inequality, Environment, and the Economy

Rohan Hazell:

How our economies are designed is fundamental to societal and planetary wellbeing. But what should be the basis for an economic redesign? And what can we learn from history to avoid past mistakes and chart a course towards shared prosperity?

To answer these questions, you'll hear from best-selling author, political activist, and former Harvard Business School Professor David Korten, who guides us on a journey toward building a 21st century economy; one that ensures all humans can live with dignity whilst protecting the natural systems that sustain us.

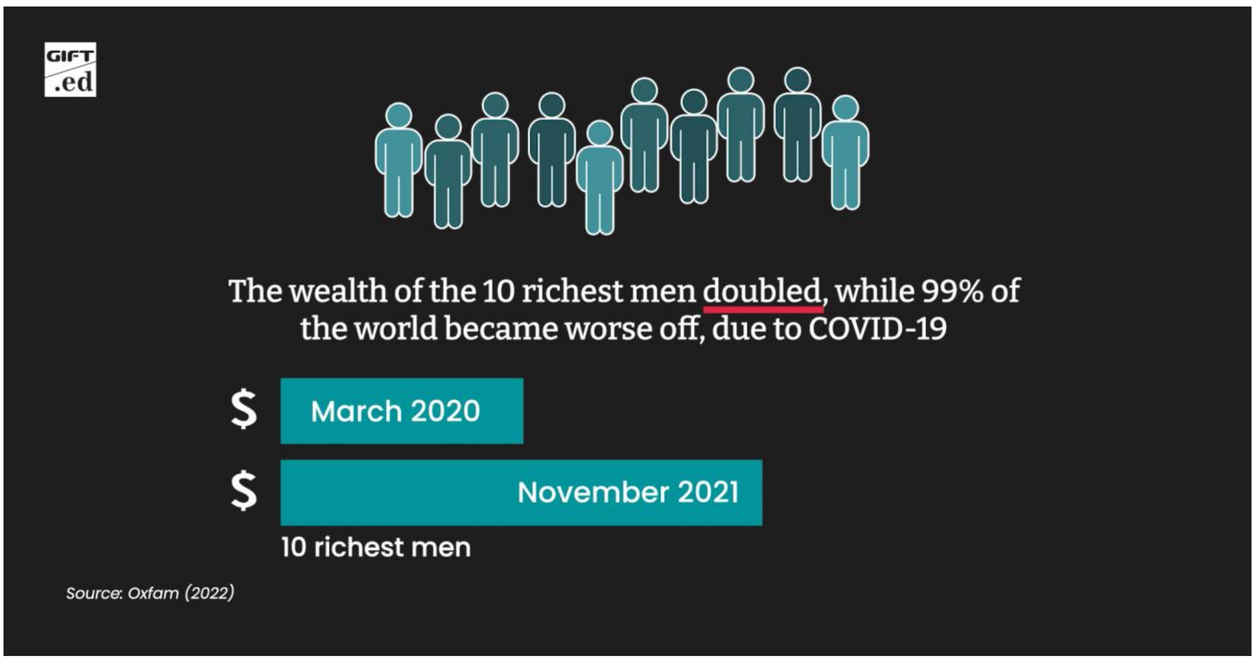
Prof. David Korten:

Well, I think we first have to be absolutely clear on where the problem of inequality fits into our larger human emergency. We tend to separate these issues of inequality, environmental destruction, the disruptions of war, issues of race and gender and all of that. And it draws our attention away from the deeper dynamic that we are literally on a path to human self-extinction.

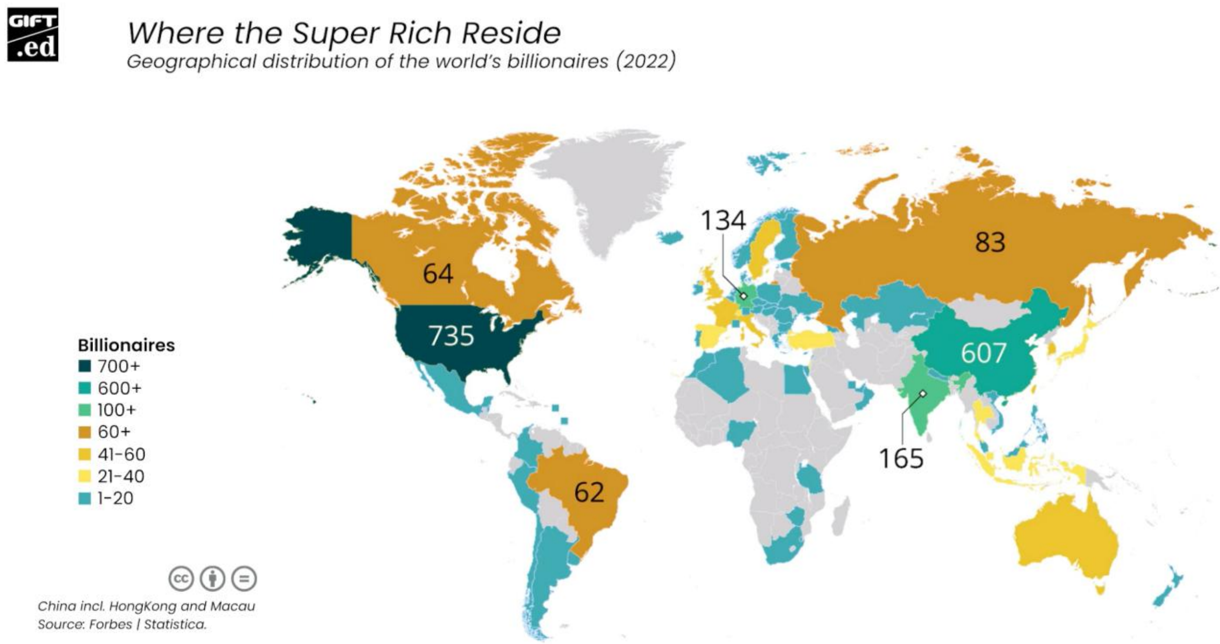
And it all relates back to the same deeply flawed economic concepts around economic growth. Which is why I'm so excited about this particular initiative that you folks are sponsoring, this educational initiative, because it is, you know, it's not just a good idea. It is essential to our survival as a species.

I, of course, grew up in the west, but I spent 15 years of my life based in Southeast Asia - the Philippines and Indonesia. And it was actually during those years in that experience that I found my deepest insights into the dysfunctions of the development theories promoted by the West, and especially by the United States, but specifically around the issue of inequality.

On January 17, 2022, Oxfam International reported that the wealth of the world's ten richest billionaires, that's ten billionaires, had doubled since the beginning of the COVID pandemic. And meanwhile, the incomes of 99% of the world's people had actually fallen, while corporate profits were soaring as corporations raised their prices faster than their costs.

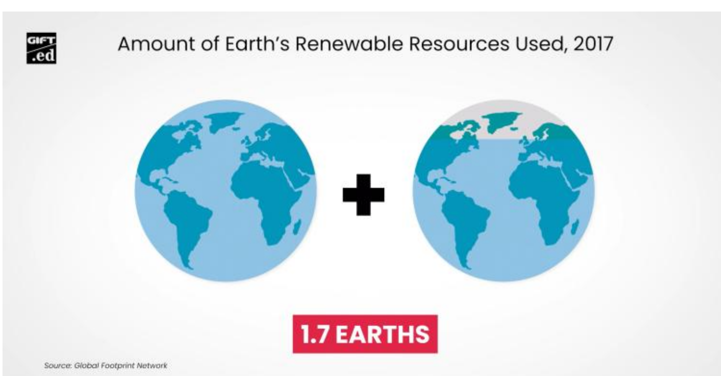


In March 2022, Forbes magazine identified a global total of 2668 billionaires with a combined wealth of 12.7 trillion. That's trillion with a 'T' dollars, up significantly from the 2,096 billionaires it had identified in 2020, just two years earlier, before COVID became a global pandemic.



Now, the United States is leading the world with 735 billionaires with a collective 4.7 trillion dollars in financial assets. And China is close second. So here's the joining of East and West,
the United States and China. China is a close second, with 607 billionaires holding 2.3 trillion dollars in assets. So, together, our two countries account for 56% of the total assets of the world's billionaires.

Now, we've created a system in which the richer you are, the more likely you are to grow still richer. And we're seeing that play out in these most dynamic and destructive ways. And the poorer you are, the more likely you're going to be forced into ever greater debt and desperation. I assume you're familiar with the global footprint network, which says that even though we are so far from meeting the needs of most of the world's people, our human consumption currently exceeds Earth's limits, 1.7 times what Earth can sustain.



And yet, in the midst of this, we're failing to meet the most basic needs of most people. So this is the most dramatic evidence I can imagine of the fundamental failures of our current economic theories and practice. And the more we consume, the faster GDP grows and the faster Earth dies. And one of my most favoured slogans is ‘There are no winners on a dead Earth.’ You know, we are competing to be the first to destroy Earth's capacity to sustain life.

Rohan Hazell:

Our current economic systems actually help create inequality and environmental degradation. Without an economic redesign, Professor Korten believes we are on a path to extinction.

In the search for sustainable solutions and more equitable economic approaches, we must draw on culturally and geographically diverse communities, and recognise that the human emergency is not comprised of different parts, but is deeply connected.