

*JOHN MOLSON MBA International Case Competition*

# Wealth Disparity

## Taking on Humanity's Longest-living Problem

Presentation: [https://youtu.be/ Pryzmk0jGA](https://youtu.be/Pryzmk0jGA)

PBS Consulting

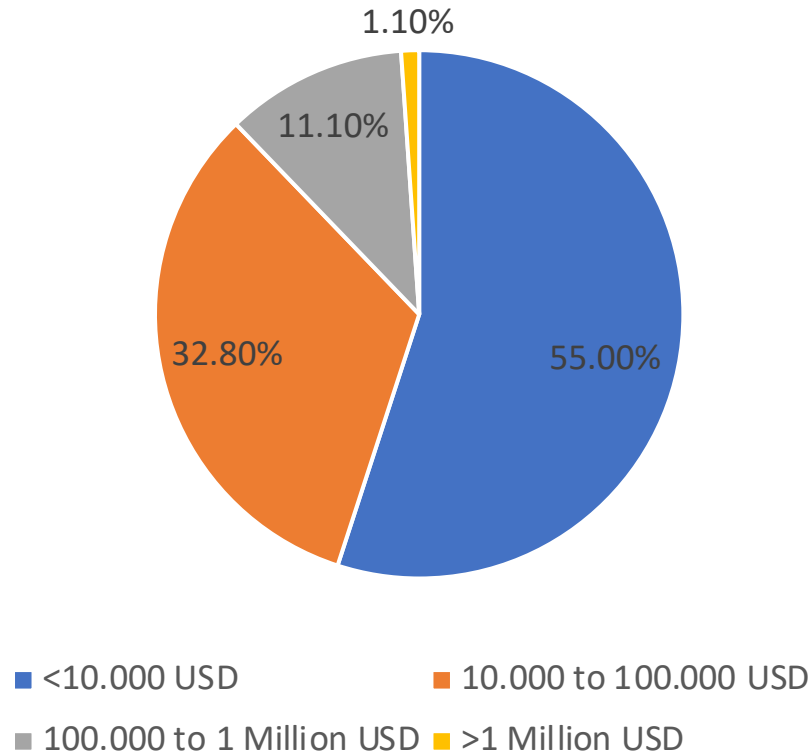
*Sarah Horacek, Tiago Ling, Luís Martins, Alex Ghinescu*

# AGENDA

- Our view of your current situation
- The challenge in detail
- Alternatives and Recommendations
- Summary

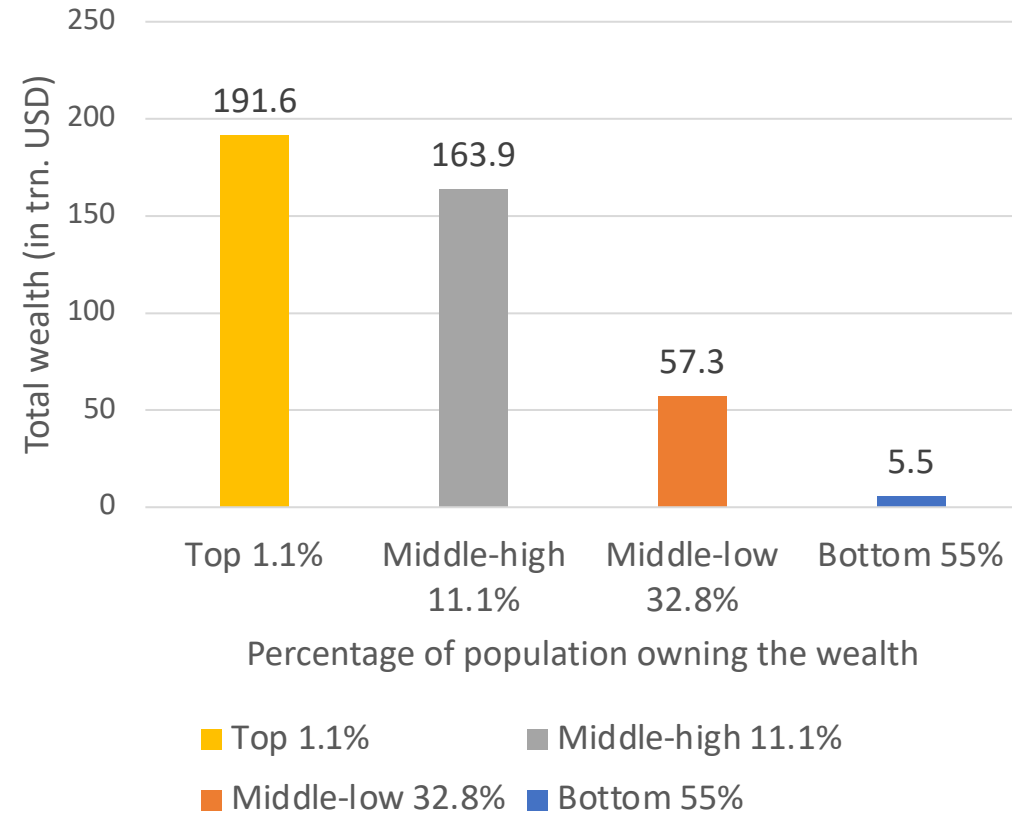
# Why are we here today?

## Global Wealth Distribution



Data Source: Credit Suisse – Global Wealth Report 2021

## Total wealth of the world



# What factors are contributing to growing wealth inequality and what are their impact?

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## Businesses:

Increasing corporate profits  
Wages not pacing with inflation

Globalization: shift of jobs and corporate entities to areas of lower wages/taxation

## Individuals:

High inflation is increasing the prices of consumer goods

The cost of education is rising  
Home prices are increasing rapidly

Rent prices rising dramatically

These issues have a destabilizing effect on society.

# The current situation in Wealthier Nations...

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## Political

- Growing political polarization poses a threat to global security

## Economic

- Future expenses are much more burdensome on next generation (i.e., empowering people to have access to a healthy lifestyle compared to paying for medical bills related to heart disease or diabetes in the future)

## Global Impact

## Social

- Lower rates of home ownership are associated with higher crime rates and decreased civic involvement
- Creates disruption and unrest

## Technological

- Artificial intelligence and rise of automation are changing the jobs landscape

# ...and in Developing Nations?

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## Political

- Countries associated with high levels of corruption
- Weak institutional power

## Economic

- Too much dependence on aid from foreign nations
- Underdeveloped economies

Global Impact

## Social

- Extreme poverty
- Very low educational levels
- Poor health conditions
- Low access to fresh water

## Technological

- Poorly developed industries
- Energy is not available to most of the population.
- Inefficient/dirty energy generation

# How can we create a better world that we are proud to live in?

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Challenge

**What measures could be adopted to stop the trend of increasing global wealth inequality within the next decade?**

Key Issues

Too much wealth accumulated in the top 1% of the world population

Too little wealth available for the bottom 55% of the world population

Key Player

Solutions

# Who should drive the change?

		CRITERIA				
		Incentive	Ability to Organize	Ability to Enforce	Available funds	Conclusion
ALTERNATIVES	Individuals					
	Corporations					
	Governments					
Scale: 1-5						



# Who should drive the change?

		CRITERIA				
		Incentive	Ability to Organize	Ability to Enforce	Available funds	Conclusion
ALTERNATIVES	Individuals	3	2	2	1	8
	Corporations	1	4	2	3	10
	Governments	5	3	4	4	16
Scale: 1-5						

# How can we create a better world that we are proud to live in?

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Challenge	<b>What measures could be adopted to stop the trend of increasing global wealth inequality within the next decade?</b>	
Key Issues	Too much wealth accumulated in the top 1% of the world population	Too little wealth available for the bottom 55% of the world population
Key Player	Governments	
Solutions		

# What can be done to target the top 1%?

		CRITERIA				
		Feasibility	Inequality reduction potential	Public Acceptance	International cooperation needed	Conclusion
ALTERNATIVES	Increase financial transparency					
	Set wealth taxes					
	Regulate corporate ownership of residential property					
	Global tax on inheritance					
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# What can be done to target the top 1%?

		CRITERIA				
		Feasibility	Inequality reduction potential	Public Acceptance	International cooperation needed	Conclusion
ALTERNATIVES	Increase financial transparency	4	4	5	4	18
	Set wealth taxes	3	5	3	3	14
	Regulate corporate ownership of residential property	2	3	4	3	12
	Global tax on inheritance	1	4	3	1	10

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# How can we create a better world that we are proud to live in?

Challenge	<b>What measures could be adopted to stop the trend of increasing global wealth inequality within the next decade?</b>	
Key Issues	Too much wealth accumulated in the top 1% of the world population	Too little wealth available for the bottom 55% of the world population
Key Player	Governments	
Solutions	<b>Increase Financial Transparency</b> <ul style="list-style-type: none"><li>• All individuals will have to comply with annual KYC measures with their local governments</li><li>• Fight off tax heavens</li></ul>	

# What can be done to target the bottom 55%?

		CRITERIA				
		Feasibility	Inequality reduction potential	Public Support	Investment needed	Conclusion
ALTERNATIVES	Build essential infrastructure					
	Set up basic healthcare					
	Help countries develop Institutions					
	Incentivize education / job training					
						Scale: 1-5

# What can be done to target the bottom 55%?

		CRITERIA				
		Feasibility	Inequality reduction potential	Public Support	Investment needed	Conclusion
ALTERNATIVES	Build essential infrastructure	<p>How can one rate the importance of such basic conditions that, in a developed world, should already be accessible to everyone?</p> <p>We need to act now!</p>				
	Set up basic healthcare					
	Help countries develop Institutions					
	Incentivize education / job training					
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# How can we create a better world that we are proud to live in?

Challenge	<b>What measures could be adopted to stop the trend of increasing global wealth inequality within the next decade?</b>	
Key Issues	Too much wealth accumulated in the top 1% of the world population	Too little wealth available for the bottom 55% of the world population
Key Player	Governments	
Solutions	<b>Increase Financial Transparency</b>	<b>Tackle extreme poverty from every possible angle</b>
	<ul style="list-style-type: none"><li>All individuals will have to comply with annual KYC measures with their local governments</li><li>Fight off tax heavens</li></ul>	<ul style="list-style-type: none"><li>Reinforce the current UN plan to eradicate extreme poverty until 2030</li></ul>



# Increasing transparency around wealth accumulation will ensure less corruption and promote equality

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Increase financial transparency

Tackle extreme poverty

**What?**

KYC style disclosures that will apply to individual tax returns individuals in all 136 countries set to implement minimum corporate tax rate

**How?**

Add in another condition to the minimum corporate tax agreement that increases the reporting requirements of individuals to their own local tax authorities

**Why?**

Wealth disparity is being driven through unethical means around the world and greater reporting requirements for wealthy individuals can put a stop to these practices

**Impact**

Annual KYC style tax disclosures for all individuals will include adequate justification for wealth accumulation in order to combat corruption, money laundering, and illegal exploitation of workers

# Increasing transparency around wealth accumulation will ensure less corruption and promote equality

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Increase financial transparency

Tackle extreme poverty

**What?**

Finish tax heavens

**How?**

Align the nations to agree on the ending of tax heavens, and to prepare a sanction package to the nations that do not comply with it.

**Why?**

Tax heavens help the wealthier people to avoid paying their fare share, which one of the main divers for the increasing inequality on the top 1%.

**Impact**

Increase in the global wealth transparency.

# Incentivizing education is the key to empower the underprivileged

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Increase financial transparency

Tackle extreme poverty

**What?**

Collaborate with wealthiest UN nations to raise awareness of UN Sustainable Development Goals that focus on tackling extreme poverty.

**How?**

By launching a specific campaign targeting the points related to extreme poverty such as Goals 1 (No Poverty) and Goal 6 (Clean Water and Sanitation).

**Why?**

To bring dignity and meet basic needs to the people that are most vulnerable in the world.

**Impact**

Reinforce the war against extreme poverty.

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# THANK | YOU

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