

University of Glasgow
Presentation Video Link

<https://youtu.be/wewUMcD-jP0>



Crazy Rich and Poor

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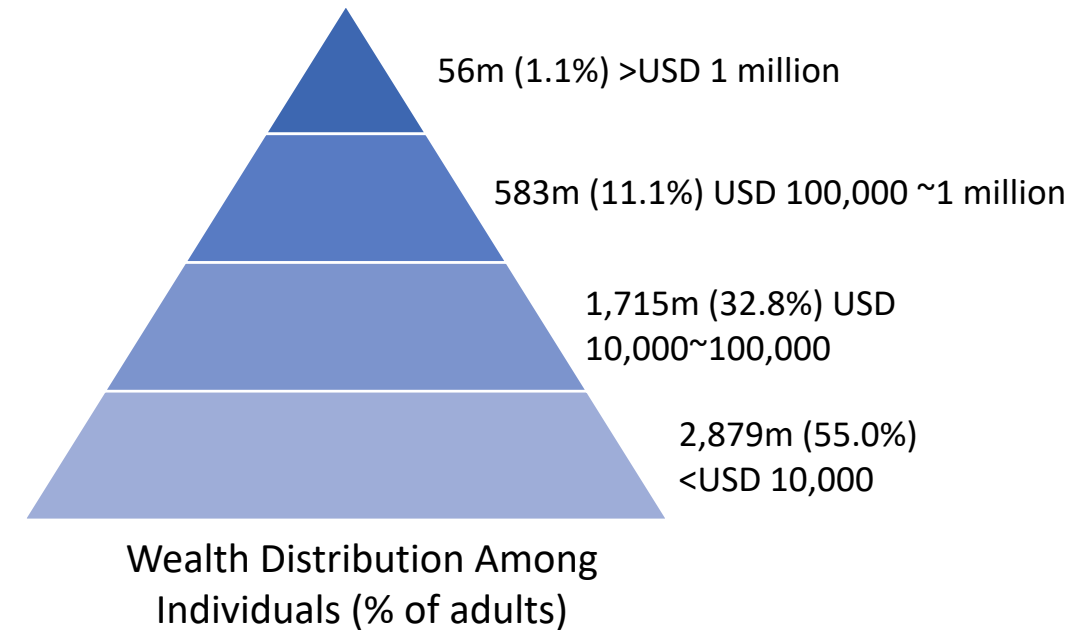
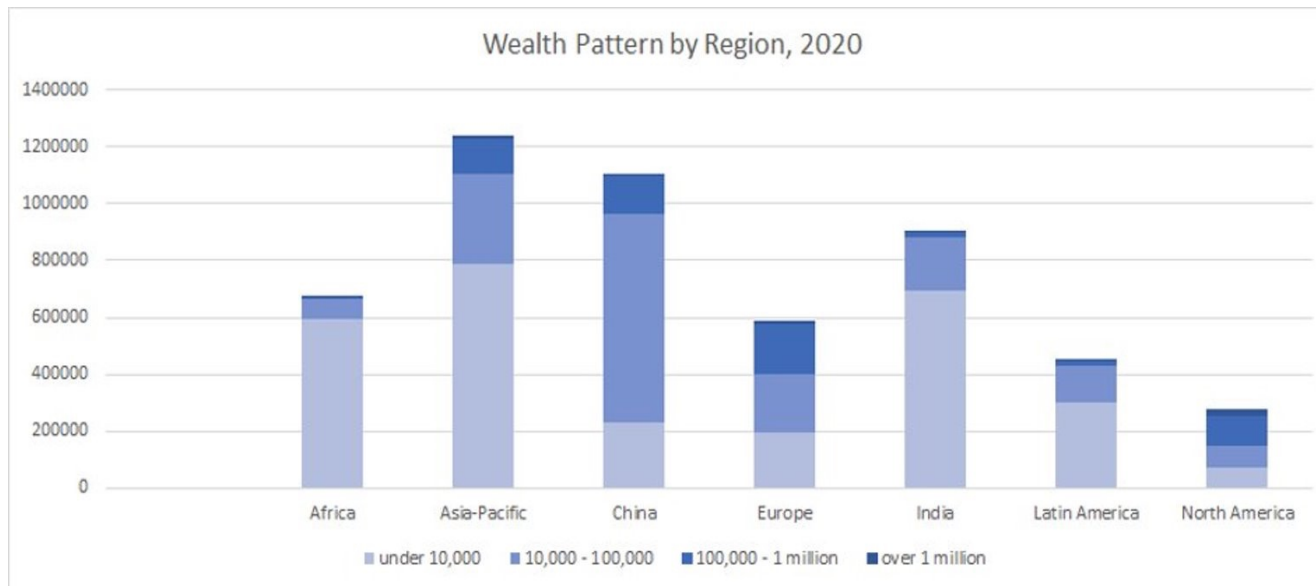
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Agenda

- 1) Problem
- 2) Goals and Objectives
- 3) Recommendations
- 4) Analysis
- 5) Alternatives
- 6) Challenges and Considerations
- 7) Conclusion

Problem

The ever-increasing wealth gap is not sustainable and will deteriorate society with the risk of breaking it. A broken society will negatively affect individuals, governments, and corporations.



Problem

Wealth Pattern By Region, 2020

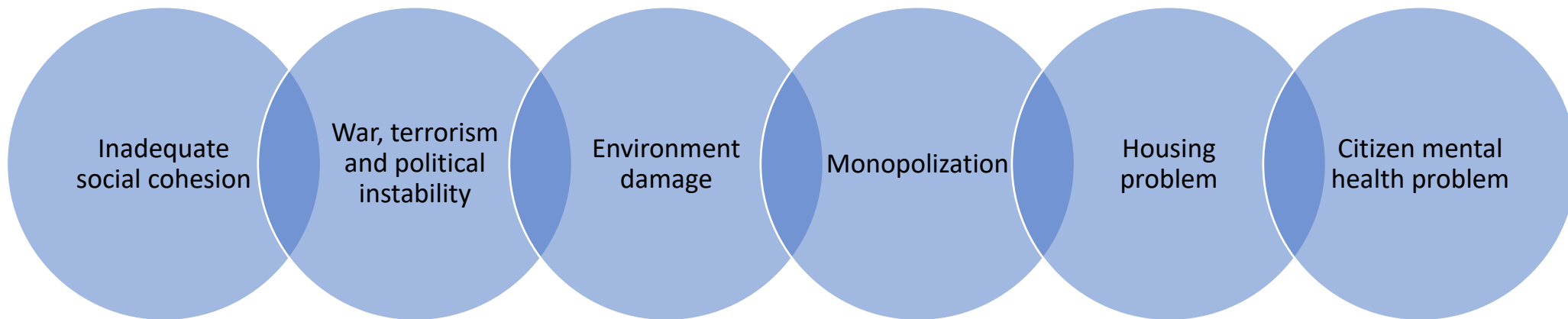
Numbers of adults (thousands)

Wealth range (USD)

Region	Under 10,000	10,000~100,000	100,000~1 million	Over 1 million	All levels
Africa	595,486	69,014	6,224	276	671,000
Asia-Pacific	788,222	315,273	125,165	9,656	1,238,316
China	231,236	729,884	138,556	5,279	1,104,956
Europe	193,853	206,641	174,065	15,784	590,343
India	695,142	189,593	15,011	698	900,443
Latin America	302,756	125,790	18,078	752	447,376
North America	72,013	78,632	105,667	23,638	279,950
World	2,878,707	1,714,825	582,766	56,084	5,232,383

Problem

Wealth Disparity Negative Impact



Goals and Objectives

- Cultural understanding of wealth generation and how it is influenced by access to quality Education, Health and Housing.
- Governments and corporation alignment towards reducing the wealth distribution gap.
- Involved parties' transition: from short-term view to a long-term view.
- Engagement in international cooperation

Recommendations

- **For Governments**

- Progressive Income Taxation System
- Living Wage Policies
- Entrepreneurship and Skill Development Programs

- **For Corporations**

- Pay Living Wages
- Employee Training and Educational Programs
- Equal Job and Pay Opportunities

Wealth Distribution Analysis: Main Contributors

	Government	Corporations	Individuals
Wealth Creation	Support and create the framework for wealth generation.	Create wealth by providing new solutions to society	Create wealth through entrepreneurship, innovation and value creation.
Wealth Distribution	Charge corporations and individuals and redistribute	Charge consumers and redistribute to: <ul style="list-style-type: none"> • Other companies (suppliers) • Individuals (workers/shareholders) • Government (taxes) 	<ul style="list-style-type: none"> • Create a company. • Charge consumers directly (companies or individuals) • Accumulate wealth • Pay taxes
Issues	Short-term vision (political) prevent investment in long-term solutions.	Distribution is uneven between individuals. Wage gap.	Focus on wealth accumulation.

International Efforts

- Co-operation and cohesive responses amongst national governments, corporates and international organizations are pivotal to create a fairer world.
- Multi-lateral organisations such as the United Nation (UN) has a central role in facilitating policy-making, actions and discussions.
- The 2030 Agenda for Sustainable Development Goal 10: Reduce inequality within and among countries:
 - provide a framework to help governments reduce inequality and to ensure equal opportunities.

Alternatives- Option Selection Framework

Key criteria were considered in terms of long-term and short-term benefits to identify the best recommendation options:

1. Social impact
2. Corporate value creation
3. Impact on incentive to create wealth
4. Ease of implementation

Option Appraisal: Government-Led

Option	Social Impact	Corporate Value Creation	Incentive to Create Wealth	Ease of Implementation	Long-Term Benefits	Short-Term Benefits	Decision
Progressive Income Tax	+	-	-	+	+	+	+
Higher Income Tax for the Wealthy	+	-	X	+	+	-	X
CSR Tax	+	+	X	+	+	-	X
CSR Tax Deduction Program	+	+	-	+	+	-	X
Harsher Tax Violation Penalties	-	-	-	+	-	-	X
Living Wage Policies	+	+	+	X	+	+	+
Public Infrastructure Investment	+	+	-	X	+	+	X
Land Reform	+	X	X	X	+	+	X
E&S Development Programs	+	+	+	+	+	+	+

Option Appraisal: Corporate-Led

Option	Social Impact	Corporate Value Creation	Incentive to Create Wealth	Ease of Implementation	Long-Term Benefits	Short-Term Benefits	Decision
Living Wage	+	+	-	+	+	+	+
Infrastructure Investment	+	+	-	X	+	-	X
Product and Service Development Investment	+	+	+	-	+	-	X
Training and Educational Programs	+	+	-	+	+	+	+
Equal Job and Pay Opportunities	+	+	+	+	+	+	+

Challenges and Considerations

- Individuals must understand that excess money accumulation without distribution only contributes to widening the gap. There needs to be a culture change to discourage excess money accumulation.
- Corporate leaders and current wealthy individuals need to get involved to lead by example.
- Minimum wage should be applied for corporations of a certain size. Tax could be applied over the wage gap difference in each company to incentivize its decrease.
- Governments need to invest the tax money in education, health and housing with a long-term view. These initiatives should not be changed when there is a change in political party. International collaboration must be encouraged.
- Governments should implement CSR tax policies for foreign corporations.

Conclusion

- Both governments and corporations play a leading role in trying to reduce the wealth distribution gap
- Parties should also focus on programs and actions that stimulate individual involvement, especially the wealthiest individuals, in tackling the issue
- Create and promote cultural understanding of wealth distribution, and how they are affected by short-term decisions taken by governments and corporation leaders
- Coordinate cross-country efforts between governments corporations and individuals to improve infrastructure, focusing primarily on health, housing and education.

THANK YOU FOR YOUR ATTENTION

APPENDIX

Tax Analysis

Scenario 1	
Tax rate	Tax income bracket (USD)
0%	0~5,000
10%	5,000~30,000
15%	30,000~60,000
20%	60,000~150,000
25%	150,000~

Progressive Taxation	
Tax rate	Tax income bracket (USD)
0%	0~5,000
3%	5,000~10,000
10%	10,000~20,000
20%	20,000~50,000
25%	50,000~70,000
30%	70,000~100,000
35%	100,000~150,000
45%	150,000~200,000
50%	200,000~300,000
55%	300,000~1,000,000
60%	1,000,000~

Where taxation is progressive:

- a greater proportion of total taxation falls on the wealthiest
- the poorest, proportionally, pay less tax
- income inequality tends to fall