

“ The distribution of wealth is  
just as important as its creation.”

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William Randolph Hearst

# Agenda

1. Introduction

2. Analysis and development of alternatives

3. Recommendation

4. Conclusion



Who should play the leading role in fighting global wealth disparity?

# Reducing wealth disparity by supporting less wealthy without endangering the incentive to create wealth is necessary to ensure every human has a life worth living

## Definition

Wealth disparity describes the unequal distribution of wealth

## Perspectives

Disparity of **wealth worldwide** and disparity of wealth nationwide

## Mission

Reducing wealth disparity by supporting the less wealthy without endangering the incentive to create wealth

## Vision

“Every human deserves a life worth living”

## Numbers

1%

Has twice as much wealth as the poorest 6.9 billion people<sup>1</sup>

\$ 5.50

The daily endowment of almost half of the world's population<sup>1</sup>

4

The number of ventilators for 11 million people in South Sudan<sup>2</sup>

# Agenda

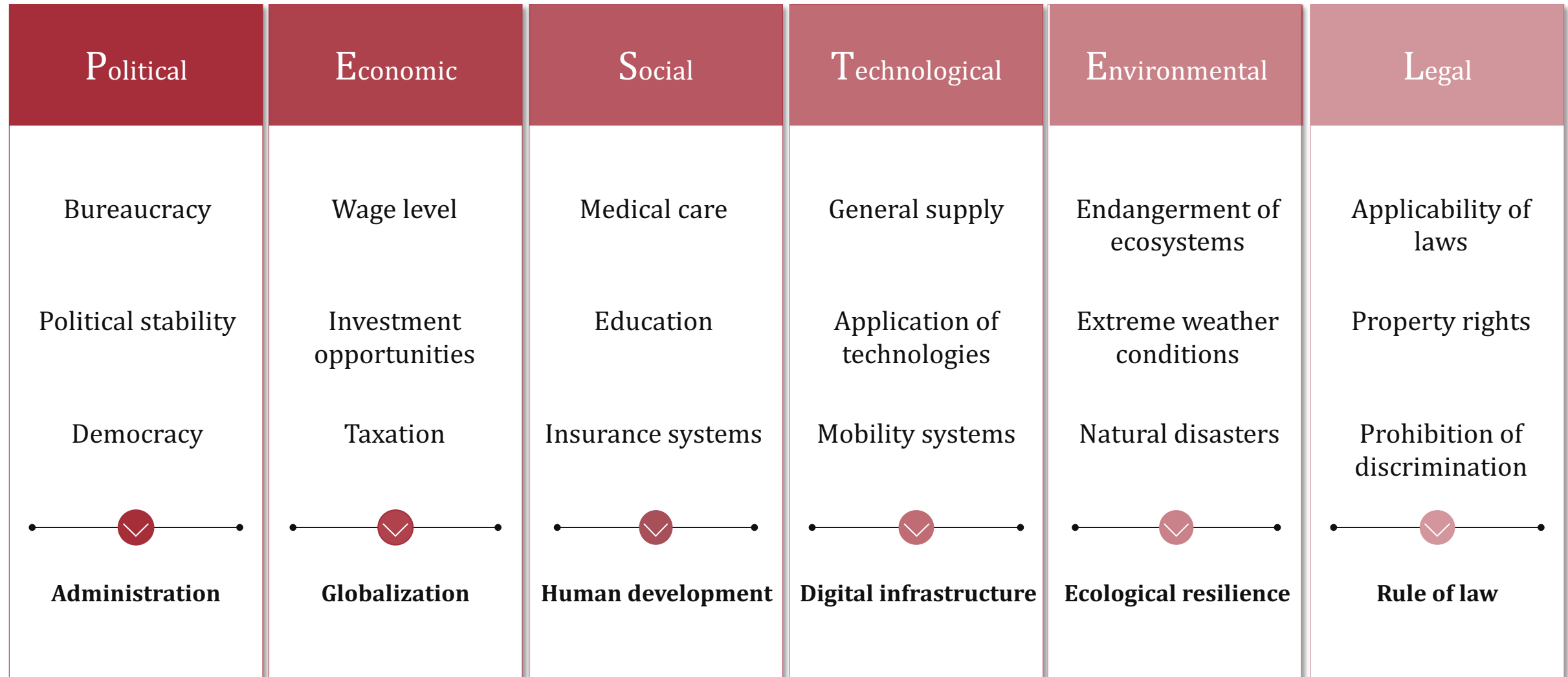
1. Introduction

2. Analysis and development of alternatives

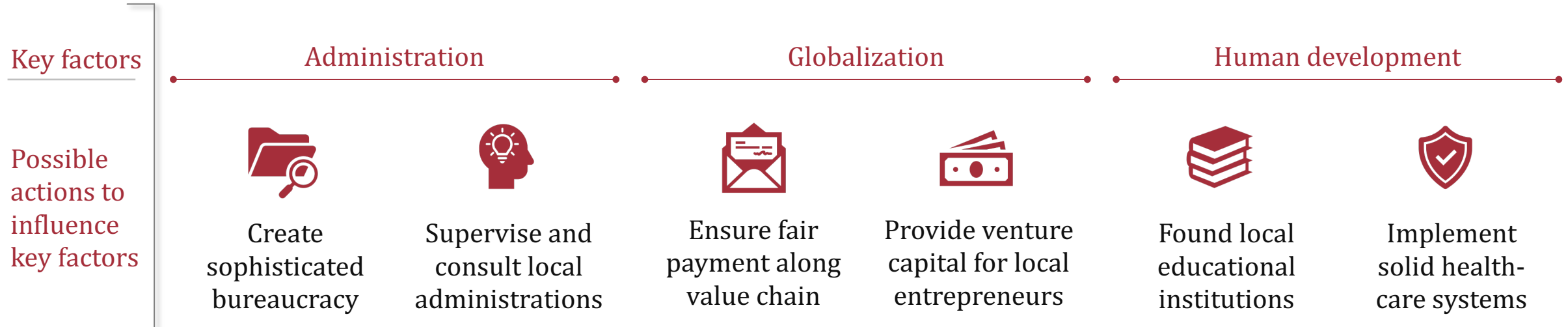
3. Recommendation

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## Different key factors for disparity can be identified – the discrepancy in magnitude amid these key factors drives the wealth disparity



To reduce the discrepancy in magnitude amid the key factors administration, globalization and human development, several actions can be executed...



...most effectively by governments, NGOs & IGOs, corporations and wealthy individuals

## Key factors

### Administration

### Globalization

### Human development

## Possible actions to influence key factors



Create sophisticated bureaucracy



Supervise and consult local administrations



Ensure fair payment along value chain



Provide venture capital for local entrepreneurs



Found local educational institutions



Implement solid health-care systems

## Who could execute these actions?

Governments

NGOs & IGOs

Corporations

Wealthy individuals

NGOs & IGOs

Governments

## Impact of missing actions

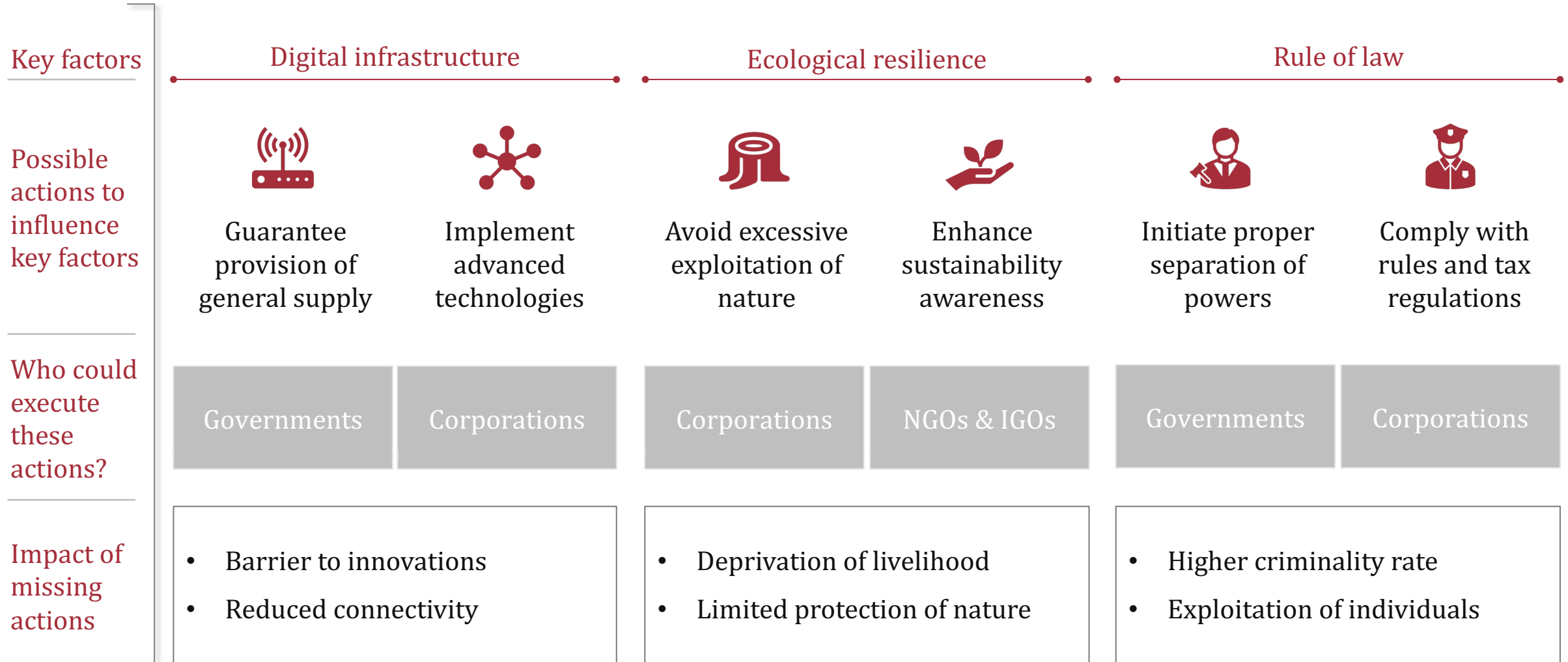
- Loss of control by authorities
- Potential for fraud

- Increasing poverty
- Emigration and brain drain

- No improvement in literacy
- Life expectancy below average



To reduce the discrepancy in magnitude amid the key factors digital infrastructure, ecological resilience and rule of law, several actions can be executed by gov., corp. and NGOs & IGOs



# These four identified protagonists are most promising to influence key factors of global wealth disparity

1 |

**Corporations**

Global corporations with international subsidiaries, plants and subcontractors

2 |

**Governments**

Groups of legislators who govern the citizens of national states

3 |

**NGOs & IGOs**

Global non-governmental and intergovernmental organizations

4 |

**Wealthy individuals**

Individuals, often corporate leaders, with high net worth and political influence



# These four identified protagonists are most promising to influence key factors of global wealth disparity

1 |



Corporations

2 |



Governments

3 |



NGOs & IGOs

4 |



Wealthy individuals

**Which protagonist has the potential to play the leading role in fighting wealth disparity?**

Global corporations with international subsidiaries, plants and subcontractors

Groups of legislators who govern the citizens of national states

Global non-governmental and intergovernmental organizations

Individuals, often corporate leaders, with high net worth and political influence



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# Five criteria are identified to determine the protagonist who should play the leading role in fighting wealth disparity

1	Magnitude of impact	<p>Actions must have the potential to reduce wealth disparity</p> <p>Protagonist must be able to implement impactful actions</p>
2	Social acceptance	<p>Actions must be accepted by the society</p> <p>Protagonist must be able to implement socially accepted actions</p>
3	Incentive to create wealth	<p>Actions must not impede the incentive to create wealth</p> <p>Protagonist must be able to implement actions that incentivize to create wealth</p>
4	Monetary feasibility	<p>Actions must be affordable for all parties involved</p> <p>Protagonist must be able to afford planned actions</p>
5	Enforceability	<p>Actions must be verifiable regarding their correct implementation</p> <p>Protagonist must be able to enforce actions</p>

# Corporations: Corporations have the ability to fight disparity due to global reach and relationship with society – however the enforceability of actions is limited



## Criteria

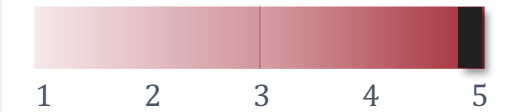
## Characteristics of protagonist

## Evaluation

1. Magnitude of impact

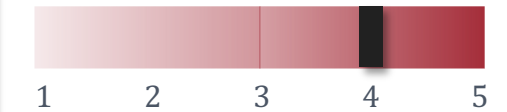
Global reach and direct influence across economic value chain

1: not satisfied 5: fully satisfied



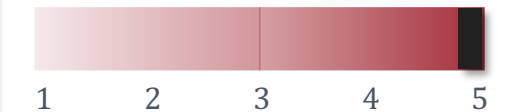
2. Social acceptance

Trusted relationship with society, corporations held accountable



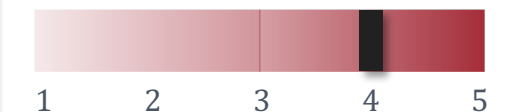
3. Incentive to create wealth

Knowledge to ensure incentivization



4. Monetary feasibility

Large financial capabilities, possibility to pass on expenses to customers



5. Enforceability

Limited enforceability along the value chain (suppliers, customers, etc.)



# Governments: Governments have the ability to fight disparity due to the enforcement of bindings laws – however existing trusts by some parts of society may be limited



## Criteria

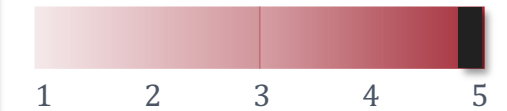
## Characteristics of protagonist

## Evaluation

1. Magnitude of impact

Binding laws, regulations and tax policies on national level

1: not satisfied 5: fully satisfied



2. Social acceptance

Faced with distrust from some parts of society



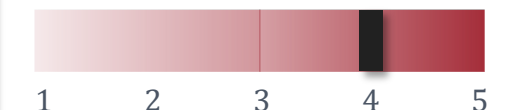
3. Incentive to create wealth

Governments might have to compromise on incentivization



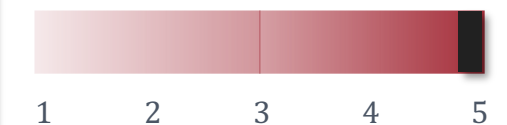
4. Monetary feasibility

Budgetary trade-offs, generally large financial capabilities



5. Enforceability

Law enforcement in place in most countries



# NGOs & IGOs: NGOs & IGOs have the ability to fight disparity due to the high social acceptance of organization's actions – however actions might impede the incentive to create wealth



## Criteria

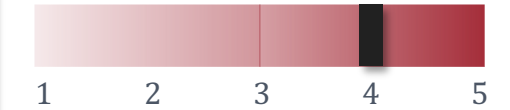
## Characteristics of protagonist

## Evaluation

1. Magnitude of impact

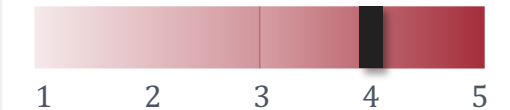
Global reach (mostly local impact), limited abilities to act

1: not satisfied 5: fully satisfied



2. Social acceptance

Positive image, limited trust in organizations' ability to make a difference



3. Incentive to create wealth

Incentivization not main focus of such organizations (especially NGOs)



4. Monetary feasibility

NGOs mainly financed by donations, IGOs dependent on member states



5. Enforceability

No binding laws but conclusion of international contracts





# Wealthy individuals: Wealthy individuals have the ability to fight disparity by creating wealth without destroying incentives – however they have limited financial capabilities



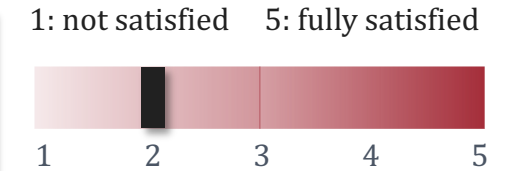
## Criteria

## Characteristics of protagonist

## Evaluation

1. Magnitude of impact

Limited impact by using financial means or political/economic influence



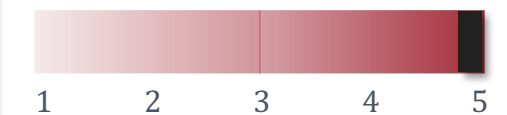
2. Social acceptance

Support of altruistic behavior, distrust towards powerful individuals



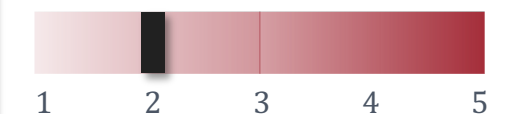
3. Incentive to create wealth

Experience on how to act without endangering incentives



4. Monetary feasibility

High on individual level, limited compared to other protagonists

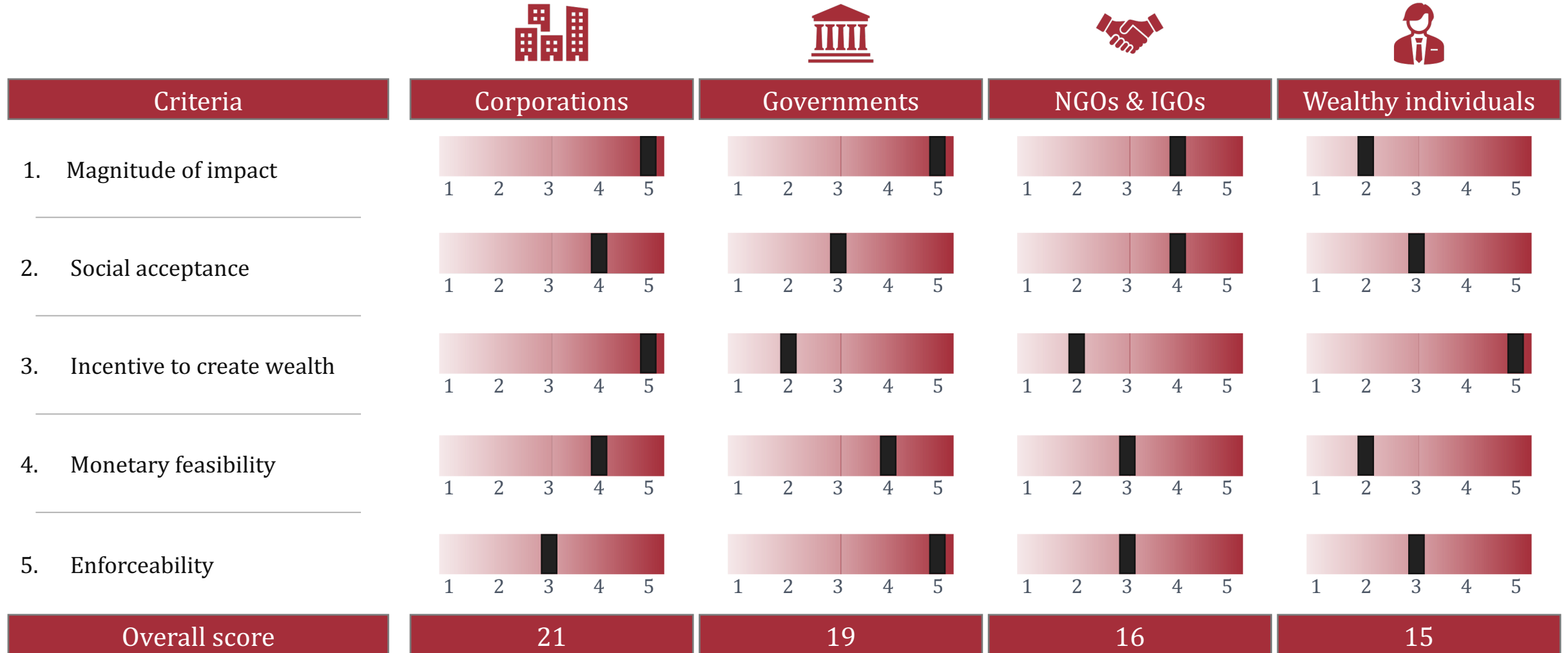


5. Enforceability

Enforceability possible for personal initiatives, limited for donations



# Corporations score best when determining the protagonist who should play the leading role in fighting wealth disparity






Key: 1: not satisfied 5: fully satisfied

# Therefore, corporations should lead the fight against wealth disparity by leveraging their strengths

1 |



## Corporations

- High direct impact along value chain 
- Financial feasibility 
- Knowledge to maintain incentivization 

Global corporations with international subsidiaries, plants and subcontractors

2 |



## Governments

Groups of legislators who govern the citizens of national states

3 |



## NGOs & IGOs

Global non-governmental and intergovernmental organizations

4 |

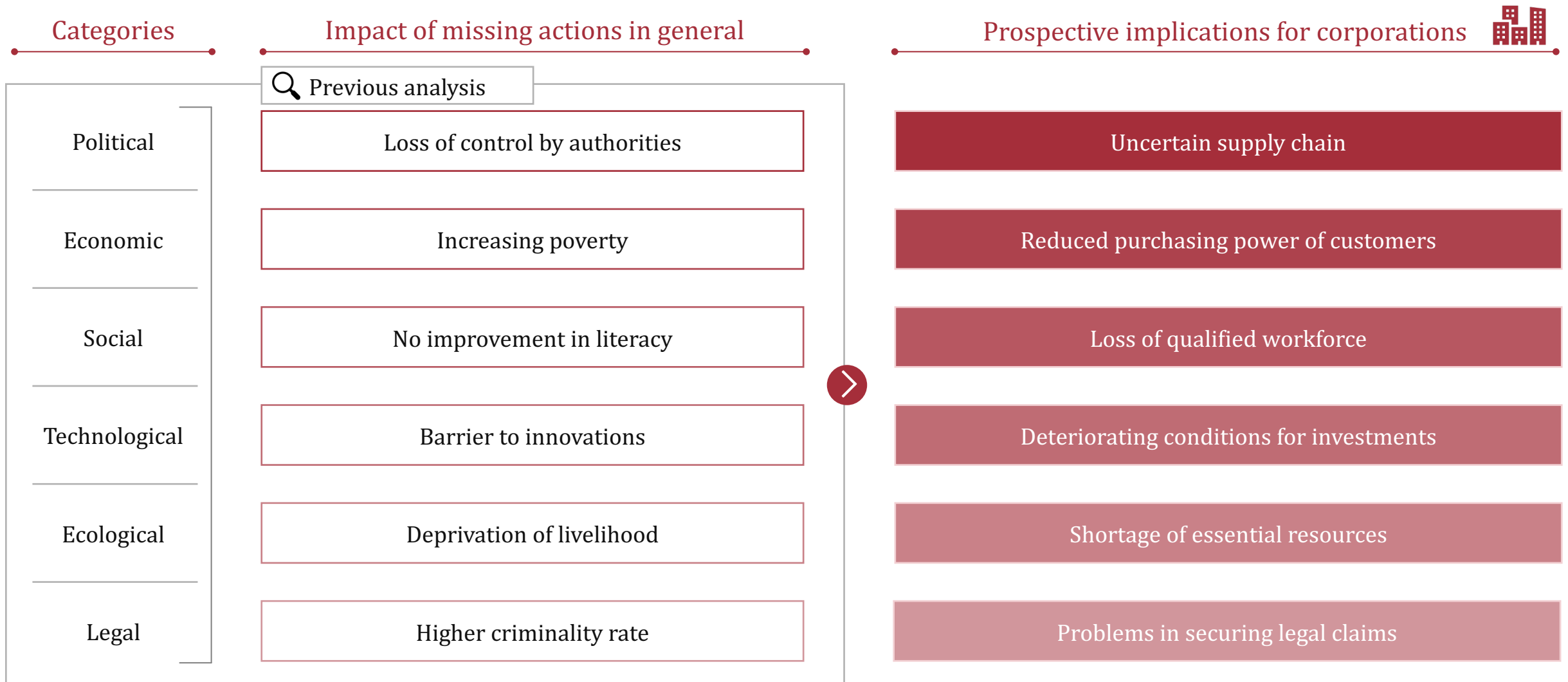


## Wealthy individuals

Individuals, often corporate leaders, with high net worth and political influence



# Additionally, corporations are incentivized to fight wealth disparity since they are directly affected by the negative impacts of missing actions



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# Corporations should play the leading role in fighting the global issue of wealth disparity to guarantee every human a life worth living

- 
**Status quo**  
 Existing wealth disparity without prospect of improvement
- 
**Goal**  
 Identifying who should take the lead to fight global wealth disparity
- 
**Recommendation**  
 Global corporations should take the lead for fighting wealth disparity, together with the global support of governments, NGOs & IGOs and wealthy individuals





Thank you for your attention.

Link to the video:

<https://youtu.be/JUT0r-z6UoI>



# Backup

## Sources

**New York Times:** “10 African Countries Have No Ventilators. That’s Only Part of the Problem.”

Link: <https://www.nytimes.com/2020/04/18/world/africa/africa-coronavirus-ventilators.html>

**Oxfam International:** “5 shocking facts about extreme global inequality and how to even it up”,

Link: <https://www.oxfam.org/en/5-shocking-facts-about-extreme-global-inequality-and-how-even-it>