

Interview with Javier Iñiguez, collaborator of Economists without Borders in the Basque Country (EwB)

1.- Why does EwB participate in an Observatory on the fair distribution of wealth?

EwB and the ToShare Observatory have many points in common.

EwB believes that a new development model is needed, one that puts the economy at the service of the person, OF ALL PEOPLE, and not at the service of a minority.

That is why it seeks a more just economy that aims at human development that is sustainable in economic, social and environmental terms, based on human rights and social responsibility and in line with Agenda 2030 and its 17 SDO.

Hence its commitment to contribute its grain of sand in the search for a fairer economy with fewer inequalities, helping to facilitate dialogue and encourage networking with social entities and initiatives.

For its part, the ToShare Observatory aims to become a meeting place for people and organisations that have been working to achieve a fairer distribution of wealth, allowing them to get to know each other and share experiences, thus contributing to this objective.

Both share their justification in the Universal Declaration of Human Rights, art. 25.1:

"Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.

Art. 26.1:

"Everyone has the right to education (...)"

And, previously, Article 22:

"Everyone, as a member of society, has the right to social security and is entitled to realization, through national effort and international cooperation and in accordance with the organization and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.

All of them developed in article 11.1 of the International Covenant on Economic, Social and Cultural Rights of 1966.

In turn, EwB and the ToShare Observatory share an alignment with Agenda 2030 and its SDO, as well as the observation that "the concentration of wealth in the world has worsened, threatening global stability", that the acceleration of technological development allows the production of sufficient wealth and that the problem in achieving these SDO is not so much scarcity but rather the unfair distribution of both income and wealth, as well as the various jobs and their remuneration.

EwB was very interested in collaborating with the Observatory when it learned of its objectives to "promote different research that, in terms of the fair distribution of wealth, allows the generation of knowledge and its transfer to society, so that society can be trained and made aware of the existing alternatives, contributing to the strengthening of the welfare state". In short, each of us, to the extent of our possibilities, will collaborate in the lines of work: research, training and dissemination.

2.- Why is the accumulation of wealth and the resulting inequality a problem?

It is true that the growing accumulation of wealth and the consequent inequality it generates have very diverse causes and it would be very long to stop at listing, describing and analysing them.

Also very relevant is the distribution of wealth between public and private, as well as the management of public wealth by the various governments (dictatorships or democracies, corrupt or honest and the various systems of control), as well as the management of private wealth (with greater or lesser respect for the social function of property).

In any case, in general terms, it seems clear that excessive accumulation of wealth also contributes to generating excessive inequalities in the distribution of income and consumption, health and education services, participation in cultural, social and political life and, in short, a considerable loss of real democracy due to the excessive influence that the holders of large estates will be able to exercise over political powers. In short, excessive inequality in the distribution of wealth can generate excessive inequality of opportunity and excessive inequality of results.

A certain inequality is inevitable and, sometimes, convenient. But the evolution of inequality is not simply a "natural" phenomenon. It is influenced by many decisions made by the set of political and social institutions. It is necessary to know in detail their evolution, their causes and their consequences. In fact, there is widespread concern that excessive inequality, if not properly controlled and addressed, can lead to major catastrophes and disasters in the political, economic and social life of all citizens. Just this fall, Isidro Fainé, leader of the Spanish Confederation of Directors and Executives, listed the following among the 10 most important issues that companies should monitor more closely: "Inequality in the distribution of income and wealth threatens the social order".

As reflected in the "Report on Global Inequality 2018", produced by the World Inequality Lab, "there is no single scientific truth regarding the level of inequality that is desirable, and even less so regarding the set of socially acceptable institutions and policies to achieve it. Ultimately, the making of these complex decisions is the result of political processes and public deliberation. But this deliberative process requires higher quality information and increased transparency regarding income and wealth inequality.

And summarizing some more or less provisional, more or less approximate conclusions of this report, I will highlight the following:

- I.- Income inequality presents a strong variation among regions.
- II.- In recent decades, income inequality has increased in practically all countries, but at different speeds, suggesting that institutions and policies are relevant to influence inequality.
- III.- At the global level, income inequality has grown sharply since 1980, despite the vigorous growth of China.
- IV.- In recent decades, countries have become richer while governments have become poorer.
- V.- Inequality of wealth between individuals has grown at different rates between countries since 1980.
- VI.- The world's middle class in terms of wealth will shrink if current conditions do not change.
- VII. - World income inequality will also increase if current conditions do not change, even under optimistic assumptions regarding the growth of emerging countries. (Although this is not inevitable).

3.- What are the proposed solutions?

In broad strokes, merely enunciative:

- I.- Reform of the tax system, making it "reasonably" more progressive. There is plenty of evidence that "tax progressivity is a proven tool to limit the increase in inequality and the concentration of income and wealth".
- II. - Fight against tax evasion and avoidance. "A global financial registry that accounts for the ownership of financial assets would make it possible to limit tax evasion, money laundering and the growth of inequality". A Tobin tax, however minimal, would be a big step forward.
- III. - More equal access to education Important, but insufficient. There is also a need for a better representation and participation of workers in the decision-making structure of companies, as well as minimum wages at decent levels and good practices of solidarity in the distribution of employment.
- IV.- Greater public investment in education, health, housing and environmental protection. Combining with the optimal mix of treatment of the Public Debt, partial forgiveness, inflation, "reasonable" increase of progressive taxes, etc.
- V.- To promote another way of doing social and solidarity economy and of doing finance, recovering the social value of money and property.
- VI. - Strengthening of the social protection system in general and improvement or overcoming of the current conditional minimum incomes by taking advantage "progressively" of the most defensible and sufficiently agreed upon unconditional Basic Income.
- VII. At the world level, fairer and more beneficial trade agreements for impoverished countries.

VIII.-To provide financial aid with very cheap interest rates to impoverished countries to invest in their main needs and, in general, cooperation for development without any kind of paternalism.