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Grappling with power imbalances

In the face of increasingly severe global crises, fundamental economic and social reforms are not a utopian dream but a necessary and possible step

We are living in a world fractured in many ways, facing varied but inter-related and increasingly severe crises which are now reinforcing one another. Yet serious global leadership is lacking: most governments seem obsessed with short-term measures to deal with very specific national concerns, rather than co-operation and engaging with substantive strategies to tackle the looming existential threats to humanity.

The inertia, clunkiness and simple inability to cope of the multilateral institutions set up in the mid-20th century (after another period of global crisis) is now painfully apparent. Even more recent international initiatives to deal with global problems, such as the Conference of Parties (COP) addressing climate change, which is having its 27th meeting in Egypt, seem to be failing to deliver any significant decisions or breakthroughs — despite the urgency and the necessity that they do so.

The increased vulnerability to crises of different kinds is not the result of 'flaws' in our economic system—but stems directly from it.

All this is enough to reduce many to despair. But instead we need to think about why governments persist in clearly disastrous policy choices and whose interests those choices serve. In particular, we need to recognise the power imbalances, globally and within countries, which are reinforcing what may otherwise appear to be socially irrational and unjust policies. Only then will it be possible to force any real change.

A flawed economic system

There is some evidence that this is now more widely recognised, even in international policy discussions. A recent report from the United Nations Research Institute for Social Development makes this critical question — the need to address power imbalances — clear in its very

title, *Crises of Inequality: Shifting Power for a New Eco-social Contract*. The analysis begins with the important recognition that the current explosion of extreme inequalities, environmental destruction and associated increased vulnerability to crises of different kinds are not the result of 'flaws' in our economic system — but stem directly from it.

This economic system is one in which inequality has become the driving force, with those who are already powerful determining the legal and regulatory architecture that ensures their own continued enrichment and power, and generating an economic and ecological trajectory that is very destructive for most of society. It is not just that the elites (rich individuals and large corporations) can disproportionately shield themselves from the impact of various crises, whether these come in the form of such health shocks as the pandemic or the ecological devastation and climate change which make some places uninhabitable and destroy livelihoods. It is also that, as we have seen during Covid-19 and periods of financial and economic volatility, they can even benefit from these crises while millions are devastated.

The UNRISD report argues — as do many others now — that there is a better way forward. This will require a complete reorganisation of the ways in which we have, across the globe, organised our economies. Three crucial elements are identified: an approach to the economy that foregrounds the environment and social justice, necessitating a rebalancing of state-market-society-nature relations; transformative fiscal policies based on a fair and just fiscal contract, and a reimagined multilateralism based fundamentally on global solidarity.

A tall order

This may appear a utopian dream given current geopolitical and socio-economic realities, all seeming to trend in the opposite direction. But in fact similar arguments are being voiced more loudly across the world. For example, five decades on from *The Limits to Growth*, the Club of Rome's new book, *Earth for All: A Survival Guide for Humanity*, argues that the required changes are both necessary and possible.

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They comprise five major turnarounds: elimination of poverty, reduction of inequality, ensuring basic income security and social protection for all, transformation of food systems and an energy transformation including a widescale shift to renewable energy. These all require a combination of economic and social policies and legal and political reforms, at

national and international levels. This of course in turn requires sufficient popular mobilisation around the world to force governments to make these major policy changes.

The UNRISD report recognises this too. Those in power will make all efforts to perpetuate a *status quo* that benefits the few at the expense of the many — regardless of the social, human and planetary costs. The report identifies the many ways in which the rich and big business can influence political control, state policies and regulations and the media, to ensure that their personal and private interests are served, no matter the implications. National and global elites can even influence the design, content and implementation of purportedly redistributive policies. And these imbalances are exacerbated by spatial inequalities, across and within countries.

Countervailing power is thus required — the power of ordinary people who find strength only in combination, association and co-operation. They have to be convinced and galvanised into action, to support a new eco-social contract. The UNRISD report suggests this can occur if such a social contract is based on the principles of human rights for all, gender justice and solidarity, progressive fiscal contracts, transformed economies and societies, and recognition of the demands of nature and of historical injustices.

This is a tall order. But it is a challenge humanity needs to meet — for its very survival on this planet.

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