



## Twelve Action Lines for a Better World: Finally Realizing the Four Major Responsibilities\*

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### Abstract

*This article describes a global governance system that—from the author’s point of view—would lead to sustainability and allow the implementation of the Sustainable Development Goals (SDGs), which have just been adopted at the UN level. Major elements are (1) the integration of existing international regimes in the area of the UN, WTO and the world financial system into an integrated “Global Governance Body”. (2) This institution would, among other functions, be responsible for the major global commons and put a fee on their usage with two aims: (i) to protect them and (ii) to generate money for financing global development and the SDGs. (3) To monitor the income and property distribution by politics with the political mandate, to keep it in the so-called “efficient inequality range”. This may need international co-financing. (4) It will, if done properly, prevent two-class societies, it will furthermore allow the building-up of social systems everywhere in the world with the aim to have a reasonable balance of wealth in all states, and also between states. (5) It will also be of help if artificial intelligence systems took over hundreds of millions of jobs for highly qualified people in the next decade. (6) This global institution would also be able to pay in defense of cultural diversity and for the protection of the environment, e.g. rainforests. (7) This would also allow us to do what is needed for avoiding uncontrolled climate change, e.g. improve the recent Paris accord concerning climate.*

### A. Complementing the Four “Major Freedoms” with the Four “Major Responsibilities”

Important components of a liberal economic system are the so-called “four freedoms”:

- Freedom of property
- Freedom of concluding contracts
- Freedom of innovation
- Freedom of borrowing and lending of money, respectively

\* The main ideas of this paper were presented by the author at the Annual Club of Rome Conference in Winterthur, October 15-16, 2015. They can also be found in the paper “A better governance for a better future”. “A green and inclusive global economy—the key for a sustainable future” is to be published in the *Journal of Futures Studies*, special issue on “Exploring paths to a viable future: obstacles and opportunities, requirements and strategies” and incorporates the unanimous UN Decision on the Sustainable Development Goals of September 26, 2015 in New York and the recent Paris climate accord.

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The world owes a lot to the enforcement of these freedoms, especially with respect to the production and the implementation of innovations. However, freedoms are not enough to ensure sustainable development or to implement the Sustainable Development Goals (SDGs). Freedom without responsibility has its limits. In particular, focus should be on the equality of freedom, otherwise this would be a freedom of the strong to plunder or abuse the weak. In an era of globalization, this is unfortunately a frequent pattern. Therefore, freedom needs limits and the acceptance of responsibility. Responsibility includes the respect of limits.

The enforcement of limits of freedom of individuals, companies and states is a topic of Global Governance or of regulation and therefore means a takeover of responsibilities by the society, more especially the global community. The collective nature of this task makes the issue difficult. There is a danger that a situation arises where no one is really in charge. This is because of the distributed nature of responsibility. However, the implementation of the SDGs until 2030 requires at least as much the establishment of an adequate global governance and the enforcement of such conditions as the global enforcement of the four major freedoms.

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*“A working global governance system is the key to sustainability.”*

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**Four major responsibilities** in times of globalization are:

- Responsibility of the establishment for a sustainable international regime
- Responsibility of economy and the financial sector for common welfare
- Responsibility for human dignity worldwide
- Responsibility for environment and nature

## **B. Assume Responsibility for Establishing Sustainable Global Governance**

A working global governance system is the key to sustainability. Markets must honor what we officially claim, not the contrary. Prices have to tell the truth. The internalization of external cost is a must. We have to deal with the further advancement in intelligent systems, platform capitalism and the need to protect privacy. Here, the “great transformation” (towards sustainability) and the digital transformation (towards a digital future) have to be seen together.

### ***1. Integrate Global Regimes Coherently***

Integrate UN rule sets, WTO ruling and world financial market rulings into one coherent Global Governance regime (including co-financing). This should follow the principle of subsidiarity and favor a green and inclusive economy, human rights, a world-democratic

perspective, the implementation of Sustainable Development Goals (SDGs) and sustainable development.

## ***2. Protect Cultural Diversity***

Protect cultural diversity (also against economic forces favoring uniformity).

## ***3. Develop Technology Appropriate for Common Welfare***

Take care of strict data security, generate much less data with a personal identity link, control machine intelligence, govern the internet (and the upcoming internet of things/entities) in the interest of humankind, and promote global governance favoring human rights and green and inclusive markets.

## **C. Enforce Responsibility of the Economic and Financial Sectors for Common Welfare**

This is about utilizing the strong transformational power of the economic system and the financial system. Since the financial crises, we know that the financial sector is not the “brain” of humankind. It is an important subsystem—also potentially a dangerous subsystem—that needs careful regulation in favor of common welfare.

## ***4. Secure Transparency and Responsibility of Property***

Make property (via cadastres) and financial transactions (via documentation) transparent to the (international) taxation and financial authorities. Take care of all property taking social responsibility. No legal protection of intransparent property ownership and of intransparent financial transactions.

## ***5. Prevention of Excessive Market Power of Companies***

Create a global antitrust body. Avoid companies from becoming too big and too powerful.

## ***6. Hedge the Finance Sector Appropriately for Common Welfare and Tax it Suitably***

Implement a strict regulation of the global financial market, control “wrapping”, dry off tax havens, make aggressive tax avoiding schemes impossible. Build on current G20/OECD work on these issues. One hundred states have by now agreed on an automatic data exchange between the banks of those countries and the financial and tax authorities responsible for the account holders. This is a big step forward. Eventually the world must succeed in also getting the US into this automatic data exchange system. Via its FACTA (Foreign Account Tax Compliance Act) law the US side gets all the tax data on foreign accounts it needs. But the US still refuses to help others to reach the same condition.

## **D. Assume Responsibility for Human Dignity Worldwide**

Human dignity is a global challenge. Balanced income distribution (with corresponding distribution of property) is the key. Social security systems are required—everywhere.

International support for the establishment of such systems in developing countries is required. Each state has the responsibility to provide basic services. The world as a whole has to support this.

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*“What global governance system should we establish in times of tough future crisis? This article makes a proposal about the direction we should aim at.”*

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### ***7. Enforcement of a Balanced Distribution of Income and Property***

Care for a proper balance of the distribution of income and property (stay in the efficient inequality range). In statistics, deal carefully with the application of mean and median values. Go for a proper, progressive taxation of income, property and heritage.

### ***8. Construction and Financing of Social Security Systems for Every Human***

Implement social systems worldwide and co-finance them (create a Global Marshall Plan).

### ***9. Ensure State Responsibility for Basic Services***

The states on their territory and all states together have the responsibility for issues related to basic needs, infrastructure for all, healthcare, education systems and social security. In particular, guarantee a minimum daily allowance for every human and overcome hunger, once and for all. Involvement of the private sector is possible, but only under adequate regulation, leaving untouched the final responsibility of politics for the delivery of all basic services.

## **E. Assume Responsibility for the Environment and Nature Worldwide**

A fair dealing with the Global Commons is important for securing our future. It also holds the key for organizing global cooperation much more than today. To make clear the order of magnitude, to implement the SDGs alone may cost about US \$1,500 billion annually in global development partnerships of various kinds.

### ***10. The International Community has to Assume Responsibility for the Global Commons***

Considerably increase the financial power of the international political field. In particular, care for and appropriately tax the use of Global Commons. Use this money for co-financing international concerns, in particular the implementation of the Sustainable Development Goals (SDGs, 2016-2030).

### ***11. Preserve and Protect Biological Diversity***

Protect biological diversity, preserve important biological sites and regions, especially rainforests. Pay for protection.

## ***12. Counteract the Climate Issue***

Solve the climate problem/create new energy technologies/promote voluntary climate neutrality of the private sector/invest massively in biological sequestration (global reforestation programmes/enhancement of agriculture and preservation and recultivation of wetlands)/co-finance necessary technological developments and the transition to a post-carbon energy system. Fill the green climate fund and promote other forms of financial transfers to realize at least the promised US \$100 billion transfer from rich countries to developing countries within a year. This is to support countries in development in climate-related fields of action.

## **F. Conclusion**

This is a bold program, but it can be done. Usually, humans only act in times of crises under extreme outside pressure. Unfortunately, more crises and outside pressure will come. We have to be prepared for this situation. What global governance system should we establish in times of tough future crisis? This article makes a proposal about the direction we should aim at.

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