

The challenges of ECONOMIC UNION

(This document to be further developed and upgraded by Global Citizens and founders of the Earth Union.)

Humanity has created unprecedented productive capacity, but economic security and opportunity remain distributed very unevenly. The central economic challenge is no longer simply how to produce more wealth; it is how to generate sustainable prosperity, dignified work and basic security for billions of people while managing debt, technology, demographic change and the planet's ecological limits.

The eighteen sections below summarize the challenges of ECONOMIC UNION as of September 2026.

1. **Slower and increasingly uneven global growth**

The global economy continues to grow, but the pace is modest and the benefits are uneven. The IMF's July 2026 World Economic Outlook Update projects global growth of 3.0% in 2026 and 3.4% in 2027, with global inflation of about 4.7% in 2026. The World Bank, using a different aggregation methodology, forecasts 2.5% growth in 2026 (down from 2.9% in 2025) and 2.8% in 2027, and warns that developing economies other than China and India face nearly a decade of no progress in narrowing per-capita income gaps with advanced economies. Persistent low growth matters politically as well as economically. When living standards rise rapidly, societies can accommodate distributional tensions more easily. When growth is weak, disputes over wages, taxes, public services, trade and social protection become more zero-sum.

2. **Poverty, insecure employment and the shortage of decent work**

The World Bank updated its international poverty lines in June 2025. The extreme-poverty line is now US\$3.00 per person per day in 2021 purchasing-power-parity terms, with additional lines at US\$4.20 and US\$8.30 for lower-middle-income and upper-middle-income countries. On the revised measure, 10.4% of humanity — about 847 million people — lived in extreme poverty in 2024, and the Bank's March 2026 update nowcasts about 10.0% for 2026. Roughly 9% of the world's population could still be in extreme poverty in 2030, far above the global target of near-elimination. Headline employment statistics conceal a second problem: job quality. The ILO projects global unemployment at about 4.9% in 2026, or some 186 million people, yet approximately 2.1 billion workers are expected to remain in informal employment, often without adequate social protection, enforceable labor rights or job security. About 284 million workers were in extreme working poverty in 2025 under the ILO's measure.

The economic challenge is not merely to create jobs. It is to create productive, dignified and reasonably secure livelihoods.

3. **Extreme concentration of income and wealth**

Economic inequality is not only a gap between rich and poor countries; it is also a powerful divide within societies. The World Inequality Report 2026 estimates that in 2025 the global top 10% received about 53% of total income and owned roughly 75% of personal wealth, while the bottom half received about 8% of income and owned only around 2% of wealth. Such concentration can weaken social mobility, political trust and equal opportunity. The policy challenge is not to eliminate all differences in income or wealth, which arise from many legitimate sources, but to prevent inherited advantage, monopoly power and unequal access to education, capital, health and technology from hardening into permanent economic classes.

4. **Food security and the affordability of basic needs**

Food insecurity remains a major global economic failure despite enormous agricultural capacity. The 2026 State of Food Security and Nutrition in the World report estimates that about 645 million people — 7.8% of humanity — faced hunger in 2025, the third consecutive annual improvement, but that roughly 2.69 billion people, 32.7% of the world, still could not afford a healthy diet. Progress is regionally lopsided: hunger continues to worsen in much of Africa and western Asia even as Asia and Latin America improve. For households, economic well-being is experienced through the cost of food, housing, healthcare, education, transport and energy — not through GDP statistics alone. Persistent affordability pressures can therefore coexist with positive national growth figures.

5. **Housing and the cost-of-living squeeze**

Shelter has become one of the sharpest economic pressures in both rich and poor countries. UN-Habitat's World Cities Report 2026 estimates that about 3 billion people live in inadequate housing, that 44% of households worldwide spend more than 30% of their income on housing, and that the global housing shortage has grown by roughly 30% to about 268 million units.

Housing costs interact with everything else: they determine whether wage increases translate into real security, whether young adults can form households, whether workers can move to where jobs are, and whether cities can absorb migration without slum growth. Any credible account of shared prosperity has to treat housing as infrastructure, not merely as an asset market.

6. **The global debt burden and shrinking fiscal space**

Governments face simultaneous demands for healthcare, pensions, defense, education, infrastructure, climate adaptation and social protection. Yet fiscal capacity is becoming more constrained. The IMF's April 2026 Fiscal Monitor estimates that global public debt rose to just under 94% of world GDP in 2025 and could reach 100% by 2029.

High debt is especially dangerous for poorer countries that borrow at high interest rates or in foreign currencies. About half of the 70 low-income countries assessed by the IMF are in or at high risk of debt distress, and UNCTAD reports that developing countries paid roughly US\$921 billion in net interest, with 61 countries spending 10% or more of government revenue on interest alone. Debt distress can force governments to cut precisely the investments in health, education and infrastructure needed for long-term development.

Who pays — taxpayers today, beneficiaries through spending restraint, or future generations through additional debt?

7. **The collapse of development and humanitarian finance**

The external financing that partially offsets poverty has contracted sharply. OECD preliminary data show official development assistance fell 23.1% in 2025 to about US\$174 billion, or 0.26% of donor gross national income, with humanitarian aid down 35.8% to US\$15.5 billion and a further decline of about 5.8% projected for 2026. The United Nations' 2026 humanitarian appeal of roughly US\$33–35 billion was only about 41% funded by mid-September 2026. This matters economically as well as morally. Aid finances vaccination, schooling, food assistance and basic statistics in the poorest countries; its abrupt withdrawal raises long-run costs, increases displacement and shifts the burden to remittances, which reached about US\$685 billion to low- and middle-income countries in 2024 — more than foreign direct investment and aid combined.

8. **Health financing and catastrophic household health spending**

Health is both a human need and an economic input. WHO reports that about 4.6 billion people lack full access to essential health services and that some 2.1 billion face financial hardship from health costs, with a projected shortfall of about 11 million health workers by 2030. Development assistance for health fell by roughly 21% between 2024 and 2025.

Out-of-pocket medical spending is one of the most common causes of sudden impoverishment in countries without risk pooling. Extending affordable health coverage is therefore not only a social objective but a direct means of protecting household savings, labor productivity and the informal-sector workforce.

9. **Learning poverty, skills mismatch and the digital divide**

Human capital is the ultimate source of prosperity, and access to it remains deeply unequal. About 2.2 billion people were still offline in 2025, and internet use reached only about 23% of the population in low-income countries, which limits access to education, markets, public services and remote work. The mismatch runs in both directions: employers in ageing economies report shortages in technical and care occupations while millions of young graduates in fast-growing economies cannot find work matching their qualifications. Where AI now automates entry-level analytical work, the traditional route by which young workers acquired experience is itself under pressure.

10. **AI: a productivity revolution with a distribution problem**

Artificial intelligence could raise productivity and create new industries, but the gains will not be distributed automatically. The ILO and other international institutions find that a significant share of jobs will be transformed by generative AI, with exposure highest in clerical and knowledge-intensive occupations. UNCTAD estimates that AI could affect about 40% of jobs worldwide under a broad definition, and projects the AI market to reach about US\$4.8 trillion by 2033.

The technology itself is also highly concentrated. UNCTAD reports that the United States and China account for about one-third of global AI publications and around 60% of AI patents, while advanced computing infrastructure is concentrated in a small number of countries and companies.

Will AI democratize knowledge and productivity — or concentrate income, data and market power among those who own the models, computing infrastructure, intellectual property and capital?

11. **Financial-market concentration and the risk of an AI investment correction**

A new form of systemic risk has emerged from the same technology. The IMF's April 2026 Global Financial Stability Report notes that market concentration exceeded its 95th historical percentile in two of six major equity markets, that United States households hold roughly 30% of their assets in equities, and that private credit has grown to roughly US\$2 trillion with default rates that could rise from 2–3% to 4–6% in an adverse scenario. If expectations about AI earnings are revised downward, the correction would not be confined to technology shareholders: pension funds, household wealth, sovereign wealth funds and the tax revenues of governments exposed to a handful of very large firms would all be affected. Concentration is thus simultaneously an inequality problem and a stability problem.

12. **Trade fragmentation and economic nationalism**

International trade is increasingly shaped by tariffs, sanctions, strategic industries, security concerns, industrial policy and competing geopolitical blocs. The WTO's March 2026 baseline forecast projects merchandise-trade volume growth of only 1.9% in 2026 and 2.6% in 2027, after 4.6% growth in 2025, with a downside scenario of 1.4% if conflict and higher energy costs persist. Some diversification of supply chains can improve resilience. But excessive fragmentation can duplicate investment, raise consumer prices, reduce technology diffusion and make poorer countries choose between rival economic systems. The challenge is to balance resilience and national security with the enormous gains that come from peaceful economic exchange.

13. **Critical minerals, resource dependence and the new geography of supply**

The clean-energy and digital transitions rest on a narrow mineral base. The IEA reports that for most energy-transition minerals the largest single refiner holds about 72% of supply, and China accounts for roughly half of global copper smelting capacity and about 90% of battery-material recovery. Concentration of this kind converts an industrial input into a geopolitical instrument.

For resource-rich developing countries the mirror-image challenge is to capture more of the value chain than extraction alone, and to avoid the environmental and governance damage that has historically accompanied mining booms.

14. **Tax cooperation, illicit financial flows and the erosion of the tax base**

Public services depend on the ability to tax mobile capital. The global minimum corporate tax of 15% survived renegotiation in January 2026 but with significant carve-outs for United States multinationals, while the United Nations released draft texts of a framework convention on international tax cooperation in July 2026. Africa alone is estimated to lose roughly US\$88 billion a year to illicit financial flows. Unless profit-shifting, secrecy jurisdictions and corruption are addressed together, governments will continue to tax immobile labor and consumption more heavily than mobile capital — a structural driver of both inequality and fiscal weakness.

15. **Demographic divergence: ageing societies and youthful societies**

Different regions face opposite demographic pressures. Many advanced and East Asian economies are ageing rapidly, creating shortages of workers and rising pension, healthcare and long-term-care costs. At the same time, parts of Africa and South Asia have large and growing young populations that require millions of productive new jobs each year. The United Nations projects that by the late 2070s the global population aged 65 and over will reach about 2.2 billion and exceed the number of children under 18. Migration can partly connect labor shortages in ageing economies with opportunity-seeking workers in younger economies, but only if skills, integration, rights and political acceptance are managed effectively.

16. **Youth, gender and the unpaid care economy**

Two very large groups remain systematically under-used. The ILO reports global youth unemployment of about 12.4%, some 67 million young people, with roughly 257 million — about 20% of all youth — not in employment, education or training. The World Economic Forum's 2025 assessment found the global gender gap 68.8% closed, with the economic participation subindex at 61.0% and full parity still an estimated 123 years away.

Underpinning both is unpaid care work: about 16.4 billion hours are spent on unpaid care every day, 76.2% of it by women, equivalent to roughly 9% of global output. Care is counted as a cost when it is purchased and as nothing when it is given, which systematically understates the economy that sustains every other economy.

17. **Water scarcity and the economics of a drying world**

Water is the binding constraint behind food, energy and industrial production. United Nations reporting indicates that roughly three-quarters of humanity is water-insecure to some degree, about 4 billion people face severe water scarcity for at least one month a year, and drought costs the global economy on the order of US\$307 billion annually. Because most large river basins are shared between states, water is also where economic competition can become political conflict. Cooperative basin management is therefore one of the most concrete places in which the logic of an economic union of humanity can be tested early.

18. **Climate change, energy security, and the retreat of insurance**

Climate change is simultaneously an environmental, economic and development challenge. WMO confirms that 2015–2025 were the warmest eleven years on record and that 2025 was about 1.43 ± 0.13 °C warmer than the 1850–1900 average — the second or third warmest single year on record, after the exceptional peak of 2024. UNEP's 2025 Emissions Gap Report estimates that current policies still point toward up to about 2.8 °C of warming this century, with full implementation of pledges giving roughly 2.3–2.5 °C.

At the same time, every society needs reliable and affordable energy. The IEA expects global energy investment to reach about US\$3.4 trillion in 2026, with roughly US\$2.2 trillion flowing to clean energy, grids, storage, nuclear, efficiency and electrification, alongside some US\$1.2 trillion in continuing fossil-fuel investment. The financial consequences are already visible in insurance. Of an estimated US\$220 billion in natural-catastrophe losses in 2025, only about 49% was insured, and in many developing countries 80–90% of losses are uninsured. As insurers withdraw from the most exposed regions, climate risk is transferred silently onto households and public budgets.

The transition must achieve four objectives at once: energy security, affordability, economic development and decarbonization.

The central economic task for One Human Family

No single economic model can eliminate every trade-off. **But the common challenge is clear: a global economy that generates extraordinary wealth for few, will remain unstable if billions of people cannot obtain dignified work, basic security and a reasonable opportunity to improve their lives.** Economic integration must therefore be judged not only by aggregate output, but by whether it expands human capability, shares technological progress, protects future generations and leaves societies resilient enough to cooperate rather than

compete destructively. The Economic Union envisaged by The Earth Union does not require a single world currency or a single economic system. It requires agreed rules that make cooperation rational: fair taxation of mobile capital, orderly debt resolution, shared access to technology, protection of the global commons, and social protection floors that no member of the human family falls below.

Selected current sources

(All figures above were verified against these sources on 15 September 2026.)

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12. [UN OCHA — Financial Tracking Service, 2026 humanitarian appeal](#) — appeal coverage in 2026
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15. [ITU — Facts and Figures 2025](#) — 2.2 billion people offline
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17. [IMF — Global Financial Stability Report, April 2026 \(Chapter 1\)](#) — market concentration and private credit
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26. [WMO — State of the Global Climate 2025](#) — 1.43 ± 0.13 °C above 1850–1900
27. [UNEP — Emissions Gap Report 2025](#) — current policies up to 2.8 °C
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