

FINAL REPORT

STATES OF THE FUTURE

Reflecting on the past, innovating in the
present and building the States of the Future



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EM SERVIÇOS PÚBLICOS



FINAL REPORT

STATES OF THE FUTURE ▶▶

Reflecting on the past, innovating in the
present and building the States of the Future

**MINISTRY OF MANAGEMENT AND
INNOVATION IN PUBLIC SERVICES**

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FINAL REPORT: STATES OF THE FUTURE

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The future belongs to us

Gil Tuchtenhagen



Picturing the States of the Future requires a deep reflection on the present and its challenges.

We are living in a time when these challenges are not few and far between, nor are they trivial. Social and economic inequalities have multiplied, amplifying the discontent and resentment over political representation. The intensity of digital transformation has reinforced asymmetries and sown uncertainties regarding the future of labor. The climate crisis is an unfortunate reality: extreme weather events have become a part of our daily routine, and dealing with the rising temperature of the planet has become increasingly difficult. Geopolitical tensions arise and global governance has not been able to effectively respond and resolve conflicts. Facing these challenges, how should we shape States, governance structures and public policies?

The last few decades have been characterized by a biased and reductionist discourse that sees the State as an obstacle to socioeconomic development. This discussion is often restricted to the size of a government's budget - especially focusing on spending -, disregarding multiple

aspects of State activity and their relation with societies. Therefore, we must foster this debate in order to advance. We cannot allow anti-political discourse to assert itself, hindering the open discussion of ideas and necessary clash of perspectives that helps democracy move forward.

Aiming to redefine the foundations of this debate, the Ministry of Management and Innovation in Public Services took the initiative to host the “States of the Future” event, partnering with the Brazilian Development Bank, the Ministry of Foreign Affairs and the Ministry of Industry, Trade and Services during the G20 Summit. This window of opportunity, in July 2024, facilitated the mobilization of multiple actors, thanks to the engagement of national and international civil society institutions. We are thankful for the partnerships and collaboration of the Open Society Foundations, Instituto República, Maranta Inteligência Política, the United Nations Development Programme (UNDP) and to the Organization of Ibero-American States (OEI), which altogether made the event possible.

Hundreds of people and organizations were invited to participate in the event and share their divergent and complementary points of view, all of them having one common denominator: the desire to build a better future. The debates focused on Brazil's three priorities during its presidency of the G20: fighting hunger, poverty and inequality, sustainable development and reforming global governance.

In this sense, this report reflects the attempt to summarize and organize the various contributions put forth

across 5 days of activities, not only providing a record of these discussions, but also of the collective ideas built by our participants. In other words, it is a joint effort focused on devising new paths based on the experiences of the past and present.

In order to mature these proposals, we must innovate, supporting diverse voices and coordinating the efforts of various institutions. Among the numerous reflections and conclusions lies a transversal lesson: States are essential to the creation and implementation of solutions to create a diverse, inclusive, participative, equitable and sustainable future. This effort encompasses the reinforcement of cooperation and dialogue, the reduction of inequalities, safeguarding rights, envisioning new governance approaches, making technology work for the people's benefit and implementing an ecological transition.

States will always be at the center of this agenda, shaping the future in its image.

Esther Dweck

State Minister of Management and Innovation in Public Services Públicos

Foreword



Rafa Neddermeyer/Agência Brasil

Between the years of 2023 and 2025, the G20, a group of twenty of the most prominent economic powers in the world, will be presided over by three nations from the Global South that have been leading international discussions concerning social justice, alternative models of sustainable development, and new global governance. India, Brazil and South Africa, members of the BRICS organization, have been facing current and future challenges, sparking debates over new solutions to common dilemmas and addressing challenges through the Global South's perspective. The growing protagonism of developing countries on global decisions offers an opportunity to rethink the circumstances that brought us here and how we can build a brand new future.

Accounting for two thirds of the world population, 85% of the global GDP and 75% of international trade, the G20 established itself as a strategic platform to build consensus and to plan global actions. In 2024, the Brazilian presidency, following the steps of India in 2023, highlighted the potential of this multilateral forum as a vital space for global decision-making on development, economic stability and sustainability.

The idea of sustainable development, which encompasses economic, social and environmental aspects, consolidates itself as one of the three guiding principles of the agenda presented by Brazil during its presidency of the group. The aforementioned priorities are accompanied by goals of reforming global governance and eradicating poverty and inequalities.

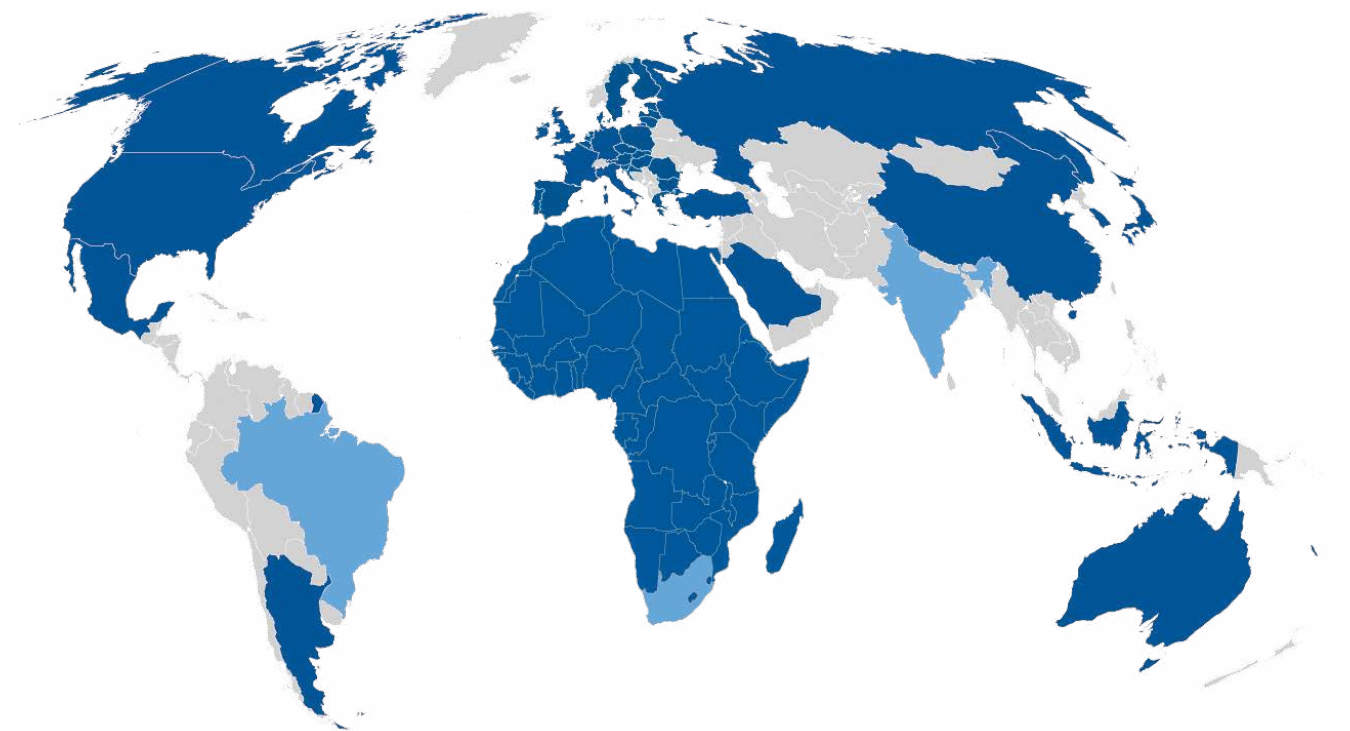
The G20 is structured into two tracks, the Sherpas Track and the Finance Track¹. Each track is formed by working groups composed by government representatives, organizations and guest specialists, meeting periodically.

The Sherpa Track is the platform for diplomatic negotiations and definition of the agenda of the G20 Summit. It will take place in November 18 and 19 in Rio de Janeiro². The Development Working Group achieved notoriety during the Brazilian presidency, aiming to establish an agenda centered on social inclusion and inequality reduction. The State is a central actor in this process, however it has not received proper recognition, nor the attention its functions and structures require.

If the State is a pivotal actor to the promotion of development and building a new future, it is imperative to inquire into what the main challenges of this future horizon are. In short, we must resort to reflections that are paradoxically simple and complex regarding **where we are, where we want to go and how we will get there**. Which decisions and actions are needed to ensure a fair, equitable and sustainable transformation? What is the role of the State apparatus in facing present and future challenges? What are the capacities that States must have to

¹ Accessed from: <https://www.g20.org/pt-br/trilhas>.

² The Summit will assemble world leaders, treasury ministers and central bank heads of 19 countries (South Africa, Germany, Saudi Arabia, Argentina, Australia, Brazil, Canada, China, South Korea, United States, France, India, Indonesia, Italy, Japan, Mexico, United Kingdom, Russia and Türkiye), as well as the European Union and the African Union.

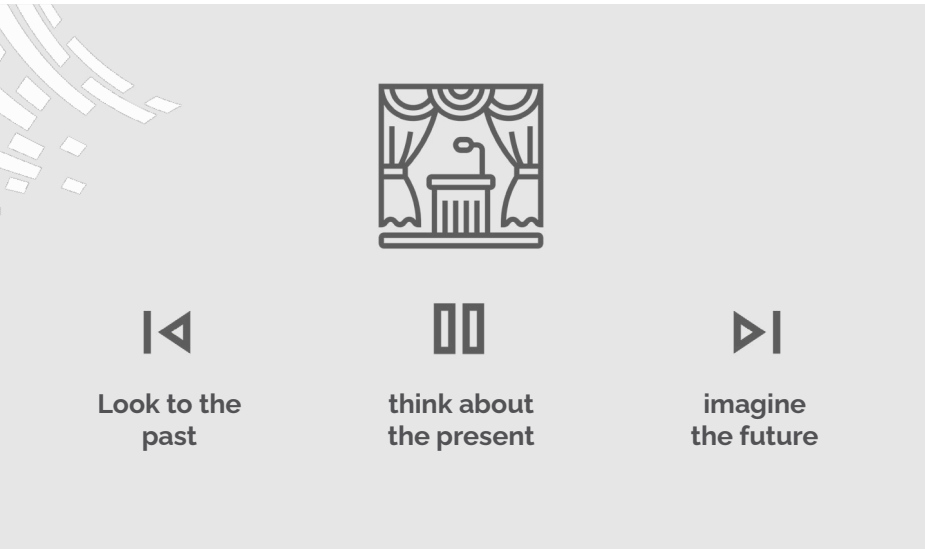


build the new required structures? How should we build and engage such capacities? What are our goals? How can we anticipate the results? How will they be characterized and quantified?

Giving voice to these reflections in a qualified and participative way, States of the Future emerged as an event parallel to G20 meetings, gathering a diverse coalition of global actors. Governments, think-tanks, civil society, academia, the private sector and international organizations were mobilized to establish a multidisciplinary and multisector dialogue about reimagining the State capacities before the rising challenges of the 21st century, especially those linked to socio-environmental development, industrial policies, human rights and social inclusion.

Organized by the Ministry of Management and Innovation in Public Services (MGI) and by the Brazilian Development Bank (BNDES), in a partnership with the Ministry of Foreign Affairs (MRE) and the Ministry of Development, Industry, Trade and Services (MDIC), the event offered a schedule open to the public, between July 22 and 24, and meetings with civil society organizations on July 25 and 26³.

This document summarizes the main contributions of global leaderships, such as former president Dilma Rousseff (Brazil) and Michelle Bachelet (Chile); scholars such as economists Mariana Mazzucato, Jeffrey Sachs and Ha-Joon Chang, in addition to philosopher Denise Ferreira da Silva; and national and international authorities, such as Esther Dweck and Anielle Franco, the Chief of the President's Special Advisory, former chancellor and former Defence Minister Celso Amorim (Brazil), former president of Costa Rica, Epsy Campbell, and Minister of Industry,



Innovation, Science and Technology of Barbados, Marsha Caddle, among others.

This report is the result of the effort to consolidate the points of view of more than a hundred civil society organizations that shared their experiences about pivotal subjects to the conception of the States of the future: diversity; work in the public sector; public innovation and social innovation; digital transformation; education; public healthcare; foreign policy; and the future of modern democracy.

The States of the Future event aimed to **reflect upon the past, look innovatively at the present and think of ways to build the future**, by creating a fruitful space in which different social actors share perspectives, strategies and innovative practices to face the social, economic, political, environmental and technological challenges that have arisen in the 21st century.

³Brazil (2024). Event States of the Future, online transmission. Accessed from: <https://www.g20.org/pt-br/calendario/eventos-paralelos/states-of-the-future>.





PROGRAMME

JULY 22ND TO 26TH, 2024

JULY 22ND, 2024 | MONDAY | MORNING
VENUE: BNDES THEATER – AV. REPÚBLICA DO CHILE,
100, CITY CENTER

9H30-10H30

OPENING

Moderator: Thaís Bilenky, journalist

Dilma Rousseff, former President of Brazil and President of the New Development Bank

Michelle Bachelet, former President of Chile, former United Nations High Commissioner for Human Rights and former Executive Director of UN Women

Esther Dweck, Minister, Ministry of Management and Innovation in Public Services – MGI

Anielle Franco, Minister, Ministry of Racial Equality - MIR

Aloizio Mercadante, President, The Brazilian Development Bank - BNDES

Marcos Athias Neto, Assistant Secretary General, United Nations; Assistant Administrator, United Nations Development Programme - UNDP

10H30-11H45

KEYNOTE SPEAKERS

Moderator: Thaís Bilenky, journalist

Denise Ferreira da Silva, Samuel Rudin Professor in the Humanities and co-Director of the Critical Racial and AntiColonial Study Co-Laboratory, New York University

Mariana Mazzucato, Co-Chair of the Group of Experts for the G20 Taskforce on a Global Mobilization against Climate Change, Professor at University College London , Founding Director, UCL Institute for Innovation and Public Purpose

11H50-12H

CLOSURE

Moderator: Thaís Bilenky, journalist

Rodrigo Rossi, Chief OEI Representative in Brazil

JULY 22ND, 2024 | MONDAY | AFTERNOON
VENUE: GALPÃO DA CIDADANIA (GAMBOA)
CLOSED EVENT | Access restricted to the G20 Development Working Group members

14H-14H30

OPENING REMARKS

Moderator: Patrícia Campos Mello, journalist

Esther Dweck, Minister, Ministry of Foreign Affairs

Mauro Vieira, Minister, Ministry of Foreign Affairs

14H-15H	LAUNCH - PNUD SIGNALS SPOTLIGHT 2024 Moderator: Patrícia Campos Mello , journalist Marcos Athias Neto , Assistant Secretary General, United Nations; Assistant Administrator, United Nations Development Programme - UNDP	15H-17H	PANEL - SOCIAL PROTECTION NETWORKS OF THE FUTURE: INNOVATION FOR REDUCING INEQUALITIES Moderator: Patrícia Campos Mello , journalist José Antonio Ocampo , Professor, Columbia University José Graziano da Silva , Director, Fome Zero Institute; former General Director, Food and Agriculture Organization of the United Nations (FAO) Jurema Werneck , Chief Executive Officer, Amnesty International Brazil Livia Sant'Ana Vaz , Bahia State Prosecution Office Natalia Winder-Rossi , Director of Social Policy and Social Protection - UNICEF	17H-19H	PANEL - BUILDING STATE CAPACITIES FOR ECONOMIC DEVELOPMENT Moderator: Patrícia Campos Mello , journalist Giovanni Dosi , Professor, Professor, Scuola Superiore Sant'Anna Ha-Joon Chang , Professor, SOAS University of London Helena Lastres , Associate researcher, Federal University of Rio de Janeiro	19H-20H	LAUNCH - PNUD SIGNALS SPOTLIGHT 2024 Moderator: Patrícia Campos Mello , journalist Marcos Athias Neto , Assistant Secretary General, United Nations; Assistant Administrator, United Nations Development Programme - UNDP
	Laura Carvalho , Global Director of Economic and Climate Prosperity, Open Society Foundations; Associate Professor, University of São Paulo Mariana Mazzucato , Founding Director, UCL Institute for Innovation and Public Purpose		JULY 23RD, 2024 TUESDAY MORNING VENUE: AUDITÓRIO DO BNDES – AV. REPÚBLICA DO CHILE, 100, CENTRO		9H30-10H30 OPENING Miriam Belchior , Deputy Chief of Staff of the Presidency of the Republic of Brazil Tereza Campello , Director of the Socio-environmental Division, The Brazilian Development Bank - BNDES		10H-10H40 KEYNOTE SPEAKER Moderator: Helena Tenório , Director, BNDES Ha-Joon Chang, Professor , SOAS University of London
20H-21H	PANEL - BUILDING STATE CAPACITIES FOR ECONOMIC DEVELOPMENT Moderator: Patrícia Campos Mello , journalist Giovanni Dosi , Professor, Professor, Scuola Superiore Sant'Anna Ha-Joon Chang , Professor, SOAS University of London Helena Lastres , Associate researcher, Federal University of Rio de Janeiro	21H-22H	PANEL - BUILDING STATE CAPACITIES FOR ECONOMIC DEVELOPMENT Moderator: Patrícia Campos Mello , journalist Giovanni Dosi , Professor, Professor, Scuola Superiore Sant'Anna Ha-Joon Chang , Professor, SOAS University of London Helena Lastres , Associate researcher, Federal University of Rio de Janeiro	22H-23H	PANEL - BUILDING STATE CAPACITIES FOR ECONOMIC DEVELOPMENT Moderator: Patrícia Campos Mello , journalist Giovanni Dosi , Professor, Professor, Scuola Superiore Sant'Anna Ha-Joon Chang , Professor, SOAS University of London Helena Lastres , Associate researcher, Federal University of Rio de Janeiro	23H-24H	PANEL - BUILDING STATE CAPACITIES FOR ECONOMIC DEVELOPMENT Moderator: Patrícia Campos Mello , journalist Giovanni Dosi , Professor, Professor, Scuola Superiore Sant'Anna Ha-Joon Chang , Professor, SOAS University of London Helena Lastres , Associate researcher, Federal University of Rio de Janeiro
	10H45-11H30 FINANCIAL AND TAXATION GLOBAL AGENDA Moderator: Nelson Barbosa , Director, BNDES Jose Antonio Ocampo , Professor, School of International and Public Affairs, Columbia University		10H45-11H30 FINANCIAL AND TAXATION GLOBAL AGENDA Moderator: Nelson Barbosa , Director, BNDES Jose Antonio Ocampo , Professor, School of International and Public Affairs, Columbia University		10H45-11H30 FINANCIAL AND TAXATION GLOBAL AGENDA Moderator: Nelson Barbosa , Director, BNDES Jose Antonio Ocampo , Professor, School of International and Public Affairs, Columbia University		10H45-11H30 FINANCIAL AND TAXATION GLOBAL AGENDA Moderator: Nelson Barbosa , Director, BNDES Jose Antonio Ocampo , Professor, School of International and Public Affairs, Columbia University

12H-12H30**PANEL - 21ST INDUSTRIAL POLICY CHALLENGES**

Moderator: Marco Aurélio Crocco, Universidade Federal de Minas Gerais - UFMG

Fiona Tregenna, Professor, University of Johannesburg

Giovani Dosi, Professor, Scuola Superiore Sant'Anna

JULY 23RD, 2024 | TUESDAY | AFTERNOON

VENUE: BNDES AUDITORIUM – AV. REPÚBLICA DO CHILE, 100, CITY CENTER

14H-14H30**PANEL - INEQUALITY IN THE NEOLIBERAL WORLD ECONOMY**

Moderator: André Roncaglia, Professor, Universidade Federal de São Paulo - Unifesp

James Galbraith, Professor, University of Texas at Austin (online)

14H30-15H**PANEL - 21ST SUSTAINABILITY CHALLENGES**

Moderator: Adriana Abdenour, Special Advisor in the Brazilian Presidency

Jeffrey Sachs, Professor, Columbia University (online)

15H-15H30**PANEL - ECONOMIC POLICY CHALLENGES OF THE POST PANDEMIC**

Moderator: Adriana Amado, UnB

Richard Kozul-Wright, Director of the Division on Globalization and Development Strategies, United Nations Conference on Trade and Development - UNCTAD

15H30-16H30**PANEL - INTERNATIONAL FINANCIAL ARCHITECTURE**

Moderator: Lavinia Barros de Castro, Strategic Affairs Committee, The Brazilian Development Bank - BNDES

Jan Kregel, New School of Social Research and Tallin Technological University

16H30-17H30**PANEL - ECONOMIC POLICY CHALLENGES IN DEVELOPING COUNTRIES**

Moderator: Gabriel Aïdar, Deputy Director, The Brazilian Development Bank - BNDES

Amir Lebdioui, Associate Professor, Oxford University

Martin Rapetti, Professor, University of Buenos Aires

17H30-18H30**PANEL – TOWARD A POST-NEOLIBERAL STABILIZATION PARADIGM**

Moderator: Carlos Pinkusfeld, UFRJ, Centro Celso Furtado

Nelson Barbosa, Director, BNDES

Isabella Weber, Professor, University of Massachusetts Amherst (Online)

JULY 24TH, 2024 | WEDNESDAY | MORNING
VENUE: BNDES AUDITORIUM – AV. REPÚBLICA DO CHILE, 100, CITY CENTER

9H30-10H

PANEL - SUSTAINABLE DEVELOPMENT AND THE ROLE OF THE STATE

- Moderator: Tereza Cruvinel**, journalist
- João Paulo Capobianco**, Vice-Minister, Brazilian Ministry of the Environment and Climate Change
- Letícia Leobet**, International Advisor, The Geledés Black Women Institute
- Per Fredrik Pharo**, Director for Climate and Environment, Norwegian Agency for Development Cooperation – Norad
- Rafael Dubeux**, Deputy Vice-Minister, Brazilian Ministry of Finance
- Svetlana Klimenko**, Global Lead for Sustainable Finance, World Bank
- Thelma Krug**, former co-Chair, Intergovernmental Panel on Climate Change – IPCC

JULY 24TH, 2024 | WEDNESDAY | AFTERNOON
VENUE: BNDES AUDITORIUM – AV. REPÚBLICA DO CHILE, 100, CITY CENTER

10H-12H

PANEL - STATE TRANSFORMATION IN THE 21ST CENTURY

- Moderator: Bernardo Mello Franco**, journalist
- Conrado Ramos**, Secretary-General, Latin American Center of Administration for Development - CLAD
- Esther Dweck**, Minister, Brazilian Ministry of Management and Innovation in Public Services
- Geraldine Fraser-Moleketi**, Chairperson, Thabo Mbeki Foundation
- José Luis Escrivá**, MMinister, Ministry for Digital Transformation and the Civil Service of Spain

14H-15H50

PANEL – NEW GLOBAL GOVERNANCE: VOICES FROM THE SOUTH

- Moderator: Bernardo Mello Franco**, journalist
- Michelle Bachelet**, former President of Chile; former United Nations High Commissioner for Human Rights; former Executive-Director, UN Women
- Carlos Correa**, Executive-Director, South Centre
- Celso Amorim**, Chief Advisor to the Brazilian President
- Epsy Campbell Barr**, President of the United Nations Permanent Forum on People of African Descent and former Vice-President of Costa Rica
- Tonika Sealy-Thompson**, Ambassador of Barbados to Brazil

Pedro Abramovay, vice-President of Programs, Open Society Foundations

Silvio Almeida, Brazilian Minister of Human Rights and Citizenship

15H50-16H10

CLOSURE OF PART 1 AND OPENING OF PART 2

Moderator: Bernardo Mello Franco, journalist

Cristina Mori, Deputy Minister, Ministry of Management and Innovation in Public Services - MGI

Francisco Gaetani, Extraordinary Secretary for State Transformation, Ministry of Management and Innovation in Public Services - MGI

JULY 25TH, 2024 | THURSDAY | MORNING
VENUE: BNDES – AV. REPÚBLICA DO CHILE, 100, CITY CENTER

16H10-18H

ROUNDTABLE – DIGITAL TRANSFORMATION: INNOVATIONS AND CHALLENGES

Coordinator: Rodrigo Assumpção, President, Dataprev

Astha Kapoor, Co-founder, Aapti Institute

Fernando Filgueiras, Associate Professor, Universidade Federal de Goiás - UFG

Helen Margetts, Professor, University of Oxford; Director for Public Policy, Alan Turing institute for Data Science and Artificial Intelligence

María Luz Rodríguez, Professor, University of Castilla-La Mancha - UCLM

Nina da Hora, Founder, Instituto da Hora

Rogério Mascarenhas, Secretary for Digital Government, Brazilian Ministry of Management and Innovation in Public Services

Moderator: Danilo Bertazzi, Chief Advisor for Federative Cooperation in Management and Digital Government, Ministry of Management and Innovation in Public Services

9H-12H

ROUNDTABLE – DIVERSITY AND INCLUSION FOR GENUINE DEVELOPMENT

Coordinator: Daniela Gorayeb, Chief Advisor for Social Participation and Diversity, Ministry of Management and Innovation in Public Services

Alejandra Faúndez, Regional Director for Latin America, Inclusión y Equidad Consultancy

Bianca Santana, Executive Director, Casa Sueli Carneiro

Carolina Almeida, Associate, The Geledés Black Women Institute

Cristiane Pankararu, co-founder of the National Articulation of Ancestrality Warriors Indigenous Women - ANMIGA

James Green, Professor, Brown University

Rene Silva, Founder, Voz das Comunidades

Moderator: Jairo Marques, journalist, Folha de São Paulo

JULY 25TH, 2024 | THURSDAY | AFTERNOON
VENUE: BNDES – AV. REPÚBLICA DO CHILE, 100, CITY CENTER

14H-17H

ROUNDTABLE - THE FUTURE OF WORK IN PUBLIC SERVICE

- Coordenador:** **José Celso Cardoso Jr.**, Secretary for People Management, Ministry of Management and Innovation in Public Services
- Carlindo Rodrigues de Oliveira**, Consultant, Camargos Rodrigues - Consulting in Economics and Labor Relations, Inter-Union
- Felipe Melo**, Secretary, Secretariat of Civil Service, Chile
- Guido Bertucci**, Executive Director, Governance Solutions International
- Luciana Cingolani**, Assistant Professor, Hertie School
- Moderator:** **José Lopez Feijóo**, Secretary for Labor Relations, Ministry of Management and Innovation in Public Services

ROUNDTABLE – SOCIAL AND PUBLIC SECTOR INNOVATION

- Coordinator:** **Elisa Leonel**, Secretary for State-owned Enterprises, Ministry of Management and Innovation in Public Services
- Giselle Sakamoto Souza Vianna**, Deputy Director of New Economies, Brazilian Ministry of Development, Industry, Commerce and Services

- Jeroo Billimoria**, Co-Founder, Catalyst 2030
- Juha Leppänen**, Demos Helsinki, co-founder, the Institutional Architecture Lab
- Lorrayne Porciúncula**, Co-Founder and Executive Director, The Datasphere Initiative
- Roberto Pojo**, Secretary for Management and Innovation, Ministry of Management and Innovation in Public Services
- Silvana Bahia**, Executive co-Director, Olabi
- Zarah Bruhn**, Commissioner for Social Innovation, German Federal Ministry of Education and Research
- Moderator:** **Cilair Rodrigues de Abreu**, Secretary for Shared Services, Brazilian Ministry of Management and Innovation in Public Services

JULY 26TH, 2024 | FRIDAY | MORNING
VENUE: BNDES – AV. REPÚBLICA DO CHILE, 100, CITY CENTER

9H-12H

ROUNDTABLE - TRANSFORMING EDUCATION FOR TRANSFORMATIVE EDUCATION

- Coordinator:** **Betânia Lemos**, President, National School of Public Administration - Enap
- Cristovam Buarque**, Board member, The South Centre
- Evânio Antônio de Araújo Júnior**, Secretary for Information Management, Innovation and Evaluation of Educational Policies, Brazilian Ministry of Education
- Nuno Crato**, Professor, Universidade de Lisboa; former Minister of Education and Science of Portugal

Priscila Cruz, Executive President, Todos Pela Educação

Ricardo Henriques, Executive-superintendent, Unibanco Institute

Sônia Guimarães, Professor, Aeronautics Institute of Technology – ITA

Moderator: Gecilda Esteves Silva, Deputy Director, Brazilian National Archive

ROUNDTABLE - LOOKING AHEAD TO THE FUTURE OF PUBLIC HEALTH

Coordinator: Rafael Almeida, Project Manager, Brazilian Ministry of Management and Innovation in Public Services

Emanuele Sapienza, Global Lead - Open and Inclusive Public Sphere, United Nations Development Programme - UNDP

Adriano Massuda, Secretary of Specialized Care, Brazilian Ministry of Health

Jonas Brant, Professor, UnB

Marcia de Castro, Professor of Demography, School of Public Health*, Harvard University

Socorro Gross, Representative in Brazil, Pan American Health Organization - OPAS/Brazil

Moderator: Lena Peres, Board member, Brazilian Company of Hospital Services - EBSERH

14H-17H

JULY 26TH, 2024 | FRIDAY | AFTERNOON
VENUE: BNDES – AV. REPÚBLICA DO CHILE, 100, CITY CENTER

ROUNDTABLE - FUTURE OF THE STATE AND THE DEMOCRACY

Coordinator: Adauto Modesto, Brazilian Ministry of Management and Innovation in Public Services

Clara Mattei, Professor, the New School for Social Research

Clarems Endara, Permanent Secretary, Secretaría Permanente del Sistema Económico Latinoamericano y del Caribe – SELA

Denilson Coêlho, Professor, UnB

Mônica Sodré, Senior Fellow, Brazilian Center for International Relations – CEBRI

Nick Zimmerman, Founding Partner, Dinâmica Americas

Norberto Montani Martins, Special Advisor, Brazilian Ministry of Management and Innovation in Public Services

Eloy Terena, Executive Secretary, Minister of Indigenous Peoples

Moderator: Patricia Sousa, Chief of Staff, Brazilian Ministry of Management and Innovation in Public Services - MGI

ROUNDTABLE - FOREIGN POLICY AS PUBLIC POLICY

Coordinator: Gustavo da Cunha Westmann, Head of the Special Advisory for International Affairs, Brazilian Presidency

Graciela Rodriguez, Coordinator, Eqüit Institute

Vanessa Dolce de Faria, Special Advisor, Brazilian Ministry of Foreign Affairs

Wânia Santanna, Coalizão de Negros e Negras por Direitos

José Henrique Bortoluci, founder, Maranta Inteligência Política

Moderator: Fabrício Prado, Brazilian Ministry of Foreign Affairs



Introduction

Gil Tuchtenhagen

The future is a hope we build in the present. However, the 21st century has been defying our own capacity to plan for the future. The years of 2023 and 2024 registered the highest temperatures of the last 170 years⁴ and the World Meteorological Organization has warned us that high temperatures (between 40 and 50 degrees Celsius) will become increasingly commonplace⁵.

Concerning global temperatures, the world has already reached points of no return. According to the Intergovernmental Panel on Climate Change of the United Nations (IPCC)⁶, the average global temperature has peaked 1,3 degrees Celsius above the pre-industrial era average (1850–1900).

Furthermore, 1.2 billion out of 6.1 billion people (slightly over 19%) are currently living in extreme multidimensional poverty in 111 countries, according to United Nations Development Programme (UNDP)⁷. The Food and Agriculture Organization of the United Nations (FAO) estimated that 735 million people suffer from hunger worldwide (1 in 10), putting the sustainable development goal of eradicating hunger by the year 2030 at risk, since this

⁴Copernicus (2024), Summer 2024. Accessed from: <https://climate.copernicus.eu/copernicus-summer-2024-hottest-record-globally-and-europe>.

⁵ Accessed from: <https://worldweather.wmo.int/pt/home.html>.

⁶ IPCC (2023). Climate Change 2023. Accessed from: https://www.gov.br/mcti/pt-br/acompanhe-o-mcti/sirene/publicacoes/relatorios-do-ipcc/arquivos/pdf/copy_of_IPCC_Longer_Report_2023_Portugues.pdf.

trend indicates that approximately 530 million people will still be malnourished until the end of the decade⁷.

In 2024, the world witnessed over 30 wars and armed conflicts that have wrought destruction, human rights violations, forced displacements and a deep severance of the international stage. There are million of displaced people, millions of victims and numerous cases of abuse and violations perpetrated in different war zones⁸. **We are witnessing multiple intersecting crises that feed back into themselves. The word 'polycrisis' has been popularized thanks to this reality, its complexity and unpredictability becoming commonplace.**

In this context, the States of the Future event sought to reinforce the importance of the commitment of States to the Sustainable Development Goals (SDG). Established by the UN in 2015, these parameters served as a universal call for the eradication of poverty, to protect our planet and ensure that all people live in peace and prosperity by the year of 2030.

The integrated nature of the SDGs and the multiple crises that shook contemporary society show how the challenges to full development are interconnected, and how the success in reaching certain goals impacts the accomplishment of other goals; therefore contributing to safeguarding basic rights.

The role of the government changes depending on a given historical context. During the 20th century, the modern State established itself taking as its premise the responsibility to protect the welfare of society, offering public services and safeguarding civil, social, economic

and political rights. This is a dynamic process that is constantly evolving, since demands, priorities and preferences change with time and following international political and territorial circumstances. Currently, all of this is at stake.

The rise of the 21st century added new layers of complexity and uncertainty to those challenges. Regarding the social and political issues that span historical periods, new demands arise, especially concerning the processes of climate change and digital transformation. In this new context, States are seen as platforms connected to multiple private, public, international and third sector actors. Thus, governments were pressured to provide high-quality public services and to organize themselves so their structure could represent society.

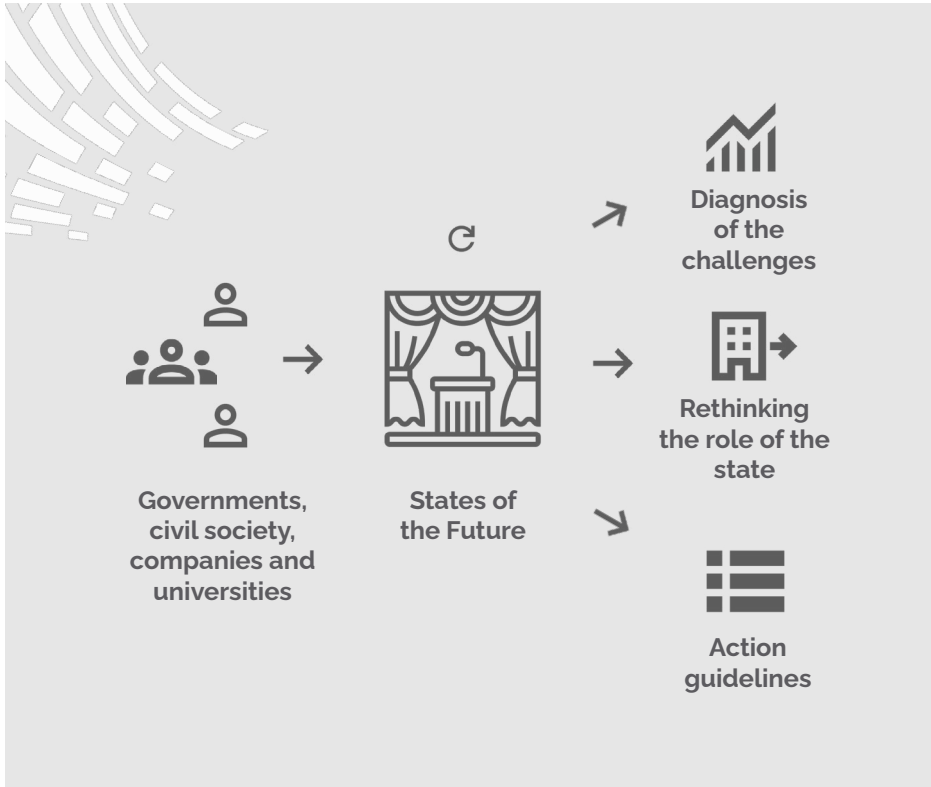
The State is not — and cannot become — an isolated entity, detached from the life of its citizens. Understanding this aspect is crucial to acknowledging the limits, possibilities and responsibilities implied in the process of shaping its structure and promoting crucial changes. Thus, the process of transforming States requires a collective effort, shared foundations and the effort to build common ground. This process also requires a new perspective on the future, new ways of tackling conflicts and a reassessment of the aspirations and expectations that societies have regarding the development of their countries.

The States of the Future require inclusive, dynamic, sustainable, efficient, responsive and fair models. This report shares essential debates about much needed changes in

⁷ UNDP (2023). Multidimensional Poverty Index. Accessed from: <https://hdr.undp.org/content/2022-global-multidimensional-poverty-index-mpi#/indicies/MPI>.

⁸ FAO (2023). Accessed from: <https://news.un.org/en/story/2023/07/1138612>.

⁹ Anistia Internacional (2024). O estado dos direitos humanos no mundo. Accessed from: <https://anistia.org.br/wp-content/uploads/2024/04/relatorio-global-da-anistia-internacional-destaca-uso-excessivo-e-desnecessario-da-forca-no-brasil.pdf>.



this direction. In section 1, we present the 10 main challenges raised during the States of the Future event. Section 2 highlights the role of the State facing these challenges. Finally, section 3 outlines fundamental guidelines that should guide governmental actions to build a possible future.



Present and future challenges

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Scholars have warned that we are living through multiple crises that boost social, economic, political, cultural and technological transformations in **the present** and for **the future**. In this section, we outline the main challenges shared during the States of the Future event.

Climate crisis

The climate crisis compromises not only the future, it also severely impacts millions of people in the present. Even taking the emission mitigation policies into account, according to the United Nations, the world is on the brink of seeing a global temperature rise of over 3 degrees Celsius — doubling the limit established by the Paris Agreement¹⁰. In 2019, the IPCC announced that world temperature rates were 1.1 degrees Celsius above pre-industrial figures¹¹. In 2024, their data indicated an increase of 1.3 degrees Celsius, with a possible further increase to 1.5 degrees Celsius in a few years. As conveyed by Ha-Joon Chang¹², “the climate crisis is what makes our times stand out, we are racing against time”.

¹⁰ ONU (2020). Emissions Gap Report. Accessed from: <https://wedocs.unep.org/bitstream/handle/20.500.11822/34438/EGR20ESE.pdf?sequence=25>.

¹¹ IPCC (2022). Climate Change 2022: Mitigation of Climate Change. Accessed from: <https://www.ipcc.ch/report/ar6/wg3/>.

¹² Ha-Joon Chang was a member of the “Building State Capacities for Economic Development” panel in the States of the Future event.

¹³Thelma Krug was a member of the “Sustainable Development and the Role of the State” panel of the States of the Future event.

¹⁴IPCC (2023). Mudança do Clima 2023. Accessed from: https://www.gov.br/mcti/pt-br/acompanhe-o-mcti/sirene/publicacoes/relatorios-do-ipcc/arquivos/pdf/copy_of_IPCC_Longer_Report_2023_Portugues.pdf.

¹⁵IPCC (2022). Six Assessment Report: Impacts, Adaptation and Vulnerability. Accessed from: <https://www.ipcc.ch/report/ar6/wg2/>.

¹⁶Oxfam (2023). Igualdade Climática: um Planeta para os 99%. Accessed from: <https://www.oxfam.org.br/justica-climatica-e-amazonia/igualdade-climatica-um-planeta-para-os-99/>.

In the same sense, Thelma Krug¹³ stresses that temperatures are not rising equally and uniformly across the planet. The climate crisis is a global challenge, but it tends to burden the poor and expose the most vulnerable to the biggest risks and damages. It is estimated that extreme weather events may reduce global income by approximately 19% until 2050¹⁴.

Women, children, traditional communities, the elderly and Black people are recognized by the United Nations as the most vulnerable to the impacts of climate change, since they already face obstacles to access fundamental rights, such as access to water, income and sanitation, thus being less resilient to potential damages¹⁵. On the other hand, an Oxfam report (2023)¹⁶ showed that the wealthiest 10% of the world's population were the biggest contributors to the aggravation of the climate crisis, being responsible for 49% of greenhouse gas emissions, while the poorest 10% are responsible for only 1%.

Moreover, the climate change crisis is happening in parallel with a long-lasting global economic crisis. The goals established by the SDGs are not being accomplished. The global assessments derived from the Paris Agreement signed in 2015, which established new parameters to mitigate climate change, exposed insufficiencies in State funding and actions to achieve their environmental goals. The member countries of the G20 presented over 1,600 national climate policies in effect as of 2019, but they are still insufficient to halt the ongoing crisis¹⁷.

The G20 economies are responsible for approximately 85% of the world's GDP and for 80% of greenhouse gas

emissions worldwide¹⁸. Thus, the group's actions are essential to reduce global fossil fuel gas emissions and to support the energetic transition and adaptation measures of developing countries.

“The climate emergency is the emergency of today — it is existential. Even for those who have resources to protect everyone — the climate does not know who you are. The climate affects people. It is a global emergency that the current global governance was not created to solve.”
(Tonika Sealy-Thompson, Ambassador of Barbados, in the “New Global Governance: the Voice of the South” panel of the States of the Future event)

Growing socioeconomic inequalities and poverty

The trend of stagnating social indicators, even after a decade of improvements (2010–2020) is a clear reflection of the enduring poverty and social exclusion. Over 11% of the world's population lives below the poverty line, and approximately 1 billion children and adolescents suffer from multidimensional poverty, which encompasses a lack of access to education, healthcare services and goods, nutrition and income¹⁹. In this context, it is important to recognize that the poverty rate among children is at 27.7%, while among adults it is at 13.4%²⁰. Between 2010 and 2020, the fortune of the world's five richest billionaires doubled, while 60% of the population became poorer²¹. Furthermore, over 40% of poor people in the world do not have access to drinking water and sanitation.

¹⁷Nascimento, L., Kuramochi, T., Iacobuta, G., den Elzen, M., Fekete, H., Weishaupt, M., ... & Höhne, N. (2022). Twenty years of climate policy: G20 coverage and gaps. Climate policy, 22(2), 158-174.

¹⁸ Accessed from: [Climate change to dominate G20 summit amid policy differences - La Prensa Latina Media](#).

¹⁹ UNDP (2023). Multidimensional Poverty Index. Accessed from: <https://hdr.undp.org/content/2022-global-multidimensional-poverty-index-mpi#/indicies/MPI>.

²⁰ Ibidem.

²¹ Oxfam (2024). Desigualdade S.A. Accessed from: <https://www.oxfam.org.br/forum-economico-de-davos/desigualdade-s-a/>.

Enduring poverty threatens human rights, since it is connected to enduring social exclusion.

Globally, women, children, the elderly, traditional communities, indigenous peoples and racialized groups are overrepresented among people who suffer from multidimensional poverty situations. One in ten women are living below the poverty line and seven are illiterate²². Notwithstanding, the UN has been advocated for years that poverty is feminine, and that actions aiming to eradicate it must be transversal and take gender and racial equality into account. The indigenous peoples, who represent 6% of the world population, or approximately 460 million people, account for 19% of the population below the poverty line in the world and are expected to live 20 years less than non-indigenous people²³.

Moreover, the current scenario is exacerbated by the dismantling of supply chains by the Covid-19 pandemic, wars and extreme weather events, leading to an increasing trend of inflation of essential products such as food. Low income families are disproportionately affected and developing countries have to spend more on the acquisition of such products²⁴.

Income poverty essentially means that a large part of income is spent on basic consumption. When the price of food increases, the vulnerable suffer the most. As previously mentioned, in 2023 it was estimated that 733 million people suffered from hunger worldwide, and if no measures are taken, the scenario will remain critical, since experts have estimated that over half a billion people will be suffering from food insecurity by 2030.

²² ONU Mulheres (2022). Disponível em: <https://www.onumulheres.org.br/noticias/a-cada-10-mulheres-no-mundo-1-vive-na-extrema-pobreza/>.

²³ ONU (2024). Data and Indicators on Indigenous People. Disponível em: <https://www.un.org/development/desa/indigenouspeoples/mandated-areas1/data-and-indicators.html>.

²⁴ FAO (2023). Disponível em: <https://news.un.org/en/story/2023/07/1138612>.

"Sustainable development is a concept composed of three pillars: economic growth, social inclusion and environmental protection. I want to add the provision of a decent life to all people to this list. Economic growth accompanied by the projection of a possible future, taking environmental protection into account, means we are focused on protecting all lives. We must tackle social inequalities as the focus, not the background. (...) The kinds of violence that limit lives and basic rights are not cold facts registered on reports, and the impact of climate change are not transitory or future problems." (Anielle Franco, Brazilian Minister of Racial Equality, in the opening of the States of the Future event)

The failure of States to accomplish international obligations concerning human rights and climate crisis mitigation exposes the urgent need for a renewed and effective approach. An inept State risks becoming a disposable State.

The dismantling of social security systems

Social security systems are fundamental to eradicate inequality and poverty. The social mechanisms that emerged during the 20th century, such as pensions, unemployment insurance and universal healthcare aim to protect people from everyday life uncertainties. The current challenges, such as expanding globalization, demographic transformations and economic, technological and climate changes, recurring underfunding and the recent Covid-19 pandemic have exposed several limitations of traditional social security systems.

Various events during the past decade exacerbated existing inequalities and highlighted the need to reassess

and reinforce the role of the State in the construction of more resilient and inclusive social security safety nets. A false dichotomy between universal and focused policies still persists in many countries, resulting in conceptual errors that drain the political capital of reformist segments in several regions around the world.

In the last decades, social security systems have been widely recognized for their positive impact on eradicating poverty, ensuring access to adequate food consumption and the improvement of educational indicators. Furthermore, they ensure families are able to live with more dignity and help reduce interpersonal violence.

There is evidence of the multiplying effect of social security programs helping families heal from crises and adversities. A remaining challenge is the universalization of those systems. According to the World Health Organization (WHO)²⁵, it is estimated that one in ten people do not have the financial means to hire healthcare services, and half of the world's population does not have access to proper healthcare.

Conditional income transfer programs, implemented globally during the first decades of the 21st century, have been frequently interrupted, especially in Global North countries. This shift raises a warning concerning the continuity of this type of initiative, which is crucial to secure basic goods and services that are fundamental to millions of people worldwide.

In the past thirty years, social public spending in Latin America was stable, promoting improvements in areas

such as education and healthcare. However, the indicators of poverty, income redistribution and gender and race inequalities eradication still have to improve significantly. Moreover, a nefarious reality is being established: the countries with higher figures of vulnerable people are the ones lacking funding to safeguard basic rights. This is an enduring obstacle to the expansion and consolidation of social security systems.

Geopolitical conflicts and tensions: the impact of present and future wars

In 2023, according to the UN, over 100 million people were forcefully dislocated from their territories due to wars. The perpetuation of over 30 armed conflicts around the world has challenged human rights in several countries, and certain populations, such as women and children, are disproportionately affected.

The platform to reach consensus and to solve issues diplomatically in foreign policy has proven inefficient to solve and halt the invasions, expropriations and numerous violences being perpetrated in different territories. Over a third of the victims in Gaza are children, and around 7 million people were coercively dislocated due to the Russian-Ukrainian conflict, which has been ongoing for the past two years without further resolution²⁶.

In 2023, over 40 thousand Palestinians, mostly civilians, were killed in bombings in Gaza and thousands of people are still missing, presumably still buried under the debris. Since the beginning of the war, the majority of the civil infrastructure of the region has been destroyed, and it is

²⁵ WHO (2023). Universal health coverage. Disponível em: [https://www.who.int/news-room/fact-sheets/detail/universal-health-coverage-\(uhc\)](https://www.who.int/news-room/fact-sheets/detail/universal-health-coverage-(uhc)).

²³ ONU (2024). Data and Indicators on Indigenous People. Disponível em: <https://www.un.org/development/desa/indigenouspeoples/mandated-areas1/data-and-indicators.html>.

²⁶ WPNUD (2023). Índice Global de Pobreza Multidimensional. Disponível em: <https://hdr.undp.org/content/2022-global-multidimensional-poverty-index-mpi#/indicies/MPI>.

estimated that at least 2 million Palestinians were internally displaced and have lost access to food, water, shelter, sanitation and adequate medical aid²⁷.

In Sudan, it is estimated that over 25 million people, accounting for approximately half of the local population, need humanitarian aid to survive the continuous and violent armed conflicts happening in the territory. Thousands of people seek asylum in neighboring countries daily, and thousands of ethnically-based killings have been reported to the UN²⁸.

Furthermore, the United Nations Security Council's legitimacy and ability to respond, to halt said conflicts and to impose sanctions against the parties involved have been questioned, as well as its composition, dating back to a post-World War II context.

Humanitarian conflicts and wars pose a continuous tragedy, siphoning the attention and resources that foster pacific and sustainable efforts, in addition to contributing to the aggravation of the climate crisis. Governmental decisions opting to perpetuate wars, threatening world peace, stokes a crisis, further compromising the progress towards a global sustainable development.

Legitimacy crisis of democratic institutions and the rise of authoritarian governments

One of the greatest challenges of the 21st century is the growing discredit of democratic institutions, in addition to the rise of authoritarian governments and right-wing

political trends, which endanger the integrity of the State and the fundamental principles of human rights. In the last few years, many countries witnessed the rise of extremist leaders to positions of power, beyond the wide dissemination of ideologies that question the pillars of equality, social justice and sustainable development.

Electoral disputes have become increasingly polarized and characterized by tensions, which has considerably affected the platforms of global decision-making. These forums, now progressively devoid of their legitimacy, are constantly discredited by leaders who defy the global structure of protection of human rights. Right-wing political parties, spreading nationalist, conservative and excluding points of views, have grown in Europe and in Latin America.

"The far-right resonates with people's feelings, especially with fear and insecurity. Progressive groups, whenever they manage to rise, speak to the hope of being able to change your life. On the side of fear, the agenda is centered especially around punishment. In order to convey hope, the biggest challenge is inequality. We can only touch their emotions by fighting inequality, by showing that they can trust the State will change their lives." (Esther Dweck, Minister of Management and Innovation in Public Services, in the opening of the States of the Future event)

²⁷ Anistia Internacional (2024). O Estado dos Direitos Humanos no Mundo. Disponível em: <https://anistia.org.br/wp-content/uploads/2024/04/relatorio-global-da-anistia-internacional-destaca-uso-excessivo-e-desnecessario-da-forca-no-brasil.pdf>.

²⁸ Multidimensional Poverty Index: <https://www.bbc.com/portuguese/articles/c9wxjpd2po>.

The dysfunctional state of the international financial system

Current challenges, especially the aggravation of social inequality, put into question not only the main models and principles of our economic system, but also the structure of economies, nationally and in a global perspective. These imbalances bring to light the shortcomings of economic systems, and require the reassessment of public policies and organizational models that aim to promote a fair and more equitable distribution of resources and opportunities.

The modern international financial architecture is rooted in the Bretton Woods Agreements, signed in 1944 with the purpose of establishing global parameters to financial stability after World War II. This system was designed to ensure exchange rate stability, to prevent competitive devaluation and to promote economic growth. Two fundamental institutions were created: the International Monetary Fund (IMF), responsible for monitoring the global monetary system, and the World Bank (WB), geared towards reconstruction and economic development.

The G20 was created in 1999 aiming to predict economic crises, after recognizing the failure of the aforementioned model to a certain degree. However, it was only in 2008 that leaders came together decisively, after the collapse of the North-American housing market, to redefine the paths of contemporary capitalism and rethink international financial models, reinforcing the need for greater global coordination and reforms of the financial system.

In the 21st century, trust on the global financial system has dwindled, after successive crises and its proven

inability to provide the required amount resources and to provide the basic conditions to fund infrastructure, industrialization and technological development projects associated with the transition to a low-carbon economy.

In many regards, we are not under the Bretton Woods system anymore (there are no fixed exchange rates or relevant capital control, making capital flows much more volatile), but we also do not have an alternative model in its place. Even though the role of the dollar has been frequently scrutinized in the international financial system, it still is the main baseline currency to international reserves and financial transactions worldwide.

In the last few decades, specialists have demonstrated how old patterns of the financial system, the dependency on the Dollar as an international currency and the establishment of development banks and funding agencies centered in the Global North, in addition to the promotion of fiscal austerity, have promoted global inequalities, regionally and nationally.

The current system has yet to prove its ability to adapt to contemporary demands, especially to the growing trend of financial protagonism of the Global South. Moreover, the current system has not been able to respond to modern global challenges, nor has it adapted to new geopolitical realities, such as the economic growth of Southern and Southeastern Asian countries or the consolidation of Global South countries, such as the BRICS organization.

According to the UN, the global public debt is growing, reaching the hallmark of US\$97 trillion in 2023. Over 100 countries have surpassed the mark of 50% of public

debt relative to their GDP. Many of those are Global South nations, and they suffer from high interest rates that keep growing, and also face obstacles to obtaining joint funding through international agencies such as the IMF and the World Bank.

"Funding challenges are at the core of the struggle to fight current crises and reach a sustainable model of development. The global conditions of funding are narrow and prohibitive due to the currency risks and the interest rates practiced by central economies — putting financial stability at risk. The fiscal space is crucial to mobilize the necessary resources to reduce inequalities and climate change, aiming to fulfill the SDGs. The public debt of developing countries has increased very quickly. The payment of interest has grown faster than public spending on healthcare and education. It is crucial to tackle the burden of debt in low and middle income countries." (Dilma Rousseff, former president of Brazil and current president of the New Development Bank, in the opening of the States of the Future event)

In the 1980s and 1990s, many countries suffered a reduction of economic activity and funding crises. The responses to such issues reorganized economic policies, targeting the stabilization of inflation and public debt. This narrow point of view had evident limitations and was ultimately exposed by the 2008 financial crisis and by the Covid-19 pandemic. These events made it imperative to strengthen social security, causing multiple social and economic changes, and thus defying the neoliberal model of economy and international funding.

"The system does not have adequate or timely mechanisms of renegotiation or debt relief, and it does not hold different creditors and debtors to the same standards." (José Antonio Ocampo, economist and former Minister of Finance of Colombia, in the "Social Security Networks of the Future: Innovation to reduce inequalities" panel of the States of the Future event)

Premature deindustrialization and the disparity of industrial policies

In the 21st century, we are witnessing a resurgence of industrial policies being seen as an answer to current economic and social issues. During the last decade, governments have been working to adapt them in order to tackle key challenges: the premature deindustrialization of underdeveloped countries, the unemployment rates generated by the technological revolution, the vulnerability of supply chains exposed by the Covid-19 pandemic, the demand to transition to a green model of industrialization and the geopolitical tensions that affect global value chains, especially in the Global South.

Digitalization and automation are radically transforming the industry. On the one hand, these developments present substantial opportunities to foster productivity and efficiency; however, they also pose significant threats, such as the risk of incurring technological unemployment, needing to perform professional reconversions and the concentration of economic power in the hands of big technological corporations. On the other hand, industrial policies face the challenge of adapting to

promote innovation while mitigating negative impacts on employment rates and wealth distribution.

In the course of the 21st century, the escalation of the Fourth Industrial Revolution is underway, caused by the aforementioned factors. Although a larger number of States that possess a manufacturing industrial base has been established, production remains concentrated in a few countries. While there is a noticeable process of premature deindustrialization of developing countries, such as Brazil, India and South Africa, there is also pressure to decarbonize the economy, in spite of the fact that these countries have historically contributed less to global warming.

More recently, Global North nations have striven to devise a new set of industrial policies, whether for geopolitical reasons or because of factors related to strategic planning and sovereignty, revealed by the Covid-19 pandemic. The scale of resources mobilized by these countries and the distinctive position they hold in terms of capabilities and infrastructure tend to reinforce existing inequalities, since developing countries frequently face the hurdles of an inadequate infrastructure, the lack of competitive niches, poor competitiveness, international protectionism and reduced State capabilities. While global supply chains offer opportunities for developing countries to enter the manufacturing sector, facilitating their integration to the global economy, these countries also endure important risks, such as getting trapped in productive segments of low added value and integrating into global chains at the cost of losing local manufacturing capacity, weakening their domestic economies.

The green protectionism practiced by developed countries also poses a significant challenge. This practice not only affects the global climate action agenda, but it also limits the ability of developing countries to build green industrial policies that tackle ecological issues beyond carbon, such as pollution and the decline of biodiversity. Developing countries face great obstacles in order to create industrial policies that promote a sustainable economy, given that they are forced to deal with macro-economic policies that hinder the investment on green policies and sustainable development

Digital transformations and the risks of artificial intelligence

The rapid growth of artificial intelligence and other disruptive technologies is reshaping the landscape of all industry sectors, including the provision of public services. According to the International Monetary Fund, 40% of jobs across the world will be affected by the development of artificial intelligence²⁹. While technological advancements have been taken as ways to bolster social inclusion, productivity and also counteracting the climate emergency, there are growing concerns about the risks posed by the use of artificial intelligence and adjacent technologies regarding possible violations of the right to integrity, security and privacy.

Some aspects related to the ethical limits of the use of these innovative digital solutions are still fairly unclear. The lack of regulation of big tech companies, for example, is a pending challenge. There are risks associated to

²⁹ Accessed from: <https://www.cnnbrasil.com.br/internacional/inteligencia-artificial-deve-afetar-40-dos-empregos-no-mundo-diz-fmi/>.

the use of such technologies for the implementation of a technocracy that threatens the safeguarding of rights and the practice of democracy itself.

The current reform being carried out by digital transformation is silent, covert, and could bring about several political changes, since it will affect the governance structure of the State and the public sector. Thus emerges the need to create a coordinated structure of public digital infrastructure and to conduct a continuous debate about the centralization or decentralization of these efforts.

This technology also poses a threat to the security and privacy of data pertaining to the use of aggregated information for the discrimination and racial profiling of subjects in public security policies, as well as healthcare and education. Furthermore, there is a challenge concerning the lack of digital literacy, the extent of misinformation and the population's ignorance about the potential and risks associated with artificial intelligence and other technologies. Moreover, depending on the outcome of digital transformation, it could result in the exclusion of a significant part of the population, reinforcing inequalities in the access to public policies and services.

It is worth mentioning that the bundle of technologies tied to digital transformation encompasses not only artificial intelligence, but also the internet of things, robotics, augmented reality, machine learning, speech recognition, face recognition, the blockchain, the multiverse, cybersecurity, cloud computing, quantum computing, data analytics etc. There is no unifying interpretation or consensus, in society or between governments, regarding

²⁹ Disponível em: <https://www.cnnbrasil.com.br/internacional/inteligencia-artificial-deve-afetar-40-dos-empregos-no-mundo-diz-fmi/>.

the limits, potential and risks presented by these technologies, whether taken individually or analyzing their combined effects.

The crisis of representation and social participation

The participation of civil society in the decision-making process of governance also materializes as a challenge, and specialists point to a rising crisis of the legitimacy of States. Political polarization and threats to democracy are questions that affect our reality internally and in the global context. This issue also affects the difficult discussion about the scope and nature of State reform proposals, hampering the implementation of necessary changes in consonance with the public interest. According to the Political Participation Index, between 2006 and 2023 there was a downtrend in the population's ability to participate in political arenas³⁰.

"We must rebuild trust in States. It seems to have no place in the world in the 21st century, but it still is the great social and political actor, regardless." (Michelle Bachelet, former President of Chile, in the opening of the States of the Future event)

The crisis of representation of western democracies is shaped by various factors, among which we may highlight the defects of political systems, being incapable of granting effective operational power to the majority winners of elections, and the known, although still poorly understood, effects of social media on the modeling of

³⁰ Accessed from: <https://ourworldindata.org/grapher/political-participation-index-eiu>.

voter preferences.

Trust in public institutions has diminished as well, especially in the European Union and in the Americas. According to the Latinobarómetro³¹, only 48% of Latin American citizens endorse democracy as a political regime, indicating a drop of 15 percentage points from the 63% mark of 2010. Among OECD countries, in 2023, approximately 4 in 10 people (39%) declared a high or moderately high level of trust in their national government, and a bigger portion (44%) declared having little or no trust in it at all³².

Furthermore, in 2024, according to data from the Global State of Democracy Initiative³³, 1 in 3 people in the world with the right to vote reside in countries that have gone through a decline in the quality of elections. Between 2020 and 2024, 1 in 5 election processes had their results contested and rejected by the losing candidate. Voter turnout has also dwindled in this period, accompanied by a growing trend of polarization and tensions in the race, leading to cases of political violence against candidates and voters in countries such as Brazil and the United States.

³¹ Accessed from: <https://www.latinobarometro.org/lat.jsp>.

³² Accessed from: <https://www.oecd.org/en/topics/sub-issues/trust-in-government.html>.

³³ Accessed from: www.idea.int/gsod/gsod#gsodreports.

"We need a new political narrative to tackle these deep asymmetries of power, the polarized populace. It's the younger people in particular facing a fearful future, the only way to deal with their problems is through a more collective voice, even though the kind of right-wing response is a very individualistic response." (Richard Kozul-Wright, economist, in the "Political Economy Challenges Post-Covid" panel of the States of the Future event)

Acknowledging the challenges of inclusion and diversity in the context of intersectionality

All of the aforementioned challenges coexist with an additional transversal issue: addressing structural and intersectional inequalities, striving for inclusion and respecting diversity. There are various dimensions inherent to exclusion and subordination, encompassing the criteria of class, gender, race, ethnicity, sexual orientation, age, territory, disabilities, among others. These aspects work together to structure and reproduce social inequalities and to determine the life experience of people and social groups. Moreover, these dimensions are intersected by one another, creating even more critical spaces of exclusion and vulnerability.

Thus, legitimately acknowledging the diversity and characteristics of the population is a necessary approach for a modern perspective of an inclusive State. The State is responsible for promoting the visibility of the different groups that society comprises, as well as the kinds of violence they suffer. This action encompasses publishing disaggregated data, revealing information about these possible dimensions of vulnerability — such as ethnicity, race, sexual diversity and place of residence, while safeguarding the privacy of personal data. It is crucial to develop the governmental and social ability to analyze data in an intersectional paradigm. The universalization of policies depends on the acknowledgement of specific issues, such as the plight of black women, differently abled children, elderly migrants, indigenous peoples removed from their territories, among other exclusion vectors that require critical and special attention.

This change also calls for the development of efforts to create intersectoral and intercultural programs, in order to better articulate actions and to enhance institutional coherence. This intersectoral nature implies the organization must identify issues and operate through the connections established between different areas — environmental protection, labor and employment, healthcare, education, infrastructure, culture, social policies etc. —, while not hindering respective section guidelines and their interfaces.

These intersectoral policies and programs may adopt quotas and affirmative action for vulnerable groups, as well as protocols to integrate groups at the local level, employing strategies to ensure participation and inclusion. Getting people involved, taking their realities and conditions as a starting point with an empathetic, inclusive and propositional approach becomes an equally necessary and overlooked part of handling public management.



The State as the central actor tackling present and future challenges



Bruno Cecim/Ag. Pará

"The word inclusion must figure in the design of public policies. The State has the power to lead the response to these crises. Facing these critical situations, the State stands as the last bastion. We must empower the State to deal with these clashes and to protect the vulnerable, who are especially exposed to the fallout from these events." (José Luiz Escrivá, Minister for the Digital Transformation and Civil Service of Spain, in the "Transformation of the State in the 21st century" panel of the States of the Future event)

Rethinking and reorganizing the State in the 21st century is an urgent necessity, especially given the interconnected crises we face. The traditional conception of a State, often deemed excessively rigid, does not conform to the constant need for adaptation imposed by current issues. Instead of a stationary state of affairs, **we need a flexible and adaptable State, capable of deconstructing and rebuilding itself as needed.**

The current crisis is exacerbated by a tendency to fall back on traditional approaches to the role of the State in the economy. A limited interpretation of the State acting as a mere economic regulator or provider of services still prevails, disregarding its potential as an agent of social

transformation and a coordinator of various energies, pieces of knowledge and solutions.

The liberal interpretation, established in the late 20th century, that the modern State has the fundamental mission of correcting the mistakes of a market that is subject to imperfect allocation decisions is insufficient in the pursuit of promoting structural solutions to current crises. We must go beyond the logic of a “minimal State” and embrace a vision of “improvement, innovation and dynamism”, investing in training and expanding the capacities of the State in order to make it more efficient and adaptable. The State of the future must devise answers in the present to build a better future for everyone.

Therefore, the actions of this State of the present, envisioning the future, must be geared towards reducing historical inequalities that span centuries, manifesting through the continuous impoverishment and multiple shortages that strike millions of people daily.

Governance platforms and international forums, such as the G20, frequently discuss crises (poverty and climate change, for instance) taking a fragmented approach, restricted to financial struggles. An alternative to this tendency of atomized agendas is a transversal perspective of the role of the State, discussing capacities that span various areas of public policy, designating the quality of public investments as an objective that is as important as increasing the amount of resources raised for State intervention. In order to achieve this, it is essential to redesign the State so it becomes an entrepreneurial and dynamic actor, instead of a mere revenue spender.

“The term ‘States’ is part of the problem regarding how they are conceived in relation to their actions, because they seem stationary (a sense of ‘state of affairs’). The State engaged in the current crisis cannot be stationary: we must deconstruct in order to rebuild. We must understand the root of the problem, which is partly connected to the tendency to settle for what we know about the State and its role. The reduced figures of investment from businesses are an issue that must be addressed.” (Mariana Mazzucato, economist, conducted a master lecture in the States of the Future event)

The State must become the protagonist of global governance, focusing its actions on clear and attainable goals, associated with provable results that, whenever possible, are also measurable. The ethical responsibility for reparations and justice, formerly taken as a mere national question, is now shared with global entities and should guide the political and institutional practices of these forums and organizations.

Turning the abstract objectives into clear, concrete and attainable mission statements is essential. We must move beyond theory and implement concrete solutions, counting on the active participation of all social sectors and groups. This is the only way to overcome interconnected crises and build a State that is more fair, efficient and ready to tackle the challenges of the future.

The State will have to gain strength and acquire new capacities to secure its legitimacy as a promoter of welfare, stimulating discussions and transparency with key actors, such as the private sector, civil society, workers and scholars. It is crucial that the State bureaucracy becomes diverse and aligns itself with the goals of transforming

the country, reflecting the composition of the population and being ready to innovate. Transforming the State means striving to continuously innovate serving society's needs, especially its more vulnerable segments.

The States of the Future can take advantage of long-term goals and mission statements that facilitate the effective transformation of national power, economic and social dynamics. There are global challenges that transcend national borders, such as the climate crisis, the regulation of digital technologies, the fight for democracy or tax evasion. Therefore, the protagonism of the State must be accompanied by greater efforts to coordinate and cooperate internationally, fostering multilateralism.

"The needs we must meet, given the history of economic and social crises, have not been addressed, making inequalities even steeper. This means no economic system has been able to find a solution. The modern State can offer solutions by fulfilling the function of fostering exchanges: earnest debates that boost decision-making." (Clarems Endara, Permanent Secretary of the Latin American and Caribbean Economic System, in the "The Future of the State and Democracy" Roundtable Discussion of the States of the Future event)

The States of the future must be reassessed and collaboratively recreated in the present



The State as a promoter of sustainable, fair and inclusive development.



The State as a platform to fight social, racial and gender injustices.



The State as a champion of human rights.



The State as an investor and central economic actor in the mitigation of social and economic inequalities.



The State as a regulatory agent.



The State as a strategic, political and sovereign agent.



The State as a protagonist in the development of a New Global Governance.



The State as a catalyst for innovations that facilitate greater social inclusion and improve the quality of public spending.

State capacities for the future

Gil Tuchtenhagen



"We must reclaim the topic of development. In addition to expanding the capacity for international cooperation, we must rethink the role of the State that must be able to respond to challenges and crises." (Ambassador Mauro Vieira, Brazilian Minister of Foreign Affairs, in the States of the Future event)

Taking the State as a central actor in the promotion of sustainable development, the prioritization of the growth of State capacities and public institutions becomes an essential objective to prepare for present and future crises, in addition to ensuring results that stand in consonance with the purposes of public policies pursued by governments. This means that there must be a coordinated national, regional and international effort aiming to widen the range of tools at the State's disposal and the possibilities of partnerships with civil society and even the private sector.

The capacities of the State are those required for the effective formulation and implementation of public policies, as well as for the mobilization and management of resources that are necessary for the development of countries. Among these capacities are institutional as-

pects, such as the quality of the judicial system and the robustness of public structures, along with technical aspects, such as the ability to devise economic policies based on data and evidence. Ultimately, the lack of strong State capacities could result in ill-conceived, inefficient, unfair or misapplied policies, stunting economic growth and exacerbating social inequalities.

From an administrative standpoint, States must have the necessary competence to effectively manage their human and material resources. This control requires a professional bureaucracy that is accountable to the public, employing transparent actions in the management and creation of public policies. Thus, civil servants must be qualified, and systems of evaluation and continuous training must be created in order to ensure their ability to adapt to new challenges.

Additionally, it is important to analyze other elements the structure of the State comprises. Public administration is also composed of real estate, equipment, facilities, networks, communities of practice, various flows, information, brands, reputation, routines, legislation and other tangible and intangible assets. Transforming the State encompasses, therefore, changes in all of those areas, given that the instruments used to manage and create public policies materialize as essential means for the State to fulfill its duties, obligations and social, political and economic functions.

The conventional economic discourse often disregards this multiplicity of elements and frequently reduces the State to financial statement statistics or national debt.

Taking an approach that adequately reflects the complexity of States and their roles in development, as we propose in this report, does not imply denying the importance of safeguarding the sustainability of the budget and public debt, given their repercussions for the scale of economic activity, employment and inequalities, among other issues. However, it means broadening the horizons of analysis, shifting from an agenda of systematic efforts to cut public spending and shrink the State, instead moving towards an agenda guided by the enhancement of public spending and effectively implementing public policies and services for the population.

It is crucial to create digital systems of public services that integrate technologies that are able to mitigate the reproduction of accessibility inequalities, in order for the State to effectively fulfil its role in the promotion of economic activity, sustainable development and social justice. The same goes for establishing systems to track and evaluate public policies, which must ensure the high quality and productivity of public spending.

The State is also responsible for providing a public digital infrastructure that facilitates a better and more equitable development of life in society, presenting systems, mechanisms and supplies that can be trusted by members of society — such as mechanisms of identification, payment, research and utilization of public information, and integration of data and services. Beyond the reduction of inequalities and the promotion of sustainable development, technology can support the growth of efficiency in the public sector and the mitigation of transaction costs for society as a whole.

We believe that a step forward must be taken at a global scale, especially in the G20, acknowledging that investing in State capacities, focusing on socially fair and desirable results, is an indispensable demand of the present in order to make a better future possible.

State capacities are still discrepant and vary greatly between countries in the Global North and South; for this reason, we must develop a clear understanding about the fact that the State is not only pivotal in the creation of solutions, but it must also be ready and have the resources for such scenarios at hand.

A modern and efficient State must have a system of public administration innovation at its disposal in order to enhance its ability to anticipate and react to problems, as well as its adaptability, ensuring that policies and services satisfy the dynamic and evolving needs of citizens.

The capacities to regulate and control the quality of spending are also crucial for the creation of an environment that is conducive to economic development. On the one hand, they safeguard competition and consumer protection, spreading economic benefits equitably. On the other hand, reinforcing supervision and spending quality control is essential to avoid embezzlement and to ensure that public resources are used in an effective and transparent way.

In summary, the fundamental State capacities must be defined in accordance with the public policies that States intend to promote, aiming to tackle a certain challenge. The assessment and specification of the fis-

cal space are bound to other capacities, just like public management policies — personnel, budget, control, organization model, digital transformation etc. —, given that they are systematic and overarching.

State capacities

Financial resource availability (public budget, taxes, fees, debt and investments)	Functional capacity to provide services efficiently	Political arena of consensus and dissension (aspects associated with the dynamic between powers, countries, or a government and civil society)
Human resources number of qualified personnel employed in the public sector, access to information and training	Structural and technological availability of infrastructure and technology required for the provision of services (such as systems, physical spaces etc.)	Coordination organizational mechanisms of intra and intergovernmental relationships
Legal the existence of norms, laws and a judicial-legal framework that enables State action	Control & accountability mechanisms of accountability, transparency, evaluation and continuous tracking of public policies	Relational relationships between various institutions and actors

Source: Adapted from the Brazilian Ministry of Management and Innovation in Public Services (2024).

Action guidelines for a possible future

Pexels/tomfisk



"What world do I dream of? We are in the midst of deep intergenerational transformations. There is no possible future if we don't repair the atrocities of the past. Millions of African people and Afro-Descendants endure the violent structure of systemic racism, it's an intergenerational trauma. I dream of a world of dignity for all, wherein we are able to take care of each other, and power is used to take care of people and the resources that were inherited from previous generations, a world of peace and sustainability for all." (Epsy Campbell, former Vice President of Costa Rica, in the "New Global Governance: the voice of the South" panel of the States of the Future event)

The State of the future faces numerous technological, climatic, economic, cultural and social transformations. Taking the unstable past into account is crucial to the fight against historically persistent challenges, such as social, racial, gender and economic development inequalities.

Regardless of the internal political contexts of countries, there is no doubt that States — no matter how big or small — will fulfil a pivotal role in shaping a possible, fair, sustainable and inclusive future, wherein everyone can enjoy their rights and benefits.

The G20, as a platform that explores topics surrounding the idea of multilateral governance, has the potential to unite its members and guests for the further development of this agenda of public policies regarding the role of the State.

The proposals put forward during the States of the Future event represent a non-exhaustive array of possibilities, highlighting the importance of joining efforts and investigating these issues, progressing toward the development of a more inclusive, sustainable and fair world.

According to the Signals Spotlight 2024 report, unveiled by the UNDP at the States of the Future event in Rio de Janeiro, besides various complex challenges we must face, it is necessary to create spaces to foster our hopes — in the sense of committing to certain perspectives — of a more equitable future, wherein technological progress aims to meet the goals and objectives of sustainable development, serving the reduction of inequalities and the creation of increasingly resilient and connected communities of nations³⁴.

Enhancing international cooperation, multilateralism and the safeguarding of human rights

The States of the Future have multilateralism as the main tool at their disposal to tackle global challenges. This implies enhancing the cooperation between governments and revitalizing institutions such as the UN, that should serve as the quintessential locus of global solutions, even

if it is not the only one. The revitalization of multilateralism should hold mutual growth, human rights and environmental protection as its foundational principles.

Countries benefit greatly when they find platforms to share knowledge, technologies and financial resources to tackle economic and social challenges effectively. This effort also encompasses the reinforcement of international and regional organizations that can coordinate development policies, mobilize funds for development aid programs and promote fair trade agreements that favor more vulnerable economies. Moreover, the cooperation between countries facilitates the essential exchange of information regarding economic issues, as well as the coordination of policies to reduce poverty.

The States of the Future must explore the challenge of establishing their points of view and long-term goals, and define the objectives that will enable their effective transformation. The leadership of these States must, consequently, be supported by greater international coordination and cooperation efforts.

The growth of Development Banks is crucial to fund sustainable actions and reduce global and local inequalities. The Global South must take on a leadership role in building an inclusive global agenda, proposing solutions for a sustainable development and promoting technological and financial cooperation between developing countries.

³⁴ UNDP (2024). UNDP Signals Spotlight 2024: Hope for all generations. Accessed from: https://www.undp.org/sites/g/files/zskgke326/files/2024-07/portuguese_digital_-_undp_signals_spotlight_0.pdf.

Building a new international financial architecture

The States of the Future show great potential to collaborate, through multilateralism, on trade and innovations to foster the reform of the international financial system, focusing especially on development. Thus, we must rethink the foundations of the current system, particularly reforming the institutions established by Bretton Woods, which are now detached from our global reality, and creating a new international financial architecture that does not reproduce North-South inequalities in financing relations.

The amount of countries with astounding figures of debt has risen significantly since the 2008 financial crisis. In terms of restructuring sovereign debt, currently there are no adequate institutional mechanisms to properly and equitably mitigate debt. The G20 established a restricted mechanism of debt suspension during the Covid-19 crisis, but its utilization has been limited, partly due to private creditors not being a part of the process. An ad hoc short-term mechanism would help mitigate these crises, especially being accompanied by the creation of a specific board for middle income countries.

Creating new spaces for social participation and engagement

The States of the Future must be open and receptive to social participation, being able to integrate policies in the territory and coordinate ways of mitigating power asymmetries at an international level. Historically marginalized

groups should be the protagonists of the formulation and implementation of public policies. The acknowledgment of historical inequalities is fundamental to the activity of the States of the future.

Injustices spawned by colonization, slavery and the exploration of native peoples, ethnicities and Black communities should be repaired through public policies of restitution, rehabilitation and compensation. Ensuring the inclusion of these voices in the decision-making process not only confronts historical injustices, but also enriches the development of more effective solutions to social issues. Devising mechanisms of transitional justice, that incorporate the participation of impacted communities and peoples, will be essential to the effort of repairing the crimes of the past we can still mitigate.

Fostering economic policies that reduce inequalities

The future of economic policies must prioritize the reduction of inequalities, emphasizing global proposals of progressive taxes. States must adopt global financial systems that redistribute resources better, tackling the taxation of the rich and super-rich. Additionally, cooperation between governments will be essential to fight against global poverty and to reduce economic disparities. The State must promote equity and employment opportunities for all, ensure the training of workers for a new digital world and prioritize poor segments of society as main beneficiaries of the formulation of economic policies. Attention should also be paid to the development of a larger fiscal space, so States can implement effective

redistributive policies, expanding public social spending without compromising sustainable growth..

Producing and publishing data and information for decision-making based on evidence

The States of the Future must take action based on information and evidence anchored in reality. Beyond production, we are talking about publishing all data, information, programs and policies sorted by race, gender, territory, disabilities and other socioeconomic factors.

It is imperative that access to information be broad and universal. Understanding society in its full diversity is a necessary step for an intersectional approach to the implementation of public policies, the reduction of inequalities and the effective accomplishment of tasks, overcoming structural challenges. This effort encompasses not only better representation and diversity of civil servants and technical and political staff in decision-making spaces, integrating more women and Black, differently abled and native people, but also presupposes active governmental transparency, providing open and accessible disaggregated data. By publishing and processing data following a transversal, intersectoral and intersectional perspective, States will not only encourage a dialogue with society, but also ensure the celerity of their actions and promote assertive diagnoses for the creation of solutions to reduce inequalities.

The Brazilian government has progressed in the debate about taxing the super-rich

The Brazilian government has progressed in the debate about taxing the super-rich.

Through International Tax Cooperation, progressive taxation is acknowledged as one of the greatest tools to reduce domestic inequalities; promote solid, sustainable, balanced and inclusive growth; and facilitate the accomplishment of the Sustainable Development Goals (SDG).

In a meeting of the G20 summit held in June 2024, Gabriel Zucman put forward a proposal for individuals with very high figures of liquid wealth — around 3000 people in the world who have at least 1 billion dollars in assets — to pay at least the equivalent to 2% of their wealth in income taxes every year. That would raise 250 billion dollars annually — half of the yearly revenue estimated as the necessary amount for developing countries to tackle climate change challenges until 2025. According to this proposal, each country should collect the taxes in their respective territories, and a set of agreed upon rules could prevent loopholes that billionaires use to protect their money, sending capital and financial assets to tax havens and other jurisdictions.

The super-rich tax was “explicitly mentioned several times” in the Rio Declaration on International Tax Cooperation, one of the three documents published after the financial meeting, focusing exclusively on taxes.

Building governance that promotes an inclusive and sustainable digital transformation

The States of the Future face the great challenge of leading efforts to regulate artificial intelligence and other digital technologies, centering their perspective on people and their rights. They must ensure the population that the effects of digital transformation will not be limited to the automation of bureaucracy; rather, it will also reach the users of public services and the beneficiaries of public policies. In other words: this transformation must be inclusive and participative, promoting digital literacy among civil servants and the population in general. Thus, we must build State capacities for the creation of proprietary systems — which can be shared, through the conjoined construction of global public digital assets —, aiming to overcome the dependency on systems hosted by big tech.

It is necessary to gear digital governance towards the safeguarding of transparency and accountability of systems, above all taking the tendency of reproducing inequalities into account. Thus, we must invest in human capital to absorb new technologies and ensure that technological innovation will be used to reduce inequalities, instead of increasing them. The use of data and artificial intelligence, for example, must be regulated in order to avoid discrimination and promote equity inside and between societies. The technological exchanges between Global South countries must be reinforced to ensure that these States will maintain their autonomy before big technological corporations. The future de-

mands more global cooperation initiatives regarding the use and solutions in the field of digital transformation.

Fostering public and social innovation

The States of the Future are being called upon to invest more and more on innovation and experimentation in their public policies. It is necessary to develop an inter-sectoral approach to innovation, focusing on the dialogue between various sectors inside and outside of the State. Thus, it is important to focus on people, their rights and demands. The creation of a governance space that embraces collective learning implies we must have the courage to fail and learn with these processes, especially in the context of adopting industrial, digital and social policies. We must find more evidence and competences of good practices of public and social innovation across various States, and provide more sandboxes to devise public policies and think about the effective implementation of such initiatives.

The professionalization and diversification of State bureaucracy, accompanied by the reinforcement of the ability to establish medium and long-term plans, will be crucial for the State to coordinate processes of structural change. Continuous training programs, the stimulation of creativity and the incentive to innovate in public services must be prioritized. Likewise, the State must work closely with universities and empower them, promoting the integration of research and the social and economic demands of the government and society.

Building green alternatives for the ecological transition

The climate crisis demands an immediate and coordinated response. The States of the Future must lead the transition to a green economy, promoting a sustainable model of industrialization and creating regulation mechanisms that protect the environment. It is crucial to reinforce the regulation and institutionalization of regulatory arrangements to protect the environment and to ramp up the efforts to protect forests and fight logging operations, resorting to hiring ecosystem services carried out by native and traditional peoples.

Moreover, the State must fulfill the role of ensuring the accomplishment of goals related to the decarbonization of the economy and the reduction of greenhouse gas emissions, as well as the promotion of climate adaptation actions. The State must also ensure that environmental practices respect ethnic, racial and social diversity, incorporating the knowledge of traditional peoples, such as natives, quilombolas and riverside communities, in the protection of ecosystems. Inclusive and multilevel governance is important to guarantee that all voices are heard, especially those that have been suppressed in the process of creating green and fair solutions.

We must devise funding strategies from a local point of view, to ensure a decent life and support global objectives. The reduction of emissions is also pivotal, and it can be achieved through an effective and fair energy transition, especially by Global North countries, which are historically the main contributors to greenhouse gas emissions.

Reinforcing social security systems to safeguard human rights

The States of the Future need to reinforce their social security systems through public investment and the formulation and implementation of public policies focused on rights, honoring their domestic or international commitments. Social security should be fostered as a universal right, instead of a conditional benefit, which implies the creation of a solid judicial framework that guarantees the access to social security to all citizens, regardless of their employment or economic situation.

Reshaping public spending to promote programs centered around the mitigation of inequalities, the reduction of poverty and the economic empowerment of historically disenfranchised populations are necessary steps to build a sustainable and fair future for all. The expansion of social security networks and the implementation of innovations require the establishment of sustainable financial standards. The State must strike a balance between the provision of services and financial responsibility, ensuring that innovations will not jeopardize financial viability in the long haul.

In this context, education and healthcare systems must be reinforced as central pillars of State action. In education, it is crucial that States ensure universal high-quality access, operating curriculum reforms to integrate the issues of sustainability, diversity and digital transformation. In healthcare, States must improve their health surveillance systems, promote equitable access to services, create and reinforce universal healthcare systems and

ensure that public healthcare policies are immune to political fluctuations. The adoption of technologies and the international cooperation in the field of healthcare will also be vital to improve the State response to global crises and future pandemics.

Promoting a more inclusive diplomacy

The diplomacy of the future must distance itself from colonial models of asymmetric institutional structures, instead taking an approach that values the diversity of global voices, especially those coming from the Global South. States should lead a reform of multilateral institutions, ensuring more participation and representation of developing countries in international decisions. The UN Security Council, for example, should be reformed to offer permanent memberships to countries from different regions, reflecting our current geopolitical reality. International diplomacy should value more extensive dialogue with civil society, the so-called non-state actors, acknowledging them as active participants in the formulation of foreign policies.

Therefore, the States of the future will face ever-increasing challenges, opting for an inclusive, innovative and cooperative approach. They will be able to lead the necessary transformation to create a fair and sustainable world. Through the reinforcement of multilateralism, historical reparation, social justice, inclusive digital transformation and progressive economic policies, States will overcome the crises of the present and build a promising future for all citizens.

The Pandemic Fund is a G20 initiative to ensure the improvement of the resilience of social security systems, aiming to financially help low and middle income countries reinforce their abilities to identify, notify and contain future pandemics.

Inaugurated under India's presidency, its first round of investment, in July 2023, mobilized 2 billion dollars to help 37 countries detect and prevent health crises. In July 2024, the United States announced a contribution of US\$667 million to the second round of investment in the Pandemic Fund. Over two years, the fund has raised US\$2 billion in resources and plans to raise another US\$2 billion.

In 2024, the Brazilian government has created the Global Alliance Against Hunger, aiming to establish a practical mechanism to mobilize financial resources and knowledge where they are abundant and direct them where they are most needed, supporting the implementation and expansion of the scale of actions, policies and programs at the national level to fight hunger and poverty.

In order to fulfil these objectives, the Alliance has three pillars: national, financial and knowledge. The first one gathers member nations to commit to adopting effective policies. The second pillar has the goal of arranging and taking part in various existing global and regional funds to help countries implement programs to fight hunger and poverty. The third one serves as a center of knowledge dedicated to promoting technical support and sharing experiences among Alliance members.

The discussion must
continues

STATES OF
THE FUTURE



The G20 has the opportunity to keep on reinforcing its role as an aggregator of global leaderships that decisively address the biggest challenges of the world today. The main economies of the world, that also represent the largest populations, can coordinate a joint effort and create solutions focused on sustainable development, social justice and a responsive and equitable economic growth.

In spite of being a pivotal actor not only in the G20, but also in other multilateral mechanisms, the State has become a target of various criticisms and attacks. As we have argued in this report, we must reposition the State as an actor that will promote and safeguard rights, and foster development. The challenges of the present and the future can only be tackled by States and in collaboration with them.

Thus, it is indispensable that G20 leaders reflect on the importance of the debate about the activity of States in the creation and implementation of solutions and alternatives for an inclusive, sustainable, participative and equitable future. The next presidency of the Summit has the opportunity to ensure a permanent spot on

the framework of the G20 to reflect on how States can promote their own revitalization and fulfil a leadership role in addressing the problems that affect all societies — and the planet, on another scale. The States of the Future event aimed to facilitate this articulation.

Hope is still a way of creating perspectives of a future through choices made in the present, as the Signals Spotlight 2024 report published by the United Nations Development Programme highlighted. Hope is engagement and a joint effort. It is the duty of like-minded Nation States and their populations.

The need to build the State of the Future has definitively entered the global public agenda. The State is back in vogue, due to the inability of markets to provide responses to the multiple crises of the last decades of the 21st century: the September 11 attacks, the 2007/2008 global financial crisis, Brexit, Covid-19, conflict in the Ukraine etc. The uncertainties and challenges that society is currently facing — from climate change to digitalization, economic globalization and growing social inequalities — force governments to adapt their structures and governance mechanisms to ensure stability, the welfare of citizens and a sustainable development. **The complex challenges of the 21st century require States to redefine and reinforce their capacities to provide modern and pertinent answers.**

The States of the Future event, held in Rio de Janeiro in July during the G20 meetings, gathered several representatives of governments, civil society, the private sector and specialists for a week to discuss the challenges the

State faces in the 21st century. The event aimed to precisely emphasize the role of the State in tackling multiple current crises that threaten possible futures.

The creation of the States of the Future demands, therefore, a lot of dialogue and extensive changes. It is necessary to modernize the State's structure, ensuring transparency, responsibility and professionalism in public administration. This document presents contributions to the debate about the much needed transformation States must go through to become capable of facing global and local challenges, fostering a model of democratic, equitable, inclusive and innovative development.

It is essential that States reinforce their tools to respond to global crises, promoting a governance system that is transparent, participative and geared towards collective welfare. The inclusion of historically marginalized voices and the promotion of social justice must be held as central pillars of the public policies of the States of the Future. Debates and actions must be centered around the climatic and socio-environmental crisis. Only through a collective commitment to equity, sustainability and innovation will it be possible to face the challenges of the 21st century fairly and efficiently.

In an increasingly interconnected world challenged by global crises, Brazil has striven to take on a proactive role, defending the importance of more inclusive, efficient and resilient States.

Through its participation in international forums, Brazil has argued for the importance of public policies that incorpo-

rate technological advancements, promote social justice and prioritize environmental sustainability. Additionally, there is an effort to integrate the voices of non-State actors, listening to traditional communities, native peoples and quilombolas, acknowledging that any solution for the future must be built through inclusion, respecting diversity and human rights.

The State of the Future is under construction. And the future of the planet depends on it.

Brazil on the international stage

These reflections and discussions about the role of the State fostered in the States of the Future event, held concomitantly with the G20, integrate a larger set of the country's contributions to multilateral forums in the 2024–2025 period. The pro tempore Brazilian presidency of the Latin American Centre for Development Administration (CLAD) and the participation in the 17th BRICS Summit, in the Southern Common Market (MERCOSUR) and in the 30th United Nations Climate Change Conference (COP-30) are all part of this effort. Thus, Brazil reasserts its dedication to the creation of States committed to reduce hunger and inequalities, to foster economic development and to protect the environment.



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