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From Groupthink to Resilience:

Channelling Financial Flows for Sustainable Development

Harnessing group dynamics to align financial flows with life, equity, and planetary resilience

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From Groupthink to Resilience: Channelling Financial Flows for Sustainable Development

Harnessing group dynamics to align financial flows with life, equity, and planetary resilience

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Executive Summary

This policy report, based on Charles (2005), explores how groupthink and collective biases shape financial flows, leading to inequality, fragility, and ecological risk. It argues for systemic reforms in financial governance to rechannel earnings toward sustainable outcomes, using the UN Sustainable Development Goals (SDGs) as a case study. The central argument is that group behaviour, embedded in individual decisions, drives financial accumulation. These collective biases generate bubbles of resource accumulation, distort financial flows, and undermine the resilience of the entire economic system. To build sustainable earnings that support the green transition, policymakers must adopt a *group perspective* in financial governance, moving beyond GDP-centric metrics and embrace systemic approaches that rebalance ecological and social entitlements.

Key findings

- Group-level financial accumulation creates systemic bubbles that threaten systemic resilience
- Sustainability must be defined as the pursuit of life—prioritising biodiversity, planetary health, and equitable livelihoods over self-sustaining economic growth.
- Policy innovations must focus on ecological mapping by group, group-based priorities at the local level, financed through national and international financial flows, and risk-sharing mechanisms.
- In the example of the Sustainable Development Goals (SDGs), weaving group-mapping as a thread throughout the SDGs allows to leverage group inequality as SDG synergies.

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1. Background and Problem Statement

1.1. The Problem of Groupthink

Financial accumulation is often presented as a neutral and meritocratic process, but in reality, it is deeply embedded within the social structures and norms of society. Factors such as race, gender, occupation, and geography shape access to capital, credit, and investment opportunities. These socio-demographic divisions influence not only who accumulates wealth but also how economic models are constructed and interpreted. The 2008 Great Recession exposed how herd behaviour among financial institutions, regulators, and investors can escalate into systemic fragility. The collective overconfidence in financial innovations such as mortgage-backed securities exemplified how groupthink operates at scale: risk models and decision-making processes reinforced one another in a feedback loop of optimism. When that consensus collapsed, it revealed how deeply economic stability depends on diversity — a quality often suppressed in market-driven systems where inequality tends to be exacerbated over time. The widening inequalities and environmental degradation reveal that current economic systems prioritise accumulation over regeneration. To address these structural imbalances, it is necessary to redefine what sustainability truly means and how it is measured within economic and policy frameworks.

1.2 Business-as-Usual Earnings Trends

Contemporary patterns of economic accumulation reveal widening disparities in both income and wealth, underpinned by the unequal distribution of capital and labour earnings. Capital income—derived from financial assets, property, and ownership stakes—continues to grow faster than wages, reinforcing the advantages of those who already possess wealth. In contrast, labour earnings remain stagnant or insecure for large segments of the population, particularly among women, racial minorities, and workers in peripheral or deindustrialised regions. These inequalities are not accidental; they are reproduced through institutional biases in markets, education, taxation, and access to credit, which systematically favour certain groups while marginalising others.

The gendered and racial dimensions of accumulation are especially striking. Women and minorities are overrepresented in low-wage and informal sectors, limiting their ability to build savings or invest in capital-generating assets. Geographic disparities also persist, as global and national wealth increasingly concentrates in urban financial centres, leaving rural and post-industrial regions with limited growth opportunities. As a result, the geography of inequality mirrors broader hierarchies of power and privilege in the global economy.

These inequalities intersect with ecological degradation. The pursuit of growth through mass consumption has fostered "consumption bubbles" that strain planetary boundaries. Activities associated with affluence and social status—such as international travel, large-scale festivals, and resource-intensive religious or cultural events—generate significant carbon emissions and waste. While these practices contribute to short-term economic activity, they reinforce unsustainable cycles of production and depletion. The logic of accumulation—prioritising profit and consumption over equity and sustainability—thus deepens both social and environmental crises.

Addressing these challenges requires moving beyond the "business-as-usual" paradigm that treats growth as an end in itself and inequality as its natural outcome. A more equitable and ecologically grounded approach to sustainability must recognise the interdependence of social justice, environmental limits, and long-term economic stability.

1.3 Redefining Sustainability

Sustainability should not be understood as "self-sustaining accumulation," where the goal is merely to maintain economic growth. Instead, it must be defined as the *pursuit of life* (Dahlmann 2024) whereby the protection of biodiversity will lead to planetary health and more equitable livelihoods. This approach places living systems at the centre of economic decision-making and recognises that prosperity depends on the health of both people and the planet.

Current patterns of capital and labour earnings continue to reflect and reinforce cumulative group biases. Wealth is concentrating in the hands of a few, while inequalities based on gender, race, and geography are deepening. These trends are closely tied to environmental degradation, as extractive and consumption-driven models of growth place unsustainable pressure on ecosystems. The result is a widening gap between economic expansion and the planet's capacity to sustain life.

A key factor behind this imbalance is the over-reliance on GDP as the main measure of progress. GDP growth, while useful for tracking production and estimating carbon outputs, offers a narrow and outdated picture of development. It does not account for biodiversity loss, social wellbeing, or resource depletion. Continuing to treat GDP growth as a policy objective locks economies into a linear model of accumulation and prevents the transition to circular, life-centred systems.

2. Groupism and Systemic Fragility

2.1. Group-based legitimacy in financial flows

Financial flows are not neutral; they are shaped by group dynamics and historical socio-demographic entitlements, including race, gender, class, occupation, and geography. Recognising these patterns is essential for designing policies that promote fairness and address long-standing systemic inequalities.

Some initiatives have already begun to operationalise this approach. Many climate funds and institutions now incorporate gender criteria, requiring projects to demonstrate tangible benefits for women, particularly in disadvantaged contexts, as highlighted in UNDP's Gender and Climate Finance Policy Brief. Civil society and rights groups have also called for climate finance that acknowledges historical responsibility, advancing the notion of "climate debt." For example, the Centre for Economic and Social Rights (2025) report argues that reparative finance—grounded in human rights and historical accountability—is needed to redirect resources to the communities and countries most harmed.

Despite progress, comprehensive policies remain limited. Fully mature frameworks are often politically contested or unimplemented, prompting researchers to propose design principles rather than fully operational models. Common recommendations include distributive equity frameworks for adaptation funding (Shawoo et al., 2025), group-responsive targeting and participatory community-level institutions (Affleck et al., 2006), compensation for historical responsibility (Uri et al., 2024), and inclusive fintech and infrastructure tailored to marginalised groups (Islam et al., 2025). Climate and development finance must move beyond uniform allocation, prioritising fairness, historical accountability, and empowerment of vulnerable populations.

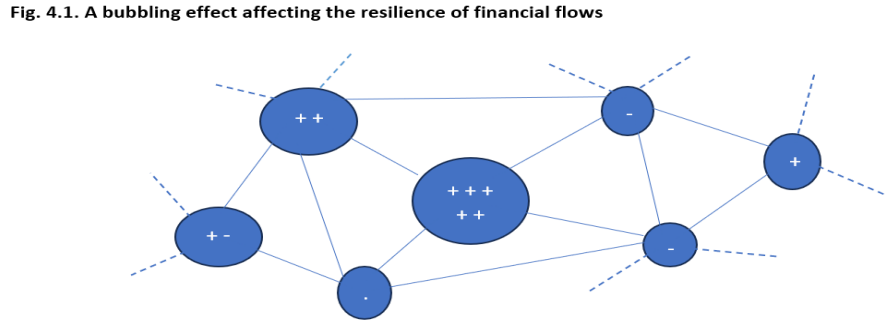
2.2. Risk of ignoring groupthink: Systemic Necrosis

Aggregated socio-demographic biases in financial flows can create systemic fragility, as observed during the 2008 financial crisis and the COVID-19 pandemic. In these events, bubbles within dominant groups amplified shocks, draining resources from surrounding nodes and undermining the stability of the entire system. This "necrosis" effect illustrates how groupthink in financial accumulation concentrates gains within central nodes while weakening peripheral actors, ultimately affecting both economic and ecological health.

Figure 1 demonstrates this phenomenon, showing a central group, whose past earnings reinforce present financial advantages. Adjacent nodes experience extraction of resources, reducing system-wide resilience and impairing the fluidity of financial relationships. From this perspective, a resilient system is defined by the capacity of

financial flows to remain dynamic and interconnected, sustaining all groups during external shocks.

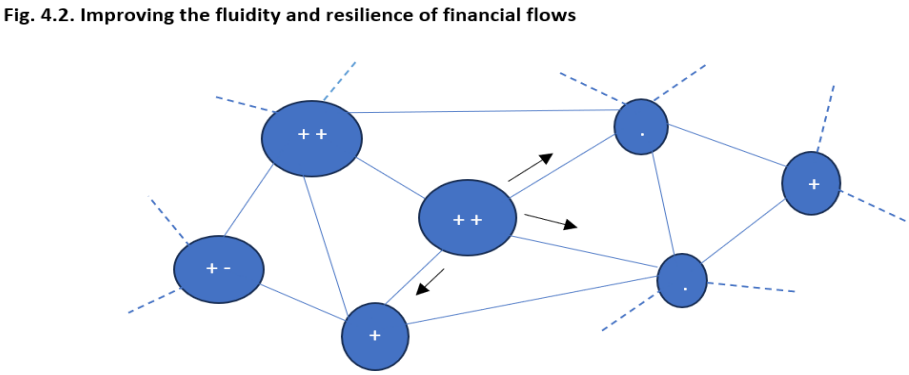
Figure 1: A bubbling effect affecting the resilience of financial flows



Source: Charles (2025)

Figure 2 illustrates potential interventions to improve system resilience. Micro- and macro-level policy tools can redistribute finance toward under-resourced nodes—those with negative or non-significant connections—mitigating group biases and preventing systemic collapse.

Figure 2: Improving the fluidity and resilience of financial flows



Source: Charles (2025)

By mapping historical group earnings and identifying patterns of cognitive bias, policymakers can anticipate vulnerabilities and design targeted interventions. Such approaches not only strengthen the robustness of financial networks but also foster equitable and sustainable distribution of resources, ensuring that the system can absorb shocks without compromising the wellbeing of the wider economy or ecosystem.

2.3. Ecological Mapping of Earnings

Sustainable earnings are financial flows that actively sustain life, support biodiversity, and ensure equitable livelihoods across socio-demographic groups. Unlike conventional accumulation, which often prioritises profit for dominant actors, sustainable earnings focus on maintaining the health and resilience of the entire economic and ecological system. This approach links economic policy directly to environmental sustainability and social equity, recognising that long-term prosperity depends on the wellbeing of all groups and the ecosystems that support them.

Mapping tools play a critical role in operationalising sustainable earnings. By tracking historical patterns of group earnings, these tools reveal how past distributions influence present outcomes and identify areas of systemic vulnerability. They can highlight "bubbles" where certain groups concentrate wealth at the expense of others, generating risks that may propagate across the financial system. Such visualisations and data-driven analyses allow policymakers to target interventions effectively, redistributing resources to under-resourced groups and mitigating the cumulative effects of biased accumulation.

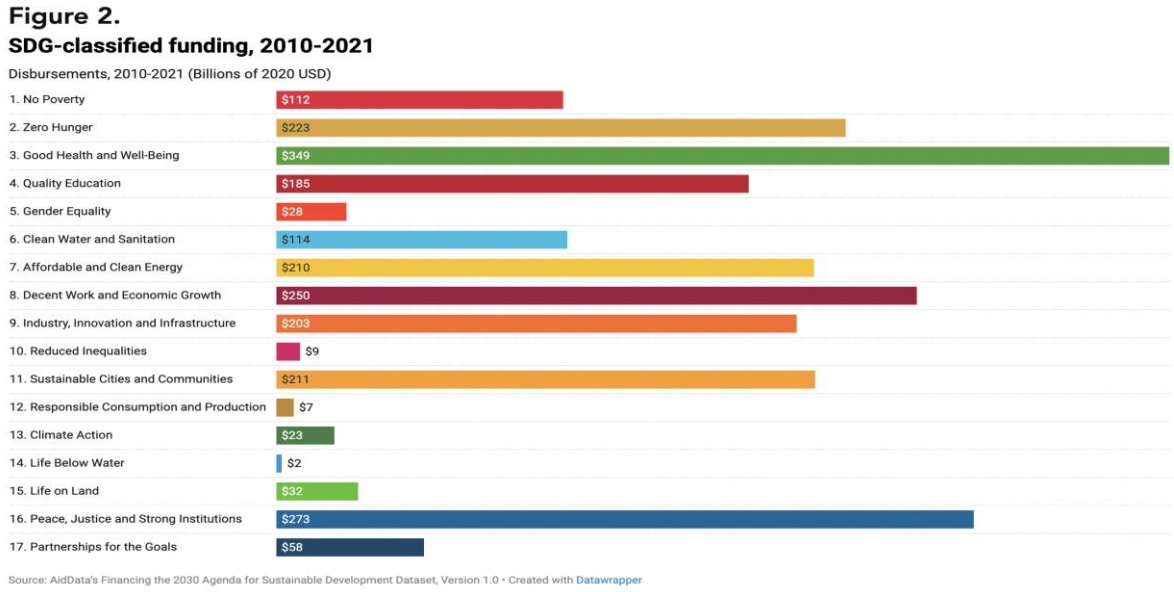
By combining historical tracking with forward-looking risk assessment, mapping tools support more informed and equitable policy design. They enable micro-level insights into cognitive and behavioural biases while revealing macro-level systemic patterns. In doing so, these tools help align financial flows with the principles of sustainability, ensuring that earnings contribute to the preservation of life, the protection of biodiversity, and the equitable sharing of economic opportunity across all groups.

3. Case Study: SDG Integration

3.1. Cross-SDG financing synergies

Financial flows also mirror herd behaviour, directing resources toward dominant goals while neglecting ecological priorities. From Figure 3, between 2010 and 2021, SDG 3 (Good Health and Well-Being) received an estimated $349 billion in funding, compared with only $2 billion for SDG 14 (Life Below Water). As noted by Burgess, Custer and Custer (2023), environmental goals continue to lag behind. Yet good health is impossible without thriving ecosystems. Reframing sustainability as the pursuit of life requires aligning finance, policy, and measurement systems with the preservation of our shared ecological foundations.

Figure 3: SDG-classified funding (2010-2021)

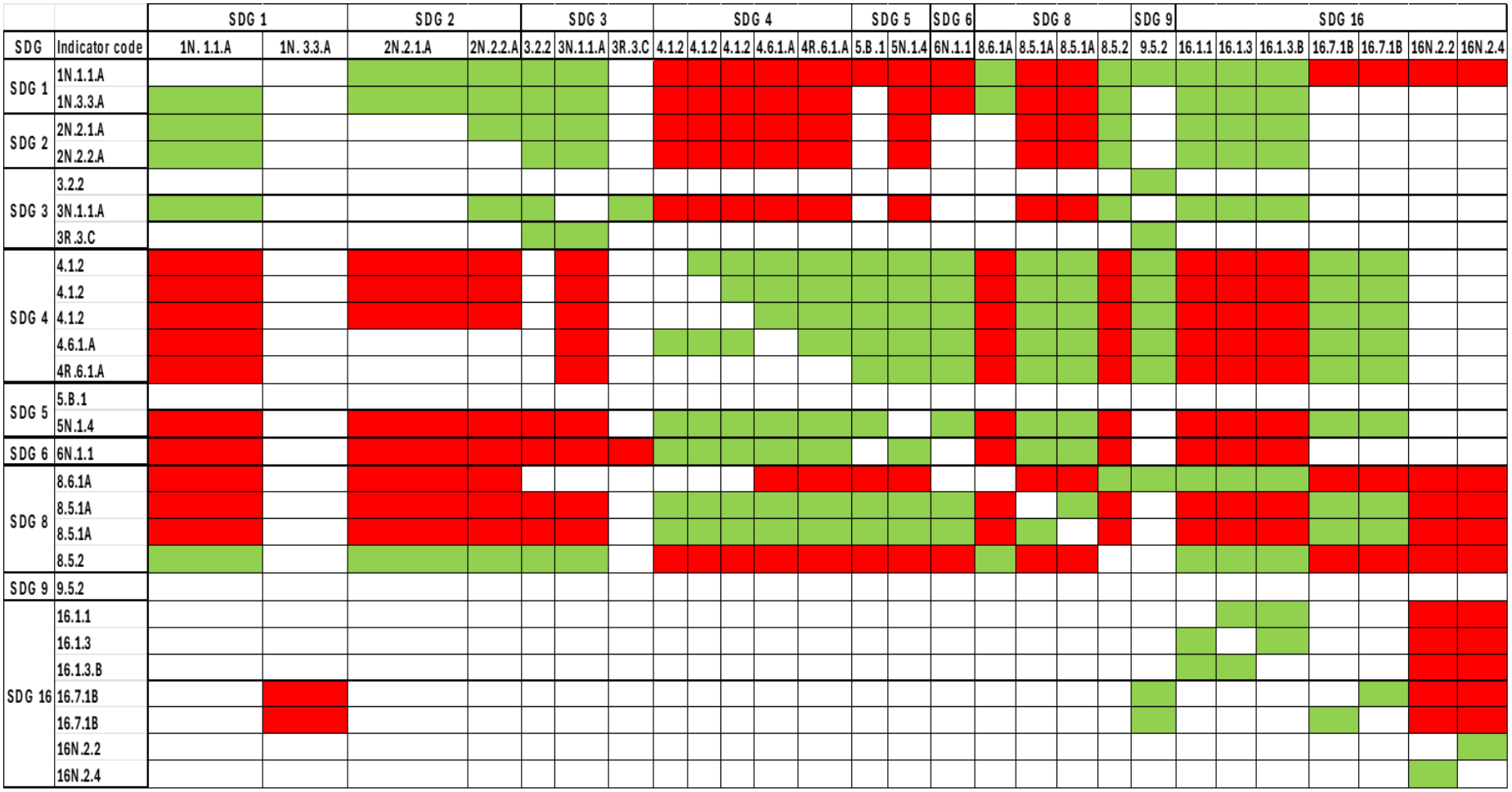


Source: Burgess et al. (2023)

Cross-SDG financing enables multiple development goals to be advanced simultaneously by leveraging overlaps across local, regional, national, and global priorities. Research into the regional progress towards the SDGs in Mexico found correlations between improvements in different SDG indicators. Table 1 below shows the correlations between these indicators with green cells indicating a positive correlation and red indicating negative correlations. In this case, a negative correlation does not indicate a conflict but is merely indicative of the nature of the indicators, e.g. an increase in income (8.5.1A) in a State often leads to a decrease in the population living below the poverty line (1N.1.1.A). The table is aligned to show likely causation with changes in the indicators in the rows leading to changes in the columns, for example, an increase in the number of people suffering due to a lack of access to social security (1N.3.3.A) is likely to lead to an increase in the number of people living below the poverty line (1N.1.1.A), but an increase in the level of poverty is unlikely to affect access to social security. These correlations can be used to more effectively streamline SDG financing in Mexico, allocating more funds to increase access to education can improve progress towards multiple SDGs for example.

The Mexican Case aligns with more general findings in SDG research. For instance, SDG 11 ('Sustainable Cities and Communities') intersects with SDG 1 ('No Poverty'), SDG 14 ('Life Below Water'), SDG 15 ('Life on Land'), SDG 3 ('Good Health and Well-Being'), and SDG 4 ('Quality Education'). Using SDG wheels as a policy compass allows finance to be strategically channelled to initiatives that generate synergies while navigating potential trade-offs (Dawes, 2019; Charles, 2025). Bottom-up approaches anchor ecological ceilings and social foundations, fostering resilience and inclusivity at the local level (Raworth, 2017).

Table 1: Correlations between selected SDG indicators



Source: Author's calculations from SIODS Data, n.d.
Note: positive correlation in green, negative correlation in red.

Table 2: Indicator Codes used by the Secretaría de Economía

Indicator code	Indicator Name
1N.1.1.A	Percentage of the population living in poverty
1N.3.3.A	Percentage of the population with deprivation due to access to social security, by geographical breakdown and population group
2N.2.1.A	Percentage of population with moderate or severe food insecurity, by geographic breakdown and population group
2N.2.2.A	Percentage of population with deprivation due to access to nutritious and quality food, by geographical breakdown and population group
3.2.2	Neonatal mortality rate
3N.1.1.A	Percentage of the population with deprivation due to access to health services, by geographic breakdown and population group
3R.3.C	Incidence of cases of vector-borne diseases
4.1.2	Completion rate (Elementary school, middle school and high school)
4.1.2	Completion rate (Elementary school, middle school and high school)
4.1.2	Completion rate (Elementary school, middle school and high school)
4.6.1.A	Percentage of population in a given age group achieving at least a fixed level of proficiency in functional literacy skills, by sex
4R.6.1.A	Literacy rate of people aged 15 years and over, disaggregated by sex and subpopulations
5.B.1	Proportion of individuals who own a mobile telephone, by sex
5N.1.4	Average real labor income of employed persons by sex
6N.1.1	Percentage of the population that has access to daily piped water as well as sanitation
8.6.1A	Proportion of young people (15 to 24 years old) not in education, employment or training, broken down by level of education and type of locality
8.5.1A	Average income per hour of female and male employees
8.5.1A	Average income per hour of female and male employees
8.5.2	Unemployment rate, broken down by sex and age
9.5.2	Researchers per million inhabitants
16.1.1	Number of victims of intentional homicide per 100 000 population, by sex and age
16.1.3	Proportion of the population that has suffered physical violence in the last 12 months
16.1.3.B	Proportion of population subjected to psychological violence in the previous 12 months
16.7.1B	Representativeness of population groups in public administrations
16.7.1B	Representativeness of population groups in public administrations
16N.2.2	Percentage of people aged 18 years and over who identify the Public Ministries and Attorney´s Offices they generate trust
16N.2.4	Percentage of the population aged 18 years and over who have a lot or some confidence in judges.

Source: Secretaría de Economía (SIODS, n.d.)

For example, agroecological farming in Western Kenya using the push–pull system (D'Annolfo et al., 2020) improved yields, increased incomes, and enhanced livelihoods, simultaneously addressing SDG 1, 2, 8, and 15 through poverty reduction, food security, and ecosystem protection. Another example is the decentralized solar microgrids by

Boond in rural India (Saxena & Jain, 2025) which expanded clean energy access, lowered emissions, and supported sustainable infrastructure. Over 12,000 households gained electricity, kerosene reliance dropped by nearly 80%, and more than 2,300 jobs—particularly for women—were created, advancing SDG 5, 7, 8, 9, 11, and 13. These cases illustrate that strategically aligned investments can create "islands of SDG excellence" (Figure 5) demonstrating how cross-level financing fosters equitable, resilient, and sustainable development.

Figure 4: Cultivating Islands of SDG excellence from local to regional, national and global SDGs priorities

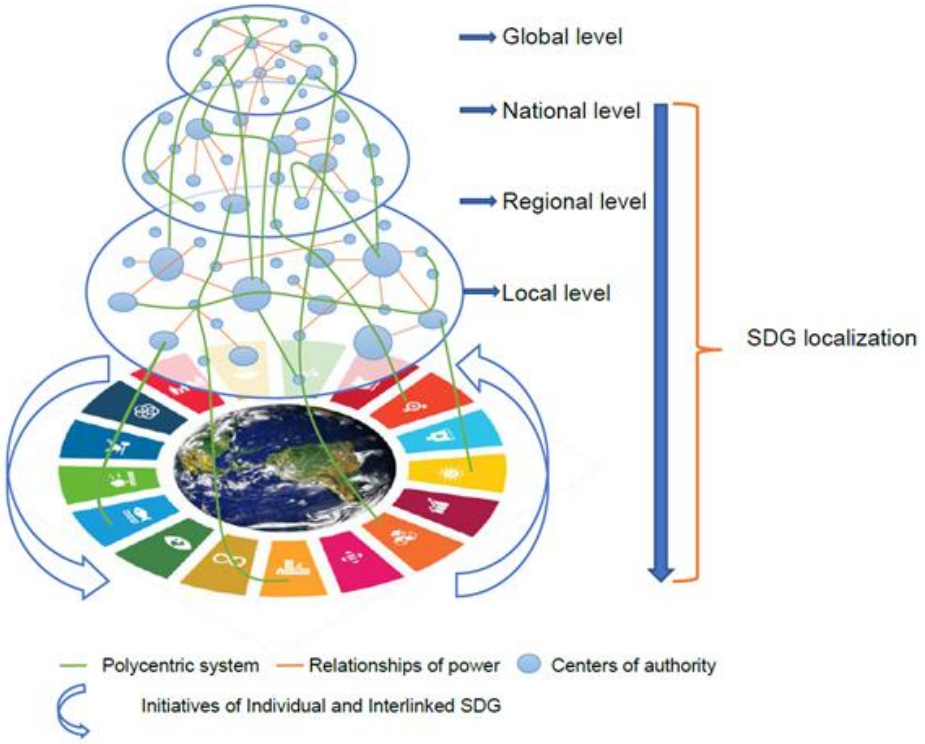
Source: Charles (2025)

3.2. South–South cooperation as a model for resilience

South–South cooperation principles provide a robust framework for resilient, life-centred development. Unlike traditional hierarchical aid, it is horizontal, peer-led, and contextually grounded, enabling Global South actors to define priorities and implement locally relevant solutions. Often structured as triangular or multilateral partnerships, these arrangements channel finance, technical expertise, and knowledge to multiple nodes, creating redundancy and diversity in resource flows (Raworth, 2017). This multipolarity reduces dependence on single donors, fosters innovation, and strengthens systemic resilience.

Integrating this approach into SDG financing wheels allows policymakers to map priorities across local, regional, national, and global levels, identifying synergies and trade-offs. For example, investments in agroecological farming link SDG 1 (No Poverty), SDG 2 (Zero Hunger), and SDG 15 (Life on Land), while decentralized renewable energy projects support SDG 7 (Clean Energy), SDG 9 (Infrastructure), and SDG 11 (Sustainable Cities). By anchoring finance in local needs while connecting to broader SDG objectives, South–South cooperation ensures that resources flow to underfunded but critical areas, reinforcing social and ecological resilience simultaneously.

Figure 5: Power in polycentric environmental governance



Source: Morrison et al. (2019)

4. Policy Recommendations

To address systemic inequalities in financial accumulation, international and national institutions should develop statistical tools to map group earnings and monitor structural biases. One proposed mechanism is the establishment of Earnings Mapping Units within finance ministries and Multilateral Development Banks (MDB). These units would track historical and current earnings across socio-demographic groups—considering factors such as race, gender, class, occupation, and geography—to identify patterns of systemic accumulation and potential "bubbles" where resources are disproportionately

concentrated. By providing real-time insights into financial flows, these tools can inform targeted policy interventions and prevent the exacerbation of inequality.

Complementing this mapping, systemic redistribution mechanisms should be introduced to direct resources toward underfunded but essential areas, such as climate adaptation, biodiversity conservation, and community resilience. Unlike conventional instruments such as taxes, subsidies, or carbon markets, which rely on individual behaviour change (via incentives and nudges), these mechanisms should explicitly address group-level disparities and historical entitlements. Evidence suggests that interventions linked to social influence, education, and collective responsibility are often more effective in impacting on pro-environmental behaviour than those targeting incentives and nudges (Grilli and Curtis, 2021). By linking resource allocation to systemic inequalities rather than individual incentives, policymakers can reduce accumulation bubbles, enhance ecological and social resilience, and ensure that finance flows toward groups and areas most critical for sustaining life.

4.1. Strengthen Group-Based Financial Governance

Effective financial governance requires coordination across scales, from local communities to global institutions, to ensure that resources support both social equity and ecological sustainability. Using frameworks such as the SDG wheels, policymakers can align financial flows with prioritized environmental and social outcomes, creating a polycentric system of accountability and influence.

Local-Level Policies for Systemic Redistribution

Local financial innovation offers a critical pathway to rebalance systemic inequalities within and across nations. Civic crowdfunding exemplifies how bottom-up financing tools can complement broader redistribution strategies. By empowering communities to finance parks, urban gardens, microgrids, and neighbourhood amenities, crowdfunding platforms channel resources toward neglected areas while strengthening social cohesion and participation (Treutel, 2014). When municipalities match funds or provide regulatory facilitation, they create hybrid public–civic mechanisms that blend grassroots creativity with institutional capacity. These mechanisms not only democratize access to finance but also legitimize community priorities within national development agendas, ensuring fairer access to public goods and resilience assets.

Many of the most effective local redistribution innovations originate in the Global South, where fiscal scarcity has spurred creative, community-centred financing ecosystems. Examples include Brazil's participatory budgeting (Porto Alegre model), which redistributes municipal funds based on citizen deliberation and has been replicated globally; India's Self-Help groups and cooperative microfinance systems, which integrate financial inclusion with women's empowerment; Kenya's M-Pesa platform, which

democratized access to digital finance for millions and laid the groundwork for micro-investment and insurance ecosystems; South Africa's stokvels and Ghana's susu cooperatives, informal savings systems that reinforce collective trust and resilience; and Cuba's decentralized healthcare and agricultural networks, which rechannelled resources to life-sustaining sectors under conditions of systemic scarcity. These examples show how polycentric and culturally embedded finance can outperform top-down systems in targeting inequality and sustaining livelihoods. They provide templates for community-based risk-sharing, solidarity finance, and ecological redistribution—the very elements missing in mainstream financial governance.

National-Level Policies for Systemic Redistribution

Addressing structural inequalities requires national interventions that complement local and systemic redistribution mechanisms. Two notable proposals— Baby Bonds and Universal Basic Income (UBI)—demonstrate how targeted and universal financial tools can reduce disparities while promoting long-term social and economic resilience.

Baby Bonds, proposed by Hamilton and Darity (2010), provide every child with a publicly funded trust account at birth, with larger deposits allocated to children from lower-income families. Accounts accrue returns over time and become accessible in adulthood, creating a mechanism to redistribute wealth across historically disadvantaged groups. Simulations, such as those by the Urban Institute (2023), suggest that Baby Bonds could substantially narrow racial wealth gaps among young adults, transforming intergenerational inequality into a measurable, policy-addressable outcome.

Universal Basic Income provides all residents with unconditional, regular payments regardless of income or employment status. The Finland UBI experiment (2017–2019) gave €560 per month to 2,000 unemployed individuals for two years, without conditions to seek work. Observed outcomes included higher life satisfaction, improved well-being, and reduced stress, demonstrating the potential social and psychological benefits of unconditional support. However, Howard et al. (2024) emphasise the importance of an ethical design of UBI pilots, including transparency, do-no-harm principles, and mitigation of power imbalances.

These national policies intersect with systemic redistribution by addressing group-level disparities rather than individual incentives alone. Baby Bonds target historically marginalized communities, while UBI ensures baseline security across all groups, reducing vulnerability to economic shocks. Both can integrate with broader polycentric governance frameworks, linking local initiatives such as civic crowdfunding, community finance institutions, and participatory budgeting to national redistribution strategies.

The global context reinforces the importance of coordinated finance: at COP29 in 2024, the New Collective Quantified Goal (NCQG) was agreed, aiming to mobilize at least $300 billion per year from developed countries, and a total of $1.3 trillion annually from all sources by 2035, to support developing nations in climate action, mitigation, and adaptation. Integrating local, national, and global finance ensures resources flow to underfunded but essential areas, aligning social equity with ecological sustainability and long-term resilience.

4.2. Scale Local-Global Financial Linkages

Integrating Community-Led Priorities with Multilateral Climate Finance

To enhance social and ecological resilience, financial governance should anchor community-led priorities using frameworks such as Doughnut Economics (Raworth, 2017) and Ostrom's commons (2009), ensuring that group disparities in access, vulnerability, and decision-making are explicitly considered. For instance, the eight principles for managing commons proposed by Elinor Ostrom highlight how effective collective action depends on a shared group identity and trust among members. By defining clear boundaries, co-creating rules, and ensuring local accountability, communities build trust and legitimacy from within rather than relying on external control. Her model proves that cooperation thrives when resource users act as members of a cohesive group rooted in common identity and context. Unlike private goods, which are owned and controlled by individuals, commons are collectively managed by a community with shared rules and responsibilities. Indeed, local communities are often best placed to identify critical needs, such as equitable access to natural resources, climate adaptation measures, or livelihood improvements, but require structured mechanisms to translate priorities into funded actions.

Multi-level financing instruments can bridge this gap. Local subsidies, participatory budgeting, and public–private partnerships channel resources directly to projects where social and ecological resilience intersect. Complementing these, mission-oriented development banks (Mazzucato, 2025) provide long-term, targeted capital for resilience-building initiatives, prioritizing projects that may not generate immediate financial returns but deliver significant social and environmental value.

The 2024 Joint Summary Report on MDBs' Climate Finance highlights that MDBs committed a total of $85.1 billion to low- and middle-income economies and $51.5 billion to high-income economies. Notably, adaptation finance in low- and middle-income countries rose by 6.5%, and private climate co-finance grew by 16%, indicating a positive trend towards aligning financial flows with resilience priorities.

Integrating community priority-setting with such financing instruments ensures that resource allocation addresses both equity and sustainability. By mapping local needs and vulnerabilities, policymakers can direct funds to under-resourced areas, support biodiversity, and strengthen livelihoods. This approach creates a polycentric system of investment and governance, linking grassroots priorities with national and international finance strategies, ensuring that capital flows are responsive to both ecological imperatives and social justice objectives.

Institutionalize Risk-Sharing Mechanisms

Global climate risks require structured, equitable approaches to financial resilience. General Average principles from maritime law provide a useful model: when a vessel faces extraordinary risk, all stakeholders proportionally share the associated losses (Fusaro et al. 2023). Applied to climate finance, this approach can institutionalize risk-sharing across countries, sectors, and communities, ensuring that no single group bears a disproportionate burden during crises (Demonsant 2023). By embedding these mechanisms in international agreements and funding frameworks, policymakers can create predictable, fair, and transparent systems for allocating climate-related costs, enhancing both resilience and trust in global risk management.

Encourage South-South Cooperation principles

Operationalizing the SDGs, or any other international policy frameworks, requires recognizing the Global South's leadership and fostering horizontal, solidarity-based cooperation. Cuba's response to the 2014–2016 Ebola epidemic in West Africa exemplifies this approach. Through its Henry Reeve brigade, Cuba deployed approximately 265 health professionals to Liberia, Sierra Leone, and Guinea, collaborating closely with WHO and local health services. These teams provided training, infection control, and treatment support, reducing case fatality rates in treatment centres from 80–90% to roughly 24% (Pérez-Ávila et al., 2019). Cuba acted not as a donor imposing conditions but as an equal partner, embedding technical expertise and institutional knowledge into local systems.

Brazil offers a second example through its WFP Center of Excellence Against Hunger, which exports Brazil's school feeding and local procurement model to 30+ African countries in partnership with the African Union (BRAF & UN Office for South–South Cooperation, 2020). Collaboration focuses on technical assistance, peer exchange, and institutional capacity-building, linking SDG 2 (Zero Hunger) with SDG 1 (No Poverty) and SDG 10 (Reduced Inequalities). By integrating local farmers and government ministries into program design, Brazil ensures that solutions are adapted to context rather than imposed externally.

Together, these cases highlight the effectiveness of peer-to-peer, horizontal cooperation, demonstrating that the Global South can lead sustainable, equitable outcomes. Hence, integrating lessons from civic crowdfunding, Global South participatory governance, and systemic redistribution creates a polycentric financial ecosystem that strengthens resilience by diversifying sources of capital and decision-making; promotes fairness through collective legitimacy and cultural adaptation; and ensures sustainability by channelling resources to life-sustaining systems and groups most affected by inequality and climate risk.

Figure 6: Polycentric Financial Architecture for Systemic Redistribution

5. Conclusion

This report highlights that group-level financial accumulation generates systemic bubbles, creating fragility that threatens economic and ecological resilience. Crises such as the 2008 financial crash and the COVID-19 pandemic illustrate how concentrated earnings and herd behaviour can propagate shocks across interconnected systems.

A life-centred definition of sustainability—prioritising biodiversity, planetary health, and equitable livelihoods—is essential to reorient economic governance. Prosperity must depend not on self-sustaining accumulation but on the wellbeing of both people and the planet. Aligning financial flows, policy frameworks, and institutional incentives with these principles is critical to achieving systemic resilience.

Policy innovations should integrate group-based mapping, local priority-setting, and multi-level financing instruments spanning municipal, national, and international scales. Risk-sharing mechanisms, inspired by frameworks such as General Average, can equitably distribute climate and economic shocks across groups. In the context of the SDGs, embedding group-level analysis allows policymakers to leverage inequalities to generate synergies across goals, ensuring finance flows to underfunded but critical areas.

Ultimately, resilient economic systems require fluidity, diversity, and redundancy in financial flows. Shifting from individualistic to group-oriented policy design reduces systemic fragility, channels resources toward sustainability, and embeds the pursuit of life at the heart of economic governance. This approach transforms finance into a tool for resilience, equity, and ecological stewardship.

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