

IAED USA Webinar: IAED Report - The Crisis of Family Formation

Roger Wetherall
April 13, 2026



Dear,

Please find attached, a report on our recent conference along with links to each of the video recordings from this presentation. We are planning future conferences related to this important global issue and would like to hear from anyone who has ideas related to this theme.

[Download the Report](#)

Presentation Video Links



Alan Jessen

Moderator, IAED

[An Introduction to the Topic](#)



Dan Hess

@MoreBirths

[The Great Crisis of Low Birthrates Threatening our Future and the Biggest Levers to Reverse It.](#)



Dr. Lyman Stone

Institute for Family Studies

Causal Factors of the Fertility Gap, its Threat to Economic and Social Stability and Pro-Natalism Policies: What Needs to be Done



Delano Squires

Heritage Foundation

Crossroads: Why America's Next 250 Years Will be Determined by the Strength of its Families



Dr. Robert Kittel

World Christian Leadership Conference

A Theology of Marriage



Lynn Walsh

Universal Peace Federation's Office of the Family

A response to the presentations

Final Discussion with all Panelists

We look forward to your participation and engagement in this event.
You can download our framework document at the link below.

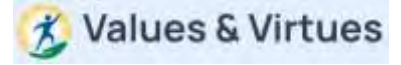
[Headwing Economics Framework](#)

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FEBRUARY 27 2026

TOWARD A HEADWING ECONOMY OF FREEDOM, PEACE AND SHARED PROSPERITY

POST CONFERENCE REPORT
THE CRISIS OF FAMILY FORMATION
AND ITS THREAT TO ECONOMIC
AND SOCIAL PROSPERITY

Today we are experiencing a global fertility crisis that many are calling “the most crucial economic issue of our time.” Understanding the scale and causes of this crisis, was the purpose of this forum. What are the crucial levers that are needed to reverse the trends now emerging from population demographics? Are there viable solutions to enhance fertility through government and economic policies or is a changing culture the bigger problem to overcome where decisions on marriage and children are being delayed. Solving this problem is of paramount importance.

IAED recognizes the truth that the economic and social stability of a nation is fundamentally rooted in the health of its families. Values and ethics such as mutual responsibility, cooperation and empathy are first acquired within the family and form the bedrock for all broader social interactions, including being productive members of society and its economy.

This conference series, Toward a Headwing Economy, springs from a paper IAED has drafted outlining a roadmap toward an economy of Freedom, Peace and Shared Prosperity. We have called this a “Headwing Economics” Framework paper. In it we highlight the importance of an economy where the cultural sphere informs the economic and political spheres to create an environment where healthy families grounded in strong values can flourish.

[Read the Headwing Economics
Framework Paper](#)

Video Link:
[Session 1: Introduction](#)
[Alan Jessen](#)

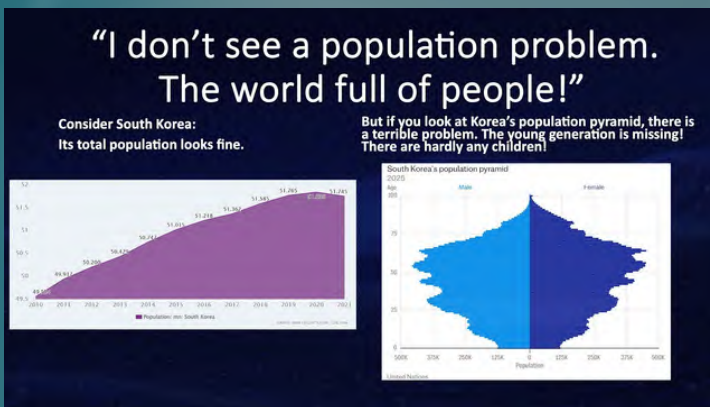
THE GREAT CRISIS OF LOW BIRTHRATES THREATENING OUR FUTURE AND THE BIGGEST LEVERS TO REVERSE IT

Daniel Hess: Pronatalist advocate, writing @MoreBirths

The Forum began with a presentation by Dan Hess describing how the global fertility crisis must be understood and viewed through the lens of economics and the devastating consequences that may undermine the stability of societies. According to economist Jesus Fernandez-Villaverde, "If we are unable to address our fertility crisis there will be an economic crisis that could have an impact measured in the quadrillions of dollars."

For perspective:

- The replacement fertility is 2.1 births per woman.
- The current rate in the United States is 1.6
- In Hong Kong it is .074
- In Korea it is .08
- In most developed countries it is below 2.



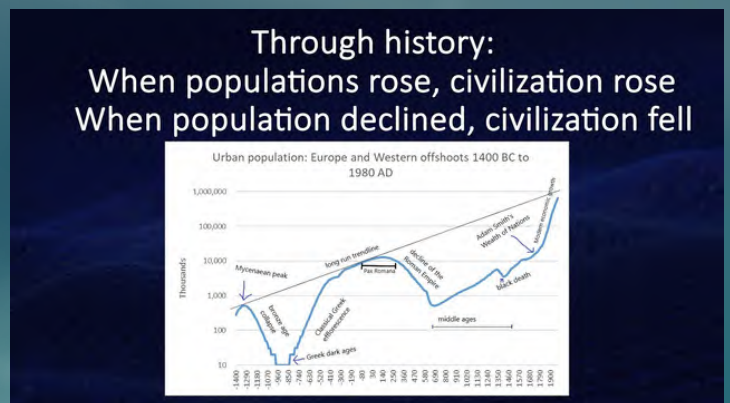
Why we don't see the problem.

The chart on the left is what we see when we look at South Korea's total population – it is nearly at an all-time high. Yet if you look at the population pyramid, you see that the younger generation is almost completely missing. There are very few children which translates into a dim future.

With fewer people, won't we be more prosperous and the climate healthier?

The answer is No.

Historically, civilization itself tracks population. When population declines, you lose economies of scale; you lose technology; and so many markers of civilization. Budgets decline leaving less discretionary spending on environmental needs.



All the advanced countries are having extremely few children

- Consider: The 44 countries of Europe (including Russia) now have fewer children every year than just one African country (Nigeria).
- But Nigeria is extremely poor: its economic production per capita is only 1/100 that of leading European countries. Are very poor countries somehow going carry the economic burden of the whole world?



The crisis is getting worse each year

Out of more than 100 countries that have fallen below replacement fertility since 1950, only two have returned to have above replacement fertility – Mongolia and Kazakhstan. Once a country falls below, they seem to be stuck below that level.

Is there a way to turn things around?

1. Pronatal Culture

Consider Israel: Highly educated, urban, technological
Most countries like this have very low birthrates

The biggest reason for better Israeli fertility?
Intense belief in the importance of having children, a national mission, constantly instilled, felt by everyone



What are the biggest levers that can lift birth rates?

A Pronatal Culture

In the case of Israel, it includes a national mission in the importance of having children that is constantly instilled and felt by everyone.

The 2nd and 3rd biggest levers to raise birth rates are Marriage and Religiosity.

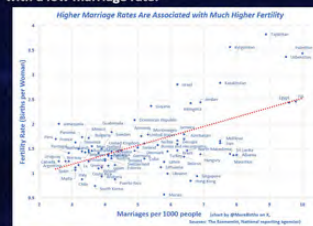
The difference in fertility between low marriage and high marriage countries is two times. But it's not just marriage, its early marriage. We've had this very strong trend toward later partnering and marriage.

The problem is that the fecundability curve, (the ability to get pregnant) peaks at age 20 and is dramatically lower by age 30.

Almost all research says that religiosity has a very large impact on fertility. If we really want to see a two-fold or three-fold increase in fertility, we have to talk about these large drivers. Religiosity is one of the largest.

2. Marriage

The difference in fertility between low marriage and high marriage countries is 2x! There is not a single country that achieves above replacement fertility with a low marriage rate.



We need to sell marriage to young people. Most young people don't know:

- Married people are happier
- Married people are healthier and live longer
- Married people are wealthier.

Maybe we need arranged marriage and matchmaking again!

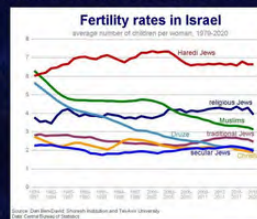


3. Religiosity

Almost every high fertility group in the world has a religious basis

All the research says the same thing. Religiosity has a large impact on fertility (especially when the religion teaches pronatal beliefs). We need to move the needle by 2x or 3x, not 3% or 5%. Even if it uncomfortable we must be honest.

The United States grew from 2.5 million to 76 million, 1776-1900. Fastest growth in world history, partly because America was very religious. But religious freedom is crucial. Like businesses, there is churn, some churches always dying, new ones always rising.



The two other big factors are Housing and Education. Research data shows that, contrary to what people think, the main issue with housing is not as simple as affordability. Housing type and size is really the driver. Fertility in the urban core of London, for example, is 0.55 whereas it is 1.5 to 2.0 in the suburbs where housing is more "family suitable".

Education is also a factor in lower birth rates. Sex education for young people almost entirely focuses on how to avoid pregnancy, and almost not at all on how to build a family, prioritizing having children early to avoid the disappointments of starting later and then not having the children they wish for – which is called the fertility gap. Unplanned childlessness can lead to loneliness and isolation later in life.

Is there a way to turn things around?

Video Link:
[Session 2: Daniel Hess](#)

WHY FERTILITY FALLS AND WHAT NEEDS TO BE DONE?

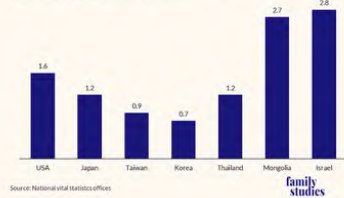
Dr. Lyman Stone: Institute for Family Studies

Dr. Stone's talk focused on East Asia as examples of falling birth rates. As a population demographer, he looks to the data to find answers to his questions. He started with this question: What explains the great variation in fertility between high-income industrialized countries? The second question is that despite an acceleration in falling fertility rates throughout Asia, Korean fertility seems to have bottomed out and is rising. Why?

What explains this?

There is enormous variation in fertility among industrialized countries

total fertility rate as of 2023 (children born per woman)

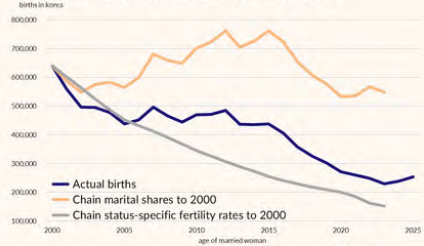


Source: National vital statistics offices

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Pronatalism Initiative

It really is just marriage!

Korea would have stable births if marriage wasn't declining



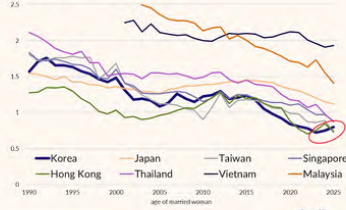
Source: Author's calculations

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What explains this?

Why is Korean fertility stabilizing now?

total fertility rates



Source: National vital statistics offices

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“The first thing we want to ask is what makes a society good for having kids?”

How would we even know if a society is good for kids?” The first way is to look at “marital-specific fertility rates”, such as people who are married, partnered, co-residential and etc. What are their odds of having a child? Some of his conclusions are from the data:

- Israel has a higher marital fertility rate than Mongolia; Mongolia has more married couples
- Marriage is having an enormous regulatory impact on the fertility rate.
- Japanese couples have a higher likelihood of having a child than U.S. couples, but the U.S. has higher fertility. Why? U.S. has a higher marriage rate, particularly at younger ages.
- In Taiwan, once they get married, they have babies; it just takes a long time to get married
- Korea has relatively high marital fertility, but very low overall fertility. Korea's births can be explained by the change in the share of people who are married.

What we've learned so far...

Couples are still deciding to have kids in Asia at pretty high rates

But *fewer couples* are forming

And this explains most fertility decline

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If it's marriage, then...

Should we even care about pronatal policy?

Yes:

1. Helping families is good anyways
2. Bigger families can partially offset lower marriage
3. Some people may postpone marriage because they don't think they can afford kids!
4. Cures don't always fix causes

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So if marriage is the real problem, should we care about pronatal policies? Dr. Stone says YES and gives 4 reasons:

Just because declining marriage is the cause of fertility decline doesn't mean that the solution has to be raising marriage back to 2000 levels. There might be other solutions, such as increasing fertility within existing marriages.

The question becomes how might pronatalism policies make that happen?

Empirical studies have looked at how cash payments influence fertility rates. If you pay for something, you tend to get more of it.

Do financial incentives raise fertility rates?

Only slightly, it appears, unless significant sums were spent, as the example in Korea shows. Big spending might be "worth it", but there might also be moral hazards and other consequences of higher government spending.

Yet there is a second path that seeks to target and boost marriage.

When Korea rolled out a 1 million Won bonus for getting married (approximately \$670 US) in 2024, marriage rates rose immediately. Cash for marriage might have some of the same moral hazard or other cost issues that are of concern, but at the end of the day, you can subsidize marriage and get more of it. Still, Dr. Stone echoes what Dan Hess mentioned, that cultural, social, religious influences matter a lot and arguably matter more than finances. The problem, he says, is that they are very hard to study because demographers almost never measure cultural and social influences on marriage.

He concluded by saying that in 2026, the Institute for Family Studies is undertaking a study to do just that! They will conduct a Global Fertility Culture Survey asking questions relating to culture, such as what your mother-in-law or your peer group thinks of you having kids? Do you think kids in your country have a good childhood these days? Would you be happy having kids? They will ask about school experiences and upbringing and friendships with social media, coworkers and different social influences that are known to impact fertility decisions.

Video Link:

[Session 3: Dr. Lyman Stone](#)

The first two presenters have spoken to the big picture of what the data on fertility is showing us – namely that the decline of birth rates is real across the developed world and it is a stubborn trend that is difficult to reverse. History has shown that civilization's rise and fall is related to a rising or declining of its native population. Declining marriage rates were singled out by the demographers as the primary cause of the fertility crisis.

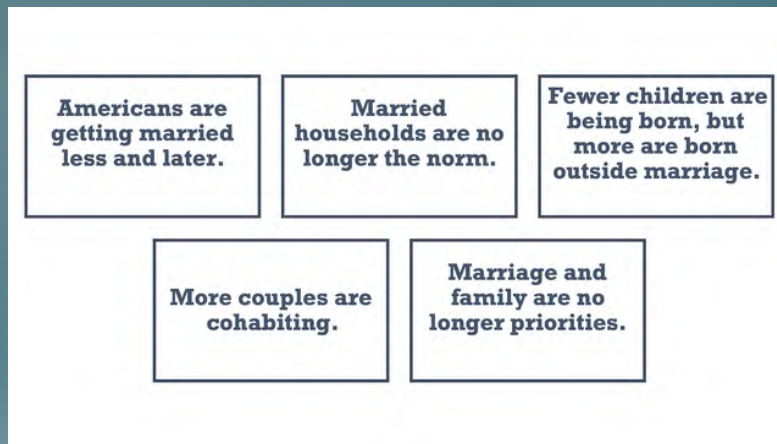
The third presentation takes a deeper look at marriage and family structures through the eyes of children and what creates a healthy society.

CROSSROADS: AMERICAN FAMILY LIFE AT THE INTERSECTION OF TRADITION AND MODERNITY

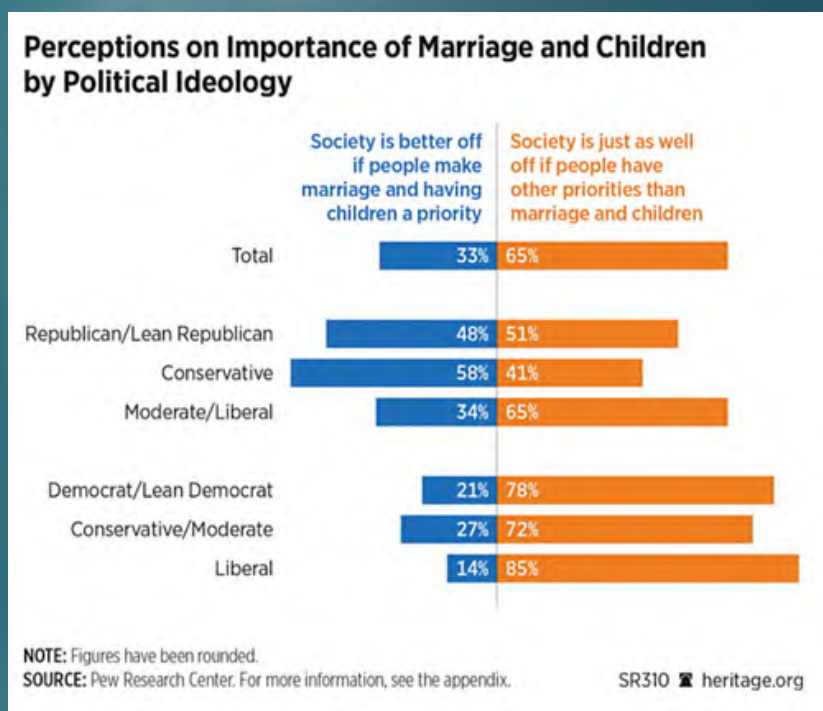
Delano Squires: Heritage Foundation

Summing up the state of marriage in America today

- Marriage has changed from early and often to less and later
- Median age for marriage is now 31 – up from 23 in 1980
- Only 47% of households are married couples
- 40% of children are born to unmarried parents
- 25% of children live with a single parent – the highest in the industrialized world.
- More families are cohabiting. In 2022 one in five new homes purchases were an unmarried couple purchasing a home together.



The results from a Pew Research Center survey on the perceptions on the importance of marriage and children shows that large percentages of people feel other priorities outweigh having children. Marriage and family are no longer a priority.



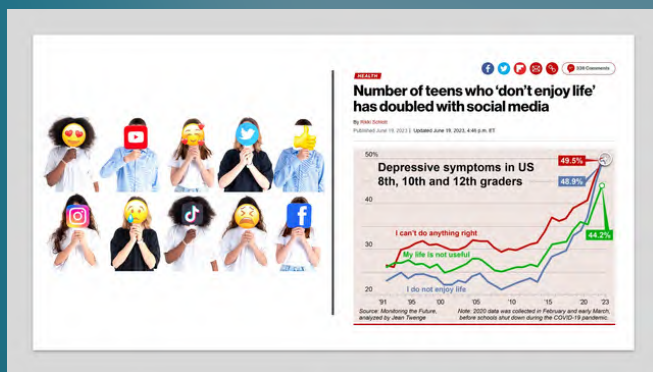
Our Marriage model has changed from a cornerstone marriage model where couples build a life together to a capstone model where individuals build their lives first and then look for marriage later – with negative effects on fertility rates. But is important because children are important. They are the lifeblood of families and the family is the cornerstone of any society.

And going deeper, Mr. Squires argues that more than total fertility output, the goal is to ensure that more children are raised in a married two-parent home. Why? Children have a right to their parents because the act of creation comes with an implied obligation towards stewardship. And that right is best exercised in a loving, low conflict home with a married mom and dad. Research clearly supports the position that children do better when raised in two-parent homes.

How did this change in marriage patterns happen? Squires boils the complex issues involved into two primary cultural shocks that have destabilized or disrupted the relationships between men women and the institution of marriage.

The first is the expansion of the welfare state. For example, in 1950 social welfare spending was about \$1 billion. By 1985 it had blown to \$62 billion. Essentially Uncle Sam assumed the role of husband to millions of women and father to millions of children, starting in the 1960's.

Secondly and at the same time, "you have the rise of second-wave feminism, which was beaming out to women through the academy, media, and through protests, the idea that femininity is weak, masculinity is toxic, marriage is oppressive, the home is a prison, and children are a burden." Though many things were going on, these two big issues were disrupting the traditional roles that men and women played in society. And as a result there has been a breakdown in trusting relationships between men and women – especially on the fringes of both the right and the left where loud voices are preaching that the traditional way of forming a family is no longer beneficial to them.



Another Challenge

“Young people are facing enormous pressures, many of them coming from online. ... more kids are reporting that they don’t enjoy life. Children who don’t have any responsibilities to take care of a family or home are reporting greater levels of depression.” This carries over to having a hard time forming healthy and productive families.

Squires argues that pro-natalism policies are not enough. “The focus here should be on promoting marriage, not just more children as an output measure.”

So how do we move forward? Heritage Foundation’s recent Family Policy Report has five top-line recommendations, amounting to a whole-of-government approach to remove barriers and improve affordability.

What stood out were two final points:

- Spur a cultural and civic renewal by rebuilding the cultural foundations that support family life.
- Emphasize the goal of multi-generational family success where children are born early enough to give children the benefits of being able to learn from their grandparents, and grandparents the benefit of being able to enjoy life with their grandchildren.

This is the model we should be shooting for!

<p>STOP PUNISHING FAMILY FORMATION Remove government-created barriers that discourage marriage and family growth.</p>	<p>RESTORE THE AMERICAN DREAM Make it possible for families to thrive economically and culturally.</p>
<p>SUPPORT MARRIAGE AND WORKING FAMILIES Actively encourage and reward marriage, parenthood, and family stability.</p>	<p>SPUR CULTURAL AND CIVIC RENEWAL Rebuild the cultural foundations that support family life.</p>
<p>UTILIZE WHOLE-OF-GOVERNMENT APPROACH Align all federal agencies and policies to consider their impact on families.</p>	

Video Link:
Session 4: Delano Squires


A THEOLOGY OF MARRIAGE

Dr. Robert Kittel: World Christian Leadership Conference

Dr. Kittel shared slides from around the world with desperate appeals to address the fertility Crisis.

AP
May 12, 2023

Pope joins PM Meloni in urging Italians to have more kids, not pets



apnews.com/article/italy-politics-pope-demographics-childcare-799464549438a0975a0940e0104a000f

DubaiMag

South Korea Is Paying People \$38,000 To Get Married !
South Korea's Battle Against Low Birth Rate: A New Hope



The district is providing various benefits, including housing support, childcare services, and job opportunities. These initiatives aim to create a supportive environment for young couples to build their lives and start families.

dubainewsmag.blogspot.com/2025/06/south-koreas-battle-against-low-birth.html

The Telegraph

We're Witnessing the Slow Extinction of the Human Race

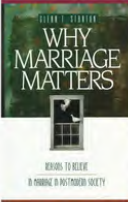
Economic incentives alone are unlikely to raise below replacement birth rates. Only a cultural revolution has a chance of achieving that...

Somewhere, some group or other with a pro-natal urge is likely to keep humanity going.

Moreland, Paul. "We're witnessing the slow extinction of the human race," in the Telegraph of Aug. 7, 2025 from <https://www.telegraph.co.uk/news/comment/2025-08-07/we-witnessing-slow-extinction-human-race/> (accessed Aug. 7, 2025).

The Solution is to create a culture of marriage and motherhood. As earlier speakers of this forum reported, marriage matters; even sociologists have recognized this fact and have called upon religious leaders to “work out a fuller theology of marriage”.


Theology on Marriage



There “is a mountain of scientific evidence” in “published literature over the past few decades” proving that marriage matters...

Stanton, Glenn T. (1997). Why Marriage Matters: Reasons to Believe in Marriage in Postmodern Society, p. 173.

Theology on Marriage



Sociologists are calling for religious leaders to “work out a fuller theology of marriage...”

Stanton, Glenn T. (1997). Why Marriage Matters: Reasons to Believe in Marriage in Postmodern Society, p. 173.

This presentation seeks to provide that ‘fuller theology’ by asking two questions: Does God have feminine qualities? And why is that an important question? He suggests that it does make a difference in how we view the roles and values of man, woman and marriage.

If God is only Male

- Women are routinely sidelined
- Marriage is not part of God's logos
- The family is not given full value
- Non-marital sex is not a big deal
- Salvation only for the individualism
- Male domination continues...
- No sustainable peace or prosperity

Feminine Attributes in the Logos

1. God becomes our "Heavenly Parent"
2. A balanced and gender-inclusive trinity!
3. Womanhood is part of God's essence
4. Marriage becomes our most sacred calling
5. Human sexuality is to be only within marriage
6. Highest cultural values → from marriage & family
7. Huge benefits to children, families, & society

He presented three proofs of God's Femininity: Science, the Bible and Theology.

Science

Romans 1:20 reveals God's nature is found in creation. Science teaches that all things are created under a pair-system principle of male and female or positive and negative qualities. Therefore God our Creator must also have masculine and feminine attributes.

God's Nature in Creation



Ever since the creation of the world **His invisible nature, namely, His eternal power and deity**, has been clearly perceived in the things that have been made...

Rom. 1:20 (RSV)

Bible

The Bible has many images in both the Old and New Testaments portraying God having feminine characteristics

Here are just a few examples in which the Bible reveals God's nature through feminine characteristics and metaphors:

- God made man and woman in His image (Gen. 1:27)
- God comforts his people like a mother comforts her child (Isaiah 66:13)
- Like a woman would never forget her nursing child, God will not forget his children (Isaiah 49:15)
- God gave us birth (Deut. 32:18)

Imagery in 20 Bible verses, in both the Old and New Testaments, portrays God having feminine characteristics.

Affirmation:

God has feminine attributes.

Theology

Admittedly, this can be controversial, but he indicated that it is important to know that Logos and Theology are different. Logos is the Word of God and never changes; Theology is the Study of God's Nature and this has changed and should change, as Jesus himself "updated" theology from God as "Adonai", to God as "Father".

What he is suggesting is that if God has feminine characteristics, then we can call God our Heavenly Parent, not just Heavenly Father. He presented a series of slides on Gen 1:27 sharing the insight that man is created in the image of God as an individual, but ALSO that a man representing God's male characteristics and woman representing God's female characteristics is MORE in the image of God. The Three Great Blessings affirm this conclusion and thus calls for marriage in the 2nd Blessing in order that we may multiply and fulfill what God is seeking – Godly Offspring. (a few of the slides are shown here)

God's Original Logos

Gen. 1:27

So God created man in His own image,
in the image of God He created him;

Image of God as an individual Gen. 1:27(a)

male and female He created them.

Image of God as a couple Gen. 1:27(b)

Quoted by Jesus in Matt. 19:4-5



NASB

Gen. 1:27(b)

Together, a man and woman
are more in God's image.



Three Great Blessings: Gen. 1:28

Image of God as
an **INDIVIDUAL**
Gen. 1:27(a)

Image of God as
a **COUPLE**
Gen. 1:27(b)

And God blessed them, and God said
to them, "Be fruitful and multiply ...
and have dominion over every living
thing that moves upon the earth.

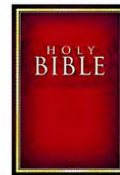
Gen. 1:28 (RSV)



God's Dream

Has not the one God made you?
You belong to him in body and
spirit. And what does the one God
seek? **Godly offspring...**

Malachi 2:15 (NIV)



Every Religion Honors Marriage



Solve: Population Death Spiral

1. Honor womanhood
2. Honor motherhood
3. Honor marriage
4. Honor family
5. Live in 3-generation families
6. Create a culture with these values are embedded in every element of society.

By updating our theology with a deeper understanding of God's feminine nature, we are recognizing a more inclusive trinity and honoring womanhood, motherhood and recognizing the sacred purpose of life to experience the fullness of God's image in marriage and family.

Video Link:
[Session 5: Robert Kittel](#)

RESPONDENT TO THE SPEAKERS

Lynn Walsh: UPF Office of the Family at the United Nations

“My response is that the Theology of Marriage really would spark the cultural revolution needed to reinvigorate marriage and the desire for children. Religion is often misconstrued as conveying a demeaning message about women, but the theology of marriage is quite the opposite. It resolves a fundamental historical imbalance by recognizing God not as exclusively masculine, but as a divine parent, embodying both masculine and feminine characteristics. More profoundly, the union of man and woman mirrors the inner unity of God himself. Marriage then is not merely symbolic, it is ontological. There is no full image of God without marriage and family; marriage reveals God. This reframes marriage and procreation not as mere social conventions, but as sacred expressions of divine nature itself. It is no surprise that social science corroborates what many have long believed, and we heard very well expressed today, that a married mother and father presents the optimal family unit for children's well-being and couples' happiness.

To me, the path forward begins with recovering the case for marital commitment. For love to deepen, there must be trust and emotional safety, a space where one's whole self can be given without fear. Vows of fidelity between two imperfect people make an essential difference. Commitment is the foundation.

It has been noted, as we heard today, that religious people consistently show higher marriage and fertility rates than non-religious. Finally, are we entering a post-secular moment? The population decline is forcing us to examine our priorities. The sexual experimentation and rejection of tradition that has characterized recent decades cannot sustain communities or nations over the long term. I believe we may be approaching that reckoning, and that the work of this conference and its panelists is profoundly important in helping to shape what comes next. Thank you very much.

Video Link:

[Session 6: Lynn Walsh](#)

Video Link:

[Session 7: Discussion with all panelists](#)

Video Link:

[Full Program](#)



Headwing Economics: A New Framework for Sustainable Growth and Shared Prosperity

IAED Collaboration Team:

Abdoulay Wone (Africa)

Dr. John Bellavance (Australia)

Roger Wetherall (USA)

Alan Jessen (USA)

First Version: March 2025

Revised: December 2025

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1. Introduction

In a world increasingly marked by uncertainty, rapid technological advancements, and widening inequality, there is an urgent need for new economic paradigms that promote sustainable growth, inclusivity, family formation, and shared prosperity without succumbing to repressive government controls. Marxist economic theories have failed across the globe, and even Communist China's economic success is largely attributed to Deng Xiaoping's pivotal 1978 decision to return to a market economy, embracing private initiative and ownership of production enterprises. This was significant because it was not only for Chinese citizens but also for foreign capital, which had previously been criticized as a source of exploitation.

Meanwhile, traditional models of capitalism and social democracy, while successful in many contexts, are proving inadequate to address the multifaceted challenges of the 21st century. Issues such as the rapid rise of Artificial Intelligence, environmental degradation, wealth concentration, and exclusionary financial systems are pressing global concerns that demand fresh solutions.

We also recognize that the economic and social stability of a nation is fundamentally rooted in the health of its families. Values and ethics such as mutual responsibility, cooperation and empathy are first acquired within the family and form the bedrock for all broader social interactions, including being productive members of society and its economy.

It is within this context that the International Association for Peace and Economic Development (IAED) introduces an innovative framework called "Headwing Economics." This framework aims to transcend traditional left-wing and right-wing ideologies by bringing together people from diverse ideological, political, and cultural backgrounds, offering a higher, unifying perspective rooted in spiritual and moral principles.

IAED promotes a fresh approach to harmonizing values and guiding economic systems towards more equitable and sustainable outcomes. It advocates for a model that blends the dynamism of free markets with ethical governance, family-focused policies, and widespread ownership, enabling families and individuals to thrive within a justice-driven economy. Economic and social justice does not require the forcible redistribution of wealth through coercive governmental policies. Instead, it consists of organizing and working with others to reform economic and social institutions by making it possible for everyone to participate in them fully and realize the just benefits due from their contributions to the economic process (Ferree, 1998)

The intention of this booklet is to stimulate dialogue and cooperation among all stakeholders, allowing us to unite around a vision of a more just and sustainable economic system. It explores the principles of Headwing Economics and outlines the path toward its successful implementation for the benefit of future generations. The attempt here is not to present a definitive framework for a values-based justice driven economy, but to invite a conversation with others who aspire and work for this goal to realize a world of true interdependence and peace.

2. About IAED

The International Association for Peace and Economic Development (IAED) is a global association that brings together business leaders, government officials, thought leaders, and key economic

stakeholders, including trade unions and consumer representatives, to address today's most pressing economic challenges. IAED is one of eight associations under the Universal Peace Federation (UPF), a 501(c)(3) organization with General Consultative Status at the United Nations under the Economic and Social Council (ECOSOC). IAED collaborates with diverse partners to promote a new vision for economic development based on ethical governance, sustainability, and shared prosperity.

IAED's Vision

As an association of UPF, IAED is founded on the belief that economic development must align with ethical and spiritual values guided by the three pillars of the Universal Peace Federation for the realization of a sustainable global society.

Those Three Pillars are:

1. Interdependence

Interdependence refers to the mutual reliance and interconnectedness of nations, communities, individuals, and our natural environment. It stresses the importance of collaboration, cooperation, and shared responsibility among individuals and nations. Humanity can reach its full potential only through mutual support and collective effort. In a healthy family, interdependence fosters cooperation, trust, and shared responsibility (Kumi, 2014).

Headwing Economics relies on certain moral values and attitudes such as our sense of interdependence and mutuality as a human race. To fully embrace interdependence, there must be a profound shift in mindset, recognizing that one's well-being is intrinsically tied to the well-being of others. As Martin Luther King Jr. articulated, "All life is interrelated. We are all caught in an inescapable network of mutuality, tied into a single garment of destiny."

Approaches:

- **Good Governance and Collaboration:** Since de-globalizing ecology, scientific development, and the economy is impossible, our only option is to globalize good governance, collaboration, and shared responsibility with the understanding that global prosperity is achieved through cooperation. By leveraging a network of current and former heads of state, parliamentarians, academicians, and religious leaders, IAED seeks to promote global citizenship rooted in interdependence and mutual respect.
- **Family as a Foundation for Ethics and Prosperity:** UPF leads a movement to strengthen marriages, encourage family formation and promote values and character education centered around universal values. IAED is working together with UPF to promote a *headwing economy* where families flourish and generate strong *Social Capital* for the benefit of the whole society.

2. Mutual Prosperity

Mutual prosperity refers to shared economic growth that benefits all participants in the global economy. It advocates for an inclusive approach to development where economic systems are

designed to allow everyone the opportunity to participate fully and reap the rewards of collective success.

Genuine prosperity can only be realized when we prioritize fairness over individual gain and work to diminish greed. Despite efforts by many leaders to alleviate suffering and establish lasting peace and stability, the world is still filled with hollow promises. Both democratic capitalism and communist socialism have failed to address global issues, allowing materialism to diminish the value of human life. - Rev. Dr. Moon

Approaches:

- **Economic Development:** IAED seeks to support businesses and entrepreneurs who are fostering innovation, job creation, and sustainable practices that can thrive in a microeconomic business and entrepreneurial culture. In the area of macroeconomics, IAED collaborates with economic thought leaders to highlight the best ideas and policies to advance justice-driven economic systems and reforms.
- **Tangible Programs and Partnerships:** IAED seeks to expand its impact by developing partnerships with local and international organizations and nonprofits.
- **Banking and Credit Institutions:** To achieve true economic justice, it is essential to ensure that banking and credit institutions are designed to facilitate broad participation, creating a framework where all citizens can access the resources necessary for their family well-being and entrepreneurial pursuits.

3. Righteousness (Universally Shared Values)

IAED's commitment to universally shared values fosters an ethical approach to economic governance, ensuring that economies serve individuals and society. Righteousness is the application of universal ethical values, such as respect, justice, equality, and compassion. It refers to the commitment to do what is right. In a global economy, righteousness ensures that actions and policies are aligned with these values, safeguarding the common good.

Approaches:

- **Promoting Ethical Principles and Rooting Out Corruption:** IAED advocates for a global framework built on shared ethical values. IAED aims to eliminate corruption and establish systems that prioritize accountability, transparency, and fairness within corporate governance structures to ensure that business success benefits all stakeholders and supports the common good.
- **Leadership Development for Good Governance and Strong Families:** Working with its UPF partner associations, IAED offers programs and workshops focused on cultivating leaders who embody righteousness in their actions and make decisions that serve the individual while promoting family formation and a good society.

3. The Current Economic Landscape

Free trade has had a beneficial effect on a global level by bringing millions out of poverty. The underlying structure of the market-based capitalist system is the self-interest of the individual

coupled with freedom of opportunity, which has resulted in unleashing individual effort, entrepreneurial activity, and innovation. Policies manifested through private property rights, free markets, and trade liberalization have created great wealth, forging closer geo-political relations through trade agreements and stronger political ties. Free-market systems outlined above are important for both individual and mutual prosperity. However, some of the principles and applications of free market capitalism have their shortcomings and create obstacles to mutual prosperity. For example, the growth principle that maximizes shareholders' value and profit is driven by narrow self-interest and must be re-examined.

Today's global economy faces unprecedented challenges that demand a fundamental rethinking of how economies are structured and operated. From rising inequality to environmental crises, the current economic models need to be revised to address these complex, interrelated problems. Below, we outline several of the most pressing economic challenges:

If developed nations cannot have a noble thought greater than the pursuit of profit, they will end up declining, no matter how hard they try to prosper. How can we be at peace when our neighbor is dying because of hunger, disease, and ignorance? - Rev. Dr. Moon

a. Concentration of Wealth and Inequality

It is important to discuss how the increasing concentration of wealth presents a significant barrier to achieving a world of mutual prosperity. Recent economic data has underscored a growing imbalance in the distribution of Gross Domestic Product (GDP) between capital and wages. Over the past few decades, the share of GDP allocated to capital has risen substantially while the portion directed toward salaries has stagnated. This trend reflects a deeper shift toward the concentration of wealth among owners of productive capital with far-reaching consequences for income inequality and societal well-being. According to the World Inequality Report 2022, the richest 1% of the global population now owns more than 45% of the world's wealth, while the bottom 50% collectively controls less than 2%. Other research suggests that in rich countries, the top 5% of people hold as much wealth as the bottom 95% (Richardson, 2023), while the lower half of the global population collectively own less than 1% of global wealth.

This stark disparity is not merely a reflection of individual success or failure but is shaped by systemic factors that amplify inequality. Tax policies often favor the wealthy through lower rates on capital gains and inheritance, while globalization has enabled multinational corporations and their shareholders to benefit disproportionately at the expense of local labor markets. Technological advancements, such as automation, have further widened the gap by rewarding capital owners over workers, and monopolistic market practices have concentrated economic power in the hands of a small number of dominant corporations. These factors collectively exacerbate wealth inequality, undermining efforts to create a more equitable and prosperous global economy.

b. Access to Capital Ownership

One of the fundamental structural concerns with the current economic system is the widespread lack of access to capital ownership. When ownership of capital becomes overly concentrated, it perpetuates inequality, limiting social and economic mobility. This imbalance is further exacerbated in modern economies, where technology-driven productivity disproportionately benefits owners of

capital while wages stagnate, leaving the labor force further behind. Current Keynesian and neoliberal economic theories fail to adequately address the causes of this disparity, allowing for wealth and economic power to concentrate further.

A study by the Center for Urban Entrepreneurship and Economic Development at Rutgers University highlights how disparities in ownership often precede broader wealth gaps, pointing to the concentrated ownership of commercial real estate (CRE) in urban areas by non-local investors. This limited access to capital not only exacerbates economic inequality but also hinders the growth and valuation of CRE markets (Richardson, 2023).

One analysis that deserves further study is the work of Louis Kelso. Together with American philosopher Mortimer Adler, Kelso authored the book *Capitalist Manifesto* in 1958. His background and experience as a corporate finance lawyer enabled him to identify why ownership of productive capital tends to concentrate to those who already have access to credit. Kelso's work led to the USA Federal ERISA legislation in 1975 that created in law the Employee Stock Ownership Plans (ESOP's) where workers were able to buy-out the owners of companies and become equity owners in the businesses. The Center for Economic and Social Justice carries on this work and is advocating for "The Economic Democracy Act" which promotes monetary and tax reforms that would expand the ESOP model of democratizing capital ownership to all citizens (Kelso, 1958).

Another competing approach is the World Economic Forum's (WEF) vision "Stakeholder Capitalism" which shifts focus from maximizing shareholder profits to creating value for all stakeholders, including employees, communities, and the environment. This approach does not directly expand access to capital credit and ownership but seeks to balance profit-making with social and environmental responsibilities, promoting fair wages, human capital investment, and sustainable practices (Schwab, 2021)

c. Environmental Degradation

Human economic activities have had a devastating impact on the planet's ecosystems. Climate change, pollution, and deforestation threaten the sustainability of future economic growth. Despite the urgent need for a transition to green energy and sustainable practices, many businesses continue operating with short-term profit motives, prioritizing economic gain over environmental stewardship. Another systemic problem is the conflict between our desire for infinite GDP growth, that current economic logic demands, with the finite resources of planet Earth.

d. The Global Economic System Challenge

Another problem is the greed and corruption in the global economic system. Since the end of the Cold War, the world has transitioned from a system built around walls to a system increasingly built around networks, which have created many opportunities. However, the globalized world is both a source of progress for some and a source of vulnerabilities for many. Since the 1990s, academics, economists, and politicians have been challenged to cope with the impact of global and regional interdependence. Developed countries should be ready to make sacrifices for the sake of underdeveloped countries. This approach will not bring about the decline of rich countries; the opposite will happen: prosperity will increase. (Moon H. J., 2020).

4. What Would be the Purpose of Headwing Economics?

Headwing Economics seeks to harmonize the strengths of both free-market economics and capitalist social democracy while proposing some approaches to overcome their inherent weaknesses. Although free market systems have created unprecedented levels of innovation and wealth, they have also led to growing inequality and environmental degradation. Social democracy, on the other hand, has historically prioritized collective welfare, but often at the expense of individual freedom and economic efficiency.

Headwing proposes that both left-wing and right-wing ideologies are incomplete on their own. By placing ethical leadership at the center of economic decision-making (the "head"), Headwing Economics seeks to balance the productive forces of individual enterprise (democratic right-wing) and social responsibility of the state (democratic left-wing), ensuring a more just and prosperous future for everyone. (Moon S. M.)

Another view for understanding the left-wing and right-wing complementary attributes is expressed as follows: Left-Wing is taken to mean a focus on social and governmental institutions that seek to support a level-playing field of equal opportunity and reward by regulating society, while Right-Wing refers to Individuals as the primary moral agent that can bring about change in the world.

Headwing Economics seeks to synthesize the best of both systems and encourages the development of a framework of ideas to help advance that synthesis.

5. Philosophical Underpinnings of Headwing Economics

a. Headwing Framework

Headwing seeks to harmonize shared values, truth-seeking, and good governance in politics and economics with the spirit and principles of faith traditions. Coined by Dr. Moon in 2002, this ideology integrates the spiritual, ethical, and material dimensions of human life, providing a comprehensive framework for addressing societal challenges.

Dr. Moon emphasized the limitations of materialistic humanism, stating: *“Humanism based on materialism is not enough. How wonderful would it be if God can be above it.”* This vision reflects the core of Headwing thought, which transcends purely material concerns by embedding universal moral principles into political and economic systems (Moon S. M.).

As a unifying ideology, Headwing thought connects human ethics with religious ethics, creating a shared foundation across diverse faiths and cultures. It addresses both spiritual needs by fostering a connection to divine principles, and material needs by promoting equitable and sustainable governance. Headwing especially focuses on the political and economic sectors, bridging the gap between the sacred and the secular, ensuring that justice, truth, and compassion guide human progress.

Central to this thought is the belief that God, humanity, and the material world must be united through love. This unity is best expressed in the family where love is first experienced and realized. It is within loving families that standards of value, ethics and order in relationships are set and

acquired which are then extended to society. From this foundation, practical systems of governance and economics that prioritize the well-being of all can arise. By harmonizing these dimensions, Headwing provides a universal approach to creating societies that reflect both spiritual and material prosperity.

The first important value consideration of Headwing is that it advocates for a third way which integrates the positive aspects of both the left and right wings, aiming to create a balanced and harmonious society based on universal values such as truth, love, and justice. In practice, Headwing emphasizes the importance of designing social and economic institutions that are centered on family values, moral integrity, and the pursuit of peace through freedom and justice.

Dr. Lee, the author of an initial formulation of Unification Thought based on Dr. Moon’s Unification Principles, calls a good civilization a “Moderate, Harmonious Civilization”. Such a society harmonizes the various elements of human civilization (moral/spiritual, political, economic, and social institutions) to act as one for the benefit of humanity and the natural environment based on a standard of value (Lee, 1981) (Kumi, 2014).

Dr. Gordon Anderson maintains that a Headwing civilization is an integral society where social consciousness (moral and spiritual values) and social institutions (family, religion, and education) are harmonized with the social body (politics and economics). An integral society is created by a social consciousness rooted in a view that both the needs of the whole of society (the social contract) and the needs of the individual must be met (Unification Thought Institute, 2006).

Heart Sets the Standard of Value

In Unification Thought (UT), reason guides our moral decisions and behaviors, but it is *Heart* and love that is the driving fundamental motivation to consider the needs of others. Therefore, reason alone is not enough to motivate moral actions (Lee, 1981).

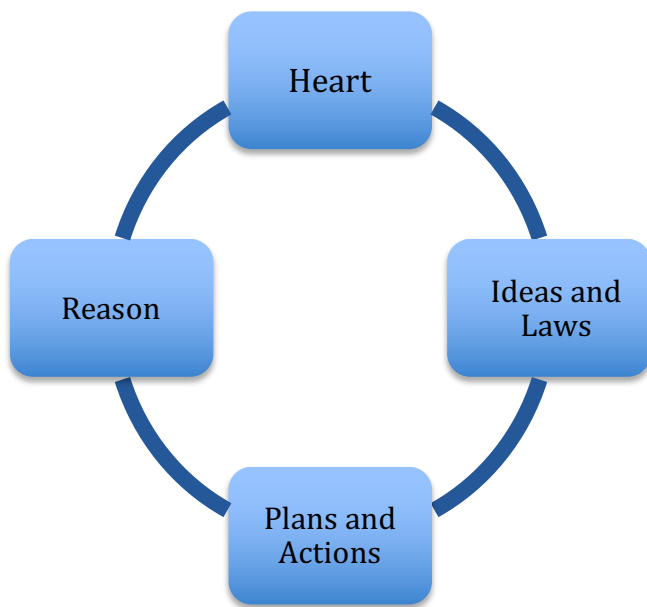


Figure 1

How does *Heart* apply in daily life? With *Heart* as the motivation, reason enters into giving-and-receiving action with ideas, morals, and laws. Plans are produced and actions are taken based on these plans (see Figure 1). Since *Heart* (the desire to love and be loved) is the motivation, this sets the purpose and direction. Hence, love sets the direction for plans and actions which leads to goodness (the benefit of the whole) (Lee, 1981).

The Role of the Cultural Sphere

Anderson maintains that the cultural sphere must take the leading role in guiding the political and economic spheres because it shapes human consciousness by transmitting values, goals, and knowledge that enable individuals to pursue relationships, economic necessities, and a good

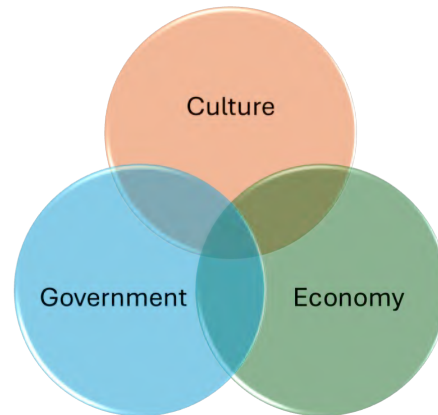
life. Higher values and social consciousness are required for the proper development of cultural, political and economic institutions (Anderson, 2012) (Unification Thought Institute, 2006)

b. The Sovereignty of Man

The second important value consideration is that the human person is distinct from other beings in the creation. This is foundational to understanding economic activity. A person is not merely a materialistic manifestation of the universe, but is a divine being, blessed with the directive to form families that exist to be the owners, caretakers and co-creators of the rest of the created world.

We propose that there are five essential characteristics of a person:

- **Divine Character:** The human person is a special creation, differing both in degree and kind from every other creature: sentient, animate, or inanimate.
- **Unique Value and Human Dignity:** Every person is worthy of being honored and esteemed.
- **Determinable, Instead of a Determinate Nature:** Our destinies are not controlled by fate, but we can mold ourselves according to our creative and intellectual decisions.
- **Self-Determination:** All people have free will and responsibility for their actions.
- **Freedom of Thought and Association:** People can create new ideas and associate together within a consciously structured social order, being both individuals and members of society (Greaney, *The Greater Reset; Reclaiming Personal Sovereignty Under Natural Law.*, 2022).



c. Private Property

The third important value consideration is that every person has the right to life, liberty, and private property. Whether carrying out individual or social acts of virtue, the means of empowering individuals as members of groups is private property in capital. Recognizing private property as a universal human right is a crucial difference between economic personalism¹ (which prioritizes the individual at the center of economic activity) and both capitalism and socialism. Marxist economics in particular are incompatible with these ideas as they are based on the belief that the human being

¹ *Economic Personalism* posits that there are universal moral values and principled yet effective means for reforming human institutions to liberate and empower every human person... The idea of *Economic Personalism* as a “Just Third Way” above and beyond Capitalism and Socialism has the potential to bring about a new era of justice, ownership, freedom and peace for all people throughout the world.

is nothing more than a material being that labors, and ownership of property should be vested in the “state collective.” (Greaney, 2022) (Greaney & Brohawn, 2020)

d. Cooperation, Not Conflict

Unification Thought maintains that it is the cooperative, symbiotic process that occurs in the give and take between complementary parties that creates the growth and transformation needed for higher forms of a society or economy to develop. This is the fourth important value consideration. There is a need for healthy competition to provide incentives for change and new ideas to develop, but competition is secondary to the growth that happens within a company or between companies or individuals when cooperation and mutually beneficial agreements are realized.

Global Trade in the multipolar era is facing a dangerous drift toward economic fragmentation where “we are witnessing the unraveling of decades of integration replaced by barriers, friendshoring and financial decoupling”. (Sanz, 2025) Professor Sanz suggests we are stuck between a false choice of globalization or deglobalization. He believes strongly that “Headwing Economics can provide a blueprint to move from confrontation to cooperation, not as an idealistic aspiration, but as a strategic necessity.” At a recent online summit sponsored by IAED, he concluded his talk by proposing that building a fairer multipolar trade system would require a new commercial and financial contract between countries of the Global North and Global South. To facilitate this, a first step would be to undertake a global trade governance agenda addressing the reform of world trade organization.

e. Capital, Money, and Profit

The fifth important value consideration is the need for better financial literacy within the general public. An example would be how we understand capital, money, and profit. Real capital is the “stuff” that is needed to produce something, such as land, factories, offices, equipment, infrastructure, etc. that a person, business, government, or social organization needs to produce something of value. Typically, the value of this capital is expressed in terms of a monetary amount. It is within the free exchange of goods in a fair market that the prices of goods and services are set. The amount of money available in a society must be tied to the productivity of the society to avoid the pitfalls of excessive inflation or deflation.

Profit represents the additional value that the seller has been able to realize through the investment of their capital, labor, and creativity into the production of the good or service.

Capital, money, and profit are not good or evil in themselves. They are the mechanics by which the economies of the world operate, and it is important to understand their usefulness in this context. There are competing theories on how an economy should be run by the supply and demand signals of the market or managed by government authorities. These theories have a tremendous impact—for good or bad—on the welfare of the citizens of a nation due to the realities of global trade and competition in our interconnected world.

f. The Effect Theory of Value

Philosophers have given much thought to determining the value of a good or service. The ‘Labor Theory of Value’ and ‘Theory of Surplus Value’ developed by Marx and Engels implied that the value

of an object is determined by the number of hours of labor that are invested into the creation of the good or service. If a price is set above that value, then this profit for the manufacturer is a theft of value from the laborers who produced the goods. Capitalism, on the other hand, maintains that value is determined in the market through the mechanics of supply and demand.

Headwing Economics provides a comprehensive critique of Marxist economics and, while it recognizes the validity of supply and demand as an explanation for the rise and fall of prices, it invites reflection on the motivation that should guide supplier and consumer alike. The 'Effect Theory of Value' is proposed as an alternative to the supplier's profit motive and the buyer's pursuit of a perceived need, acquired at an acceptable price. According to the Effect Theory of Value, both the vendor and the buyer should approach a transaction with both an individual purpose and a purpose for the whole.

- The Vendor:
 - Desires to realize value by creating something that improves the lives of consumers. (Whole purpose)
 - Desires to receive value by getting rewarded for their creative effort by earning a fair profit. (Individual purpose)
- The Buyer
 - Desires to recognize the efforts made by the vendor/supplier to produce a product of quality and value. (Whole Purpose)
 - Wants to purchase the product at a reasonable price. (Individual Purpose)

In this process, it should be acknowledged that decisions of value are often made based on an emotional impulse rather than on an exclusively rational or logical one in the case of both the buyer and seller.

The determination of a price as an expression of this value is also influenced by extraneous factors such as taxes, government regulations, 3rd party interests or influences. (Lee, 1985)

6. Core Components of Headwing Economics

Following are the core principles at the heart of Headwing Economics to guide future discussion and its implementation by like-minded stakeholders.

a. The Human Body: Model of an Ideal Economic System

Headwing Economics can be seen as operating like the human body with a harmonious balance between individual freedom (cells) and central coordination (body systems). The "head" represents ethical governance and leadership, ensuring that moral values and principles guide the economy. The "left" and "right" wings represent social responsibility and individual initiative respectively, necessary for the economy to function effectively. Just as the body cannot function without balance, Headwing Economics promotes a balance between the personal sphere of individuals and the public sphere of social institutions in society. The more we examine in detail the functioning of the body, the more we see a remarkable balance between central coordination and individual autonomy and decision-making. The body is a God-given model of a proper economic system.

b. Sovereignty, Empowerment, and Ownership

Headwing Economics recognizes the sovereignty of everyone, treating every person as an empowered agent capable of contributing to society. It promotes economic systems that value creativity, initiative, and personal accountability.

This emphasis on sovereignty also supports the right to private property, ensuring that individuals can own and control their assets, but are responsible for using those assets ethically. In this way, Headwing Economics empowers individuals to pursue their goals while contributing to the broader good. Aside from individual property ownership, other business models such as Employee Stock Ownership Plans (ESOPs), Cooperatives, and various structures of mutuality can exist in a Headwing economy, advancing both personal and collective prosperity.

Ownership in Headwing Economics, therefore, is not limited to a wealthy elite, but is distributed across society through innovative business models like ESOPs, Cooperatives, Public Benefit Corporations, and community-owned enterprises. In an economy with the intention to broaden capital ownership, workers and communities would have a real stake in the economy, aligning their interests with the success of businesses. These diverse ownership structures foster innovation, create resilient local economies, and promote a more inclusive form of capitalism that builds a sustainable and equitable society benefiting a broader segment of the population. Additionally, a culture of shared responsibility and accountability emerges, where employees are motivated to contribute to the organization's success.

On an even broader scale, through enlightened reforms to central banks and the banking systems at large, Headwing Economics envisions a system of democratizing access to capital where more people are participating and benefiting directly from economic growth, reducing wealth concentration and promoting social stability.

This approach may realize a form of “economic democracy” where wealth creation is broadly and naturally shared, giving more people a stake in the economy and potentially limiting the need for government intervention and extreme income redistribution. When individuals and communities are directly invested in the success of businesses and industries, they are more likely to contribute to their growth and sustainability, resulting in a higher level of social stability. Mortimer Adler wrote in the preface to *The Capitalist Manifesto* that for political democracy to survive, it would require a counterpart system of economic democracy to evolve (Kelso, 1958)

c. Economic Governance to Support Healthy Family Formation

Fostering families grounded in strong values is essential to addressing many pressing contemporary challenges, including declining birth rates, mental health crises, spiraling welfare costs, and poverty. The ageing of the population presents great challenges for governments in terms of social security expenditure and economic growth and may struggle to provide the necessary care, leaving more individuals without the support they need. (OECD, 2011)

Headwing Economics recognizes the essential role of robust and stable family structures in creating a prosperous and just economy. Economic governance under this model would be designed to encourage and support marriage and childbirth at sustainable levels. A Headwing Economy would

recommend that all policies - both political and economic - be tested to determine if they support or undermine strong and healthy families where values and cultural identities are transmitted. Young families should not have to forgo childrearing due to economic conditions and policies. This would include the use of tax incentives, affordability of housing and healthcare, flexible work policies, a culture that embraces family formation, and the provision of social safety nets adequate for the caring of children, the elderly, and those unable to work.

Countries successful in reversing fertility decline are combining serious family policies with a culture that cherishes children and upholds a mission of national renewal. As an example, Hungary spends up to 6 percent of its GDP on measures to encourage family formation and the raising of children. (Roberts, 2024)

d. Reasonable Ownership and Development of Conscience

Ownership in Headwing Economics is about more than just financial gain. It emphasizes reasonable ownership guided by the conscience, where individuals are expected to use their wealth responsibly and in ways that benefit society. Those who own assets are encouraged to act as stewards of those resources, using them for the greater good.

Headwing Economics believes that an economic system is possible where the harmony of production, consumption and distribution activities by economic subjects is based on a higher principle of interdependence where greed, collective egoism and obsession over private ownership is kept in check. The basis that makes this possible is a change in the view of ownership that is guided by conscience and prioritizes coexistence, interdependence and symbiosis. This could be called a theory of “reasonable ownership” in which the purpose for the whole and the purpose for the individual are harmonized. (Sun, 2015)

e. Free Market System with Ethical Oversight

Headwing Economics supports a free market system, recognizing that markets efficiently allocate resources and meet consumer needs. The underlying structure of the market-based capitalist system is the self-interest of the individual coupled with freedom of opportunity, which results in unleashing individual effort, entrepreneurial activity, and innovation. Those who innovate, work hard, and invest in themselves through education and savings receive relatively more rewards than those who make other choices. Policies manifested through private property rights, free markets, and trade liberalization have created great wealth, forging closer geo-political relations through trade agreements and stronger political ties.

However, it also acknowledges that greed, monopolistic practices, and a lack of ethical oversight can distort markets. As such, it advocates for a regulated free market, where the government plays a referee role in maintaining fairness and ensuring that all participants are treated justly. This system allows for innovation, competition, and economic dynamism while preventing the adverse effects of unregulated capitalism, such as exploitation, environmental degradation, and inequality. By balancing freedom with accountability, Headwing Economics ensures that markets work for the

benefit of all. Only a free-market system provides economic agents with reliable liberties, free creativity, and respect for private property.

f. Ethical Governance and the Role of the State

Headwing Economics envisions the state's limited but crucial role in regulating the economy. The government's primary responsibilities include: ensuring social safety nets for the vulnerable, family-supportive policies, promoting good governance, upholding laws to protect private property rights, and consumer safety, among others. It can also play a role in curbing excessive concentrations of wealth and power through anti-monopoly laws.

The tax system under Headwing Economics is designed to promote the goals of mutual prosperity. Progressive taxation ensures that the wealthy contribute their fair share while avoiding over-taxation that stifles entrepreneurship. The state also has the responsibility to advance a well-managed public sector—such as education, infrastructure, and healthcare—that enables the private sector of individuals, families and businesses to flourish.

Good governance is central to this effort. Headwing Economics calls for governments to be transparent, accountable, and free from corruption. Legal frameworks must be in place to protect property and consumer rights, enforce contracts, and ensure that the economy operates under the rule of law. By promoting good governance, Headwing Economics fosters a fair and predictable business environment where innovation and entrepreneurship can thrive, free from excessive interference.

g. Broader Access to Credit and Capital

Broader access to capital and credit, ensures that entrepreneurs, small businesses, and marginalized communities can fully participate in the economy. Headwing Economics seeks to promote this practice which helps to level the playing field, reducing inequality by allowing more people to build wealth and contribute to economic growth. Innovative financial models such as community investment funds and social finance are encouraged. These models promote fairness, inclusion, and shared prosperity.

h. Harmonizing Self-Interest with Social Interest

Humans are inherently motivated by both self-interest and a concern for the collective good. Headwing Economics seeks to balance these forces by promoting an economic system that encourages personal success while ensuring that the benefits of that success are shared with others. A market system is not morally validated because it is productive, but because it is built upon the liberty of its participants and the common good. This is in line with the Unification Thought perspective, which maintains that no individual purpose exists apart from the purpose of the whole.

i. Strengthening Social Safety Nets

Notwithstanding the inevitable inequalities generated by the capitalist system, the growth in wealth through the latter half of the 20th century brought some critical economic, social, and health benefits for many citizens. Businesses prospered, labor unions secured higher wages and benefits for workers, and governments created new social programs to support those in need. However, the

intention is not to undermine personal responsibility wherein governments become like “Big Brother.”

7. Possible Applications of Headwing Economics

For Headwing Economics to be realized, effective strategic planning and coordinated action will be needed at multiple levels including businesses, governments, and civil society. The following framework outlines the necessary steps to bring this vision to life and ensure a more equitable and sustainable economic system for the future.

a. Assessment and Analysis

The first crucial step in implementing Headwing Economics is to conduct an in-depth and comprehensive assessment of the economic landscape. This involves meticulously identifying and analyzing the key challenges and opportunities within the current economic system. It is imperative for governments and businesses to engage in a systematic and ongoing evaluation of economic conditions. Simultaneously, it is essential to recognize and explore opportunities for growth, such as tapping into emerging markets, embracing green technologies, and leveraging social finance innovations.

b. Sustainable Growth Initiatives

To see the emergence of a Shared Prosperity economy, businesses and governments need to prioritize long-term sustainable growth over short-term profits. Some examples would be:

- **Developing Sustainable Business Models:** Firms should adopt business models that prioritize the sustainable use of resources. For instance, moving toward circular economies—where products are designed to be reused, repaired, and recycled—can reduce environmental degradation while generating economic value.
- **Corporate Social Responsibility (CSR):** Headwing Economics emphasizes ethical governance, including a commitment to corporate social responsibility. By investing in their communities, companies can build stronger relationships with their stakeholders and contribute to social and environmental well-being.

c. Inclusive Governance and Community Engagement

For Headwing Economics to be successfully implemented, it must involve the active participation of all stakeholders including businesses, governments, and civil society. Inclusive governance means that all individuals—regardless of their socioeconomic background—are involved in decision-making processes that affect their lives and communities.

d. Participatory Economic Models

Governments should promote models that empower citizens to participate in decision-making processes, such as participatory budgeting or local community development funds. This approach

ensures that economic policies reflect the interests and values of the broader population, fostering greater inclusivity and equity.

When considering the existing “Excellence” models in various regions worldwide (Japan, USA, Europe), it's worth noting that models like EFQM (European Foundation for Quality Management) are remarkably adaptable. These models, which align with the Headwing economic principles, assess enterprises based on economic profit and factors such as consumer satisfaction, employee well-being, and social impact. They take a participative and holistic approach to evaluate leadership, strategies, human resource utilization, efficient use of resources, and ongoing efforts to enhance procedures and products. The European Commission has even adapted this model for public administration, creating the Common Assessment Framework (CAF), which closely resembles the EFQM model. (EQFM, 2025)

8. Conclusion

Headwing Economics is a new approach to creating an economy of shared prosperity by accepting the premise that the cultural sphere must take the leading role in guiding developments in the political and economic spheres. Solidly centered on universal values such as the sovereign dignity of each person, righteousness, justice, and love, a Headwing Economy can be built upon the foundation of strong families and the renewal of social institutions that integrate and lift up existing economic systems, creating a harmonious balance between economic growth, freedom, and social responsibility. It will be what some have called an Integral Society of Interdependence and Mutual Prosperity.

9. Join the Movement

The International Association for Peace and Economic Development (IAED) is thrilled to warmly invite business leaders, policymakers, and economic thought leaders worldwide to join us in a conversation about how Headwing Economics can move forward. Through collaboration and collective effort, we can make a meaningful impact and pave the way for a prosperous future.

Let us unite our efforts, share our knowledge, and work together to forge a brighter future for all.

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