

## Global Essay Competition 2026

**Title:**

Pulse of the Disrupted Age: Reconstructing the Social Contract through the Sovereign Longevity Charter

**Essay:**

**Introduction**

The Filipino saying, "*Ang sakit ng kalingkingan, damdam ng buong katawan*," that translates to "*When the pinky finger hurts, the pain is felt by the whole body*" is a biological metaphor fitting the legal "Lifeblood Doctrine" of taxation. This doctrine asserts that taxes are essential blood circulation for a state's survival; the taxpayer is an extremity keeping the government's heart beating. However, in this Disrupted Age, the traditional tax system is faltering. We are witnessing a *Kinetic Convergence*, a phenomenon where machine-generated wealth ceases to benefit the humans who need it most. AI-driven automation is taking over human jobs, and seismic population aging is shrinking the workforce. I argue that we must rethink 20th-century tax models and separate social security from human labor, linking it to technological capital to avoid social collapse.

**The Collision**

This crisis is akin to a kinetic pincer movement of forces. *Figure 01: The Collision* illustrates the direct link between the disaster and our times. *Technological Velocity (Force A)*, manifests through AI automation, rapidly substituting human labor. Goldman Sachs (2023) estimates that generative AI can automate 300 million jobs. *Demographic Pressure (Force B)*, the "Silver Tsunami," drives record-breaking demand for pension and healthcare spending.

These forces collide at the tax base, crippling the state's ability to function. The United Nations Department of Economic and Social Affairs (UN DESA, 2024) notes that the global population aged 65 and over is growing faster than any other age group. The Organisation for Economic Cooperation and Development (OECD, 2023) estimates that public pension spending will rise by 2.2 percentage points of GDP by 2050. The World Bank (2023) warns that as the "old age dependency ratio" triples, the tax-financed welfare state faces an existential crisis due to insolvency, resulting in structural fiscal anemia, in which the government's vital "lifeblood" is drained by automation while its liabilities are extended by demography.

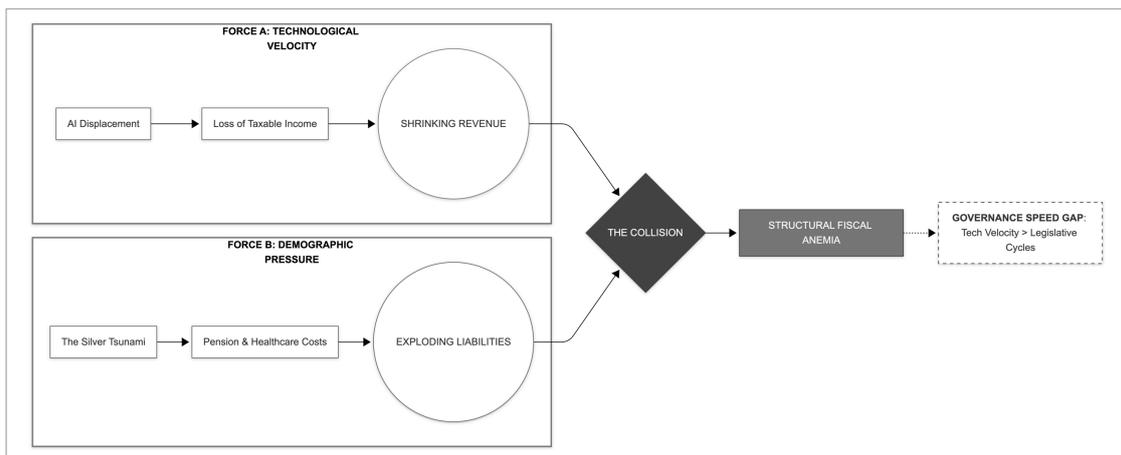


Figure 01: The Collision

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## The Evolution and Obsolescence of the "Robot Tax"

There is a lot of discussion around the idea of a "Robot Tax," which Bill Gates (2017) notably backed, as a piece of moral guidance, but it has become practically ineffective as a fiscal measure due to recent developments. Gates said that if the output of a human worker is subject to a tax, the output of a robot performing the same task should also be taxed. The 2017 model focused on physical "hardware," picturing robotic arms in factories. The current disruption, however, revolves around software and AI digital agents. Brynjolfsson and McAfee (2014) put it bluntly that taxing software like a robotic arm won't work.

Moreover, a tax on robots criticizes efficiency at a time when we need it most. According to the McKinsey Global Institute (2023), AI could contribute \$4.4 trillion annually to the global economy through enhanced productivity. As the labor force shrinks, we'll need this productivity to care for an increasing number of elderly people (Acemoglu & Restrepo, 2019). The enemy isn't worker replacement but wealth concentration. The solution isn't to tax inputs but to share outputs. My proposal shifts from a 2017 punitive tax logic to a 2030 participatory equity logic. Instead of a fixed, linear tax that is easily evaded (Zucman, 2024), I suggest a participatory equity stake that grows with the company and thus ensures that machine-generated wealth always remains connected to human longevity.

## Proposed Solution: The Sovereign Longevity Charter (SLC)

To resolve this collision, I propose the *Sovereign Longevity Charter (SLC)*, an architecture that moves us from a model of "taxing labor" to "owning equity." This transition is based on Universal Basic Income turning from a passive transfer to Universal Basic Assets, wherein the state acquires a permanent ownership in the means of automated production. Three distinct arms drive this five-stage circular system as shown in *Figure 02: The SLC Architecture*.

### 1. The Sovereign Participation Unit (SPU) Swap.

Unlike the usual corporate taxes, which are subject to accounting manipulation and jurisdictional shopping, I propose that AI-intensive corporations grant a non-voting equity stake to a public trust. These Sovereign Participation Units (SPUs) represent the legal right to a certain percentage of future productivity gains. We ensure that the public receives their capital share as income when the labor share declines by making these units non-voting, maintaining the private sector's operational independence. This is the Robot Human Equity Swap.

### 2. Decentralized Autonomous Organization (DAO) Trust Hub.

The DAO Trust Hub creates an organizational entity that is immune to the political cycle and short-termism. It operates under smart contracts that trigger dividend issuance without human intervention once automation thresholds in corporate profitability are exceeded. By employing blockchain-based distribution, we eliminate the Governance Speed Gap, enabling social capital to keep pace with AI's hyper-exponential development cycles rather than the slow legislative routine.

### 3. The Care Credit Currency.

A key feature of SLC is the Care Credit Currency. Simple cash handouts (UBI) often lead to capital leakage into speculative assets or inflationary pressure on consumer goods. In contrast, the dividends from SPUs underlie a specialized "sectoral currency" that can only be exchanged for high-touch human services like geriatric nursing, mental health support, and intergenerational mentorship. This creates a "closed-loop" system where AI-driven wealth is tied to human empathy, the one job type AI can never take over. The Global South and Youth Workforce provide these roles and receive credits with great purchasing power for their own long-term education and housing needs.

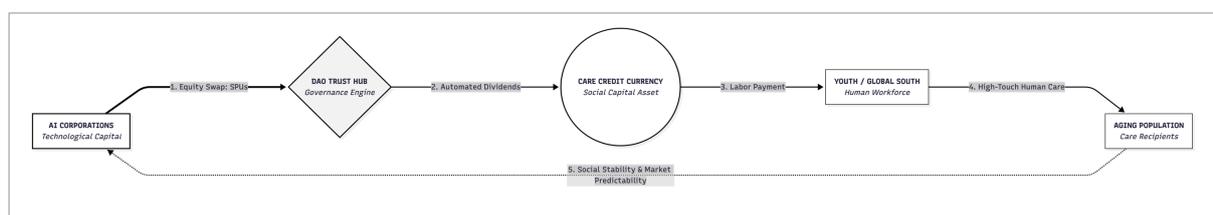


Figure 02: The SLC Architecture

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## Why SLC Matters Amidst Exponential AI Growth

The "Singularity argument" claims that human-designed regulation inevitably falls behind exponentially growing AI. I argue that SLC is uniquely resilient to the "Law of Accelerating Returns" (Kurzweil, 2005) because it's a percentage of the total value, not a static unit-based fee. A static tax is linear and fails in an exponentially growing economy, where the tax represents a fixed value. On the other hand, the SPU equity swap functions as an integrator. Consequently, if an AI firm's productivity and market capitalization double every year, the value of the DAO Trust Hub's non-voting equity would do so as well.

While a \$1,000 tax per robot becomes negligible as costs plummet, a 10% equity stake remains 10% of a company, regardless of its value. By owning the "equity of intelligence," SLC ensures that the "Care Credit fund" remains the most well-funded sector of the economy when AI wealth reaches its zenith (Susskind, 2020; Varoufakis, 2020). I'm not proposing a tax on a tool; I'm proposing a share of the exponential future.

## The Strategic Implementation Process

To move this proposal from vision to reality, we should advocate for a phased 10-year implementation process that balances innovation with social stability, as visualized in *Figure 03: The SLC Implementation Process*.

### Phase 1: The Foundational Era (Years 1-3)

In this stage, I propose establishing a "National Longevity Trust" and legally defining SPUs. Governments are expected to identify "Systemically Significant Automation Firms" (SSAFs). During this time period, such firms will be able to try out their "Shadow Equity" experiments, where they would measure their shadow automated profits on a transparent ledger. Concurrently, we launch the DAO Trust Hub sandbox to test the minting of Care Credit Currency.

### Phase 2: The Transitional Era (Years 4-7)

At the fourth year mark, SSAFs would be required by law to execute the Equity Swap. Dividends would be redirected toward massive educational reform. As AI replaces traditional industrial labor, productivity would shift toward subsidizing vocational training that is human-centric. This involves creating Empathy Academies, where workers are retrained in care, addressing the WHO's (2022) projected 15 million global health worker shortage by 2030.

### Phase 3: The Mature Era (Years 8-10)

The International Care Credit Exchange would be set up in the final stage. Countries with high automation levels would exchange Care Credits with those experiencing a youth surge. Year ten is when the whole thing falls into place. By the tenth year, the system would be in place: aging populations cared for, youths engaged in purposeful activities, and corporations reaping the benefits of a stable society.

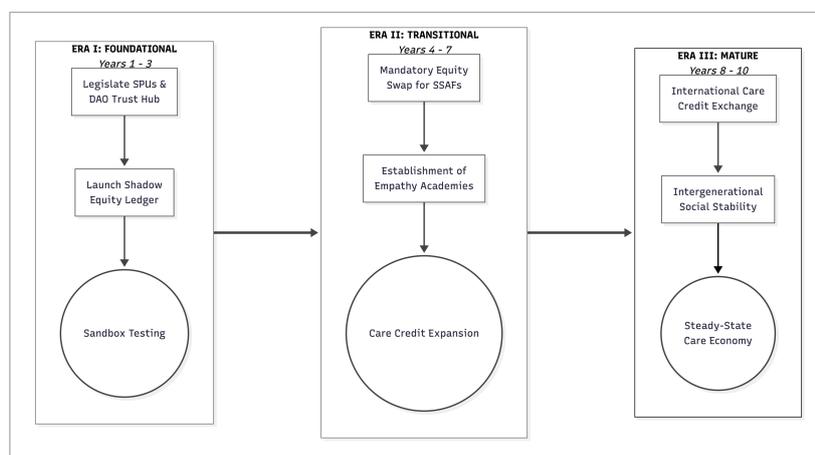


Figure 03: The SLC Implementation Process

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## The Geopolitical "Triple Win"

This concept envisions a mutually beneficial relationship between the aging Global North and the youthful Global South, facilitated by the SLC. The SLC would serve as a handshake between the global north and south. Demographic tensions are inevitable where the aging north needs workers, while the youth-filled south seeks jobs (World Bank, 2023). A "Silver Dividend" from a leading tech company would finance healthcare worker education and wages in the Global South. The "Youth Surge" would become the main providers of "Humanity" the aging North lacks, establishing a globally balanced circulatory system. Moreover, a technological dividend would humanize work, eliminating the demographic imbalance and providing youth with a high-status, high-pay purpose: being the human face of a machine-driven world.

## Conclusion: Reconstruction for the Human Heart

In summary, the Sovereign Longevity Charter offers a path forward by aligning technological advancements with human welfare, ensuring a balanced and sustainable future. The pinky finger saying is a basic rule of social unity where the world body politic becomes vulnerable if a single segment is in distress. When young people are left behind and the elderly cast aside, the world body politic will be overrun by populism and break down. The "Disrupted Age" can only be a nightmare if we rely on outdated tools and fiscal philosophies.

The Life Blood Doctrine tells us that a state must be fed to survive, but we cannot keep feeding the same way in a Disrupted Age. We can cover the Speed Gap and turn tech and demography collision into a triumph of intergenerational care if we embrace the Sovereign Longevity Charter. At the end of the day, algorithms should handle the "calories and calculations" of our economies, freeing the human heart to concentrate on being human.

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## Auxiliary Aids Directory

Aid	Usage	Affected parts
Generative AI (ChatGPT-4o)	Utilized as a dialectical partner to assist the author in optimizing the academic tone and lexical density of original conceptual drafts. Specifically used to verify the technical formatting of APA citations and to stress-test the internal logical consistency of the author's implementation roadmap.	Abstract; Introduction; Parts I – VI; Conclusion; References
Google Scholar / World Bank Data Portal	Digital research tools used to independently identify, cross-reference, and verify the specific demographic and economic statistics (e.g., Goldman Sachs 2023; UN DESA 2024; OECD 2023; WHO 2022) integrated into the author's argument.	Part I; Part V; References
Mermaid AI	Graphic design and layout service used to render the author's original conceptual process maps and mental models into professional visual figures.	Figure 01 (page 1); Figure 02 (page 2); Figure 03 (page 3)
Grammarly	Automated proofreading tool used for a final technical sweep of spell-checking and grammatical consistency.	Complete paper

### Authorship & Integrity Statement:

While the technical aids listed above were used to enhance the lexical polish of this essay, the fundamental strategic vision and core intellectual contributions are my original work. I conceptualized the Sovereign Longevity Charter, designed the Sovereign Participation Unit's equity-swap mechanism, sequenced the 10-year Strategic Roadmap, and synthesized the Life Blood Doctrine framework. The strategic directions and conclusions in this essay stem from extensive research and personal inquiry, reflecting a deep engagement with the subject matter. I have aimed to provide a sincere and independent perspective on these challenges, ensuring that the presentation of my original ideas is clear and polished.

**Word Count (essay text only):** (1632/2100)