UBS has a cryptocurrency lab in London and is experimenting in the areas of payments, trading & settlement, smart bonds.

For now a vast swathe of Blockchain start-ups are focusing on the development of solutions for the financial services industry:

• Provide customers with access to crypto-currencies and support crypto-currency-related financial services

• Track and settle both digital and mainstream financial assets in a cryptographically secure environment

• Reduce the complexity and number of intermediaries involved in existing transaction processes

• Better manage digital risk (e.g., settlement risk, custodial risk, counterparty risk)

• Develop distributed ledger based alternatives to traditional financial services infrastructure and processes

• Improve the ability to verify historical transactions

Although we are not going to see a blockchain technology causing a paradigm shift in the near term, we are most definitely seeing a voracious interest in the underlying technology and its cross industry potential use cases.

MODERN VIEW ON THE PROBLEM OF INEQUALITIES IN THE CONTEXT OF SOCIO-ECONOMIC DEVELOPMENT

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At present, it is fashionable to discuss capitalism as never before. The reason for it is the book by French economist Thomas Piketti *Capital in the 21st Century*, which has become a bestseller in the West. Picketti analyzed macroeconomic data of the US and European countries over the past century and a half and came to the conclusion that today capitalism and social inequality play into the hands of the rich minority.

Capital in the Twenty-First Century is primarily a book about the history of the distribution of income and wealth. The first objective in this book is to present the body of historical evidence, and try to analyze many economic, social, and political processes that can account for various evolutions that we observe in different countries since the Industrial Revolution.

The economists reckon that while inequality could cause all sorts of problems, governments should be especially concerned about its effects on growth. They estimate that a one percentage point increase in the income share of the top 20% will drag down growth by 0.08 percentage points over five years, while a rise in the income share of the bottom 20% actually boosts growth. But how does inequality affect economic growth rates?

Economists say that some inequality is needed to propel growth. Without the carrot of large financial rewards, risky entrepreneurship and innovation would grind to a halt. American economist argued that societies cannot have both perfect equality and perfect efficiency, but must choose how much of one to sacrifice for the other. While most economists continue to hold that view, the recent rise in inequality has prompted a new look at its economic costs. Inequality could impair growth if those with low incomes suffer poor health and low productivity as a result, or if, as evidence suggests, the poor struggle to finance investments in education. Inequality could also threaten public confidence in growth-boosting policies like free trade.

Capital in the 21st Century is an effort to demonstrate not only that the data bear out these conclusions, but also to demonstrate the mechanism at work that's making it happen. It can be expressed as follows: $r > g$.

The mechanism, it turns out, is as simple as three characters. This straightforward equation expresses a key phenomenon — that the rate of return on capital ("r") almost always exceeds the rate of economic growth ("g").

Capital means different things depending on the context, but here "capital" can simply stand for "wealth" in all its various forms: stocks, real estate, gold, etc.

The rate of return on capital is the change in value of wealth over time. If you buy one share of a company's stock for $100, and a year later it's worth $105, you've enjoyed a 5% annual rate of return on your purchase. So, when we say "$r > g$", we can understand "r" as the speed at which wealth (capital) increases in value.

Economic growth is the change in value of an economy's overall productivity. Generally speaking, if an economy produces 5% more (or more-valuable) goods and services this year than it did last year, its growth rate is 5%. If it produces 5% less, its growth rate is -5%. So, $r > g$ is really just another way of saying this: Wealth grows faster than the economy.

Piketty's research shows that the average rate of return on capital has held at around 4% to 5% for most of human history. It rose above 5% during the Industrial Revolution, then fell back below 5% during the middle of the 20th century.

It's a bleak picture: Global economic growth is slowing down while wealth inequality is accelerating. Not only that, but the more wealth a person or institution owns, the faster that wealth grows. For instance, from 1987 to 2013, the global rate of

return on the wealth owned by the average adult was 2.1%. During that same period, the rate of return on wealth owned by the average billionaire was more than 6.5%.

The results of that difference are pronounced. In the U.S., for example, the richest 1% of American people own almost a quarter of all American wealth. That's like a four-story hotel with one guy on the top floor and 999 people sharing the other three (800 of whom are on the first floor).

Given all this, democratic ideals like social mobility, the American Dream, and shared prosperity recede from plausibility. The numbers just don't add up. So the question then becomes whether anything can be done to counterbalance the trend before it becomes too destabilizing.

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PROSPECTS OF ECO-BUSINESS DEVELOPMENT IN THE REPUBLIC OF BELARUS

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There is a seismic change in what people are eating and want out of their food and beverages. As people become more diet conscious, the prevalence of organic products has grown. We're surprised year over year by how this industry is changing, evolving and growing. It's become a huge food movement.