

Explosion in wealth inequality needs urgent plan of action, says Oxfam

Report by charity contrasts devastating effects of deep recession alongside wealth of richest elite increasing by \$0.5m a minute

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- [Larry Elliott](#), economics editor
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Mexico's

Carlos Slim, the world's richest man. It would currently take him 220 years to spend his \$80bn fortune at a rate of \$1m a day. Photograph: Jason Decrow/AP

The development charity Oxfam is calling for a seven-point plan to tackle the “explosion” in inequality after reporting that the world's richest people have been left untouched by austerity and are seeing their wealth increase by half a million dollars every minute.

In a new report, Oxfam said that the number of billionaires doubled between 2009 and 2014 - a period in which many countries suffered deep recession, rising unemployment, welfare cuts and falling real incomes.

Earlier this year, the charity said [the world's 85 billionaires owned the same wealth as the poorest half of the world's population](#). In its latest study – Even It Up – Oxfam said that this elite group had seen their wealth collectively increase by \$668m (£414m) a day in the 12 months to March 2014. It found that it would take the world's richest man - Mexico's Carlos Slim - 220 years to spend his \$80bn fortune at a rate of \$1m a day.

With an endorsement from Andy Haldane, chief economist at the Bank of England, the report said a 1.5% billionaire wealth tax would raise \$74bn a year – enough to put every child in school and provide health care in the world's poorest countries.

Since 2009, at least a million women have died in childbirth due to a lack of basic health services and around the world 57 million children are currently missing out on school, the charity said.



The cover of Oxfam's report, *Even It Up*. Photograph: Oxfam

Mark Goldring, Oxfam's chief executive, said: "Inequality is one of the defining problems of our age. In a world where hundreds of millions of people are living without access to clean drinking water and without enough food to feed their families, a small elite have more money than they could spend in several lifetimes.

"The consequences of extreme inequality are harmful to everyone - it robs millions of people of better life chances and fuels crime, corruption and even violent conflict. Put simply, it is holding back efforts to end poverty. Governments around the world have been guilty of a naive faith that wealth going to those at the top will automatically benefit everyone. That's not true – it is their responsibility to ensure the poorest are not left behind."

The leaders of the International Monetary Fund and the World Bank have both called for action to tackle inequality. Oxfam blamed growing inequality on “market fundamentalism and the capture of politics by elites”. It said the policy response should involve: a clampdown on tax dodging; investment in universal, free health and education; a global deal to eradicate extreme poverty by 2030; shifting the tax burden from income and consumption to capital and wealth; ensuring adequate safety-nets for the poorest, including a minimum income guarantee; equal pay legislation and promote economic policies to give women a fair deal; and the introduction of minimum wages and moves towards a living wage for all workers.

Haldane said: “In highlighting the problem of inequality Oxfam not only speaks to the interests of the poorest people but also the wider collective interest: there is rising evidence that extreme inequality harms, durably and significantly, the stability of the financial system and growth in the economy. It slows development of the human, social and physical capital necessary for raising living standards and improving wellbeing. That penny is starting to drop among policymakers and politicians.”

The report found that inequality between countries had widened rapidly between 1980 and 2002, before narrowing slightly due to the rapid growth in China. But it said that inequality had risen within countries, so that seven out of 10 people lived in nations where the gap between rich and poor was greater than it was 30 years ago.

“Extreme inequality has exploded across the world in the last 30 years, making it one of the biggest economic, social and political challenges of our time. Age-old inequalities on the basis of gender, caste, race and religion – injustices in

themselves – are exacerbated by the growing gap between the haves and have-nots,” the report said. “Oxfam’s decades of experience in the world’s poorest communities have taught us that poverty and inequality are not inevitable or accidental, but the result of deliberate policy choices. Inequality can be reversed.”