



Oxfam Report on Inequality

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The international rights group, **Oxfam** released its annual study before the start of the five-day World Economic Forum (WEF) Annual Meeting in Davos, Switzerland.

Findings

GLOBAL

- Only **26 people on the earth** now own the same amount of resources as the 3.8 billion people. This highlights the **intensity** of the **concentration of wealth**.
- The governments are exacerbating inequality by **underfunding** public services, such as healthcare and education, on the one hand, while **under-taxing corporations and the wealthy**, and failing to clamp down on tax avoidance on the other.
 - When public services are neglected, **poor women and girls suffer most**.
E.g: Girls are pulled out of school first when the money is not available to pay fees, and women clock up hours of unpaid work looking after sick relatives when healthcare systems fail.
 - Also, cutting taxes on wealth **predominantly benefits men** who own 50% more wealth than women globally, and control over 86% of corporations.
- **Unpaid work done by women** across the globe amounts to a **staggering \$10 trillion a year**, which is 43 times the annual turnover of the world's biggest company Apple.

INDIA

- India's **top 10% of population holds 77.4%** of the total national wealth. The top 1% hold 51.53% of the national wealth, while the remaining 99% make do with almost 48%.
 - The **top 1% of India's wealthiest** got **richer by 39%** compared to 3% growth in the incomes of the bottom 50%.
 - The **poorest 10% (13.6 crores)** Indians have been living under the burden of debt since 2004.
- **Women and girls are hardest hit** by rising economic inequality, including in India.

- In India, the **unpaid work done** by women looking after their homes and children is **worth 3.1% of the country's GDP**.
- The Oxfam study also referred to **India's poor 108th ranking on the WEF's Global Gender Gap Index of 2018**, stating that households that rely primarily on female earners tend to be poorer **because of gender pay gap**.
- The various intersections of caste, class, religion, age and sexual orientation have further implications on women inequality as a process. Although, India has many laws that deal with violence against women, but their implementation remains a challenge, mostly because of a **deeply patriarchal society**.
- Women's ability to undertake paid work is not merely determined by **economic considerations but also by social norms**. E.g.:
 - It is understood that a woman's primary role is to **take care of the house** and her family and any income generating work is secondary to this role.

Recommendations

All governments should set concrete, timebound targets and action plans to reduce inequality as part of their commitments under **Sustainable Development Goal (SDG-10: Reduce Inequalities)**. These plans should include action in the following three areas:

- **Universal free** health care, education, pensions, child benefits and other public services that also work for women and girls should be delivered.
- **Freeing up of women's time** should be a key objective of government spending. Investment must be made in public services including water, electricity and childcare that reduces the time needed to do this unpaid work.
- **End the under-taxation** of rich individuals and corporations. Tax avoidance and evasion by corporates and the super-rich should be eliminated. Tax system should be redesigned to make it fair, with developing countries having an equal seat at the table.

Shortcomings

Oxfam determines global inequality on the basis of one's net wealth—assets minus liabilities and excludes income altogether, **ignoring** purchasing power parity, standard of living, pension funds and future claims of investments which are **major parameters for measuring inequality**.

E.g.: A large section of Indian population **invest in the education and career building** of their children. That may be a liability today but is also an investment for tomorrow. Liabilities with income is not the same as liabilities without income.