Oxfam Briefing Note

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Not one government is doing enough to tackle inequality, reveals new global index

Three quarters of governments are doing less than half of what they could be doing to tackle inequality, according to a new global index published by Oxfam and Development Finance International today.

The ‘Commitment to Reducing Inequality Index’ ranks 152 governments on their policies in three areas critical to reducing the gap between rich and poor:

- Social spending: The quantity and quality of government spending on public services like healthcare, education, and social protection such as the provision of income support.
- Progressive taxation: The extent to which governments redistribute wealth across society through taxes on the wealthiest individuals and companies.
- Labour rights: The degree to which governments support workers’ rights, and particularly the rights of women in the workplace, through enforcing a minimum wage, equal pay, and paid parental leave; supporting the rights of trade unions; and providing protection against discrimination.

The index, which will be updated annually, is based on the latest available data from governments and global institutions such as the World Bank. The first edition has been launched as a ‘work in progress’ to encourage input, comment and debate. Subsequent versions will be refined to provide the best possible assessment of a government’s policy on inequality over time.

Deepak Xavier, head of Oxfam’s Even It Up Campaign, said: “Extreme and growing inequality is undermining our economies, slowing the fight against poverty, and fracturing our societies, yet no country is doing enough to close the gap between rich and poor. Our political leaders have a lot to say about tackling inequality – unfortunately this index proves that too much of this talk is empty rhetoric.”

Matthew Martin, Director of Development Finance International said: “Tackling inequality is about political will. From India and Nigeria, to Spain and the US, ordinary people are suffering the consequences of political failure in the form of underfunded schools, inadequate tax collection, and low paid insecure jobs.”

Some key findings of the index include:

- **Sweden, Belgium and Denmark top the index** because of high levels of social spending and good protections for workers, yet even these countries could still do much more. For example, Sweden’s low corporate tax rates benefit wealthy business while its high rate of VAT disproportionately impacts the poorest, Belgium’s corporate tax incentives allow big business to avoid paying their fair share, and Denmark has cut taxes for its wealthiest citizens. Denmark and Belgium have also cut social welfare for their poorest and most vulnerable citizens.
• **Nigeria, Bahrain and Myanmar** come bottom because of exceptionally low levels of government spending on health, education and social protection; an extremely bad record on labour and women’s rights; and, particularly in the case of Bahrain and Nigeria, a tax system that overburdens the poorest in society and fails to tax its wealthiest citizens. Despite its booming economy, poverty is increasing in Nigeria: 1 in 10 children do not reach their first birthday; and over 10 million do not go to school.

• A small number of countries such as the **US and Argentina** have made very recent policy changes and proposals that will have a significant impact on inequality. For example, President Trump is proposing to slash taxes for wealthy individuals and large multinational corporations by hundreds of billions of dollars and strip health insurance from millions of the poorest Americans. These policies could see the US - already one of the worst performing rich countries – slide down the ranks in the next edition of the index.

• Many poor countries outperform wealthier countries. One in four of the top 50 countries are low or middle income countries - proving that tackling inequality is about political will and not just economic might. For example, **Namibia** is in 40th place above many wealthier countries, because of high levels of social spending and some of the world’s most progressive tax policies.

• Several countries, particularly in the **Middle East**, are not included in the index because a lack of publicly available data makes it impossible to assess their performance.

Xavier said: “We hope this index will motivate governments to act in the interests of all their citizens by investing more in public services, building fairer tax systems and upholding the rights of workers. Our economies should be made to work for everyone, and not just a fortunate few.”

Martin said: “There is a scandalous lack of data on many of the policies that are key to tackling inequality, making it impossible to monitor progress. If the international community is serious about its commitment to tackling inequality it must invest more in properly tracking spending, labour and tax policies.”

Seven out of 10 people live in a country that has seen a rise in inequality in the last 30 years. The global inequality crisis has reached such extreme levels that just 8 of the world’s richest men now own the wealth as the poorest half of humanity - 3.6 million people.

**Notes to editors**

The ‘Commitment to Reducing Inequality Index’ and report, methodology document, and dataset are available here.

Oxfam is an international confederation of 20 organizations working together with partners and local communities in more than 90 countries to mobilize the power of people against poverty. [www.oxfam.org](http://www.oxfam.org)

The Development Finance International Group is a non-profit capacity-building, advocacy, advisory and research group which works with more than 50 governments and international organizations worldwide. [http://www.development-finance.org/](http://www.development-finance.org/)

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