

# The Poorest 3.8 Billion People Have As Much Wealth As 26 Billionaires: Oxfam Report

Laura Paddison



The rich really are getting richer while the poor are getting poorer.

The gap between rich and poor is fracturing society, poisoning politics and fuelling public anger, according to a new report from anti-poverty nonprofit Oxfam, which found that last year just 26 people owned the same amount of wealth as the poorest 3.8 billion people. This figure is down from 43 the year before.

The *Public Good or Private Wealth?* report, published Sunday, found that the wealth of billionaires has increased by \$900 billion in the last year, or \$2.5 billion a day. This bonanza has not been felt by the poorest half of the world, which saw its wealth decline by 11 percent. Since the 2008 financial crisis, the number of billionaires has doubled, according to the report, and the very rich along with corporations are paying lower taxes than they have in decades. At the same time, 3.4 billion people are living in poverty on less than \$5.50 a day, and women are often hardest hit. Men hold 50 percent more of the world's wealth than women, according to the report.



Jeff Bezos, the founder of Amazon, is the richest man in the world with his current wealth estimated at \$137 billion. In an interview with Axel Springer last year, he said the only way he could see to spend his fortune was to invest in space travel.

"The economy we have today is fundamentally inhuman," Paul O'Brien, Oxfam America's vice president for policy and campaigns, told HuffPost. He said he was disappointed but not surprised by the report's findings. "You're not going to get a decrease in extreme wealth until you have leadership committed to tackling its root causes, and right now we don't."

The report's statistics, compiled from data produced by Credit Suisse, are being released to coincide with the start of the World Economic Forum at Davos this week, the annual pilgrimage of international politicians and business leaders — often very rich, mostly male — to the Swiss Alpine town to talk about poverty.

Davos has received heavy criticism for being a talking shop of wealthy moguls, many of whom are accused of being the same people lobbying for lower corporate taxes and against regulations designed to improve labor conditions and ensure environmental protections.

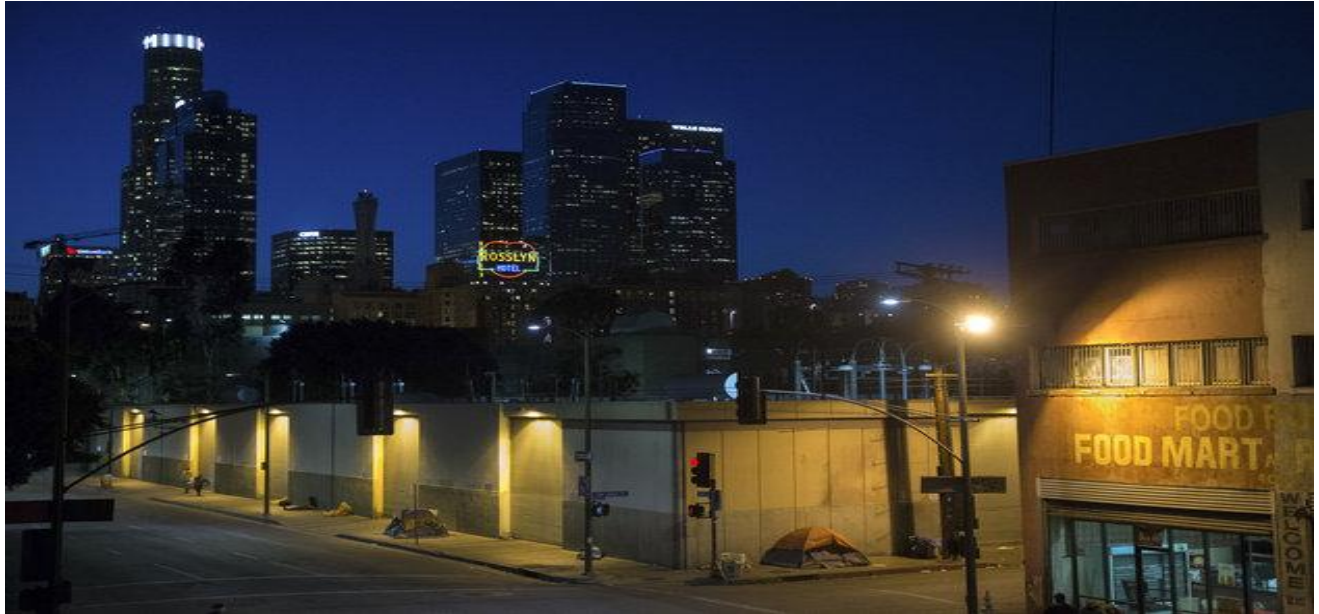
Unfair tax regimes are one of the core problems highlighted by Oxfam. In wealthy countries, average top personal income tax rates fell from 62 percent in 1970 to 38 percent in 2013, according to the nongovernmental organization's report.

"People generally are beginning to realize that they have been sold a bad bill of goods," said O'Brien. "Today, 262 million kids are going to stay home because there is no funding for their education, 10,000 people today will die because they don't have access to basic health care that could easily be funded through proper fiscal systems."

While talk of poverty and inequality often focuses on the developing world, rich nations are far from immune. A report published this week by the Institute for Policy Studies, a left-leaning Washington, D.C., think tank, found that the 400 richest Americans own more wealth than all black households and a quarter of Latino households. And social mobility in America is falling. Yet Donald Trump's administration has

slashed taxes for the wealthiest. The 2017 tax bill, trumpeted as a break for the middle class, in reality was found primarily to benefit the wealthiest 1 percent.

In its report, Oxfam calls for a new economic model, a "human economy" where tax systems for corporations and the super-rich are overhauled to eliminate tax avoidance and evasion, and to increase tax revenues. This money would then be plowed into providing universal public services like education and healthcare as key to tackling inequality and poverty. "Inequality is not inevitable," the report says, "it's a political choice."



*Homeless people sleep in the Skid Row area of downtown Los Angeles.*

The Oxfam report is not without its critics. Key among them are those who argue that Oxfam downplays the success of capitalism in lifting billions of people out of extreme poverty. "Oxfam have, again, come up with a gross misrepresentation of world poverty which fails to line up with everything else we know about human advancement and income improvements," said the Institute of Economic Affairs, a right-leaning British think tank, in response to the 2018 report.

O'Brien strongly denied the charge, saying Oxfam is not opposed to well-regulated markets that give people opportunity. "What we're opposed to is distorted markets denying people basic services and giving others disproportionate power to determine the wellbeing of literally millions of people because their wealth and incomes aren't being taxed properly."

Jason Hickel, anthropologist and author of *The Divide: A Brief Guide to Global Inequality and Its Solutions*, told HuffPost we should reject the idea that if we care about the poor we must embrace capitalism. He argued that the poverty threshold, \$1.90 a day, according to the World Bank definition, is far too little to meet basic needs. A better measure of what people need for decent nutrition and a normal human life expectancy, he said, would be around \$7.40 a day. Using this figure, he added, "we see that the number of poor has increased dramatically since 1980, and today stands at about 4.2 billion people."

Another concern is the impact of this data. Oxfam has been putting out variations on these bleak stats every year since 2013 — Hickel refers to them as "almost too extreme to wrap one's mind around" — and yet little seems to change.

"Just producing data doesn't necessarily change people's proclivity to do anything about it," Alice Evans, a lecturer in the social science of development at London School of Economics, told HuffPost. In fact, it

can make people despondent and apathetic, she said. What really matters is "whether we think we can do anything about it, and that's not changed just by producing data."

Social change accelerates when people see others acting and believe change is happening, Evans said.

This change is happening, according to Katherine Trebeck of the Wellbeing Economy Alliance (WEAll). She has been working with the governments of Scotland, Iceland and New Zealand to design policies that go beyond traditional economic indicators of success. This year, New Zealand's budget has a focus on policies aimed at citizens' well-being as well as the environment.

Trebeck admits these kinds of projects are isolated and often disconnected. "They are going against the grain," she said, "and hence they're vulnerable and fragile because the larger system is still not geared up to support them." But she hopes they will serve as inspirations to those who want to build a new economy.

With the rise of populist, right-wing governments across the world — from the U.S. and Brazil to Poland and Italy — the political will to make these kinds of changes may seem lacking. But Oxfam's O'Brien still believes momentum is there for building a new economy.

He pointed to the U.S., where there is a rise in popularity for progressive ideas. "It's not just about the rise of the left," he says, "it's about the rise of a different kind of politics, which is more about asking the question: Is this economy working for everybody?"

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