

Working for the few: Political capture and economic inequality ^[1]

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AVAILABILITY

Summary and full report in pdf ^[2]

Attachment	Size
 working-for-the-few-2014-01-20-summary.pdf ^[3]	295.66 KB

Working For the Few details the pernicious impact that widening inequality is having in both developed and developing countries, helping the richest undermine democratic processes and drive policies that promote their interests at the expense of everyone else.

Economic inequality is rapidly increasing in the majority of countries. The wealth of the world is divided in two: almost half going to the richest one percent; the other half to the remaining 99 percent.

The World Economic Forum has identified this as a major risk to human progress. Extreme economic inequality and political capture are too often interdependent. Left unchecked, political institutions become undermined and governments overwhelmingly serve the interests of economic elites to the detriment of ordinary people. Extreme inequality is not inevitable, and it can and must be reversed quickly.

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Recommendations:

Those gathered at Davos for the World Economic Forum have the power to turn around the rapid increase in inequality. Oxfam is calling on them to pledge that they will:

- Not dodge taxes in their own countries or in countries where they invest and operate, by using tax havens;
- Not use their economic wealth to seek political favors that undermine the democratic will of their fellow citizens;
- Make public all the investments in companies and trusts for which they are the ultimate beneficial owners;
- Support progressive taxation on wealth and income;
- Challenge governments to use their tax revenue to provide universal healthcare, education and social protection for citizens;
- Demand a living wage in all the companies they own or control;
- Challenge other economic elites to join them in these pledges.

Oxfam has recommended policies in multiple contexts to strengthen the political representation of the poor and middle classes to achieve greater equity. These policies include:

- A global goal to end extreme economic inequality in every country. This should be a major element of the post-2015 framework, including consistent monitoring in every country of the share of wealth going to the richest one percent.
- Stronger regulation of markets to promote sustainable and equitable growth; and
- Curbing the power of the rich to influence political processes and policies that best suit their interests.

The particular combination of policies required to reverse rising economic inequalities should be tailored to each national context. But developing and developed countries that have successfully reduced economic inequality provide some suggested starting points, notably:

- Cracking down on financial secrecy and tax dodging;
- Redistributive transfers; and strengthening of social protection schemes;
- Investment in universal access to healthcare and education;
- Progressive taxation;
- Strengthening wage floors and worker rights;
- Removing the barriers to equal rights and opportunities for women.

Region: International ^[4]

Tags: poverty ^[5]

inequality ^[6]

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Links

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