

An economy for the 1%^[1]

How privilege and power in the economy drive extreme inequality and how this can be stopped

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AVAILABILITY

Full brief PDF^[2]

Attachment	Size
 2016_oxfam_AN ECONOMY FOR THE 1%.pdf ^[3]	713.75 KB

Summary

An economy for the 1%

The gap between rich and poor is reaching new extremes. Credit suisse recently revealed that the richest 1% have now accumulated more wealth than the rest of the world put together.¹ This occurred a year earlier than oxfam's much publicized prediction ahead of last year's world economic forum. Meanwhile, the wealth owned by the bottom half of humanity has fallen by a trillion dollars in the past five years. This is just the latest evidence that today we live in a world with levels of inequality we may not have seen for over a century.

'an economy for the 1%' looks at how this has happened, and why, as well as setting out shocking new evidence of an inequality crisis that is out of control.

Oxfam has calculated that:

- in 2015, just 62 individuals had the same wealth as 3.6 billion people – the bottom half of humanity. This figure is down from 388 individuals as recently as 2010.
- the wealth of the richest 62 people has risen by 44% in the five years since 2010 – that's an increase of more than half a trillion dollars (\$542bn), to \$1.76 trillion.
- meanwhile, the wealth of the bottom half fell by just over a trillion dollars in the same period – a drop of 41%.
- since the turn of the century, the poorest half of the world's population has received just 1% of the total increase in global wealth, while half of that increase has gone to the top 1%.
- the average annual income of the poorest 10% of people in the world has risen by less than \$3 each year in almost a quarter of a century. Their daily income has risen by less than a single cent every year.

Growing economic inequality is bad for us all – it undermines growth and social cohesion. Yet the consequences for the world's poorest people are particularly severe.

Apologists for the status quo claim that concern about inequality is driven by 'politics of envy'. They often cite the reduction in the number of people living in extreme poverty as proof that inequality is not a major problem. But this is to miss the point. As an organization that exists to tackle poverty, oxfam is unequivocal in welcoming the fantastic progress that has helped to halve the number of people living below the extreme poverty line between 1990 and 2010. Yet had inequality within countries not grown during that period, an extra 200 million people would have escaped poverty. That could have risen to 700 million had poor people benefited more than the rich from economic growth.

Region: International^[4]

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