

Oxfam International's Report

Posted at: 22/01/2025

Oxfam International's Report: "Takers Not Makers: The Unjust Poverty and Unearned Wealth of Colonialism"

Context

Oxfam International, a global confederation of NGOs established in **1995**, released this report to shed light on the growing divide between the world's richest and poorest populations. The report highlights how historical **colonial exploitation** has perpetuated economic inequality and how modern systems continue to widen this gap.

Oxfam operates in **79 countries**, including India, focusing on:

- Emergency relief.
- Rebuilding livelihoods.
- Advocating for lasting systemic changes, especially promoting **women's rights** and equality.

Key Highlights

1. Rising Global Inequality

- **Billionaire Wealth Growth:**
 - Billionaire wealth increased by **USD 2 trillion in 2024**, with **204 new billionaires** created.
 - Wealth of billionaires grew **three times faster in 2024** compared to 2023, with each billionaire earning **USD 2 million daily**.
- **Wealth Concentration:**
 - The richest **1% control 45% of global wealth**.
 - **3.6 billion people** live on less than **USD 6.85 per day (PPP)**.
 - **1 in 10 women globally** lives in extreme poverty.
- **Historical Inequality Growth:**
 - In **1820**, the wealth of the richest **10%** was **18 times greater** than that of the poorest **50%**.
 - By **2020**, this gap widened to **38 times**.

2. Colonial Legacy and Power Imbalances

- **Impact of Colonial Exploitation:**
 - **USD 64.82 trillion** was extracted from India by the UK during colonial rule (1765-1900).

- Of this, **USD 33.8 trillion** enriched the wealthiest **10%**.
- **Financial Transfers:**
 - The Global South loses **USD 30 million per hour** to the Global North through financial systems.
- **Global North Dominance:**
 - Institutions like the **IMF, World Bank, and UN Security Council** remain dominated by the Global North.
 - **39% of global heads of state** in 2017 were educated in the **UK, USA, or France**.

3. Inheritance and Cronyism

- In **2023**, for the first time, more billionaires were created through **inheritance** than entrepreneurship.
- **60% of billionaire wealth** originates from inheritance, monopolistic practices, or cronyism.

Understanding Global Inequality

Definition:

Global inequality refers to the **uneven distribution of resources, opportunities, and power** across the world's population of **8 billion** people.

Trends:

- **Income Inequality Between Countries:**
 - Since the 1990s, rapid economic growth in countries like **China** and others in Asia has reduced inequality between nations.
 - However, substantial disparities remain; for instance, average income in **North America** is **16 times higher** than in **sub-Saharan Africa**.
- **Income Inequality Within Countries:**
 - **71% of the global population** lives in countries where income inequality has worsened.

Drivers of Inequality:

1. **Social Factors:**
 - Gender, race, ethnicity, and geography.
 - Women and girls perform **12.5 billion hours of unpaid care work daily**.
2. **Economic Growth:**
 - Uneven benefits of economic growth.
 - Wealth concentration due to inheritance and monopolies.
3. **Emerging Drivers:**
 - **Climate change** disproportionately affects the poor.
 - Lack of access to **technology** marginalizes vulnerable groups further.

Impacts:

- Inequality affects **life expectancy, education, and access to basic services**.
- **Social discord** and conflict arise due to limited social mobility and economic development.

India's Inequality Trends

Statistics:

- **Gini Coefficient (2023):** 0.410 (higher inequality compared to 0.371 in 1955).
- The top **10% control** 77% of India's wealth, while the richest **1% own** 53%.
- The bottom **50% contribute** 64% of GST revenue, while the top **10% contribute only** 4%.

Drivers of Inequality:

- COVID-19 pandemic worsened disparities.
- **Regressive tax policies** burden the poor.
- Limited access to **education and healthcare** traps marginalized groups in poverty.

Government Initiatives:

- **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).**
- **Samagra Shiksha Scheme 2.0.**
- **National Health Mission and Ayushman Bharat.**

Conclusion

Oxfam's report emphasizes the urgent need to address rising global inequality fueled by historical and systemic exploitation. The recommendations include:

1. Promoting **progressive taxation** and tackling tax evasion.
2. Establishing a **New International Fair Economic Order** to dismantle colonial-era systems.
3. Strengthening **gender equality** and valuing unpaid labor.
4. Ensuring **environmental justice** by holding wealthy nations accountable for climate impacts.

By implementing these measures, nations can work towards creating a more equitable world, ensuring access to resources, opportunities, and well-being for all.

