

World's richest 1% captured over 63% of all wealth created since 2020: Oxfam

written by Peoples Dispatch
January 19, 2023



The world's richest 1% captured over two-thirds of all wealth created by humanity since 2020, leaving just one-third for the other 99% of the population, claims a [report](#) published by Oxfam on Monday, January 16.

The report, titled 'Survival of the Richest,' notes that the richest 1% of the world's population captured over USD 26 trillion (nearly 63%) of the USD 42 trillion created since 2020, nearly twice the USD 16 trillion (37%) that went to the rest of the population.

Oxfam notes that the rate of the concentration of wealth has been faster in the first two years of the new decade than ever before. In the previous decade, the super-rich had expropriated nearly 54% of the total wealth created.

The report was released on the occasion of the annual meeting of the World Economic Forum in Davos, Switzerland, which began on Monday and will continue until Friday. It is being attended by more than 50 heads of state and hundreds of corporate bosses from across the world. This forum has been the advocate of low tax, pro-corporate policies over the last few decades.

Oxfam underlines that the Davos meet is happening at a time when "extreme poverty and extreme wealth have increased simultaneously for the first time in 25 years."

The report notes a billionaire earned USD 1.7 million for every dollar earned by 90% of the world's population, while a billionaire's wealth increased by USD 2.7 billion every day. This unchecked concentration of wealth has resulted in both the total number of billionaires and their wealth doubling in the last ten years.

This is happening at a time when billions of workers live in countries where their wages are outpaced by the inflation

Higher taxes on the rich is extremely necessary now

The Oxfam report notes that nearly half of the world's total billionaires live in countries where there is no inheritance tax and that they will pass nearly USD 5 trillion of their wealth – more than the total GDP of the African continent – to their heirs. This practice creates a new set of “aristocratic elites” living on an income that is completely “unearned and derived from returns on their assets,” contributing to an increase in extreme inequality.

In a [press release](#) on Monday, Oxfam's executive director Gabriela Bucher said that “while ordinary people are making daily sacrifices on essentials like food, the super-rich have outdone even their wildest dreams.”

Nearly 820 million people are going hungry globally, even as excess corporate profits are contributing to rising inflation. According to the report, in the UK, US, and Australia, the profits the rich are making have contributed 54%, 59%, and 60%, respectively, to the inflation in these countries. In Spain, corporate profits have contributed more than 80% to inflation, making essential commodities unaffordable for a large proportion of the people.

The report notes that women and girls constitute a majority of the world's hungry, nearly 60%, as they eat the least and often the last.

Oxfam suggests that if a 5% tax on the world's top billionaires were imposed, it would yield nearly USD 1.7 trillion, enough to lift nearly 2 billion people out of poverty.

Bucher asserts that “taxing the super rich and big corporations is the door out of today's overlapping crisis. It's time we demolish the convenient myth that tax cuts for the richest result in their wealth somehow ‘trickling down’ to everyone else. Forty years of tax cuts for the super-rich have shown that a rising tide does not lift all ships—just the superyachts.”

The report notes that current tax regimes, which focus on indirect taxes, disproportionately harm those who earn less and contribute to inequality.

Rising inequality has also led, in some countries, to concerns about democracy. For example, in India, which has the largest number of poor in the world, just 10 individuals own more than 40% of all national wealth, the report notes.

“Taxing the super-rich is the strategic precondition to reducing inequality and resuscitating democracy. We need to do this for innovation. For stronger public services. For happier and healthier societies. And to tackle the climate crisis,” Bucher says.

Higher taxes can also help poorer countries solve problems created by prioritizing paying debts over increasing public spending on basic services such as health, infrastructure, or education. As of now, the poorest countries are spending four times more on repaying debts to rich countries than on health care.

The report notes that policy preferences for low tax rates have no rational basis. The high-tax regimes adopted after the second world war in most countries, including the rich west, “played a key role in expanding access to public services like education and healthcare” as well as leading to the “most successful years of their economic development.”

Source: [Peoples Dispatch](#)

