



Oxfam Report Notes Increasing Gap Between Rich and Poor, Fueling Anger

Oxfam International released a report on January 21 asserting that governments worldwide are under-funding public services and failing to clamp down on tax dodging, policies that Oxfam blames for increasing the gap between rich and poor.

Winnie Byanyima, the executive director of Oxfam International, said in a statement quoted by Reuters: "Poor people suffer twice from being deprived of basic services and also paying a higher burden of taxation."

Billionaire fortunes increased by 12 percent last year, or a collective \$2.5 billion a day, while the world's 3.8 billion poorest people saw their wealth drop a collective \$500 million every day, Byanyima stated.

"People across the globe are angry and frustrated," said Byanyima.

The charity maintains that tax rates for the rich and corporations have been cut in recent decades. When governments fail to tax the wealthy, they pass the tax burden on to poor people through consumer levies such as the value added tax (VAT), Byanyima said.

"An indirect tax like that, that taxes salt, sugar or soap, the basics that people need ... then poor people pay relatively more out of their income than rich people," she said.

The VAT to which Byanyima refers is a common feature in countries outside the United States, especially in European countries, whose tax systems tend to be more socialistic than that of the United States.

[The New American](#) noted in 2010 that a VAT "is difficult to escape through normal tax evasion strategies and would force the 50 percent of people in the poor and middle classes who pay no income taxes at present to start to contribute to the ever-increasing costs of the nanny state."

Though Oxfam and other charities are to be commended for providing help to the poor, the question remains as to whether the income gap between the rich and the poor is due to lack of "fairness," or other factors. A 2015 article in [The New American](#) ("[Is 'Income Inequality' Unfair?](#)") discussed how "income differences can be the result of something other than capitalist greed, racism, sexism, union busting, gluttonous stockholders, globalization, imports, automation, or the grasping shenanigans of the top 1 percent." The writer concluded, "a key reason that high-income families have higher earnings than low-income families is that they largely work more.... There are more workers working more hours in high-income families, on average, than in low-income families."

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Written by [Warren Mass](#) on January 22, 2019

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