## CRI 2018

Robert Höglund Oxfam



The financial district of Dhaka, Bangladesh. Despite economic growth, almost 40 million people in Bangladesh still live below the national poverty line. Photo: GMB Akrash/Oxfam

## THE COMMITMENT TO REDUCING INEQUALITY INDEX 2018

A global ranking of governments based on what they are doing to tackle the gap between rich and poor

#### WHAT IS THE CRI AND HOW WAS IT BUILT?

- Annual index and report, digital data tool (www.inequalityindex.org)
- 157 countries in the current CRI (aiming to increase, but some countries dont publish enough data)
- Produced in partnership with Devleopment Finance International
- More than 8,000 individual data points
- Based on inputs from officials of more than 60 countries on their latest spending, tax and labour policies; from 82 national and regional Oxfam offices; and the most recent global and regional databases
- Advice and peer review of methodology by policy experts of Commitment to Equity Institute, ILO, IMF, ITUC, OECD, World Bank, Tax Justice Network, UNESCO, UN Women

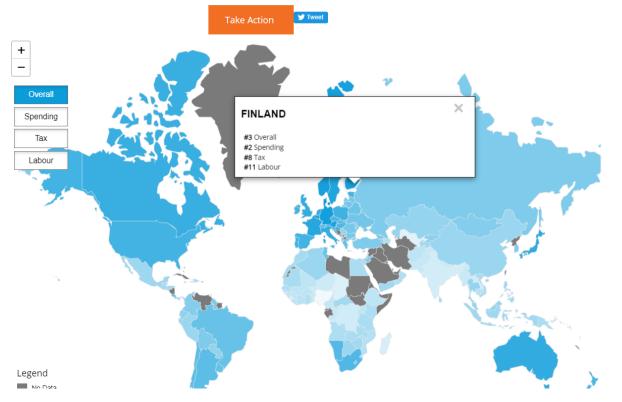
#### WHAT ARE THE OBJECTIVES OF THE CRI?

- Annual Oxfam publication
- Support monitoring of SDG 10
- Raise profile of fighting inequality
- Start race to the top between governments/ shame failure and celebrate success
- Start debate on solutions- inequality not inevitable.
- Provide evidence base to support country campaigning and advocacy



#### THE COMMITMENT TO REDUCING INEQUALITY INDEX 2018

A global ranking of governments based on what they are doing to tackle the gap between rich and poor What is your country doing to #fightinequality?



Methodology

**Download Data** 

#### **OVERALL**

The overall ranking combines all three core pillars on which the index is based: social spending, progressive taxation policies and

Global	North America
Latin America and Caribbean	Middle East and North Africa
Europe & Central Asia	Sub-Saharan Africa
East Asia and Pacific	South Asia

#### Most committed

- 1 Denmark (Global Rank #1)
- 2 Germany (Global Rank #2)
- 3 Finland (Global Rank #3)
- 4 Austria (Global Rank #4)
- 5 Norway (Global Rank #5)
- 6 Belgium (Global Rank #6)
- 7 Sweden (Global Rank #7)
- 8 France (Global Rank #8)
- 9 Iceland (Global Rank #9)
- 10 Lincombourg (Clobal Dank #10)

Figure 1: The CRI 2018 pillars and indicators

## SPENDING ON HEALTH, EDUCATION AND SOCIAL PROTECTION

#### 1. SOCIAL SPENDING AS % OF TOTAL SPENDING

- Education spending
- Health spending
- · Social protection spending

## 2. INCIDENCE OF SPENDING ON INEQUALITY (GINI COEFFICIENT)

- Education spend %
  GDP\*incidence coefficient
- Health spend % GDP\*incidence coefficient
- Social protection % GDP incidence coefficient

### PROGRESSIVITY OF TAX POLICY

#### 1. PROGRESSIVITY OF TAX STRUCTURE

- Personal income tax minimum and maximum rates + thresholds
- Corporate income tax rate
- VAT rate, exemptions + thresholds

## 2. INCIDENCE OF TAX ON INEQUALITY (GINI COEFFICIENT)

- VAT Revenue % GDP
- CIT Revenue % GDP
- PIT Revenue % GDP
- Excise Revenue % GDP
- Customs Revenue %GDP

#### 3. TAX COLLECTION

- Tax productivity: VAT, PIT and CIT revenue compared to rates and GDP or consumption
- Tax effort compared with potential

#### 4. HARMFUL TAX PRACTICES

- Harmful tax practices
- Anti-tax avoidance rules
- . Evidence of negative impact

## LABOUR RIGHTS AND MINIMUM WAGES

## 1.WORKERS AND LABOUR UNION RIGHTS

 Government efforts to protect workers in law and in practice

#### 2.WOMEN'S LEGAL RIGHTS AT WORK

- · Laws on equal pay for equal work
- Laws against gender discrimination
- Laws against rape
- Laws against sexual harassment
- Parental leave

#### 3.MINIMUM WAGE

- · Minimum wage in local currency
- Per capita GDP

Table 9: Increases and reductions in personal income tax, 2017

BIGGEST INCREASES IN TOP RATE OF PERSONAL INCOME TAX		BIGGEST DECREASES IN TOP RATE OF PERSONAL INCOME TAX	
Mongolia	+15%	Chile	-5%
Guyana	+10%	Republic of Congo	-5%
Uruguay	+6%	Croatia	-3%
Austria	+5%	Egypt	-2%
Central African Republic	+5%		
Bangladesh	+5%		
Jamaica	+5%		
Sierra Leone	+5%		
South Africa	+5%		
Tonga	+5%		
Trinidad and Tobago	+5%		
Greece	+3%		
Malaysia	+3%		
Zambia	+2.5%		
Singapore	+2%		



Developing nations 'making strides in cutting rich-poor gap'

ouvel indice inquiétant d'Oxfam : la France de Macron en passe d'abandonner la lutte contre les inégalités ?

#### Contribution to SDG 10

# 10.4. Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

• Indicator 10.4.1: Labour share of GDP, comprising wages and social protection transfers

CRI can augment indicator 10.4.1- giving data on the policies and spending of 157 countries to tackle inequality.

Not related to the CRI. Oxfam would also like to see the palma ratio / palma premium as an indicator for SDG 10. Comparing the bottom 40 % against the top 10 % instead of just against everyone.

## Thank you

Questions and comments max.lawson@oxfam.org