

Rich getting super-rich

Almost a third of rich Africans' wealth - a total of \$500bn - is held offshore in tax havens, which if taxed, would pay to get every African child into school.



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It is estimated that lost tax revenues from offshore accounts costs Africa \$14bn a year, according to Oxfam's calculation.

The international aid organisation also said on Monday, 18 January, that globally 62 individuals had the same wealth as 3.6 billion people last year. In 2010, it was 388 individuals.

"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 \$1.76tn, the charity said in a new report highlighting an increasing gap between rich and poor.

In South Africa, the gap between rich and poor is the largest in the world, according to the Gini index, which measures inequality.

"Meanwhile, the wealth of the bottom half fell by just over a trillion dollars in the same period - a drop of 41%," Oxfam said.

The report has, however, garnered wide criticism.

The Institute of Economic Affairs director general in UK Mark Littlewood said Oxfam was misleading the rich with "bogus inequality figures" and that the poor were also getting richer.

"Despite the fact global capitalism has eradicated poverty and generated prosperity in the developing world at an unprecedented rate, the 'anti-poverty' Oxfam continues to obsess about the rich."

Littlewood said Oxfam's calculation was flawed as it takes into account the debt of the middle-class, who unlike the poor, have assets.

South African economist Adrian Saville said capitalism in recent years had lifted hundreds of millions in India, Indonesia and China.

"Inequality measure did not take into account improvements in the poor's lives but measured the distance of what you and I have.

"Societies that are more unequal are unhappier and have more violent crime," Saville said.

Source: The Times

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