

Speech to Norwegian Church Alliance Oslo Fight Inequality Alliance Event, Oslo, 25 October 2018

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I share Winnie Byanyima's certainty that we can win the fight against extreme inequality. Because we have won equally difficult fights in the past. In 1980, at the age of 16, I read the report on global development by the Brandt Commission led by the former German Chancellor Willy Brandt. It convinced me that the massive burden of debt on citizens of the global south was appallingly unjust, stopping their governments from spending their money on the key services they needed – especially education, health, water and food. That debt had to be cancelled, and it was. Twenty-five years later I advised the Jubilee debt cancellation campaign, and directed a programme which helped 35 Heavily Indebted Poor Countries to maximise their debt relief, and to spend the savings on fighting poverty. Together we cancelled more than 100 billion dollars of debt, educated tens of millions more children, and saved tens of millions of lives.

But how did we achieve this ?

First, we convinced world leaders and citizens that debt was a huge problem.

Second, we said - with all the technical detail needed to convince them, "here is what you can do to solve that problem".

And third, we campaigned relentlessly in public, and advocated in private, for debt cancellation. We quoted initial steps by far-sighted governments like Norway to push other creditors to cancel debt, helped developing countries to get their voices heard about the urgency of debt relief, and built their technical capacity to ensure the savings were well spent on their social development goals.

We need to use this same model of combining lots of different methods, to fight against extreme inequality: and our Alliance is already moving fast along this road.

In Stage 1, since 2013, Oxfam has been talking about extreme inequality as a top-priority global problem. Now every international organisation and virtually every world leader agrees. Even the IMF says inequality is hurting growth in all but 7 of the world's countries (and Norway is just at the tipping point where any more inequality would be negative so needs to watch this closely !).

For Stage 2, hundreds of experts have identified what policies work best – including by listening to the views of the poorest and most marginalised. So we know what the key policy solutions are: to spend more on education, health and social protection; to collect more, and more progressive, taxation; and to reinforce labour rights, especially for women.

But in spite of all these efforts, three years ago, it seemed like nobody was taking action to make sure policies changed. So my organisation, Development Finance International, and Oxfam, put our heads together and thought – what would do the most to push world leaders to change policy ? We came up with the idea of a Commitment to Reducing Inequality Index, now known for short as the "CRI". This index ranks 157 countries for what they are doing to fight inequality across those policy areas of spending, tax and labour. I am not going to go into detail about its methodology or results here – you can read the report online and see how each country is performing, and play with all the data using maps and tables – just go to www.inequalityindex.org

So instead, let me give you three key findings of the CRI:

- first, ***no country in the world is doing enough to fight inequality*** – for example, even Denmark, which comes first, and Norway, which comes fifth, could have more progressive tax policies.
- second, ***to fight inequality you do not need to be a rich country***. Wealth helps governments to collect more tax and spend more on the social sectors. But this is a policy choice which all governments can make, and many are already making. So poorer countries like Lesotho, Senegal, Sierra Leone, Bolivia and Namibia have been taking strong anti-inequality measures; whereas some wealthier countries – notably the US and Singapore – have recently been going backwards.
- third, there are ***even deeper structural causes of inequality in many countries***, such as land rights, or discrimination based on race or caste, or against refugees or young people. And underlying all these policy issues is an imbalance of power – where the wealthiest have the money to buy elections and policies which favour them, and exacerbate inequality. We intend to bring these issues into the index in future years.

But what is already inspiring me is the extent to which the CRI is creating and supporting change. You would think from the world's media that all countries are following Donald Trump's example and rewarding the wealthy with tax cuts, slashing social spending or undermining labour rights. And where we find backward movement or lack of action, we criticise it and suggest alternatives. We strongly criticised the US tax cuts, for benefiting the rich, and got good media coverage helping to make them very unpopular. Nigeria's bottom ranking in the CRI has made inequality a major issue in its forthcoming elections, and its discussions with the IMF and donors, and is pushing its leaders to come up with new policies to collect more tax, spend more on education and health and increase the minimum wage. So negative pressure based on the CRI is working.

But the best news from this year's CRI, looking at trends over the last few years, is that far more countries are moving forwards than backwards. Two countries stand out for taking positive steps across all policy areas: Winnie already mentioned Indonesia, which has dramatically increased spending on health and social protection, and the minimum wage, and is trying to collect more progressive income tax; but in the report we also highlight South Korea, where President Moon came to power on a platform of a people-centred economy, and has sharply increased the minimum wage, raised income tax rates for companies and wealthy individuals, and increased welfare spending, especially for children. The biggest media coverage of the CRI was in Korea, where its positive finding is further increasing the high popularity of the measures he has taken.

This positive news inspired us to ask - how can we build on this progress? To find out, two weeks ago we convened a meeting of 12 key countries which had been taking anti-inequality measures. They spent an hour together swapping inspiring stories of change, from South Africa's forthcoming minimum wage, to Iceland's independent certification of equal pay, to Senegal's clampdown on multinational tax exemptions, to Sierra Leone hiring five times more inspectors to enforce workers rights, to New Zealand's Living Standards Framework measuring national progress based on reducing inequality. They even began to compete with one another in the meeting – notably on who first gave women the right to vote – and I bet you would not guess it was Sierra Leone in 1787! Just showing again that the poor countries can often lead the rich....

At the end of the meeting, these leaders agreed to do two things: to campaign together for much stronger policy measures to fight extreme inequality across the world, especially in 2019 which will be the year when the UN focusses on SDG number 10 – reducing inequality; and to provide much more detailed information to the people of the world on what works to fight inequality, sharing this across the web and social media to inspire other countries and their citizens to join the fight.

At the same time, Sierra Leone asked for expert help to strengthen the anti-inequality policies in their national development plans. Donor countries like Norway could help them most by focussing their aid on helping countries to reduce inequality as well as poverty. But the Ministers also underlined other ways in which rich countries can help.

Above all, they can make sure poorer countries have the money to fight inequality. They must stop stealing their tax revenues, through biased treaties, tax exemptions on investment projects, and tax haven style behaviour; and they must provide more aid, and regulate their private lenders and investors, to stop loading developing countries up with yet another unpayable debt burden.

Equally important, they must also stop introducing or advocating policies which worsen inequality. They need to end their own race to the bottom of cutting taxes and undermining labour rights; and to push international organisations like the IMF and World Bank to put the fight against inequality even more clearly at the centre of their work. These are all things Norwegians like you can campaign for, to help the worldwide fight against inequality.

Will we win this fight ? In 2005, half a million people marched worldwide to demand debt cancellation and to Make Poverty History. As a result, we made massive progress, cancelling debt and halving extreme poverty. But we did not make poverty history – which is why I am still wearing the white wristband from that campaign ! Now we need a similar people's mobilisation to end extreme inequality. We need you all to join us to make sure governments adopt the best anti-inequality policies and end this shameful injustice. If you join us in that fight, I know we will win.