
DEVELOPMENT FINANCE INTERNATIONAL AND OXFAM REPORT OCTOBER 2018

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

In 2015, the leaders of 193 governments promised to reduce inequality under Goal 10 of the Sustainable Development Goals (SDGs). Without reducing inequality, meeting SDG 1 to eliminate poverty will be impossible. In 2017, Development Finance International (DFI) and Oxfam produced the first index to measure the commitment of governments to reduce the gap between the rich and the poor. The index is based on a new database of indicators, now covering 157 countries, which measures government action on social spending, tax and labour rights – three areas found to be critical to reducing the gap.

This second edition of the Commitment to Reducing Inequality (CRI) Index finds that countries such as South Korea, Namibia and Uruguay are taking strong steps to reduce inequality. Sadly, countries such as India and Nigeria do very badly overall, as does the USA among rich countries, showing a lack of commitment to closing the inequality gap.

Development Finance International

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Today, DFI and Oxfam launched the new Commitment to Reducing Inequality Index (CRI) at the Annual Meetings of the IMF and the World Bank held in Bali, Indonesia. It was pre-launched at an Asia-focused event in Jakarta on 8th October.

Based on extensive data research and collection from DFI and input from Oxfam offices, the Index ranks 157 countries on their policies on social spending, tax, and labour rights - three areas critical to reducing inequality. This new edition boasts new sub-indicators focusing on the extent countries enable tax evasion, and on sexual harassment and rape.

The main finding of this year's CRI is that more governments are taking measures to fight inequality.

The CRI found a clear divergence between governments such as the Republic of Korea, Indonesia, and Georgia that are taking positive steps to reduce the gap between rich and poor, and governments that are making it worse. However, all countries, even those at the top, could be doing much more.

We believe inequality is far from inevitable. It is a policy choice and governments have considerable powers to reduce the gap between the rich and poor in their countries. DFI and Oxfam developed this index to measure and monitor government policy commitments to reducing inequality, but also to offer a robust, evidence-based alternative to other existing income and wealth measuring systems which are sorely lacking in data coverage and quality.

You can *download the report and summary* , *watch a video* on the CRI, read a *Guardian article* and take action *here* .

Latest work DFI carried out in this area:

17 October 2017 - CRI Launch at ILO Roundtable in Geneva

International Labour Organization

DFI and Oxfam launched the Commitment to Reducing Inequality Index at a roundtable for Geneva-based UN organisations. Held at the International Labour Organisation headquarters in Geneva, it gave a brief presentation of key findings. The 30 participants focussed their discussion mainly on issues around the positive impact of social protection spending on inequality, and on how best to measure progress in improving labour rights, including for women.

In the roundtable and separate bilateral meetings with ILO staff, excellent suggestions were made for improving the Index and enhancing cooperation between the ILO, DFI and Oxfam on data collection and analysis in future editions of the CRI.

10 October - Washington Launch of Commitment to Reducing Inequality Index

Oxfam America hosted a Washington roundtable on the CRII, focusing on findings relating to the USA as well as broader findings for developing and developed countries. DFI presented key findings, especially the negative impact of planned Trump administration tax, spending and labour policies on the US position in the index. Approximately 30 senior experts on US and global policy attended and made excellent suggestions for improving the next round of the Index, as well as for applying it at a state-by-state level in the United States, and for maximising the policy impact of the Index in a US context.