



BY WILLIAM F. FELICE
Guest Columnist

Making the global elite squirm at Davos

How Oxfam used numbers to make its case that our political system continues to give unconscionable power to those on top.



A dog walks in a yard where items collected for recycling accumulate in La Esperanza neighborhood of Buenos Aires, Argentina, on Feb. 22. An Oxfam report says that "Since 2020, the richest five men in the world have doubled their fortunes. During the same period, almost five billion people globally have become poorer. Hardship and hunger are a daily reality for many people worldwide. At current rates, it will take 230 years to end poverty, but we could have our first trillionaire in 10 years." (AP Photo/Rodrigo Abd) [RODRIGO ABD | AP]

Davos, a popular ski resort in the Swiss Alps, draws the world's attention for one week every year when global elites meet in the luxurious town for their annual World Economic Forum. The forum provides a platform for the powerful to promote their interpretations of the world's problems and suggest their ideas for "improving the state of the world." Membership costs \$52,000 and a ticket to the forum an additional \$19,000. The approximately 1,000 corporate members thus pay a minimum of \$71,000 each to send one representative. Many of these wealthy companies, of course, send not one person but delegations to the conference.

At this year's event the elite jockeying for recognition and prestige was usurped on day one by Oxfam, a social justice organization. Oxfam works in 85 countries and is focused on "fighting inequality to end poverty and injustice." It is rare for a human rights organization to capture the world's media attention at a gathering of the world's rich and powerful. Yet, on the first day of the conference, Oxfam stole their thunder by releasing its 2024 report on global inequality.

How was Oxfam able to dominate the global media and provoke broad discussions about the impact of inequality in the global economy?

Oxfam's success was a result of their meticulous and startling research that proved difficult for either the press or policy makers to ignore. Despite the decades of alarm expressed by economists about the negative impact of extreme inequality on the well-being of the world's people, Oxfam vividly demonstrated how the situation has severely worsened.

Consider the following from the Oxfam report:

"Since 2020, the richest five men in the world have doubled their fortunes. During the same period, almost five billion people globally have become poorer. Hardship and hunger are a daily reality for many people worldwide. At current rates, it will take 230 years to end poverty, but we could have our first trillionaire in 10 years."

Oxfam points to the high concentration of global corporate and monopoly power as a leading cause of obscene inequality. "Seven out of 10 of the world's biggest corporates have either a billionaire CEO or a billionaire as their principal

shareholder. Through squeezing workers, dodging tax, privatizing the state and spurring climate breakdown, corporations are driving inequality and acting in the service of delivering ever-greater wealth to their rich owners.” As a result, the “world’s richest 1% own 43% of all global financial assets.” At the same time: “Just 0.4% of over 1,600 of the world’s largest and most influential companies are publicly committed to paying their workers a living wage.”

Keep in mind that conditions are getting worse, not better, for millions of the world’s poor. There are 4.8 billion people poorer than they were in 2019. The poorest people are most likely to be “women, racialized peoples, and marginalized groups in every society.” “Hundreds of millions of people [are] seeing their wages buy less each month and their prospects of a better future disappear.” Yet, on the other end, billionaires “are now \$3.3 trillion or 34% richer than they were at the beginning of this decade” with “their wealth growing three times as fast as the rate of inflation.”

This extreme inequality is partially the result of increased market concentration in a small number of corporate powerhouses. Governments have handed over power to these corporate behemoths. According to Oxfam this market concentration “can be seen everywhere.” For example: “Globally, over two decades, 60 pharmaceutical companies merged into just 10 giant, global ‘Big Pharma’ firms between 1995-2015. Two international companies now own more than 40% of the global seed market.” In addition, three-quarters of global online advertising spending goes to three “Big Tech” firms: Meta, Alphabet and Amazon.

These corporate goliaths are fueling inequality. First, these companies have used their power to force wages down and “direct profits to the ultra-wealthy.” These mega-corporations have opposed labor laws, including minimum wage increases, fought unionization, and supported rollbacks to child labor laws. Profits go directly to the uber-rich instead of supporting workers’ rights.

In addition, these companies drive inequality by pursuing “a sustained and highly effective war on taxation.” Governments have complied and slashed corporate tax rates. Tax havens continue to be abused. Congress continues to starve the IRS and limit the government’s ability to crack down on corporate tax cheats. As a result,

corporate taxes are dodged resulting in absurdly low tax rates — “often close to zero.”

The U.S. has yet to join the agreement negotiated with 140 countries to apply an effective tax rate of at least 15% on corporate profits. According to the Financial Times, this reform would increase annual tax revenue by as much as 9%, or \$220 billion worldwide. And, this sensible proposal would help to eliminate “tax havens” abroad.

Our political system continues to give unconscionable power to those on top. The ultra-wealthy corporate leaders continue to limit redistribution and shape the rules to their favor. Economists call this “rent-seeking,” which according to Joseph Stiglitz, Nobel Prize laureate in economics, is “getting income not as a reward to creating wealth but by grabbing a larger share of the wealth” produced by others. As a result, “much needed revenues are diverted into the pockets of a few instead of benefiting society at large.”

This concentration of income at the top undermines public policy for “public goods” that advance human development, like education, health care, public transportation and environmental sustainability. The rich, for example, can send their children to private schools and enjoy expensive “concierge” health care, and are thus immune from experiencing the decline in these essential public services. Oxfam notes: “Around the world, corporate power is relentlessly pushing into the public sector, commodifying and segregating access to vital services such as education, water and health care, often while enjoying massive, taxpayer backed profits.”

Our current economic system can no longer be considered “fair” or “just.” The lack of equality of opportunity has destroyed our sense of a common community and created a weak economy. Stiglitz is alarmed. He writes that “those in the 1%, in attempting to claim for themselves an unjust proportion of the benefits of this system, may be willing to destroy the system itself to hold on to what they have.”



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