

Helen Szoke, Chief Executive Oxfam Australia

Speech at the 13th Annual Victorian State Parliament Iftar Dinner 2018

Opening

I would like to begin by acknowledging the traditional owners of the land on which we meet today – the Wurundjeri (Wah-Run-Jerry) People of the Kulin Nation, and paying my respect to their elders past and present.

I am honoured to be invited to this year's Victoria Parliament Iftar Dinner – to be seated amongst distinguished members of the Muslim community, members of parliament, and Victorian community leaders.

During this time of Ramadan, a time for deep reflection about the less fortunate, I would like to speak with you about the sombre reality of rising inequality in Australia and around the world.

Through my time spent serving as Australia's Federal Race Discrimination Commissioner, the Victorian Equal Opportunity and Human Rights Commissioner, and my current role as the Chief Executive of Oxfam in Australia, I have had the privilege of meeting and working with insightful people from across the diverse Australian community, and supporting communities around the globe as they strive and fight for a better life for themselves and their families.

A couple of years ago, I visited Nepal where Oxfam has been working on reconstruction since the deadly earthquake in 2015. One key memory which stayed with me was an inspiring and bright 16 year-old girl who had severe physical disabilities – but neither her nor her mother were going to let that hold her back. Her

mum ensures that she is able to attend school despite the challenges in their path. Both had to be relocated because of earthquake damage to their home – but she is still at school learning – and together she and her mother are building their future.

Such fighting spirits remind us of people's resilience in the face of tragedy. All they need is a helping hand – an opportunity to make the most out of their circumstances. This is fundamental to Oxfam's belief that, the best way to lift people out of poverty is by breaking down barriers and empowering communities to build better lives for themselves.

----- **Inequality entrenches poverty and denies people opportunity** -----

Oxfam's very own global CEO, Winnie Byanyima, was a refugee who fled from the brutal dictatorship of Idi Amin in Uganda to the UK. She often reminds us of her good fortune and privilege compared to those who were left behind: the many talented African young girls and boys from her village, Ruti, in Uganda, who, if afforded her opportunities, could achieve the greatest things.

But our unequal world denies that possibility to too many. The vast majority of the world's 800 million people who live in extreme poverty reside in sub-Saharan Africa, living on less than \$2 per day. They often have no access to basic services that we take for granted here, like roads, clean water, toilets, and education – and so they have little opportunity for a better future. Instead, they're fetching water, carrying firewood, just trying to survive – and often it is the girls who are confined to this life of chores.

This deep-rooted inequality persists despite decades of record economic growth in Africa.

Despite an African economic boom, poverty has declined more slowly on the continent than *any other region*.

What this means is that economic benefits are simply not being shared.

In Nigeria, for example, all the recent economic growth has benefited the top 10% of the population. Poverty has been rising in Nigeria, yet the country's richest man would have to spend \$1 million a day for 42 years to exhaust his fortune. 42 years.

For me, and for an organisation like Oxfam that is dedicated to fighting poverty around the world, this information begs the question: why?

Why is the fortune and wealth of nations not fairly benefitting the poorest? Why is this trend still continuing?

The answer lies in an economic system that has been set up – by big businesses, by a global wealthy elite and by some governments – to unfairly benefit those at the top.

Our global economic system is the result of decisions that allow inequality to rise.

Oxfam's most recent global analysis shows that 82% of the wealth generated last year (in 2017) went to the richest 1% of the global population, while the 3.7 billion people who make up the poorest half of the world saw no increase in their wealth at all.

Take that in for a moment – the top 1% captures 82% of the wealth generated last year, while the poorest half of the global population got no increase at all.

----- **Growing inequality is a global phenomena** -----

Importantly, this isn't just about Africa and the developing world.

Here in Australia, the richest 1% of people own more wealth than the poorest 70% of Australians combined – and the share of wealth between the top 1% and poorest half of Australians has become more and more unequal over the past 20 years.

This growing gulf between the rich and ordinary workers in Australia is also stark. Last year saw the largest annual increase in the number of Australian billionaires and billionaire wealth since the start of this century – with an extra 8 Australian billionaires and an increase in total billionaire wealth in Australia of about \$38 billion.

This single year's increase in wealth would have been enough to pay for more than half of Australia's Federal public health spending in 2017.

Gender inequality has also persisted over that time. The wage gap between women and men in Australia is around 16% – and has wavered at about this level, without improvement.

This inequality gap, sadly, is also far from being closed.

The extreme gap between rich and poor is a fundamental problem we must all contend with. Not only is growing inequality at odds with long term national prosperity, it is at odds with human nature to be generous and compassionate.

And, it is a trend that others – not just Oxfam – are concerned about. World leaders and global institutions, such as the World Bank and IMF, have highlighted that the trend towards growing inequality is a key concern. It is a trend that is destabilising. It is bad, not just for the very poorest but also for the long term sustainability of our societies.

At this time for deep contemplation about those less fortunate, let us reflect on the fact that, right here in Melbourne – the world's most liveable city – the number of people

sleeping on the streets has more than doubled over the past 7 years, and increased by over 70% in the past 2 years alone.

In our world of plenty, it makes no economic or moral sense that so much wealth can be concentrated in the hands of so few people, and that we tolerate such unequal outcomes. Too often, money buys impunity from justice, elections, a pliant media or favourable laws, leading to policies which further concentrate wealth in the hands of a few - and further entrenches poverty.

----- **Tax avoidance harms us all** -----

While we must ask why, why have those with power allowed wealth to concentrate in this way? – We also must ask what can be done about this?

This is a question Oxfam has grappled with.

And one key answer is that we must see global changes to a tax system that allows money to be hidden away, and that damages our collective public good.

By one estimate, 8% of the global financial wealth of households is squirreled away in tax havens – about \$7.6 trillion.

To put that big amount into perspective, \$7.6 trillion several times the *entire* wealth of Australia.

Tax avoidance means rich and poor countries alike miss out on precious opportunities to improve lives.

Let me give you just one example of the kind of practices Oxfam is working with communities to fight against. Sierra Leone – one of the poorer countries on the

African continent – was as you will remember hit by a devastating Ebola outbreak some years ago.

Sadly today – right now – Oxfam together with other global and local agencies are battling Ebola once again, this time in the similarly poor African nation of the Democratic Republic of Congo.

Ebola is not just a disease problem; it's an economic problem.

It is spread not just by human contact, but by economic neglect.

Neglect of the investment needed, for example, in strong public health systems that serve everyone, including the very poorest.

Special tax incentives crippled Sierra Leone's ability to cope with the Ebola outbreak.

The government of Sierra Leone gives away an excessive amount of revenue in tax breaks and incentives to foreign investors, in this case predominantly European and U.K.-based multinationals in the agriculture, mining, manufacturing and infrastructure sectors.

Shockingly, in 2012, Sierra Leone's tax exemptions amounted to nearly \$250 million, which was an astounding **10 times the country's national health budget for that year.**

Governments like Sierra Leone's do not simply choose to give away this money.

They are pressured, cajoled and told that no foreign investment will come their way unless they make conditions 'welcoming' for business in this way.

This mindset leads to ongoing poverty and deprivation. These actions lead to shocking inequality – and to systems unable to cope with deadly and devastating disease.

But governments – and businesses – can take action to turn this around.

Globally, Oxfam is supporting communities to demand stronger tax systems and to ensure that money is spent in areas where it is needed most.

And in Australia, where we know 1 in 3 large companies paid no tax at all in the 2016 financial year, we are also calling on the federal government to go further on multinational tax transparency through measures that would make it harder for companies to squirrel away essential public money.

----- **Labour rights and living wages** -----

And there are important actions that can be taken in other areas, too.

Oxfam works on labour rights with women in factories producing clothes for high street brands like H&M and GAP, and Australian brands like Bonds and Just Jeans. They work in developing countries like Myanmar, Bangladesh and Vietnam, often 6 days a week, up to 14 hours a day. They earn less than \$4 a day for their labour.

I'd like to introduce you to Anju, who Oxfam spoke to late last year at her home in Dhaka, Bangladesh.

Anju told us she earned the equivalent of just 37 cents (AUD) an hour, working in the supply chain of one Australian fashion company. That's less than the legal minimum wage in Bangladesh – which is 39 cents (AUD) an hour.

Anju told us she is perpetually in debt, and cannot afford to properly feed herself and her family for the last week of every month.

Despite working in appalling circumstances, the spirit and strength of women like Anju are deeply impressive. During my visit to Bangladesh last year, women garment workers described how they constantly worry about how they will survive from month

to month, how they are forced to live hand to mouth. If they get sick they often don't get paid, and if they become pregnant they can easily lose their job.

It doesn't have to be this way. Oxfam's research has found that, paying these garment workers a living wage – a wage that would allow them to afford the essentials for themselves and their families – would only raise the cost of a t-shirt by 1%. Just 1 %. That would be a 10 cent increase for a \$10 t-shirt!

In many developing countries, minimum wages are so low people remain trapped in a cycle of poverty, no matter how hard they work.

But we are well equipped to transform our economies into fairer systems that serve the interest of every person, not the privileged few.

Big Australian fashion brands have already taken leading steps in becoming more transparent in their supply chains – and now Oxfam and many Australians are calling on them to be leaders again, and commit to transforming their purchasing practices to help push up wages in many of the countries from which they source clothing.

And, the Australian Government is soon set to introduce a Modern Slavery Act, that will ask companies to report on some of the most shocking human rights risks in their supply chains. It is Oxfam's hope that the Australian Modern Slavery Act will be strong – meaning it must include penalties for non-compliance and an independent anti-slavery commissioner.

And of course, this corner of the world knows well the importance of fair work conditions for labourers. This state, Victoria, was the world's second place to see a minimum wage instituted. Our friends across the Tasman Sea in New Zealand were first to implement a minimum wage in 1894. People, in this region, organized to make this happen. The world followed.

We can and must do more to ensure workers around the world, like the women making our clothes in factories in Bangladesh, are paid living wages.

This is one more way we can join together to tackle inequality around the world.

----- **Inequality is an outcome of deliberate decisions** -----

We know no amount of charity, or tinkering with a few friendly policies, will bridge the great structural divide between rich and the poor.

Growing inequality is not part of some natural phenomena we have no control over.

It is the product of conscious political and economic choices.

What we need now is to take heed of the warning that inequality is spiralling out of control, and to work together to turn things around.

We need to strive for the kind of economy that has businesses which power opportunity – the kind that creates decent jobs and pays decent wages, that restores the environment rather than just extracts from it; the kind that that tackles rising inequality, believes in the power of people, and realises the potential of women and girls.

It's an economy in which governments defend and respect the voice of citizens and listens to ordinary people.

It's an economy truly designed to realize and respect human rights. A more human economy.

I hope you will join me in striving for this.

Thank you.