

No wonder the Right hate Oxfamâ€™s inequality data

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Yesterday the market fundamentalist think tank The Centre for Policy Studies launched its ritual annual attack on Oxfam's report in inequality, produced in time for Davos.

[Oxfam said:](#)

Last year, 82% of wealth created worldwide went to the top 1%. The poorest half saw no increase at all.

All over the world, the economy of the 1% is built on the backs of low paid workers, often women, who are paid poverty wages and denied basic rights. It is being built on the backs of workers like Anju in Bangladesh, working for \$0.37 an hour, Dolores in chicken factories in the US, suffering permanent disability and unable to hold her children's hands.

But it doesn't have to be this way. We urgently need governments and companies to help create a more equal society by prioritising ordinary workers and small-scale producers instead of the rich and powerful.

[The CPS response](#) was to claim that:

Oxfam increasingly pollutes our discourse with phony statistics and false narratives in a highly politicised way. These findings are being used to call for a policy shift — a turn away from market-based capitalism, which has lifted billions around the world out of poverty. No doubt there will be plenty of wanna-be world planners at Davos this week who will lap up the message — the Shadow Chancellor, John McDonnell, will be one of them. But Oxfam's political agenda goes against the history of the economic development they purport to want.

This morning the [Guardian](#) reports that:

The freeze on social security benefits introduced two years ago will lead to fewer and fewer children escaping the poverty trap, according to a study. The biggest increases in child poverty since the freeze in 2016 have occurred in areas already identified as

deprivation hotspots, an analysis by the End Child Poverty coalition of charities has found. In four parliamentary constituencies — Bethnal Green and Bow, and Poplar and Limehouse in east London, and Ladywood and Hodge Hill in Birmingham — children are for the first time in recent years more likely than not to grow up poor.

In 25 constituencies, mostly located in London, Birmingham and Greater Manchester, more than 40% of children now live below the poverty line. On a local level the figures are even more damning, with 62% of children in Coldhurst ward in Oldham living in poverty. End Child Poverty says the government must end the benefits freeze which the group says is a major factor in an “emerging child poverty crisis”, along with rising prices.

So, who is right, and what is all this really about?

First, let's be clear that world poverty is not as bad as it was. That however is in no small part due to reform in China (which is not a CPS role model) and India, where problems continue to be enormous. The CPS model is not found there.

Second, the claim that small government has driven this increase in wealth as promulgated by Mark Littlewood of the IEA on Radio 4 yesterday, is also wildly wrong: the simple fact is that people are increasingly better off in countries with higher spending and small trading states such as Hong Kong and Singapore, which he praised a) cannot be a model for all states because most are not small and on major trading routes and b) are not democracies in the accepted sense and are unacceptable to most as a result and c) have massive de facto state sectors. More than 80% of people in Singapore live in state housing, for example.

Third, poverty is not an absolute measure, it is relative over time and at a point in time. To claim otherwise ignores the reality of the human condition.

Fourth, as the Guardian report shows, shrinking the state does increase poverty.

Fifth, whilst it is true Oxfam do play loose when comparing wealth and GDP on occasion, and they are not the same thing, the fact is that what their report does really drive at is the very heart of the neoliberal project, which is why the CPS, the IEA and others are so frightened of it. What I mean here is that what the Oxfam and Guardian reports reveals is the lack of choice most people have, and yet choice is what, supposedly, the neoliberal agenda is about.

When you live in poverty it's not just hope that departs through the window, although it does. With it goes any element of choice in your life. And supposedly the whole neoliberal agenda is about 'taking back control' to make those choices, except the reality is that, if anything the exact opposite is taking place. What market capitalism is delivering is choice for a tiny proportion, who can pretty much have whatever they want except happiness (which is still not marketable) whilst most get very few options

indeed, and no chance to do anything about it.

This is the criteria by which neoliberalism has failed. Other systems have delivered reductions in relative poverty. But neoliberalism has not. And it's core promise of choice is disappearing from view under mountains of debt and stagnating wages.

The Oxfam data highlights that. No wonder the Right hate it. They have no available response. That's because there is none.