

Press Statement

Global Campaign to #FightInequality

Good morning ladies and gentlemen!

I speak on behalf of the Ghana CSOs platform on the SDGs, specifically sub-platform 10 (SDG 10) which is dedicated to fighting all forms of inequality. The week of 18th -25th January 2020 is recognized annually by development practitioners across the globe as the Global Week of Action on Inequality (#FightInequality). The Fight Inequality Alliance is a network of civil society activists that is building a global movement to counter the excessive concentration of power and wealth in the hands of a small elite. We seek to achieve a just, equal and sustainable world. The week long campaign is coming on the back of the World Economic Forum currently ongoing in Davos.

Inequality has become a defining global problem of the present time that must be addressed if we want to achieve the Sustainable Development Goals. We cannot achieve equitable and sustainable development if we leave anyone behind. It has been revealed that the top 1% have now accumulated more wealth than the rest of the world put together. For instance, in 2018 a research study on inequality by Oxfam, SEND Ghana and Ghana Anti-Corruption Coalition established that one of the richest men in Ghana earns more in a month than one of the poorest women could earn in 1,000 years. In the decade ending in 2016, the country saw 1,000 new US dollar millionaires created, but only 60 of these were women. The research also found that wealthiest 10% of Ghanaians now account for 32% of the country's total consumption. This is more than the consumption of the bottom 60% of the population combined, while the very poorest 10% of Ghanaians consume only 2%.

According to Oxfam International and Development Finance International's first ever West Africa Commitment to Reducing Inequality (CRI) index 2019, Ghana and other West African governments are the least committed to reducing inequalities in Africa. Ghana makes one of the least investments in healthcare, education and social protection especially for the most vulnerable in society. Ghana ranks 12th on social spending, coming behind countries such as Cape Verde, Cote d'Ivoire, Burkina Faso, Mali, Niger, and Mauritania. Meanwhile, Ghana's wealth increased by 39% between 2017 and 2018 and presented enormous opportunity to improve the lives of the many, unfortunately much of it benefited a selected few¹.

It is sad that no girl has ever completed JHS in Sawoubea a town in the Upper West districts since the establishment of the school 25 years ago. (GNA publication on October 25, 2019)

The Commitment to Reducing Inequality Index for West Africa shows clearly that governments have a choice and that inequality does not happen accidentally: either government take steps to

¹ Oxfam Briefing 2019, The West Africa Inequality Crisis

reduce the gap between rich and poor or they can continue to make policy choices that will worsen inequality. Efforts to address inequality in Ghana must be consistent and coherent.

In furtherance of this call to action, we propose the following recommendations for the attention of government:

1. Spend sufficiently on universal quality public services that reduce the gap between rich and poor and reduce gender disparities:

We call on government to:

- Allocate a minimum of 20% of government budgets to boost universal public quality **education** that is free of charge, with a special emphasis on improving access to high-quality primary and secondary education.
- Allocate a minimum of 15% of government budgets to fund a **public health sector** that is free of charge, universal, easily accessible and of high quality.
- Enact universal **social protection programmes** that are adequately funded and that benefit mainly the poorest people.
- Implement universal tax-based public services and social protection programmes. Do not use divisive poverty targeting or failed health insurance schemes.

2. Redistribute from the rich to the poor through progressive taxation:

- Increase tax revenues by collecting more from those who have more in order to better fund basic social services.
- **Increase the overall progressivity of the tax system** by expanding taxes that are typically paid by the rich, such as wealth taxes, taxes on capital gains, personal income tax for top earners and property taxes, as well as corporate income tax for large companies, and by reducing dependence on consumption taxes such as VAT, which tend to fall disproportionately on the poorest people and in particular on women.
- Pay special attention to increasing tax compliance by **high net worth individuals** and seek to **tax wealth that is hidden offshore**.
- Ensure that multinational corporations pay their fair share of taxes by strengthening anti-tax avoidance policies, transfer pricing legislation and counter-measures against tax havens.
- Stop the regional ‘race to the bottom’ on corporate taxation by scrapping **unnecessary tax incentives** for investors, and **review existing incentives** and tax treaties with a view to increasing revenue from investors.
- Strengthen **transfer pricing regulations** where they exist already and introduce robust regulations where they do not, and **improve the capacity of national revenue authorities to curb illicit financial flows**.

3. Strengthen protection for labour rights and enact policies for more inclusive labour markets:

- Significantly improve protection for the right of labour to unionize and to strike, and for unions to bargain on behalf of their members.

- Review minimum wage policies and regulatory regimes to lift the wages of the bottom 40% of wage earners.
- Legislate to enforce equal pay for equal work for men and women and invest in skills and on-the-job training for women.
- Fight discrimination against women, including by criminalizing it, publicize incidents of rape and sexual harassment in the workplace and enforce laws against such practices.
- Put in place systems to ensure that the informal sector progressively complies with at least the minimum regulatory requirements on pay for both women and men and on the work environment.
- Better manage the vulnerability of large sections of the working population by incorporating workers in the informal sector into social insurance schemes and mechanisms. This may include the gradual integration of existing microinsurance arrangements into national social insurance schemes.
- Governments must put skills development in the informal sector back on the agenda and create incentives for public providers of training to serve the informal sector. Skills help workers to access non-agricultural jobs and help increase their earnings.
- Apprenticeships are the most important form of skills development in the informal sector, and governments must invest the resources needed to improve the efficiency of apprenticeship schemes. This must be accompanied by results-based policy making (testing, monitoring and evaluation). All stakeholders have a role to play – employers, public and private training providers and donors, though governments must take the lead.

Conclusion

In conclusion, ladies and gentlemen, we invite you to join us this week to raise awareness on the unacceptable levels of inequalities in Ghana. Let us join hands to collectively urge our government to take decisive actions to bridge the gap between the haves and the have-nots. As we are preparing to go into elections, we call on all political parties to sell to the nation clear ideas on how they will address inequalities. We also call on the electorates to look out for parties that have concrete plans to address all forms of inequalities in Ghana. We can certainly with a concerted effort.

Thank you.