**Inequality worst in decades in range of countries: OECD**

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The gap between the rich and poor in a range of countries has reached its widest in 30 years and the trend has harmed growth, the OECD said today.

The Organisation for Economic Co-operation and Development (OECD) said in a new report that most of its 34 member countries had seen a growing widening in the inequality gap.

“In most OECD countries, the gap between rich and poor is at its highest level since 30 years,” the report said.

“Today, the richest 10 per cent of the population in the OECD area earn 9.5 times the income of the poorest 10 per cent; in the 1980s this ratio stood at 7:1 and has been rising continuously ever since.”

The OECD counts both developed and developing countries as members, including nations from the European Union as well as the United States, Turkey, Mexico and Japan. China, Brazil and India are not members.

In the couple of decades leading up to the global economic crisis, average household income grew for all OECD countries by about 1.6 per cent annually.

“However, in three quarters of OECD countries household incomes of the top 10 per cent grew faster than those of the poorest 10 per cent, resulting in widening income inequality,” the report said.

During the recent post-crisis years, average household income stagnated or fell in most member countries, it said.

The gap between the rich and poor varies widely across OECD member states and is often narrower in many Continental European nations and the Nordic countries, according to the report.

But the average income ratio between the richest 10 per cent and the poorest 10 per cent skyrockets in other member states.

It “reaches around 10 to 1 in Italy, Japan, Korea, Portugal and the United Kingdom, between 13 and 16 to 1 in Greece, Israel, Turkey and the United States, and between 27 and 30 to 1 in Mexico and Chile.”

The report argues that expanding income inequality has negatively affected the economies of member countries, estimating that it has knocked more than 10 percentage points off growth in Mexico and New Zealand.

“In the United States, the United Kingdom, Sweden, Finland and Norway, the growth rate would have been more than one fifth higher had income disparities not widened,” it said.

At the same time, according to the OECD’s calculations, greater equality helped boost GDP per capita in Spain, France and Ireland prior to the economic crisis.

The report called for anti-poverty programmes along with increased access to high-quality education, training and healthcare.

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