

# Fair Share

## The Inequality Challenge. Innovative Solutions to a Global Issue

### The Challenge

Brazil is the 9<sup>th</sup> most unequal country on the planet, according to UNDP (2018). Here, the richest 5% have 50% of the national income share, and six Brazilians have as much wealth as the bottom 50% of the population. There are several reasons that explain Brazilian inequalities. The country's tax system is one of the most important ones.

According to Oxfam Brasil's last calculations (2017), while the top 10% spend 21% of their average income on taxes, this share is 32% in the case of the poorest 10%. This occurs because of low income and wealth tax for the richest, as well as strong reliance on taxation on goods and services, which weighs heavily on the poorest and middle classes' pockets.

While the general population believes that 'tax is evil', very much so because of various campaigns against taxation in general, the real issue is the unfairness of the tax burden. The challenge is to expose it in order to empower the poorest Brazilians and change the narrative of the Brazilian tax system, from 'less taxation' to 'fair taxation'.

### The Objective

The main objective of the 'Fair Share' project is to start shifting the terms of the debate about taxation. Oxfam Brasil believes there is ground for improvements in that direction in Brazil and the project aims at making a difference in this process.

Project title	Fair Share Project
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Country	Brazil
Implementing Organisation	Oxfam Brasil
Duration	July 2018 – September 2019

### The Target Group

This project addresses the most vulnerable people in Brazil, the bottom of the social pyramid that pay many taxes and depends most on public services. More specifically, the target group consists of the bottom 40% of the population, whose average incomes are no bigger than R\$ 577,00 (EUR 150) per month, less than the Brazilian minimum wage.

Among this group, poor black women are the majority. Two thirds of Brazilian black women are in the bottom 40% of the population.

### The Approach

Oxfam Brasil's 'Fair Share' project is a fiscal calculator which will provide basic information on citizens' current individual position in the income distribution, their tax burden and the level of support to the Welfare State translated into concrete public services. It will do this through non-technical language that reaches the most vulnerable people.



◀ Location of the Inequality Challenge's project:  
● Brazil



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The project is threefold:

1. It will develop a content background that will serve as a basis for the calculations and scenarios and will be transformed into a brief report;
2. It will create a detailed description of the methodology of the tool (to be used in other countries); and
3. most important and interesting – it will develop the tool itself! It will be available online and in an offline version (electronic scoreboard) to communicate and campaign with the public.

## The Milestones

Following the initial steps taken at the end of 2018 (talks with partner organisations and social movements to set political ground and reach target audiences), Oxfam Brasil and the economists hired by it developed the content background needed for the calculator (an unprecedented set of databases that were put together to serve as a basis for the calculator) and hired an amazing agency, which is already working on an inspiring platform. With them, we've advanced in the visual proposal of the tool and defined the concept to be worked out to pass the central message of the project – the need for a fair and solidary tax reform to adjust the tax collection in Brasil, and to point out

to Brazilians the real value of taxes, how they contribute to the provision of essential public services to the country's poorest and most vulnerable population.

Oxfam Brasil, in turn, began producing content for the website (texts, photos and videos of animation) that complement in a simple and didactic way the central message. We also organised three working meetings to refine the concept, message and approach of the project: the two initial ones between us, the representatives of the creative agency and the statistical specialists, and a third one with partners such as the Institute of Socioeconomic Studies (INESC), the Institute of Fiscal Justice (IJF), the National Campaign for the Right to Education, the #DireitosValemMais coalition, the National Association of Auditors (Anfip) and the National Federation of State and District Tax Authorities (Fenafisco), as well as Oxfam representatives from Latin America and the Caribbean.

We're now set to make the final adjustments so we can go live next month. The timing for the launching is very fortunate: after months of debate around the pension reform, the federal government is now preparing to send a tax reform bill to Congress, which will open space in the public debate for the exact issues we are exposing through the Fair Share project.

### About the Inequality Challenge

*The Inequality Challenge supports innovative approaches that tackle inequality and the 'leave no one behind' principle of the 2030 Agenda with the ultimate goal to integrate and upscale those approaches into German Development Cooperation's portfolio. Initiated by the German Ministry for Economic Cooperation and Development (BMZ), it supports ten projects in India, Bangladesh, Cambodia, Mongolia, Jordan, Serbia, Nigeria, Mauritania, Brazil and Mexico with up to 100,000 EUR.*

*GIZ manages the Inequality Challenge. For further information, please visit [www.inequality-challenge.com](http://www.inequality-challenge.com) or contact Tiffany Sacher, [fundmanagement@giz.de](mailto:fundmanagement@giz.de).*

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