

Tuesday 20 January 2026 10:37 am | Updated: Tuesday 20 January 2026 10:38 am

Oxfam is peddling myths about wealth ahead of Davos



Rainer Zitelmann

Share



Trump is expected to meet business leaders in Davos today

Every year Oxfam tries to establish a link between the rising wealth of the rich and increasing poverty ahead of the World Economic Forum in Davos. But no such link exists, says Rainer Zitelmann

There are more and more billionaires in the world, and their wealth keeps growing. This emerges from a report that Oxfam, as it does every year, publishes at the start of the World Economic Forum (WEF) in Davos.

According to the report, the roughly 3,000 billionaires worldwide owned assets worth 18.3 trillion US dollars last year. Since 2020, according to Oxfam, their wealth has increased by more than 80 per cent in real terms. At the same time, Oxfam emphasizes that almost half of humanity lives in poverty.

Is that true? Oxfam attempts to establish a connection between the rising wealth of the rich and poverty. Such a connection does exist, but in a completely different way than Oxfam suggests. Oxfam claims that half of humanity lives in poverty and bases this on World Bank figures. The World Bank uses different definitions of poverty. According to one definition, which applies a broader concept of poverty, 45.5 per cent of the world's population did indeed live in poverty in 2025.

But is there a connection to the fact that, according to Oxfam, the wealth of billionaires has risen so sharply since 2020? According to the same World Bank data, the number of people living in poverty did not increase between 2020 and 2025, but declined significantly, by five percentage points from 50.5 per cent in 2020 to 45.5 per cent in 2025. This means that over the past five years, several hundred million people worldwide have once again escaped poverty. The cause of both developments is the same: economic growth.

Free Thinking - City AM Opinion Newsletter

Get weekly sparky insight and expert commentary on markets, entrepreneurship and innovation from City AM's Opinion Editor, delivered every Saturday.

Email address

SIGN UP

Declining poverty

The number of people living in extreme poverty also declined during this period, according to the World Bank, from 11.4 to 10.1 per cent. Incidentally, the decline would have been much stronger if the World Bank had not changed its calculation method. In mid-2025, the international poverty line was raised by the World Bank by about 40 per cent, which led to an increase in the share of people living in extreme poverty to just over ten per cent. For 2025, the World Bank estimates around 831m people to be living in extreme poverty under the new method. This figure is 50 per cent higher than it would be if the World Bank had not changed the calculation method and had instead only adjusted the poverty line in line with inflation. Under the old method, the figure would be 540m, or 6.5 per cent.

Before capitalism emerged, most people in the world lived in extreme poverty. In 1820, the share was still 90 per cent. Capitalism managed to reduce this figure to 37.9 per cent

by 1990. The decline in poverty accelerated further after 1990 as a result of market-oriented reforms in countries such as China, India and Vietnam, as well as the collapse of socialism in the Soviet Union and Eastern Europe. The share of people living in extreme poverty fell to 29.3 per cent by 2000, to 15.7 per cent by 2010, and to 8.5 per cent by 2024, before rising again recently due to the change in the calculation method. Without this change, the share of people living in extreme poverty would have fallen to 6.5 per cent, the lowest level ever recorded.

Has the wealth of the super-rich increased sharply? Yes. Over the same period in which the share of people living in extreme poverty fell from 29.3 per cent in 2000 to just over ten per cent, or to 6.5 per cent without the change in methodology, the real wealth of billionaires increased by 840 per cent. According to the zero-sum belief, which holds that the rich become richer at the expense of the poor, this should not have happened. Where, under this logic, is the additional wealth of the super-rich supposed to come from if the number of people living in extreme poverty declined so sharply over the same period?

Those who believe in zero-sum thinking and claim that the rich became richer at the expense of the poor cannot explain how both the number and the wealth of the rich can rise while the number of the poor declines at the same time

Those who believe in zero-sum thinking and claim that the rich became richer at the expense of the poor cannot explain how both the number and the wealth of the rich can rise while the number of the poor declines at the same time. The reason for both developments is the same: economic growth. While zero-sum believers see the economy as a cake of fixed size that must then be "distributed" fairly, economic growth leads to a decline in the number of poor people and an increase in the number and the wealth of rich people.

It is a scandal that most journalists report on Oxfam's figures year after year, even though it has repeatedly been shown that they lack any scientific foundation, as I have already demonstrated in my book "The Rich in Public Opinion" (pages 310–314).

Rainer Zitelmann is author of the book "How Nations Escape Poverty"
<https://nations-escape-poverty.com/>