

# 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). The richest 5% have 50% of the national income share, and six Brazilians have as much wealth as the bottom 50% of the population. The country's tax system is one important reason for the high levels of inequality in Brazil.

According to Oxfam Brasil, while the richest 10% spend 21% of their average income on taxes, the poorest 10% spend 32% on taxes. This occurs because of low income and wealth tax for the richest as well as strong reliance on the taxation of goods and services, which weighs heavily on the poorest and middle classes' pockets.

While the general population believes that 'tax is evil', because of various campaigns against taxation in general, the real issue is the unfairness of the tax burden. The challenge is to expose the unfairness of the tax burden 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 'Fair Share' project seeks to expose the unfairness of the tax burden.

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 – November 2019

### The Target Group

The project targets the bottom 40% of the population, whose average incomes are no more 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 belong to the bottom 40% of the population.

### The Approach

Oxfam Brasil's 'Fair Share' project is a fiscal calculator which provides basic information on citizens' current individual position in the income distribution, their tax burden and the level of support and public services by the welfare state.



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

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The project has three components:

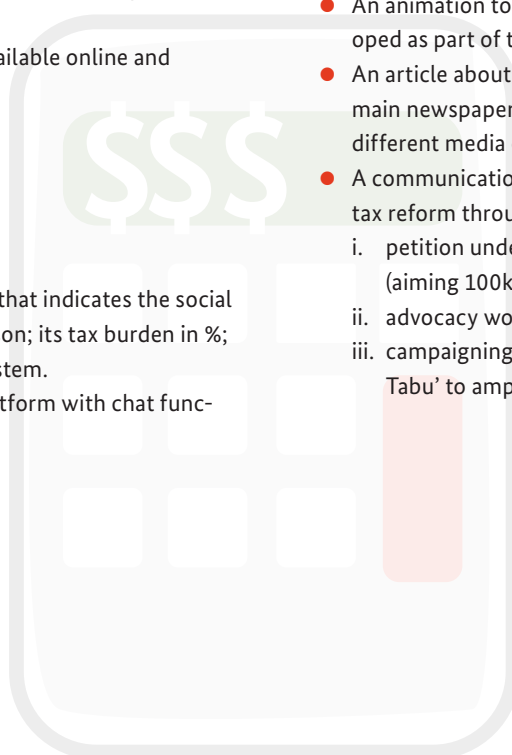
1. It develops a content background that serves as a basis for the calculations and scenarios and can be transformed into a brief report.
2. It creates a detailed description of the methodology of the tool (to be used in other countries).
3. It develops a tax calculator that is available online and offline.

## The Results

The main milestones/results include:

- The development of a tax calculator that indicates the social value of the overall tax paid by a person; its tax burden in %; the regression of the Brazilian tax system.
- A simple and user-friendly online platform with chat function was produced.

- Two workshops with focus groups to test the tool, comprehension, narrative and engagement were organised.
- In-depth interviews with specialists and partners to evaluate the approach, the methodology and the tool were conducted.
- An animation to show the social values of taxes was developed as part of the tool launch packet.
- An article about the tax reform was published in one of the main newspapers of Brazil, followed by a broad strategy with different media channels to discuss the issue.
- A communication campaign was launched to influence the tax reform through:
  - i. petition under a 'Manifesto for just taxes for all' (aiming 100k signatures);
  - ii. advocacy work with parliamentarians at the Congress;
  - iii. campaigning with online media partner 'Quebrando o Tabu' to amplify the debate and get public engagement.



### 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 these 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.poverty-inequality.com/inequality-challenge-projects](http://www.poverty-inequality.com/inequality-challenge-projects) or contact Maria Krisch, [fundmanagement@giz.de](mailto:fundmanagement@giz.de).

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