



DOMAIN 4 FINANCIAL SECURITY AND DIGNIFIED WORK

**THE MULTIDIMENSIONAL INEQUALITY FRAMEWORK:
THE OXFAM TOOLKIT**



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This domain focuses on inequalities in financial independence, financial security and dignified work. It refers to both formal and informal work, as well as paid and unpaid care work. This domain is also designed to capture advantage as well as disadvantage, given the impact that the concentration of income and wealth can have on other people's capabilities.

DOMAIN 4 – FINANCIAL SECURITY AND DIGNIFIED WORK

Inequality in the capability to achieve financial independence and security, enjoy dignified and fair work, and recognition of unpaid work and care

The multidimensional inequality framework allows you to measure inequalities in seven domains that matter for human life, through a number of suggested indicators, measures and variables of disaggregation.

This paper contains a brief description of the financial security and dignified work domain, and the list of sub-domains, indicators and measures suggested to measure and assess inequalities in the capability to achieve financial independence and security, enjoy dignified and fair work, and recognition of unpaid work and care. Please, remember that the MIF is flexible and it is up to you to decide how to use it, based on what makes sense in your unique context.

Brief description

Economic inequality is both an important dimension of inequality and an important driver of inequalities in other domains. This domain focuses on inequalities in **financial independence, financial security and dignified work**. Economically rewarding activities in the form of paid work and entrepreneurial activities are important because the income generated can assist individuals to pursue the life that they wish to lead, to support those dependent on them and to avoid poverty and destitution.

We observe inequalities not just in the rewards from work but also in the **quality of jobs**. These inequalities include safety at work, autonomy, treatment and discrimination. Research has shown that differences in these **relations and conditions of work** also impact on capabilities in other spheres of life (physical security, health, etc.). Some forms of work are **precarious and temporary** in nature and there can be large differences between conditions for those working in the formal and informal labour markets. Conditions can be particularly bad for individuals working under **exploitative conditions** and in forced labour. In addition, in the absence of paid work (due to illness, disability, maternity, unemployment etc.) or for those old enough to retire from work, achieving financial security may imply access to an adequate social security system. All of these aspects are captured under this domain.

This domain is also designed to **capture advantage as well as disadvantage**. This is important given the concentration of income and wealth can have a negative bearing on other people's capabilities. For example, where money 'buys' power, or limits the opportunities of others. This is useful given income and wealth can be associated with freedoms enjoyed in other domains (political influence, geographical mobility, security and room for legal manoeuvre for example).

The **sub-domains** covered in the financial security and dignified work domain are:

- 4.B:** Enjoy financial independence and control over personal spending
- 4.C:** Have equal access to paid work, productive assets and markets
- 4.D:** Enjoy good working relations and dignified and fair work conditions
- 4.E:** Be protected from forced labour and exploitative conditions

4.F: Enjoy equal division of care and unpaid work

Indicators and measures

It is highly unlikely that you will find data for your city, country or region for *all* measures across *all* domains. What is suggested here is a relatively comprehensive list of indicators and measures, presented by each sub-domain. You can choose priority measures from this list and add or adapt measures to suit your context.

To find data related to this domain, as well as using any national surveys and sources available, you can consider the following global data sources (please, visit the [online Oxfam toolkit](#) for updated global and regional datasources):

- [Credit Suisse Annual Global Wealth Report](#)
- [ILO Stats](#), including the [ILO Forced Labour Platform](#)
- [OECD Stats](#)
- [PovCal, WorldBank](#)
- [Sustainable Development Goal Indicators Global Database](#)
- [World Wealth and Incomes Database](#)

Sub-domain 4.A. Achieve financial security and resilience against shocks

Indicator 4.1: Income inequality, income security and financial resilience

Measure 4.1.1: Relative income inequality - Gini (or a measure of dispersion such as 90/10 or Palma ratio) – household equivalised disposable income

Measure 4.1.2: Concentration of income at the top - top income shares (top 10%/5%/1%)

Measure 4.1.3: Relative income poverty – income <60% median equivalised disposable income

Measure 4.1.4: Rate of absolute income poverty: (a) against a fixed poverty line; (b) material deprivation

Measure 4.1.5: Precariousness of household income: (a) income volatility; (b) perceptions of income insecurity

Measure 4.1.6: Rate of over-indebted households (debt/income ratio)

Measure 4.1.7: Wealth inequality: (a) concentration – top wealth shares (top 10%/5%/1%); (b) Gini or decile ratios; (c) homeownership and housing wealth

Sub-domain 4.B. Enjoy financial independence and control over personal spending

Indicator 4.2: Financial independence, control over resources and financial inclusion

Measure 4.2.1: Intra-household division of income

Measure 4.2.2: Percentage of partnered woman with equal control over household budget

Measure 4.2.3: Percentage with a bank account

Sub-domain 4.C. Have equal access to paid work, productive assets and markets

Indicator 4.3: Access to work

Measure 4.3.1: Percentage of working age in paid work (employment and self-employment)

Measure 4.3.2: Unemployment rate: (a) ILO rate; (b) unemployment benefit claimant rate

Measure 4.3.3: Percentage of young people (15-24 years) not in education, training or employment

Indicator 4.4: Earnings inequality (income from work)

Measure 4.4.1: Earnings inequality - Gini or decile ratios, low and high pay rates

Measure 4.4.2: Earnings volatility - % of workers who gross annual labour earnings increased by 10% in real terms from one year to the next

Measure 4.4.3: Percentage of population groups working in top professions

Measure 4.4.4: Gender, disability and/or racial pay gaps

Measure 4.4.5: Gender and racial occupational segregation

Indicator 4.5: Access to productive resources and markets

Measure 4.5.1: Concentration of land ownership

Measure 4.5.2: Percentage of households with high-cost, short-term loans

Measure 4.5.3: Percentage of farmers with access to credit

Measure 4.5.4: Percentage of farmers with access to water and irrigation for production purposes

Measure 4.5.5: Percentage of farmers with access to local, national and international markets

Remember make the framework yours! You can choose priority measures from this list and add or adapt measures to suit your context

Sub-domain 4.D. Enjoy good working relations and dignified and fair work conditions

Indicator 4.6: Employment relations and conditions

Measure 4.6.1: Percentage working in the informal sector

Measure 4.6.2: Percentage employed on: (a) part-time contracts; (b) temporary contracts; (c) Zero hours contract; (d) without a contract

Measure 4.6.3: Workplace injury rate

Measure 4.6.4: Percentage of workers experiencing job strain

Measure 4.6.5: Percentage of workers who enjoy autonomy at work (tasks, start and leave time, breaks)

Measure 4.6.6: Percentage of workers with opportunities for promotion in current job

Measure 4.6.7: Inequality in job satisfaction

Sub-domain 4.E. Be protected from forced labour and exploitative conditions

Indicator 4.7: Forced labour and child labour

Measure 4.7.1: Extent of forced labour, including sexual exploitation – ILO definition: all work or service which is extracted from any person under the threat of a penalty and for which the person has not offered himself or herself voluntarily

Measure 4.7.2: Extent of child labour: (a) children under the minimum age in unpermitted forms of work; (b) children in the worst forms of child labour; (c) children in hazardous work

Sub-domain 4.F. Enjoy equal division of care and unpaid work

Indicator 4.8: Distribution of care, domestic duties and home production

Measure 4.8.1: Average time spent on: (a) domestic duties; (b) caring for others; (c) home production

Measure 4.8.2: Time-related under-employment.

Oxfam 2019

This Oxfam toolkit was written by Claire Kumar. The Multidimensional Inequality Framework and online toolkits are free resources which have been developed as part of a collaboration between academics in the Centre for Analysis of Social Exclusion (CASE) at the London School of Economics (LSE) and the School of Oriental and African Studies (SOAS), led by Abigail McKnight, and practitioners in Oxfam, led by Alex Prats. The initial project was funded by the LSE's International Inequalities Institute's Atlantic Visiting Fellows Programme.

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This paper is part of a series of papers written to inform public debate on development, poverty and inequality. For further information on the issues raised in this paper please email inequality.toolkit@oxfam.org

Published by Oxfam Intermón for Oxfam International in September 2019.
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