

## Inequality Virus Report 2021

In January 2021, Oxfam International released the Inequality Virus Report focussing on the impact of the COVID pandemic on economic inequality across the world.

The global survey was conducted for 295 economists from 79 countries and showcases how the elite became wealthier, while the ones already in poverty fell deeper into economic crisis.

### Global Inequality Virus Report 2021 - Key Points

The report was released after a thorough survey was done comparing the pre and post-pandemic situation of the rich and the poor. The following conclusions were drawn by Oxfam based on the survey:

- It just took nine months for the fortunes of the top 1,000 billionaires to return to their pre-pandemic highs, while for the world's poorest, recovery could take more than a decade



- The increase in the wealth of the ten richest billionaires since the crisis began is more than enough to prevent anyone on Earth from falling into poverty because of the virus and to pay for a COVID-19 vaccine for all
- In the US, close to 22,000 black people would have still been alive as of December 2020 if these communities' COVID-19 mortality rates were the same as white people's
- 112 fewer women would be at high risk of losing their incomes or jobs if women and men equally represented in sectors negatively affected by the COVID-19 crisis
- Oxfam's survey of economists on the impact of the coronavirus pandemic on inequality found that:
  - 87% of the respondents think that coronavirus will lead to an increase or a major increase in Income Inequality in the country
  - 56% of the respondents think that coronavirus will likely or very likely lead to an increase in gender inequality in their country

### Inequality Crisis in the World

The image given below shows the main findings from Oxfam's survey of economists on the impact of the Coronavirus pandemic on inequality:

87% of respondents think that coronavirus will lead to an increase or a major increase in **INCOME INEQUALITY** in their country.



78% of respondents think that coronavirus will lead to an increase or a major increase in **WEALTH INEQUALITY** in their country.



56% of respondents think that coronavirus will likely or very likely lead to an increase in **GENDER INEQUALITY** in their country.



66% of respondents think that coronavirus will likely or very likely lead to an increase in **RACIAL INEQUALITY** in their country.



67% of respondents think that their government **DOES NOT HAVE A PLAN IN PLACE TO MITIGATE** the increase in inequality likely because of coronavirus.



- According to the World Bank, 501 million more people will still be living on less than \$5.50 a day in 2030 if governments allow inequality to increase by just two percentage points annually, and the total number of people living in poverty would be higher than it was before the virus hit
- Women, Black people, Afro-descendants, Indigenous Peoples, and historically marginalized and oppressed communities around the world have been worst hit by the pandemic

## Impact on Health

Coronavirus has exposed the worst effects of poorly equipped, poorly funded public health systems, and the failure of private systems based on how rich you are, when faced with a crisis such as this.

## Impact on Education

- In 2020, more than 180 countries temporarily closed their schools, leaving close to 1.7 billion children and youth out of school when closures were at their peak
- The pandemic deprived children in the poorest countries of almost four months of schooling, compared with six weeks for children in high-income countries
- It has been estimated that the pandemic will reverse the gains of the last 20 years of global progress made on girls' education, resulting in increased poverty and inequality

## Impact on Livelihood

- Hundreds of millions of jobs have been lost due to the pandemic

- Oxfam and Development Finance International's Commitment to Reducing Inequality (CRI) Index shows that 103 countries went into the pandemic with at least one in three of their workforce lacking labour rights and protections such as sick pay
- It was estimated that at least 6,000 people would die every day from COVID-19-related hunger by the end of 2020

## The Inequality Virus Report - India's Status

Discussed below is India's status as per Oxfam's survey based on the Inequality Virus Report. Given below are the key observations based on the report with regard to India:

- The **wealth of Indian Billionaires increased by 35% during the lockdown** and by 90% since 2009 to USD 422.9 billion ranking India sixth in the world after US, China, Germany, Russia and France
- **India's 100 Billionaires have seen their fortunes increase by the Indian rupee 12,97,822 crores since March**
- The report notes that billionaires such as Mukesh Ambani, Gautam Adani, Shiv Nadar, Cyrus Poonawalla, Uday Kotak, Azim Premji, Sunil Mittal, Radhakrishnan Damani, Kumar Manglam Birla and Laxmi Mittal working in sectors like coal, oil, telecom, medicines, pharmaceuticals, education, and retails increased their wealth exponentially since March 2020 when India announced world's biggest COVID-19 lockdown. On the other hand, data has shown that 170,000 people lost their jobs every hour in the month of April 2020
- **1,70,000 people lost their jobs every hour in the month of April 2020**, and approximately 167 people killed themselves due to starvation and financial distress from job loss and reduction in income between March to July 2020

## Educational Inequalities in India as per the Report

- Till the end of October, the **number of Indian students affected by the closure of educational institutions stands at over 32 crores**. Of these, 84% reside in rural areas and 70% attend government schools
- The need for digital India also arose in India after the pandemic. The report suggests, **out of the poorest 20% of households in India, only 2.7% have access to a computer and 8.9% to internet facilities**
- 96% of ST and 96.2% of SC households whose children are in school lack access to a computer

## Health Inequalities in India as per the Report

- Only 6% of the poorest 20% has access to non-shared sources of improved sanitation, compared to 93.4% of the top 20%
- 37.2% of SC households and 25.9% of ST households have access to non-shared sanitation facilities, compared to 65.7% for the general population
- Government hospitals and infrastructure are not well developed and the private sector which is more developed is not affordable for all

- 66% of the SC and 79% of the ST households lacked awareness about free testing and treatment provisions under the Ayushman Bharat Scheme. Only 14% of both SC and ST households are registered with the scheme, excluding those most in need

## Livelihood Inequalities in India as per the Report

- The **labour force participation rate fell to an all-time low from 43% to 35%** from January to April 2020 and unemployment rose sharply since March 2020
- **Out of a total 122 million who lost their jobs, 75% which accounts for 92 million jobs were lost in the informal sector**
- The National Human Rights Commission recorded over 2582 cases of human rights violation as early as in the month of April 2020
- The formal sector on the other hand has also seen job loss of around 18.9 million out of which 3.9 million jobs were regained in June 2020 and then 5 million jobs were lost in July 2020
- In April 2020, 50% of the respondents had no rations left even for a single day; while 96% has not received rations, 70% had not received cooked food from the Government; and 78% of the respondents had less than INR 300 left
- In India, 17 million women lost their jobs in April 2020. **Unemployment for women rose by 15% from a pre-lockdown period level of 18%**
- The National Commission for Women (NCW) **received 1477 complaints of domestic violence from women in India**—a 10-year high

## The Inequality Virus 2021 - Way Forward

The pandemic has shaken the world to its very core. It has exposed the fault lines in our societies and economies but has also paved a way for transformative policies for a just and equal world.

Discussed below are the steps which can be taken by the concerned authorities to build the social and economic inequalities already existing in the country and have taken an additional toll after the pandemic.

1. The Government must design an annual **plan of action** every year **to reduce inequality** and make it public on a regular basis
2. **Enacting the Fundamental Right for Health to every citizen of India**
3. The COVID-19 pandemic-induced crisis has put the future of young people at risk, as too many are foregoing or losing access to education, especially girls and other economically and socially excluded groups. Thus, **educational equality must be offered to all** and measures regarding the same must be taken up by the state and central governments
4. The COVID-19 crisis must be a turning point in the **taxation of the richest individuals and big corporations**. Progressive taxation of the richest members of the society must be the cornerstone of any equitable recovery from the crisis

