



drishti

The Inequality Virus Report: Oxfam International

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Why in News

Recently, the **Inequality Virus Report**, released by **Oxfam International**, has found that the **Covid pandemic** deeply **increased the existing inequalities** in India and around the world.

The report states that **Covid has the potential to increase economic inequality** in almost every country at once - the first time this has happened since records began over a century ago.

Key Points

- **Impact of the Pandemic on Rich vis-a-vis Poor:**
 - **India introduced one of the earliest and most stringent lockdowns** in the face of the pandemic and its enforcement **brought the economy to a standstill, triggering unemployment, hunger, distress migration and untold hardship** in its wake.
 - The **rich were able to escape** the pandemic's worst impact; and while the **white-collar workers isolated themselves and worked from home, a majority of the not-so-fortunate Indians lost their livelihood.**
 - 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 the USA, China, Germany, Russia and France.**
- **Impact on Informal Sector:**
 - India's large informal workforce **was the worst hit** as it made up 75% of the **122 million jobs lost.**
 - Informal workers had relatively **fewer opportunities to work from home and suffered more job loss** compared to the formal sector.
 - The 40-50 million **seasonal migrant workers**, typically engaged working in construction sites, factories etc. were **particularly distressed.**

- **Impact on Education:**
 - Over the past year as **education shifted online**, India saw the **digital divide worsening inequalities**.
 - On the one hand, **private providers experienced exponential growth** yet, on the other, just **3% of the poorest 20% of Indian households had access to a computer and just 9% had access to the internet**.
 - It noted that **the long disruption of schooling risked doubling the rate of out of school**, especially among the poor.
- **Health Inequalities:**
 - Oxfam found that since India does not report case data desegregated by socio-economic or social categories, it is **difficult to gauge the distribution of the disease amongst various communities**.
 - India currently has the **world's second-largest cumulative number of Covid-19 positive cases** and globally, the poor, marginalised and vulnerable communities have higher rates of Covid-19 prevalence.
 - The **spread of disease was swift among poor communities**, often living in cramped areas with poor sanitation and using shared common facilities such as toilets and water points.
- **Sanitation Facility:**
 - **Only 6% of the poorest 20% households had access to non-shared sources of improved sanitation**, compared to 93% of the top 20% households in India.
 - In terms of caste, **just 37.2% of Scheduled Castes (SCs) households and 25.9% of Scheduled Tribes (STs) households had access to non-shared sanitation facilities**, compared to 65.7% for the general population.

- **Gender Disparities:**
 - **Employment:**
 - The **unemployment rate among women** rose from already high **15% before Covid to 18%**.
 - This increase in unemployment of women **can result in a loss to India's Gross Domestic Product (GDP)** of about 8% or USD 218 billion.
 - Of the women who retained their jobs, as many **83% were subjected to a cut in income according to a survey by the Institute of Social Studies Trust.**
 - **Health:**
 - Beyond income and job losses, **poorer women also suffered healthwise because of the disruption in regular health services and Anganwadi centres.**
 - It is predicted that the **closure of family planning services** will result in 2.95 million unintended pregnancies, 1.80 million abortions (including 1.04 million unsafe abortions) and 2,165 maternal deaths.
 - **Domestic Violence:**

The **pandemic also fueled domestic violence against women.** As of November 2020, cases of domestic violence rose by almost 60% over the past 12 months.
- **Suggestions:**
 - There is an urgent need for policymakers to **tax the wealthy individuals and rich corporates and use that money to invest in free quality public services and social protection** to support everyone, from cradle to grave.
 - Reducing inequalities is very important but it should be a medium-term target. Between growth and distribution, India must get the sequencing right.
 - India **needs to grow first before it can distribute.** Otherwise, it can get stuck in a low-income equilibrium.

Oxfam International

- Oxfam International is a **group of independent non-governmental organisations** formed in **1995**.
- The name “Oxfam” comes from the Oxford Committee for Famine Relief, founded in Britain in 1942.
 - The group campaigned for food supplies to starving women and children in enemy-occupied Greece during the Second World War.
- It **aims to maximize efficiency and achieve greater impact to reduce global poverty and injustice.**
- The Oxfam International Secretariat is based in **Nairobi, Kenya.**

Source:IE