

Oxfam report highlights widening pandemic inequality in Asia

Nick Beams
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A report issued by the British-based international aid agency Oxfam last week has highlighted the rapid escalation of economic and social inequality in the Asia-Pacific region during the COVID-19 pandemic, documenting how a handful of the ultra-wealthy have directly benefited from the suffering of millions.

The investigation found that 20 new “pandemic billionaires” had been created over the past two years with their fortunes coming from the manufacture of equipment, pharmaceuticals and services needed in response to COVID.

They were part of a broader trend. The number of billionaires in the Asia-Pacific, the report said, “has expanded significantly since the pandemic began” reaching 1,087 in November 2021, an increase of almost one-third on pre-crisis figures.

“Even more striking,” the report continued, “is the extreme and increased concentration of wealth at the top during this prolonged health and economic crisis.” At the end of last year, the richest 1 percent owned more wealth than the poorest 90 percent in the region, with the billionaires increasing their wealth since the start of the pandemic.

The additional wealth they have accrued in this time, \$1.88 trillion, is more than double the total wealth of the poorest 20 percent of the population.

The rise in the number of billionaires went across the board. For example, in Australia there were 31 billionaires in March 2020, holding wealth of \$95 billion. By November last year this had risen to 47, holding \$204 billion.

In China, the increase was from 387, holding \$1.177.5 trillion, to 556, holding \$2.31 trillion. In India, one of the countries hardest hit by the pandemic, the number of billionaires went from 102 to 142 with their combined wealth rising from \$312.6 billion to \$719

billion. Indonesia saw an increase in the number of billionaires from 15 to 21 with their combined wealth rising from \$53.7 billion to \$91 billion. Data from other countries in the region told the same story.

The bulk of the increase in wealth occurred in the first phase of the pandemic. Between March and December 2020, when the equivalent of 147 million full-time jobs were lost in the region, the billionaires saw their wealth rise by \$1.46 trillion—enough to provide a salary of almost \$10,000 for each worker who had lost their job.

“The wealth of Mukesh Ambani, India’s richest man, increased so quickly between March and October 2020 that he made enough money to cover the annual wages of all 195,000 employees of his company, Reliance Industries, every four days,” the report noted.

This rapid concentration of wealth into the hands of a tiny elite is the continuation of a trend going back more than three decades. It is a product of a social counter-revolution which was initiated following the liquidation of the Soviet Union in 1991 and the abandonment by governments around the world of social reformist policies, above all in the sphere of health.

As the report stated: “Since the 1990s, neoliberal policy, a failing global tax system and unequal pay and reward, have channelled income and wealth into the hands of an elite few. Between 1987 and 2019, the number of billionaires in Asia skyrocketed from 40 to 768.”

This massive diversion of wealth left a health system unable to deal with the impact of the pandemic.

“Longstanding underinvestment and poor government oversight of the public health system has led to an inadequate and unequal public health response to the pandemic of many countries” with the high levels of out of pocket (OOP) expenses on healthcare in

the region creating great health inequalities exacerbated by the pandemic.

In 2017, the report noted, OOP payments accounted for more than 60 percent of health spending in Pakistan, Cambodia, India, Bangladesh, and Myanmar, with 13 percent of Asian households already experiencing “catastrophic” spending on health care before the pandemic hit.

India is a particular case in point. Its health system “suffers from chronic underinvestment and great inequality which played a significant role in facilitating the spread of the virus” having the “fourth-lowest health budget in the world and a large private for-profit healthcare sector” with more than 70 percent of healthcare spending having to be met by individuals.

The crisis of the region’s public healthcare systems, exacerbated by COVID, is severely affecting other areas. The report said that “in regions most affected by HIV, TB and malaria, such as South Asia, the knock-on effects of COVID-19 on these three diseases in terms of deaths could outweigh the direct impact of the virus itself.”

Vaccine nationalism, pursued by the major capitalist countries, is also having a devastating impact. As of November 2021, only 47 percent of the region’s population had received two shots with more than one third having received no vaccine at all. In Bangladesh and Myanmar, two thirds of the population were entirely unvaccinated.

In October 2021, 74 percent of Pfizer’s vaccines were going to high-income countries with the figures for Moderna at 82 percent. Just 1.5 percent and 3.4 percent were due to be distributed to the COVAX program for the delivery of supplies to developing countries.

It noted that Pfizer and Moderna expect to make a pre-tax profit of \$34 billion in 2021–2022, equivalent to \$1,000 a second. But attempts to secure the right for poorer countries to manufacture the vaccines through a patent waiver “look unlikely to succeed” with such initiatives having been “blocked at the WTO [World Trade Organisation] and the Ministerial [Conference] planned for November 2021 has been indefinitely postponed.”

Like other similar reports, the Oxfam analysis is marked by the stark contrast between the devastating facts and figures it presents and the completely empty

policy prescriptions it advances based on appeals to the ruling elites to change course.

In its conclusion it begins by making the correct point that “crises shape history.”

But it goes on to maintain that “2022 could be the year that Asia chooses to break forever with a neoliberal agenda that has undermined its tax revenues and hollowed out public spending on crucial sectors. It could be the turning point that sees the region adopt a truly progressive agenda that puts the needs of many before the profit and extreme wealth of the few.”

Reading such lines, one wonders whether the authors actually believe them because the facts they present demonstrate conclusively there will be no policy reversal within the framework of the existing socio-economic order of capitalism based on the accumulation of profit.

But tied by a thousand strings—political, social, ideological and not least material—to the existing order, the authors continue to advance the poisonous fiction that a change in mindset can bring reform.

This is because they fear, above all else, that masses of workers, in both the advanced and poorer countries alike, will draw the conclusion, from their own lived experience, that the only way to “shape history” out of the current crisis is their own independent struggle, leading to the overturn of the capitalist order by means of social revolution.



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