[**As the rich thrive during Covid**](https://www.dawn.com/news/1605221/as-the-rich-thrive-during-covid)

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WHILE the Covid-19 pandemic has had a devastating effect on the lives and livelihoods of people across the world, the health crisis has been a boon for the richest. Millions have died and the global economy has shrunk pushing more people into poverty. Yet the fortunes of the planet’s richest have seen an astronomical rise over the past one year. Since the outbreak of the pandemic, the poor have become poorer and the rich richer.

It’s evident that the impact of the global health emergency has been uneven. The pandemic has worsened the existing inequality among countries as well as within countries. As UN Secretary General António Guterres said: “While we are all floating on the same sea, it’s clear that some are in super yachts, while others are clinging to the drifting debris.”

While the richest nations may have been hit harder by the pandemic they will be able to recover much faster than underdeveloped countries, further widening the gap between rich and poor nations with grave implications for world peace.

An Oxfam report released last month and titled The Inequality Virus has made some startling revelations about the gnawing economic disparity in the times of pandemic. While hundreds of millions of people have lost their jobs and are finding it hard to survive, the richest have remained the least affected. It is estimated that the total number of people living in poverty could have increased by between 200m and 500m in 2020.

The pandemic has worsened the existing inequalities between the rich and the poor.

But, despite the downturn in the global economy, billionaires’ wealth worldwide increased by a staggering $3.9 trillion between March 18 and Dec 31, 2020. According to the report released at the World Economic Forum, the world’s 10 wealthiest billionaires have together seen an increase in prosperity by $540bn over this period. The figures show their cumulative wealth standing at $11.95tr. The top 25 US corporations earned 11 per cent more profits in 2020 compared with the previous year.

Two American billionaires, space technology entrepreneur Elon Musk and Jeff Bezos of Amazon increased their net wealth by $128.9bn and $78.2bn respectively in this period. But it is not only American billionaires who got wealthier. India’s richest man Mukesh Ambani also saw his wealth double, reaching $78.3bn between March and October 2020.

“During that period, the average increase in Ambani’s wealth in just over four days represented more than the combined annual wages of all of Reliance Industries’ 195,000 employees,” according to the Oxfam report. From being the 21st richest person on Earth he now occupies the sixth-richest slot. Interestingly, India has been among the countries hardest hit by the pandemic with its economy facing its worst recession since independence.

It is almost the same story in other parts of the world. According to Oxfam, between March and August 2020, billionaires in the Middle East and North Africa increased their wealth by 20pc, which amounts to more than double the IMF’s emergency financing to the region for the same period. Meanwhile, the sales of private planes grew as commercial travel was banned.

This grotesque concentration of wealth has come at a huge human cost. While it took just nine months for the top billionaires’ fortunes to return to pre-Covid-19 levels, for the world’s poorest, economic recovery could take more than a decade, the report points out.

The pandemic has exposed the extreme inequality that exists in today’s world. Billions of people were already living below the poverty line before the onset of the coronavirus. Over 3bn people reportedly did not have access to healthcare, and three-quarters of workers had no access to social protection. That made them more vulnerable to the impact of the contagion. The circumstances appear even bleaker as disparity increases.

This situation could have easily been averted. As pointed out by the report, “the increase in the 10 richest billionaires’ wealth 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 everyone”. Unfortunately, this won’t happen in the existing world order which favours the wealthy.

There is no likelihood of people living in poverty returning even to its pre-crisis level for over a decade. This is an extremely depressing situation that has serious political and social implications. Inequality means that more people are sick, fewer are educated and fewer live happy and dignified lives. Great disparities in income poison our politics and drive extremism and racism. It leaves many more people living in fear and hopelessness.

It will be the developing countries that are most affected by the looming catastrophe. An increase in inequality is almost certain. The report points out: “According to the World Bank, 501m 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.”

Constituting one-fourth of the total world population, South Asia is most vulnerable to the pandemic’s impact. As I wrote in an earlier column, “A … World Bank report presents an alarming economic outlook for the region in the midst of a crisis that could result in the worst economic performance of the last 40 years. In the worst-case scenario, the whole region can experience a contraction in its GDP.”

In such a scenario, decades of progress will be reversed, retarding development and pushing tens of millions back into the cycle of poverty. According to a UNDP analysis of 70 countries, including Pakistan, the virus may see an additional 490m people falling into poverty.

With its economy already struggling, the impact of the coronavirus on Pakistan will be serious. Millions are already mired in poverty, and face a bleak future as jobs are axed. There will be serious political and economic consequences. It will not only be a national crisis; regional countries too face the same predicament.

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