

Extravagant Rise in Economic Inequalities Indicates Extreme Growth of Exploitation in the System

The inequalities in the distribution of income and wealth are on the rise excessively and continuously. The trends of commanding domination have been strengthening. The gender discrimination, racial, caste supremacy, cruel attacks on minorities are increasing intensively. The dictatorial attitude, animosity, hatred, cruelty, violence have become main features of mainstream world. All this results in the destruction of lives of majority. However, the crisis is further complicated due to the effect of Covid-19 pandemic. Discussion about this destruction is seriously negated for the past three decades. Conversely, it is strongly promoted that all of us should give importance to the creation of wealth, its concentration, achievement in terms of number of billionaires and their accumulated affluence. All these illusions are sharply broken out by the Covid pandemic. Further, it could expose the cruelty of the real world with its X-ray report. All of us know that the existing economic models are the absolute cause for the excessive growth of inequalities. Thus, "it is happening by CHOICE and not by CHANCE". This is purely selected by dominant class. It is clearly proved that it is a great lie to state that laissez-faire, free markets will solve all the problems of capitalist system. It is once again affirmed that the survival of households/families is possible only because of the continuous and dedicated domestic work done by women and proved enormous use value of women's unpaid domestic work. It is also proved that it is an illusion to say that we have terminated caste, gender, race and religion. It is a myth to state that we are all in the same boat while we are all floating on the same sea. The reality is that some are in super yachts while others are clinging in the drifting debris as stated by Antonio Guterres, UN Secretary General.

The new liberal policies are the root cause of this entire destruction, forcefully imposed by imperialist forces on emerging economies on the name of globalisation. It is shocking to notice that IMF, IBRD which extended their strong support to the emergence of these devastating effects, expressing that they are stunned over these incidents. They took suddenly U-Turn and saying that the present trend is unsustainable. Therefore, there is an urgent need for

redistributive measures so as to lessen the intensity of income and wealth inequalities. Who will believe their shock?

The World Inequality Lab in Paris has released World Inequality Report, 2022 and stated that the data related to inequalities should be available to all as a public good so as to ensure to take corrective measures. This will assure the building up of democratic and humane world. While the Oxfam submitted its report "Inequality Kills, 2021" in the annual conference of World Economic Forum organised recently in Davos. Therefore, there is a serious need to discuss the intensity of inequalities, their causes and consequences and how to build structures that are free from all kinds of exploitation and oppression.

Shocking Inequalities due to Covid Pandemic

The critical lives of majority further complicated due to Covid pandemic. They lost their livelihoods which are already vulnerable, suffered from disease but no access to health services. All this resulted in "one death for a second" i.e. 21,000 deaths per day. UN's World Food Programme estimates that by January 2020, as many as 270 millions suffered from serious hunger due to Corona crisis. It is 82% higher when compared to 2019. The Oxfam report reveals that the problem of hunger is severe in India and Brazil among emerging economies and US in rich nations.

Contrarily, the income hunger and wealth thirst of top 1000 billionaires is entirely in a different way. It took five years for them to come out of 2008 crisis while they could come out of Covid-19 in just 9 months. This clearly indicates the nature of articulation of world economic structures with pro- corporate, neo-liberal policies. Therefore, one billionaire in 26 hours emerged during Covid crisis. During the two year period of Covid crisis, the wealth of top 10 billionaires in the world increased from \$ 700 billions to \$ 1.5 trillion. It means \$ 1.3 billion per day and \$ 15,000 per second. On the other, incomes of remaining 99% people drastically declined. Additionally as many as 160 million people were thrown into extreme poverty. Forbes report states that by November 30, 2021 the rise in the wealth of top 10 billionaires is to the tune of \$ 821 billion. This clearly reveals the severity of concentration of wealth and its skewed distribution.

It is shocked to observe that though the growth of global wealth in Covid pandemic period of 2019-21 is only 1 percent, the growth rate of top 0.001% billionaires is as high as 14%. Thus, not only the entire value created presently but people's past savings also successfully transferred to top rich class. This clearly indicates the cruelty of prevailing distributive system and policies. The Oxfam report says that if top 10 billionaires forgo 99.999 percent of their wealth, still their status will not change. The rise in their wealth during Covid crisis is relatively

higher when compared to the past 14 years. Even if an emergency tax of 99 percent imposed on the windfall gains of these top 10 billionaires still their wealth will be \$ 800 billion higher when compared to pre- pandemic stage. The revenue so generated will be sufficient for free vaccination to the entire global population.

Severe Disparities in Living Styles during Covid Pandemic

During the period of Covid crisis the top 2000 billionaires could appropriate wealth that is more than enough for their 1000 lives. Contrastingly, in 2020 alone, 200-500 billion people were additionally thrown into poverty at the global level. The bottom 50% of the globe has no access to healthcare facilities. They lost their vulnerable livelihoods also. It will take decades for them to come back to the pre-pandemic stage. How many generations will become the victims of severe, extreme poverty, if the same trend continuous; nobody estimated.

On the one hand, billions of people suffering from hunger and starvation while “space tourism” started for the super luxurious enjoyment of billionaires. The mainstream media started continuous description of their “great experiences” is truly a tragic and cruel reality. In fact, in the process of ‘Space Trip’, the emission of CO₂ on an average per head in 11 minutes is more than the CO₂ emissions of bottom 50 percent people per head in their entire lives. Unequal development of capitalist system is the cause for environmental destruction. This is continued due to the terrific luxurious lives of super rich which is the main cause for the aggravation of ‘Climate Change’. This poses a serious challenge for the existence of Globe shortly. But its entire negative effects borne by poor who are already in miserable conditions, is the serious tragedy.

Further, in the time of a serious ban on ordinary travel during Covid-19, excessive rise in the sale of Private Jets took place in the world.

Neoliberal Policies – Inequalities in Income and Wealth

The “World Inequality Report, 2022” is the first to promote argument that the data related to all kinds of inequalities including economic inequalities must be available to all the people in the world as a public good. However, it is not easy and simple in India to prepare, analyse and discuss such data democratically in view of prevalence of dictatorial political atmosphere.

The concept of income is related to present and therefore called as flow concept while the wealth is accumulated past income. It is ‘stock’ concept, in view of the inclusion of past exploitation in the wealth, always wealth inequalities are higher than income.

The total global population in 2021 is 7.8 billions among them adults are 5.1 billions and bottom 50 percent population is 2.5 billion people, middle 40 percent

have been 2 billion people while top 10 percent 517 million people and 51 million people will be top 1 percent.

The global income in 2021 is 86 trillion pounds or \$ 122 trillion while global net wealth is 510 trillion pounds.

It is to be noted that the share of bottom 50% population in the global income is as low as 8% while the share of middle 40% is to the tune of 39% that is their share of income is equal to global average income. The income share of top 10% is as high as 52%.

As already noted, the wealth inequality will be steeper when compared to income inequalities. Therefore, the share of bottom 50% people's share in global net wealth is extremely low at 2%, while remaining 50% global population appropriates 98% of global net wealth. Among them, the share of middle 40% is 22% where as the share of top 10% is as high as 76%. When the distribution is revealed in terms of market exchange rate instead of Purchasing Power Parity (PPP), then inequalities will be further steeper where the share of bottom 50% will be less than 1% while for top 10%, it exceeds 82%.

The top 1% super rich could appropriate global wealth during 1995 – 2021 is as high as 38%. Further, the share of top 0.1% super-super rich increased from 7% to 11%. They are 5,20,000 in number in 2021. The individual who possess 6,93,000 pounds (ppp) will be the member of this super –super rich group in 1995 while it is increased to 1,66,66000 pounds in 2021. This clearly indicates the level of growth of wealth and its concentration.

The individuals whose wealth is in the range of \$10-100 billions are 159 members in the globe. Their combined wealth is as high as \$ 4170 billions. The individuals whose wealth is in excess of \$ 100 billion are only 9 in number who possess wealth to the tune of \$ 1320 billion.

However, the data related to wealth did not include Swiss Bank accounts, Panama Papers, Pandora Papers. One can imagine the level of real concentration of wealth! Moreover, global income inequalities very significant across countries or regions.

Spread of Global Economic Inequalities across Regions

The Global average annual income is 16,700 pounds. Annual average income in Sub Sahara region is as low as 30% of global average income while it is equal to global average income in South and South-West Asia, East Asia, Central Asia, Latin America and Russia. It is to be noted that average annual income is two times more in Europe and three times more in US when compared to global annual average income. Thus, economic inequalities are not uniform across regions. They are more unequal. Therefore, when compared to Europeans and

North Americans, the people in Sub Sahara, South-East Asia should work 30% more time. However, the data is not available in relation to the intensity of work.

High Inequalities within the Regions

The regions of Sub-Sahara, Africa, Latin America, Central Asia, and North Africa, South and South West Asia consist of super rich billionaires whose extravagant luxurious lives are equal to the consumption levels of super-rich in rich nations. Contrastingly, majority people in these regions live in miserable crisis. The economic inequalities in these regions are highly skewed and they are totally dualistic economies.

In North America, East Asia, Russia, Central Asia, the share of bottom 50% people's income is 13% only. While it is 19 % in Europe and it is aberration to call this region as 'equal' region.

Inequalities in India

India is one of the two countries which have been recognised by Oxfam as more unequal countries in emerging economies. This further reinforced already existing high level gender, caste, religion and regional inequalities. Oxfam report, further says that the 73% of value created in 2017 is appropriated by top 1% super rich. The miserable lives of bottom 50% people is known to all who lost their livelihood, no access to healthcare services and education owing to their corporatization. Therefore, India is in the bottom level in human development. (in view of the size limit, a separate article is necessary to discuss about India).

Inequalities in Public and Private Wealth

The extreme economic inequalities resulted in the higher concentration of capital. Consequently, the wealth of super-rich that is private wealth increased on a large scale. The extreme rise in the financialization took place at the global level due to the implementation of neo-liberal policies. Consequently, the monopoly capital captured all the economic institutions. The share of Global Public Wealth in total global national wealth declined from 87% to 75% in 2020. The decline in public wealth for the past five decades resulted in the rise in the public indebtedness that is debt burden of global national governments. In US and Britain, the share of public wealth in total wealth is 15-30% in 1980's. It's continuous reduction ultimately resulted in the zero share of public wealth in total wealth in all the rich nations. It became negative in US, -20% which forced the government to sell roads to private sector. The public debt burden increased excessively due to the privatization of public sector undertakings, asset-monetization, reduction in corporate taxes. This resulted in the extreme rise in

private wealth. The proportion of private wealth in global income was in the range of 200–400% during 1970's. It has increased to 550% in 2008. It is as high as 800% in Spain. In India it is increased from 290% in 1980 to 560% in 2020. All this clearly indicates the high level of concentration of wealth.

The global statutory corporate tax has declined from 49% to 24% during 1985–2018. Further, it is a well-known fact that the backward countries compete among themselves to decrease corporate tax to attract foreign investment. Last year, our Central Government greatly declared that ours is the minimum corporate tax in the world. The monopoly capital/ MNCs easily move their capital from one place to another depending upon the low corporate tax. In order to retain them, the governments offer further concessions and incentives. Thus, the globalisation as well as neo-liberal policies favoured monopoly capital and accorded great benefit to the exploitative imperialist forces.

The global tax revenue in global income has been settled at 25% during 1980–2020. It forced the governments to reduce public expenditure on health and education to as low as 5%. The strengthening of privatisation in these two sectors made it as a luxury good for the bottom 50% of global population and it became a great burden even to the middle classes.

The financial globalisation and liberalisation resulted in the high rise in the flow of off-shore capital. This resulted in the abnormal rise in the global financial assets in relation to global income and wealth during 1995–2020. In this period, the rise in the value of global financial assets in relation to global income is from 540% to 960%. No government has any power to control these financial assets indicates the superiority of power and domination of monopoly capital. The tax evasion became more easier for corporate forces. This is reflected in Panama Papers, HSBC leaks, Lux leaks as per the World Inequality Report, 2022.

It is significant to note that the NGO's which run with the funding of dominant class played a strong role to weaken the governments in structures of nation. They extended their powerful support for the implementation of neo-liberal policies successfully. Therefore, they have the primary membership in World Economic Forum, which is an intellectual organization of exploitative imperialist forces. For the first time it is identified and declared by World Inequality Report, 2022.

The development process of capitalist system and imperialist exploitation lead to the transfer of wealth from Global South to Global North. The world has been successfully divided into dominant/rich and backward/ poor countries. The outflow of profits of monopoly capital from total African nations during 1970–2012 is three times higher when compared to 'foreign aid' given to them. This clearly

shows the myth of foreign aid. Moreover, the rich nations which are responsible for the environmental destruction but impose the burden of reducing climate change on backward nations which destroys them further. The cause for the rampant growth of climate change issue is the super luxury lives of ultra rich-class but contrarily entire burden is thrown onto the oppressed is another serious cruel reality. This made their lives more critical.

Solution to the Problem –Conclusion

The dominant nations, Inter-national Development Organisations especially IMF, IBRD and WEF which extend their strong support to strengthen imperialist exploitation, now conveniently took U-Turn and loudly saying that extreme inequalities not only destroy the lives of majority but also dangerous to the existence of Globe. This might be their new tactical trick to ensure the continuation of exploitative mode of production. They strongly state that the neo-liberal policies are to be abolished. Economic model should be changed radically. This is accepted by the two inequality reports and started recommending suggestions to solve the problem. They are advocating redistributive measure of imposition of highly progressive income and wealth taxes and spending the generated revenue on the provision of health and education to poor. The Welfare measures and social protection should be provided. The reduction of indirect taxes so as to lessen the tax burden on common people. They are requesting powerful corporate forces to accept these measures. The reports are strongly suggesting at least to bring back some of the Welfare measures (though implemented with distortion) implemented during 1950 –1980.

Hope, they could smell the seriousness of present crisis which might be dangerous to the survival of present exploitative system. Therefore, hurriedly and indirectly giving indications that it becomes impossible for the system to sustain, and trying to offer temporary relief measures. This clearly indicates their denial to recognise that the exploitation and consequent inequalities will be ended only with the end of exploitative system.

All these development clearly proved the dialectical principles of untenable and unsustainable conditions of the mode of production where existing relations of production will not allow the growth of productive forces. It warrants a radical change to the relations of production. However, the forces who desire the extension of exploitative system in these conditions, try to suggest measures to mitigate the seriousness of the crisis so as to come out from the challenge. In fact, all these negative effects must be negated i.e. the application of the dialectical principle of "Negation of Negation" as the basis of exploitative system is weakened and in danger with present critical crisis. All the progressive

organizations must utilise this situation to raise the consciousness of oppressed to consolidate them strongly and to build powerful movements to dismantle exploitative system to construct egalitarian society which is free from all kinds of exploitation and oppression.