

# Power, Profits and the Pandemic

Monday 30 November 2020, by [JOSHI Archita](#) (Date first published: 1 September 2020).

## From corporate extraction for the few to an economy that works for all

### FOCUS

Oxfam International published *Power, profits and the pandemic* – a paper written by the organisation’s researchers Uwe Gneiting, Nicholas Lusiani, and Irit Tamir – on September 10, 2020.

It has been six months since the World Health Organization declared Covid-19 to be a global pandemic, the paper states. Since then, over 800,000 people have died from the disease, around 400 million people – mostly women – have lost their jobs, and up to half a billion could be pushed further into poverty by the time the pandemic ends. It has particularly hit workers and their families, and small and medium enterprises. Large corporations have either managed to sustain themselves or “...cashed in on the disaster.” The authors note that governments could have avoided the skewed economic impacts of the pandemic.

This 60-page paper contains six chapters: an introduction (chapter 1); ‘Excessive shareholder payouts left companies vulnerable to Covid-19’ (chapter 2); ‘The problem with amassing profits in a time of despair’ (chapter 3); ‘Putting profits before people’ (chapter 4); ‘Towards a hyper-unequal future?’ (chapter 5); and ‘Begin again’ (chapter 6).

### FACTOIDS

1. The report states that the firms listed in the Fortune Global 500 ranking of the top corporations (published by *Fortune* magazine, USA), increased their profits by 156 per cent between 2009 and 2019, from \$820 billion to \$2.1 trillion. Their profit growth was much more than the growth rate of the global gross domestic product.
2. These profits were not reinvested in creating more jobs or climate-friendly technologies. Between 2010 and 2019, the companies listed in Standard & Poor’s 500 Index (a stock market index of the largest publicly traded companies in the USA), spent \$9.1 trillion on payouts to their wealthy shareholders – or over 90 per cent of their profits in that period.
3. Profitable firms across Australia, Brazil, Europe, India, Japan, Nigeria, South Africa, South Korea and the USA, are expected to make considerably more in 2020 than they did in previous years.
4. During the Covid-19 pandemic, the authors note, 32 of the world’s most profitable companies are together expected to make \$109 billion more than the average of their profits in the last four years.
5. Many of the world’s billionaires are large shareholders of these companies. The top 25 billionaires increased their wealth by \$255 billion between mid-March and late-May.
6. ‘Pandemic-profiting’ – the authors state – is a global phenomenon. The 32 ‘pandemic profit makers’ – including Reliance Industries Limited in India – are expected to distribute 88 per cent of their excess profits to shareholders, who are predominantly from higher income groups.
7. Oxfam International has identified more than 100 cases from around the world, involving over

400 companies, in which corporations put 'profits before people' during the pandemic – where shareholder payouts and executive compensation programmes continued despite workers being laid off, even after these firms availed of government bailouts; where firms failed to ensure employee safety and violated labour laws; where they profited from government relief programmes; and where they lobbied with governments for the deregulation of environmental, tax and social protections.

8. Between 2009 and 2018, the paper states, the 40 largest French companies increased their shareholder payouts by 70 per cent, and the compensation for their chief executive officers by 60 per cent, whereas the average pay for employees rose by 20 per cent. According to an analysis by Oxfam International, had these companies capped the shareholder payouts to 30 per cent, they could have funded 98 per cent of their climate-related investment needs.
9. Large corporations in low-income and middle-income countries increased their dividend payments by 58 per cent between 2016 and 2019, from \$88.7 billion to \$140 billion. There has been a growing trend towards shareholder-friendly policies in these countries. For instance, shareholders in Brazil have not had to pay any taxes on dividends since 1995.
10. The wealthiest 10 per cent of Americans own 89 per cent of all stocks in the USA, while the bottom 50 per cent don't even own one per cent of company equities. White Americans – who form 60 per cent of the country's population – own 92 per cent of corporate shares, whereas Black and Latinx families – 13 and 18 per cent of the population – each own around 1.6 per cent of such shares.
11. Women account for 39 per cent of global employment. During the pandemic, they have accounted for 55 per cent of overall job losses. In the USA, more women than men lost their jobs between February and May, and Hispanic and Asian women suffered most.
12. Women made up 20 per cent of India's workforce before the pandemic. Surveys suggest that they account for 23 per cent of the overall job losses in India during the Covid-19 lockdown.
13. The debt burden of many low-income and middle-income countries has risen to unsustainable levels. Many countries are spending more on 'debt servicing' during the pandemic than they are on health and education, combined.
14. The paper states that the 'excess pandemic profits' of the 32 'pandemic profit makers' – a total of \$109 billion – could be redeployed in funding global Covid-19 testing needs (estimated at \$6 billion), and delivering vaccines to everyone on the planet (estimated to cost \$71 billion) – including the necessary research and development, manufacturing, procurement, distribution and delivery. The rest of this money could be used to build a '21<sup>st</sup> century frontline healthcare workforce'.

---

**Archita Joshi**

*[Click here](#) to subscribe to ESSF newsletters in English and or French. You will receive one email every Monday containing links to all articles published in the last 7 days.*

---

**P.S.**

Rural India Online

<https://ruralindiaonline.org/library/resource/power-profits-and-the-pandemic/>