https://github.com/microsoft/vscode-python/issues/14327

I was trying to upgrade 'pip' in my virtual environment. I got the same error.

**One quick fix is :**

1. Go to the pyvenv.cfg file in the Virtual environment folder
2. Set the include-system-site-packages to true and save the change
3. Reactivate the virtual environment.  
   This should work!