

AIDS AND SUB-SAHARAN AFRICA

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2 February 2003

President Bush's pledge of \$15 billion over five years for the war on HIV/AIDS is welcome, if long overdue. However, UNAIDS calculates global funding needs to hit at least \$15 billion a year by 2007, continuing at that level for at least a further decade. It is vital that Europe matches the US.

Much of the new money will go to Sub-Saharan Africa where the impact has – so far – been the most devastating: 30 million sufferers, three million of them children, with 3 ½ million new infections every year. In four countries the rate is well over 30% – something that even a few years ago seemed utterly impossible. AIDS is now the region's number one killer, claiming 2.4 million lives last year and rising; a September 11th death toll three times a day, every day, for as many years into the future as we care to look. It has created 12 million orphans - depriving them of shelter, food, health, and education. And it has fuelled famine by killing ½ million agricultural workers a year, and weakening many others, in the six most vulnerable countries. Bush's emphasis on anti-retroviral treatment is a genuine breakthrough, after relentless campaigning by Nelson Mandela, Kofi Annan, Peter Piot of UNAIDS, and many others. Only by slowing the spread of the virus and the rate at which it weakens the immune system, can these problems be remotely tackled.

However, Bush's pledge leaves numerous issues unresolved, especially that of drug patents – at the heart of many years' of delay during which the epidemic in sub-Saharan Africa escalated so frighteningly. It is nearly three years since five of the biggest pharmaceutical companies signed a Joint Statement of Intent with the UN, and nearly two years since the South African government won its court case against 39 companies (which had dragged on for three years), supposedly opening the way for cheaper drugs. Yet only a trickle of victims received anti-retroviral treatment last year, and it remains the case that half the babies born with AIDS acquire it for the simple lack of one tablet for the mother and three drops for the baby. Only last month the Bush administration blocked plans by the WTO that would have enabled poor countries to buy cheaper drugs. And in spite of winning its case, the South African government has bent to US pressure not to infringe patent protection of imported drugs. While the cost of drugs per patient, as Bush stated, may have dropped from \$12,000 a year to \$300, this is still an impossible figure for many of these countries, where the health budget is as low as \$10 a head. It is not clear how Bush's pledge can spur the pharmaceutical companies to make anti-retroviral drugs available to all in need, without tackling

this issue.

A patent is a monopoly, temporarily tolerated as a trade-off between the need to create incentives to develop products and the need to create welfare from as wide an application as possible. Pharmaceutical corporations have no absolute right to monopoly power, or to the making of the maximum conceivable profits from its imposition; it's a public policy concession, a welfare maximisation tool. The optimal duration of this monopoly varies from case to case, depending on the individual terms of this trade-off. The blanket 20 years for all drugs in the WTO's legislation is not inherently optimal in all (or any) cases. For anti-retroviral drugs in an ongoing AIDS epidemic and when facing a potentially even worse incipient epidemic in Asia or Latin America, optimal patent length might fall dramatically. In any other monopoly market, a regulator would be able to adapt the length of temporary monopoly power to circumstances. In light of this inefficiency, the WTO Trips legislation allows for flexibility; countries can declare a national health emergency and license local manufacturers to produce cheap generic copies of patented drugs perfectly legally. There is no evidence from the data on pharmaceutical profits that the incentives to develop AIDS drugs would be damaged by allowing this in Sub-Saharan Africa. Besides, much funding for AIDS is governmental for which some sacrifice in patent length may be just reward. Rather than damaging the integrity of the patent system, targeted relaxation of the 20 year rule would strengthen its overall efficiency. Bush should be supporting this; the value of his pledge would be so much greater.

Instead, countries in an AIDS crisis fear punishment by foreign donor countries and international capital markets if they ignore patent protection – if they 'undermine the principles of free trade'. Yet, in the agricultural product markets in which they compete (to earn the revenue to pay for the drugs) they tolerate an overbearing lack of free trade, with the terms on which US and European producers compete heavily biased by state subsidies. Bush should pledge himself to ending this too.

Drugs are of little help without an education and health system strong enough to administer them effectively. Discrimination in provision of education means that 80% of the girls and young women most at risk have little or no knowledge of HIV. Unchallenged stigma and ignorance drives victims to secrecy. Most Africans with HIV are still unaware they have it – there are no resources for tests. In a cloak of secrecy it spreads. Tackling this will require even more than the basic UNAIDS package. Yet, while African leaders have pledged to devote 15 per cent of national budgets to health, many are still spending more on servicing debts. Reducing this burden has potential to boost the AIDS response where it is most needed. HIV/AIDS programmes need to be added to the criteria of the highly indebted poor countries (HIPC) initiative and Bush and others need to

expend more effort to make this initiative work.

If averting the mass destruction of human life is the moral imperative of current US and European rhetoric, it need look no further than Sub-Saharan Africa. The disarming of AIDS should be unconditional, free of ideological and private interests. Failure to make it so, and the terror faced today by the many in Sub-Saharan Africa might just be a taste of even worse to come.