



The Moral Calculus of AIDS

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Sometime between today and 2010, the AIDS crisis in Africa will become the moral litmus test of the post-cold war era. That is because rich countries will no longer be able to deny they failed to prevent a plague in Africa not seen since the Black Death of the 14th century.

The US has known about the AIDS pandemic for quite a long time. Back in 1990, a couple of intrepid national intelligence officers got permission to study the burgeoning growth of the disease. Interagency Intelligence Memorandum 91-10005, which was distributed to classified channels in July of the following year, projected that there would be 45 million infections by the year 2000 -- a number, the report noted, greater than all the combatants killed in World War I, World War II, Korea and Vietnam combined.

For those disgruntled by the CIA's recent miscalculations -- notably, its failure to predict the Soviet Union's economic collapse -- there may be reason to take heart. Memorandum 91-10005 was impressively accurate: Today there are anywhere from 34.3 to 53 million people with HIV and AIDS, and the number of new infections of HIV, the human immunodeficiency virus that causes AIDS, is estimated at 15,000 a day.

The only problem with the report -- tragedy, is actually the more appropriate word -- is that for the last 10 years the White House and Cabinet agencies ignored it. Even leaders of the World Health Organization, which also predicted AIDS in the tens of millions in the early '90s, met the news with indifference. Pouring over the numbers, the most powerful health officials on the planet concluded that prevention and treatment were just too expensive.

"I can't think of the coming of any event which was more heralded to less effect," James Sherry, director of program development for the Joint United Nations Program on HIV/AIDS, or UNAIDS, said in July 2000 interview. "The bottom line is, the people who are dying from AIDS don't matter in this world."

6,000 a day

Such indifference may be distant geographically, but it is just as destructive as the indifference governments and individuals displayed toward the Nazi genocide. According to the World Health Organization, less than one tenth of the 36 million people infected with HIV/AIDS can afford drugs used to treat the disease. Unlike in the West, where the triple AIDS cocktail has prolonged the lives and improved the health of those infected, people with AIDS in poor countries simply die - in Africa, at the rate of 6,000 a day.

A 15-year-old in South Africa has a better than even chance of dying of AIDS. One in five adults there is infected with HIV. None of the countries with high infection rates can afford the per-patient \$10-15,000 price tag of non-generic HIV drugs. What this could mean in the long run is that African countries will soon face a social, economic and political devastation of apocalyptic proportions. Pulitzer Prize-winning journalist Tina Rosenberg predicts that South Africa -- once considered the miracle country of the continent -- will be one-fifth poorer by 2010 if help does not come soon.

AIDS is also not just an African crisis. Although approximately 70 percent, or 25 million, of the world's AIDS cases are in Africa, with the majority in sub-Saharan region, the plague is taking victims in the Caribbean as well. More than one in 50 adults in the islands south of the US are HIV-positive. In Eastern Europe and the former Soviet Union, the number of infected doubled last year. The numbers of HIV cases in India, Thailand, Brazil and practically every other poor country with meager health care budgets also has leapt to a point where no one can deny that AIDS has become a global epidemic.

But here's the rub.

Solving the world AIDS crisis will require something that governments, international lending institutions and multinational companies -- the other flank of international governance -- often lack: compassion and the ability to see beyond profit. Racism also will have to be factored into such moral calculus.

A human life or a "disability-adjusted life year"?

Some officials at the World Bank, for example, have concluded there may be a silver lining in the plague. "If the only effect of the AIDS epidemic were to reduce the population growth rate, it would increase the growth rate of per capita income in any plausible economic model," argued a June 1992 report by the Bank's population and human resources department. In other words, like the 14th-century bubonic plague in Europe, AIDS in Africa might propel an economic rebirth.

Similarly, Dean Jamison of the World Bank has come up with the idea of "disability-adjusted life year," or DALY, to measure the number of years lost to illness or death. "By his calculus," reported the Washington Post, "a country that spent \$1,000 a year to save the life of someone earning \$500 a year would suffer a net economic loss."

Such analyses have made Africa policy experts writhe with the kind of anger that strikes the enlightened but impotent. "If this would have happened in the Balkans, or Eastern Europe, or in Mexico, with white people, the reaction would be different," said Dr. Peter Piot of the UNAIDS program.

"AIDS is the black plague!" wrote Salih Booker, director of the Africa Fund/American Committee on Africa. "It is mainly killing black people. And that is the cruel truth about why the world has failed to respond with dispatch."

Unsurprisingly, such anger has led to protest. In South Africa, thousands have taken to the streets to demand HIV medicine. In Uganda, AIDS patients have gone on hunger strikes to draw attention to their plight. American advocacy groups like Act

Up, which in the past few years has slowed down its operations as the AIDS crisis in the United States levels off, have returned to Washington to cry "medication for every nation" and are questioning the high price of AIDS drugs at home.

One of the more favored AIDS plans among activists is modeled after the Unicef system of vaccination. "In my calculus," argued Rosenberg, "applying the Unicef system to AIDS would cost \$3 billion a year in retrovirals alone, assuming five million patients at \$600 a year. And the costs will increase as countries reach more patients. This is a large sum of money. It seems somewhat smaller, however, next to the wards of shaven-head babies -- or the collapse of a continent."

Enforced noblesse oblige

Over the past year and especially over the past month, such media pressure and activism have begun to force pharmaceutical companies to cave.

In May 2000, the five leading companies that produce AIDS drugs -- Merck, Hoffmann-La Roche, Bristol-Myers Squibb, Glaxo Wellcome and Boehringer Ingelheim -- announced they would make AIDS medicines widely available in the poorest countries at deep discounts. Exact prices were supposed to be settled a few weeks later. But six months later nothing had been done. A year later, the effort has resulted in agreements with only three countries: Uganda, Senegal and Rwanda.

In a parallel gesture, the Clinton administration pledged \$1 billion to fight AIDS in Africa. But the money turned out to be in the form of Export-Import Bank loans, at commercial interest rates, to buy American drugs at market price. This initiative was hailed by American pharmaceutical companies, which looked forward to more profits for their \$1 billion-a-year industry. But there were no takers.

Poor countries opted out of the Clinton initiative because buying drugs on high-interest loans would mean more debt -- exactly the kind of debt that has forced countries like South Africa to cut governmental health programs. As Helen Epstein argued in a recent New York Review of Books article, American policy makers and journalists often overlook the role the World Bank, the IMF, multinational corporations, donor governments and commercial banks have played in "creat[ing] enormous political and economic obstacles to better public health."

To prove her point, Epstein reported that as a result of IMF-imposed government cutbacks, or structural adjustment programs, as they are called, "In Zaire, 80,000 teachers and health care workers lost their jobs in the 1980s, while in Ghana the number of nurses fell sixfold, so that by 1990, there was only one nurse per more than 13,000 people. In the early 1990s, Zimbabwe laid off 7,000 nurses and thousands of teachers. Inflation slashed public-sector salaries, and many doctors left the country."

Like so many others, Epstein's article shows that economic influence, not ideological influence, has become the lead force in post-cold war international relations. Nobody worries whether Zaire goes red. But policy makers are greatly concerned the country tightens its belt and buys American.

This latter emphasis, however, changes the whole conception of foreign aid. Unlike in the cold war era when aid was given to countries to ensure their ideological

allegiance, today aid comes with economic strings attached: high-interest loans, structural adjustment requirements or the threat of being left out of the global marketplace. The US' new political ideology is global capitalism. But it will have just as hard a time proving this ideology is democratic and fair as when it conducted covert operations against the Evil Empire.

And this is the main problem for the AIDS crisis. There is no economic incentive to solve it. As Harvard economist Jeffrey Sachs told the Washington Post, "Like most things in the world, it comes down to money, and nobody has been willing to commit money to [the AIDS crisis]." Sachs, as well as debt relief activists like Ann Pettifor of Jubilee 2000, believe the only way to force governments and pharmaceutical companies to evince the necessary noblesse oblige is if they are pummeled by outraged citizens.

Slowly, this seems to be happening. In March, the medical aid group Doctors Without Borders learned that Yale University holds the patent to d4T, an antiretroviral drug that forms part of the AIDS cocktail. Yale licensed d4T to Bristol-Myers Squibb, but when Doctors Without Borders began to publicize the Yale connection -- leading to damning articles by Yale's law students and a New York Times article that quoted dT4 co-creator William Prusoff as saying the drug should either be cheap or free in sub-Saharan Africa -- Bristol-Myers announced it would cut the cost of the drug to 15 cents for a daily dose, or 1.5 percent of what it costs an American patient.

Meanwhile, sensing the growing tide of bad PR, Merck announced on March 7 that it would cut prices for its anti-AIDS drugs in developing countries "to the point where it won't make a profit on sales there." Bristol-Myers followed suit, announcing on March 14 that it will sell not one, but two, AIDS drugs to sub-Saharan African countries at "below cost."

The free market of death

Whether or not Merck and Bristol-Myers will lose money when Merck offers Crixivan at \$600 a year rather than its usual \$6,016 and Bristol-Meyers provides Zerit at \$54 a year rather than \$3,589 will be very difficult to find out. But what is certain is that many countries will not be able to afford the triple cocktail even at these prices. Also, regardless of this gesture, the two companies have already made an enormous profit off the AIDS plague.

American business leaders and conservative columnists tend to say this is reasonable. Andrew Sullivan of The New Republic, for example, argues that "the free-market system ... rewards serious research with serious money," and therefore patent protection and high prices are only fair. Executives of pharmaceutical companies constantly point out that billions of dollars are lost on research and development, making high drug costs the only way to recoup investments. Other commentators argue that antiretroviral drugs have many negative side effects and, because the triple therapy treatment is rigorous and complicated, cannot be easily introduced in the third world countries.

But none of these arguments touch the subject of how much AIDS research was conducted with public funds or -- even more troubling -- what moral responsibility companies, governments and individuals have to prevent mass death. Which has led

countries like Brazil, India and South Africa to take matters into their own hands.

Brazil, which the World Bank projected would have 1.2 million HIV-positive people by 2000, has half that many. Why? The Brazilian government, under World Trade Organization laws, can ignore patents on medicines commercialized before May 1997 and, as a result, has produced generic versions of the AIDS cocktail that it distributes free. One study reported that this move saved the Brazilian Health Ministry \$422 million in hospitalizations between 1997 and 1999.

India, which does not recognize patents on medicines, and will not be required to do so by the WTO until 2005, has proved equally savvy by leading the world in the manufacture of generic AIDS drugs. The Indian pharmaceutical company Cipla is making triple therapy available at \$600 per year, and according to its managing director, "prices are likely to come down as we improve techniques." Within a few years, Cipla has become an extremely profitable company and has helped to prolong the lives of those with HIV in India.

Such successes led the South African government in 1997 to introduce new legislation that allows it to import generic AIDS drugs. But unlike Brazil and India, South Africa is not permitted to create or import generic medicines by the WTO unless it declares a state of emergency, which it will not do, since such a declaration would hinder foreign investments and further hurt its stumbling economy. The result has been a lawsuit by the AIDS drug giants against the South African government, set for trial in April.

Undoubtedly, the South Africa suit will be a landmark case. For it will test whether human rights can serve as a justifiable reason for breaking international trade law. The case will also, in a more profound way, foretell how governments and multinationals will handle the inequalities of economic globalization in the post-cold war era. Will it see the "new era of peace" as an opportunity to do global good works?

The big fear for Big Pharma

Whatever happens, American pharmaceutical companies don't fear lost profits from developing nations as much as a backlash by American consumers. Americans pay more for drugs than any other country. And drug company executives are worried that if low-priced AIDS drugs begin to leak back home from poor countries, the trickle will become a flood, causing a black market of cheap generics that could gouge their profits.

For that reason, drug companies have agreed to work with the WTO to negotiate patent laws for poor member countries. Its executives attended an April meeting in Høsbjør, Norway convened by the Global Health Council, which -- if all goes well -- could result in new ways to price and finance AIDS drugs as well as a means for the World Health Organization to administer their distribution.

But again, morality will have to trump greed -- or at least the fear of more bad PR. The word about Big Pharma, as the industry is known, is out. The public views their research and development pleas with skepticism. The novelist John Le Carré has chronicled Pharma's outright deceptiveness in his new book, *The Constant Gardener*. Those who are critical of the World Bank, the IMF and multinationals are well

aware they are partly responsible for the African health crisis. There is cynicism and anger. But is it familiar, familiar as the arms race and the bloody battles over Vietnam and Afghanistan.

As Le Carré put it in a recent Nation article, "Times have changed since the cold war, but not half as much as we might think."

To lobby for greater access to AIDS drugs for patients in poor countries, go to the [Doctors Without Borders website](#)

The best reporting on the global AIDS crisis (much of which was used in this article) has been conducted by the Washington Post. See [the Post's AIDS in Africa archive](#)

See also:

Tina Rosenberg's "Look At Brazil," [The New York Times Magazine](#)

Helen Epstein's "Time of Indifference," [The New York Review of Books](#)

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