

## The ‘Neo-Liberalization’ of COVID Vaccine

The invention of several coronavirus vaccines offers a glimmer of hope to contain a pandemic that has, thus far, killed 2.1 million people and resulted in the worst economic recession in 80 years. However, it is too soon to drop our guard, as production and distributional bottlenecks still limit the vaccine supply, both due to limited production and structural politico-economic factors. Consider, for example, the fact that the most promising doses of vaccine have all been procured by the advanced industrialized countries. In fact, according to a report by [Oxfam](#), wealthy nations housing some 13% of the world’s population have acquired more than 51% of COVID vaccine supplies.

Another [report](#) by this same institute reveals that the wealthy nations have stocked enough doses to vaccinate each citizen three times over, with Canada in the lead, as it can vaccinate each of its citizens almost five times over! The situation for Least Developed Countries (LDCs), however, is completely different, as they do not have sufficient stock to vaccinate even their front-line health workers and most vulnerable patients. Some countries, such as Pakistan, have not even procured the vaccine as of this writing. Moreover, experts [estimate](#) that LDCs may not even get a vaccine until at least 2024.

While the well-intentioned initiatives, such as COVAX—a joint effort of the World Health Organization (WHO) and Bill & Melinda Gates Foundation—aim at facilitating the supply of COVID vaccine to LDCs, it is constrained in its function and outreach owing to limited resources. Its public database [statistics](#) show that it has only been able to collect \$6 billion out of a pledged total of \$38 billion. To add to this, many LDCs are heavily in debt, with thinly stretched resources, making independent procurement of the vaccine almost impossible. Besides, the emergency funding provided by the World Bank and the International Monetary Fund (IMF) has proven to be [insufficient](#), with the private lenders refusing to suspend debt at the behest of the G-20 countries. In this context, then, it appears that the LDCs are trapped between a rock and a hard place as they do not have sufficient economic resources to procure a vaccine, but a vaccine is needed to control the viral outbreak and boost their economies.

The successful resolution of this dilemma needs new and heterodox economic thinking. One radical [idea](#) floated by two members of the emerging BRICS nations (Brazil, Russia, India, China, and South-Africa) involves a temporary suspension of the market logic by waiving off intellectual property rights (IPR), of the COVID vaccines produced by leading pharma giants. Such a move would allow LDCs to copy the vaccine formula and then mass-produce them to inoculate their populations. However, nearly all the wealthy nations have shot down this proposal at the World Trade Organization (WTO)—where it was originally proposed—clearly to protect the economic interests of few companies and their shareholders. It also becomes clear that access to vaccines is not exactly a production issue, but a matter of tainted political economy that prioritizes profits over people. This ‘neo-liberalization’ of the vaccine can be explained in a more general context of neo-liberalization of the entire health sector that has slowly but insidiously taken place since the 1980s.

In 1978, Alma Ata—a joint declaration of UNICEF and the WHO—pledged universal healthcare for all by the turn of the century. However, beginning in the 1980s, the declaration of Alma Ata

was slowly rolled back owing to the shenanigans of the Western world, which had by then transitioned from post-war Keynesianism to late Twentieth Century neo-liberalism. This marks the beginning of neo-liberalization of the health sector via three interrelated stages: privatization, commercialization, and financialization.

In the first stage, the public health systems were ensnared to “partner” with the private sector as a way to boost productivity and enhance the quality of services. With time, however, nearly all of the public health services—that were once offered for free or at low-cost—were gradually taken over by the private sector, which used the market logic of supply/demand and profitability to determine its delivery. Unsurprisingly then, the basic healthcare services increasingly became out of the reach of many, especially the lower socio-economic strata, while the pharma companies witnessed an unprecedented change in their fortunes.

In the second stage, health interventions were targeted to selective diseases and viruses, which had a “known cure” via a commercial medicine or vaccine. This naturally facilitated big pharma to commercialize their products among new population groups in hitherto untested markets. Moreover, as part of the neoliberal tenets of “personal responsibility” and “self-reliance”, the public health systems systematically gave up the practice of buying pharmaceutical products and medicines in bulk, which was replaced by the private supply of such goods. Suddenly, the patients had to supply their own food, medicine, and pharma products, which placed a disproportionate burden on the poorest and the most vulnerable.

Financialization marks the third and the last stage of this pernicious process, in which financial instruments—stocks, bonds, options, and derivatives—were issued related to healthcare, and Wall Street was suddenly flooded by a plethora of investment banks with dedicated departments dealing in healthcare investments. Moreover, the focus of big pharma also shifted away from serving the public towards satisfying the profit-motive of their shareholders and engaging in purely corporate activities like mergers & takeovers.

It is in this backdrop that the Pfizer/BioNTech, Moderna, and Oxford/AstraZeneca have invented a vaccine for the Coronavirus. These companies are reluctant to forgo the IPR and are selling on market logic due to their compulsion to maximize the shareholders’ value and grow their market size. This has nothing to do with the “incentive” to research as these companies have collectively received more than [\\$ 5 billion](#) of public money as vaccine’s research fund and are still intransigent about making the vaccine a public good.

Big pharma and the wealthy nations must realize that in this pandemic no one is safe unless all are safe. The processes of globalization have resulted in regional economic specializations whereby the advanced industrialized countries provide the capital, while the LDCs supply the land (natural resources) and labor. Therefore, it would be fallacious for the Western world to reopen their economies merely by vaccinating their citizens, while the LDCs struggle with the pandemic as the complexly intermingled markets and supply chains will still not synchronize. To fully reopen the global economy, the entire world population must be timely immunized with a “people’s” vaccine, the cost of which is less than 1% of the total economic havoc wreaked by the pandemic so far.

*Hassan Mujtaba is a researcher at Centre for Aerospace & Security Studies (CASS). He can be reached at [cass.thinkers@gmail.com](mailto:cass.thinkers@gmail.com)*