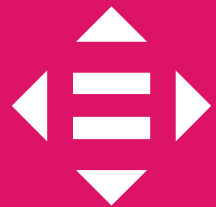




# PROFITING FROM THE PANDEMIC



**10** REDUCED  
INEQUALITIES



## THE WHY AND HOW OF A 'PEOPLE'S VACCINE'



# What happened in March 2021?



IN MARCH 2021, INDIA AND SOUTH AFRICA LODGED A PROPOSAL FROM 100 COUNTRIES TO THE WORLD TRADE ORGANISATION (WTO). THEY PROPOSED THAT THE RULES ON WHAT 'INTELLECTUAL PROPERTY' CAN BE SHARED FREELY BETWEEN COUNTRIES BE CHANGED TEMPORARILY, IN ORDER TO FACILITATE THE SHARING OF INTELLECTUAL AND TECHNICAL KNOW-HOW REGARDING HOW TO MANUFACTURE VACCINES AGAINST COVID-19, AND CHALLENGE THE EMERGING VACCINE **INEQUITY**.

FIRST LET'S LOOK AT THE CONTEXT AND RELEVANCE OF '**INTELLECTUAL PROPERTY**'. WHEN A DRUG OR MEDICINE IS CREATED, SOMETHING CALLED A '**PATENT**' IS CREATED. A PATENT CAN BE BOUGHT BY A COMPANY FOR ANYTHING, BE IT DAY-TO-DAY MEDICATION FOR DULLING PAIN OR MEDICATION FOR TREATING DISEASES LIKE AIDS (ACQUIRED IMMUNE DEFICIENCY SYNDROME). PATENTS GIVE THE RIGHTS FOR A CERTAIN PRODUCT (E.G. A DRUG) TO BE PRODUCED BY A SPECIFIC COMPANY AND NOBODY ELSE, ALLOWING THAT COMPANY TO HAVE CONTROL OVER THE PRICE IT SETS FOR THAT DRUG, AND THEREFORE ALLOWING THAT COMPANY TO PROFIT OVER SALES. THIS WAS THE CASE IN THE 1980S AND 1990S WHEN A COMPANY THAT 'WON' THE PATENT FOR AZT, A DRUG TO TREAT AIDS, ARTIFICIALLY KEPT THE PRICE HIGH BY RESTRICTING SUPPLY AND BY KEEPING THE DETAILS OF HOW IT COULD BE MADE FROM OTHER PHARMACEUTICAL COMPANIES.

THIS MATTERS BECAUSE IF EVERYBODY WAS ABLE TO MAKE THE SAME DRUG, THE PRICE LOWERS BECAUSE THERE IS MORE SUPPLY. THIS IS THE **LAW OF SUPPLY AND DEMAND** AND IT WORKS BECAUSE OF SCARCITY, SCARCITY THAT IS MORE OFTEN THAN NOT, CREATED BY PEOPLE AND IS NOT A FUNCTION OF ACTUAL LIMITS ON PRODUCTION (THIS IS CALLED **ARTIFICIAL SCARCITY**). THIS IS EXACTLY WHAT HAPPENED WHEN THE AZT PATENT EXPIRED AND GENERIC VERSIONS COULD BE MADE, AND IT IS THE CASE WITH PARACETAMOL, WHICH IS THE ACTIVE INGREDIENT IN PANADOL (AND MANY OTHER BRAND NAMES). NOWADAYS, IN ANY PHARMACY YOU CAN BUY A GENERIC VERSION OF PARACETAMOL, OR YOU CAN BUY A BRAND NAME VERSION WHICH IS MORE EXPENSIVE. THIS IS ALL BECAUSE THE PATENT FOR PARACETAMOL EXPIRED IN 2007.

SO WHAT DO DRUG PATENTS HAVE TO DO WITH COVID-19? A PATENT IS A FORM OF KNOWLEDGE, A 'HOW-TO' GUIDE FOR PRODUCING SOMETHING, OFTEN SOMETHING THAT CAN BE LIFESAVING. A VACCINE IS A DRUG, AND COMPANIES HAVE BEEN HARD AT WORK PRODUCING VACCINES TO INOCULATE US AGAINST COVID-19. HOWEVER THESE COMPANIES ARE BUSINESSES, AND ONE OF THEIR CORE GOALS IS TO MAKE A PROFIT FOR THEIR SHAREHOLDERS. IN FACT, THIS IS THEIR DUTY AS A PROFIT MAKING BUSINESS (THIS IS CALLED '**FIDUCIARY DUTY**'). THEY MAKE A PROFIT BY CHARGING ABOVE AND BEYOND HOW MUCH THE VACCINE ACTUALLY COSTS TO MAKE. THEY ALSO PROFIT BY KEEPING THEIR KNOW-HOW ALL TO THEMSELVES, SO THAT NOBODY ELSE CAN MAKE THE DRUG, EVEN IF THEY HAVE FACTORIES READY TO MAKE IT. BECAUSE IF THAT HAPPENED, THERE WOULD BE MORE SUPPLY AND THAT WOULD DRIVE THE PRICE DOWN.

# Public Support ➡ Private Profit

AND THE QUESTION OF WHETHER THESE COMPANIES DESERVE ALL OF THAT PROFIT IS UP FOR DEBATE, REGARDLESS OF THE MORAL IMPLICATIONS OF PROFITING FROM DISEASE. THE MONEY THAT HELPED SUPPORT THE CREATION OF VACCINES LARGELY CAME FROM NATIONAL GOVERNMENTS, IN OTHER WORDS, TAXPAYER MONEY, WHICH IS SOMETHING THE BIG COMPANIES DON'T LIKE TO MAKE VERY WELL-KNOWN! ALL THE LEADING VACCINE DEVELOPERS HAVE BENEFITED FROM BILLIONS OF DOLLARS IN PUBLIC **SUBSIDIES**, YET PHARMACEUTICAL CORPORATIONS HAVE BEEN HANDED THE **MONOPOLY POWER** TO PRODUCE AND PROFIT FROM THEM.

FROM FEBRUARY TO MARCH 2021, RICH NATIONS HAVE BEEN VACCINATING ONE PERSON EVERY SECOND WHILE THE MAJORITY OF THE POOREST NATIONS WERE YET TO GIVE A SINGLE DOSE. ACCORDING TO THE UN SECRETARY GENERAL,

"PROGRESS ON VACCINATIONS HAS BEEN WILDLY UNEVEN AND UNFAIR, WITH JUST 10 COUNTRIES HAVING ADMINISTERED 75 PERCENT OF ALL VACCINES [AND] MORE THAN 130 COUNTRIES HAVE NOT RECEIVED A SINGLE DOSE."

WEALTHIER NATIONS, INCLUDING IRELAND, HAVE ALREADY BOUGHT ENOUGH DOSES TO VACCINATE THEIR ENTIRE POPULATIONS ALMOST THREE TIMES OVER BY THE END OF 2021! TO PUT THAT IN CONTEXT, NATIONS THAT REPRESENT JUST 14 PERCENT OF THE WORLD'S TOTAL POPULATION NOW OWN 53 PERCENT OF THE MOST PROMISING VACCINES.

## How can this be changed?

ONE WAY OF MAKING VACCINES AVAILABLE TO DEVELOPING COUNTRIES IS TO OVERRIDE THE MONOPOLIES HELD BY PHARMACEUTICAL COMPANIES AND SO ALLOW AN INCREASE IN THE PRODUCTION OF COVID-19 VACCINES TO ENSURE POORER COUNTRIES GET ADEQUATE ACCESS. HOWEVER, ONE CRITICAL BARRIER STANDS IN THE WAY: INTELLECTUAL PROPERTY RIGHTS, CONTAINED WITHIN A CERTAIN TRADE AGREEMENT.

THE TRADE-RELATED ASPECTS OF INTELLECTUAL PROPERTY (**TRIPS**) CONTAINS THE RULES AROUND PATENTS MENTIONED EARLIER. IF THE WTO WANTED TO, IT COULD WAIVE CERTAIN ELEMENTS OF TRIPS, EVEN TEMPORARILY, REMOVING THE LEGAL BARRIERS THAT PREVENT MORE COUNTRIES AND MANUFACTURERS FROM PRODUCING THE VACCINES, AND OTHER TOOLS LIKE TESTS, MASKS AND MACHINES THAT COULD HELP THE WORLD BECOME RESILIENT AGAINST COVID-19.

HOWEVER, THE PROPOSAL HAS BEEN BLOCKED IN THE WORLD TRADE ORGANIZATION BY THE UNITED STATES AND EUROPE, HOME TO THE COMPANIES RESPONSIBLE FOR CREATING CORONAVIRUS VACCINES. THAT PROPOSAL HAS THE SUPPORT OF AT LEAST 119 COUNTRIES AND THE AFRICAN UNION BUT IS ADAMANTLY OPPOSED BY VACCINE MAKERS.



# The People's Vaccine

THE PEOPLE'S VACCINE ALLIANCE IS AN ALLIANCE OF ORGANISATIONS CALLING FOR A PEOPLE'S VACCINE. THEY ARE CALLING ON ALL PHARMACEUTICAL CORPORATIONS WORKING ON COVID-19 VACCINES TO OPENLY SHARE THEIR TECHNOLOGY AND INTELLECTUAL PROPERTY THROUGH THE WHO COVID-19 TECHNOLOGY ACCESS POOL SO THAT BILLIONS MORE DOSES CAN BE MANUFACTURED, AND THAT SAFE AND EFFECTIVE VACCINES CAN BE AVAILABLE TO ALL PEOPLE, REGARDLESS OF THEIR LOCATION OR INCOME.

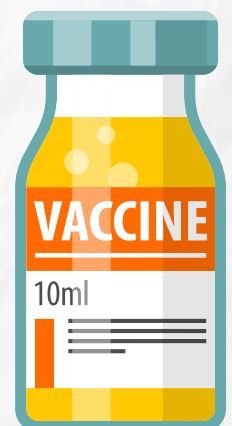
THE ALLIANCE IS ALSO CALLING ON GOVERNMENTS TO DO EVERYTHING IN THEIR POWER TO ENSURE COVID-19 VACCINES ARE MADE A GLOBAL PUBLIC GOOD – FREE OF CHARGE, FAIRLY DISTRIBUTED AND BASED ON NEED. THE PEOPLE'S VACCINE ALLIANCE HAS WARNED THAT IN SOUTH AFRICA, MALAWI AND OTHER AFRICAN NATIONS 'HISTORY IS IN DANGER OF REPEATING ITSELF'.

MILLIONS OF PEOPLE DIED IN THE EARLY 2000'S BECAUSE PHARMACEUTICAL MONOPOLIES HAD PRICED SUCCESSFUL TREATMENTS FOR HIV/AIDS OUT OF REACH AT UP TO \$10,000 A YEAR.

ACCORDING TO JOSEPH STIGLITZ, NOBEL PRIZE-WINNING ECONOMIST, COLUMBIA UNIVERSITY PROFESSOR, CHIEF ECONOMIST AT THE ROOSEVELT INSTITUTE, SERVED AS CHAIR OF THE COUNCIL OF ECONOMIC ADVISERS UNDER PRESIDENT CLINTON AND AS CHIEF ECONOMIST AT THE WORLD BANK

"...THERE ARE MANY COMPANIES IN DEVELOPING COUNTRIES THAT COULD PRODUCE MASSIVE AMOUNTS OF VACCINE IF THEY HAD THE RIGHT, THE INTELLECTUAL PROPERTY, IF THEY GET ACCESS TO THE TECHNOLOGY. SO, THAT'S WHY IT'S SO IMPORTANT FOR US TO HAVE THE SUSPENSION OF INTELLECTUAL PROPERTY RIGHTS RELATIVE TO – RELATED TO COVID-19. IT'S JUST FOOLISH THAT WE AREN'T DOING IT. AND IT'S PARTICULARLY UNCONSCIONABLE, GIVEN THAT THE ADVANCED COUNTRIES' GOVERNMENTS HAVE ACTUALLY FINANCED A VERY LARGE FRACTION OF THAT RESEARCH, AND THE COMPANIES THEMSELVES ARE ALREADY MAKING MULTIPLE RETURNS ON THEIR INVESTMENTS."

WE NEED A PEOPLE'S VACCINE, NOT A PROFIT VACCINE!





# Activity 1: Match the Definitions!

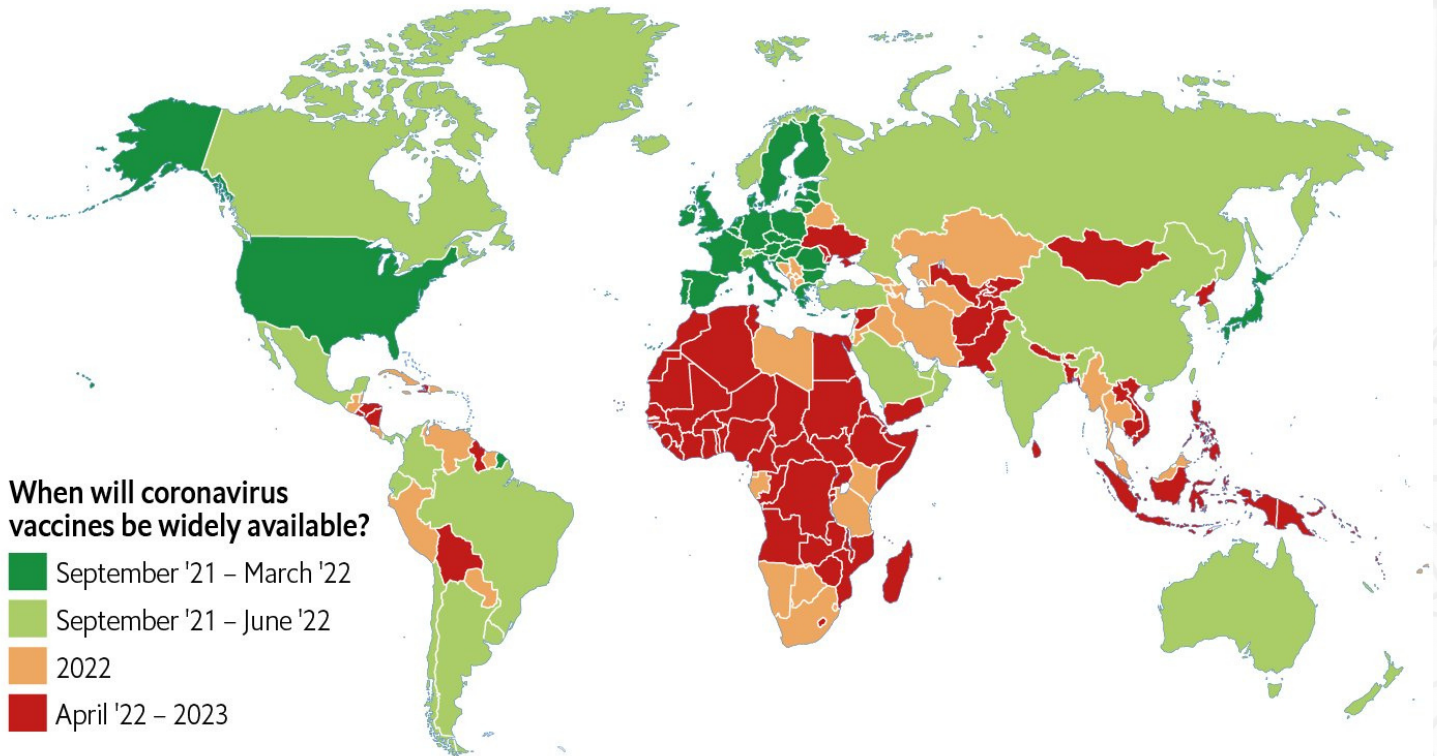
Use a pencil to connect the word on the left with the correct definition on the right.

1	INEQUITY	a	When someone has this duty to someone else, the person with the duty must act in a way that will benefit someone else, usually financially.
2	PATENT	b	The relationship between the quantity of a commodity that producers wish to sell at various prices and the quantity that consumers wish to buy.
3	INTELLECTUAL PROPERTY (IP)	c	An incentive given by the government to individuals or businesses in the form of cash, grants, or tax breaks that improve the supply of certain goods and services
4	SUPPLY AND DEMAND	d	Refers to creations of the mind, such as inventions; literary and artistic works; designs; and symbols, names and images used in commerce.
5	ARTIFICIAL SCARCITY	e	Refers to unfair, avoidable differences arising from poor governance, corruption or cultural exclusion
6	FIDUCIARY DUTY	f	An exclusive right granted for an invention, which is a product or a process that provides, in general, a new way of doing something, or offers a new technical solution to a problem.
7	SUBSIDY	g	When a firm has a dominant position in the market
8	MONOPOLY POWER	h	The first multilateral trade agreement to treat intellectual property (IP) rights, most notably copyright and patents, as a global trade issue, on the theory that one country's failure to protect another's IP creates a barrier to trade between those countries.
9	TRIPS	i	Describes the scarcity of items even though the technology and production capacity exists to create an abundance.

## Activity 2: Finding Patterns

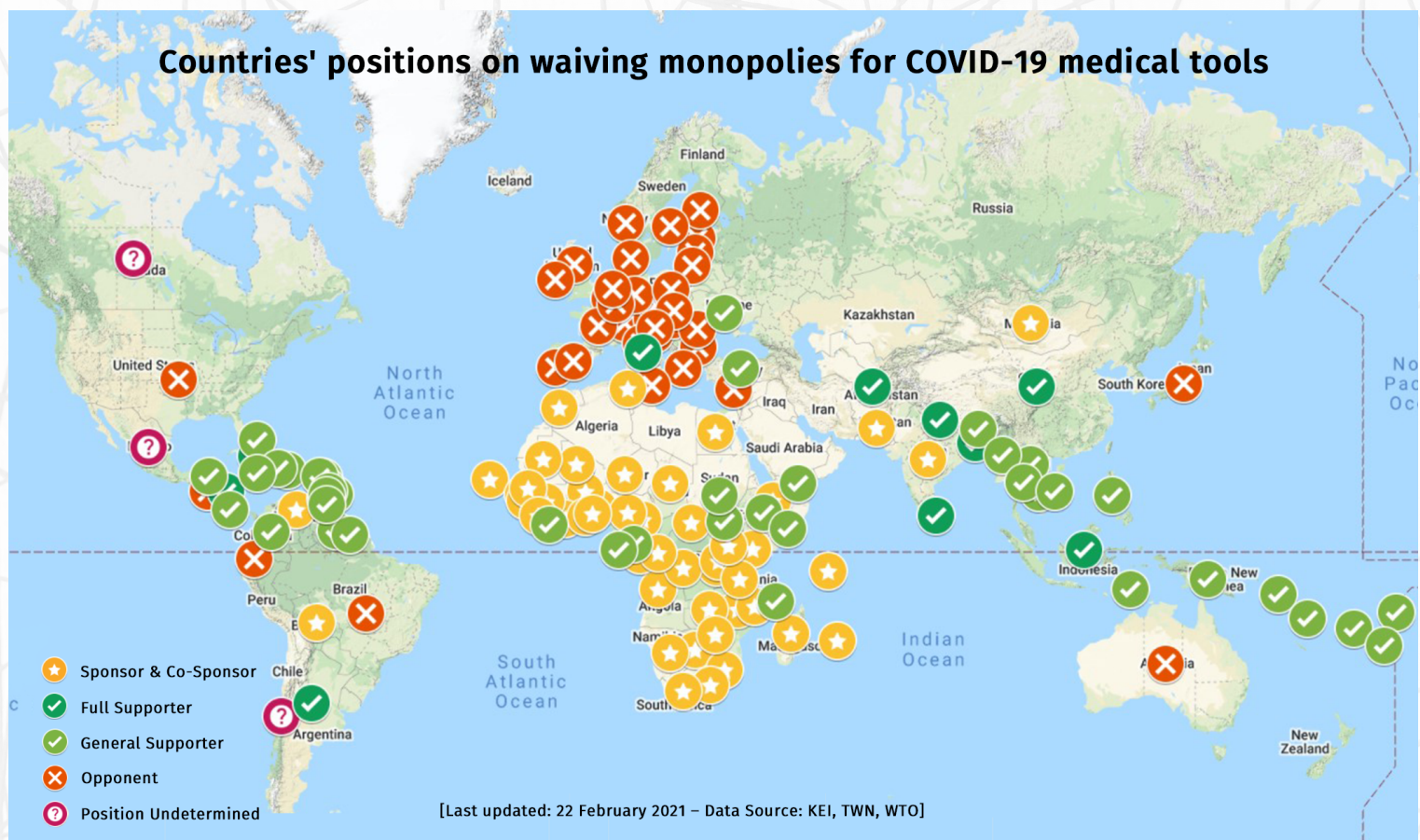
Do you see any patterns in the two images below?  
Discuss with your partner.

**Rich countries will get access to coronavirus vaccines earlier than others**



Source: The Economist Intelligence Unit.

### Countries' positions on waiving monopolies for COVID-19 medical tools



[Last updated: 22 February 2021 – Data Source: KEI, TWN, WTO]



# Activity 3: Where do you stand?

Mark an X on the lines below indicating to what extent you agree or disagree with the following statements:

**NO!**

Intellectual property rights should be maintained at all times.

**YES!**

Inventors of life-saving medicines should be forced to share their technical know-how with others who have the capacity to produce the medicine.

If companies are given government funding in the form of subsidies, they should be forced to share their technical know-how with others who have the capacity to produce the medicine.

Access to life-saving medicines is more important than maintaining intellectual property rights in a crisis.

Governments should, in some circumstances, allow someone else to produce a patented product or process without the consent of the patent owner or plans to use the patent-protected invention itself.



# Answers

Activity 1 answers:

1e, 2f, 3d, 4b, 5i, 6a, 7c, 8g, 9h

# References

[Share the Vaccines, Erase the Debt: Joseph Stiglitz on How the U.S. Can Help Developing Countries](#)

[Designing vaccines for people, not profits](#)

[Rich nations vaccinating one person every second while majority of the poorest nations are yet to give a single dose](#)

[Secretary-General Calls Vaccine Equity Biggest Moral Test for Global Community, as Security Council Considers Equitable Availability of Doses](#)

[Patently absurd](#)

[Countries urge drug companies to share vaccine know-how](#)

[The People's Vaccine: Everyone deserves a fair shot against Covid-19](#)

# Curriculum Links

Geography	Junior	3.7 compare life chances for a young person in relation to gender equality, health care, employment and education opportunities in a developed and a developing country
Business Studies	Junior	3.7 Debate the implications of globalisation of trade, including the benefits and challenges of international trade.
	Junior	3.11 Evaluate the benefits and costs of a government economic policy and assess who enjoys the benefits and who bears the costs
History	Junior	3.12 evaluate the role of a movement or organisation, such as the European Union or United Nations, in promoting international cooperation, justice and human rights
Religious Education	Junior	3.6 debate a moral issue that arises in their lives and consider the influences of two different viewpoints on the issue
Geography	Senior	6.2 We live in an interdependent global economy. Actions or decisions taken in one area have an impact on other areas.
Business	Senior	6.6 Ethical business practice; Socially responsible business at local and national level
		7.1 The changing nature of the international economy and its effects on Irish business; Trading blocs and agreements
		7.3 The development and impact of transnational companies