

PROJECT SYNDICATE

The right incentives for global vaccine access

MICHELE GOODWIN and GREGORY SHAFFER

The Covid-19 pandemic continues to reveal shocking underlying infrastructural inequalities around the world. While the United States rapidly rolls out vaccines even to children, countries like India suffer devastating numbers of fatalities each day. India recently reported more than 340,000 daily coronavirus cases—nearly half the global total—and the country seemingly has no end to its crisis in sight.

In response to intensifying political pressure to reduce low-income countries' suffering, US President Joe Biden's administration now supports a waiver of intellectual-property (IP) rights for Covid-19 vaccines so long as the pandemic lasts. This development has elicited two competing responses. Some commentators regard the new US stance as a paradigm shift in the US position that will affect IP protection. But others predict that Biden's new stance will have no impact on vaccine access.

Both positions fail to capture the bigger picture. First, IP protection will continue, including for Covid-19 vaccines in wealthy countries where pharmaceutical firms reap enormous profits. Second, with political will, the threat of a waiver can help shift patent-holding companies' incentives and catalyse mass production of Covid-19 vaccines for low- and middle-income countries. The argument that Biden's policy is destined to, or should, fail is thus unhelpful to US diplomacy and global cooperation during the pandemic.

The effort to achieve global vaccination confronts massive incentive problems. Private pharmaceutical companies responsible to shareholders seek to maximise profits. The longer the pandemic lasts, the more likely it is that new coronavirus variants will require adjusting and distributing new vaccines, and thus the more these firms will profit.

Meanwhile, rich-country governments face conflicting short- and long-term incentives. In the short term, domestic politics encourage vaccine nationalism, leading governments to contract for an exclusive vaccine supply. The US government, for example, has imposed a de facto ban on vaccine exports through its agreements with private companies.

But because viruses know no borders, these governments face the longer-term threat of new imported variants against which current vaccines may be ineffective. Such pathogens would pose a clear risk to citizens' lives and health, and to countries' economic well-being.

In parallel, there is a growing strategic rivalry between the US and China for control of the commanding heights of biotech production. The Pharmaceutical Research and Manufacturers of America (PhRMA), a trade group, plays off this fear to demand control of its trade secrets. And trade secrets, not patent rights to Covid-19 vaccines, are clearly the major obstacle to ensuring wider access to Covid-19 vaccines (especially mRNA vaccines).

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Over 3.4 million people have now died from Covid-19, and millions more lives could be lost as novel variants of the virus threaten to prolong the pandemic.

PHOTO: AFP

Technically, these trade secrets are not an IP right, but are instead protected by "unfair competition" law. The question is how to compel pharmaceutical companies to provide their trade secrets to other manufacturers to produce the vaccines, subject to a non-disclosure agreement and compensation on a cost or cost-plus basis.

Simply put, the incentives of patent-holding companies must shift. Compared to an IP waiver, it is in these firms' interest to sign contracts with manufacturers subject to non-disclosure agreements, thereby enabling mass production of vaccines for low- and middle-income countries.

The threat of a waiver can thus encourage and compel pharmaceutical companies to

enter such arrangements. Wealthy countries can bolster these incentives by pooling resources, including through the Covid-19 Vaccine Global Access (COVAX) facility. After all, they have an enormous advantage over poorer economies that are grappling with endemic poverty and unequal negotiating power.

To reach a deal, a critical mass of rich countries—as well as other vaccine producers, including China and Russia—should agree not to benefit from any waiver, including from any compensation arrangement. Pharmaceutical companies then could continue to profit as before. And all countries—in both the Global North and South—would benefit, including from the

reduction of the risks posed by new virus variants.

Nonetheless, the waiver negotiations at the World Trade Organization risk becoming symbolic, thus distracting from needed action. The threat of the IP waiver must be real to persuade companies to contract voluntarily for mass global vaccine production. In parallel, a sufficient number of potential benefit by enabling countries to wield the waiver threat to encourage firms to enter the necessary contracts. The Biden administration should act in this vein.

Over 3.4 million people have now died from Covid-19, and millions more lives could be lost as novel variants of the virus threaten to prolong the pandemic. Thoughtful, immediate action on vaccines is needed as a matter of moral and practical urgency. For the Biden administration, that means taking steps now to shift the pharmaceutical industry's incentives.

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The expendable lives of our blue-collar workers



ARAF MOMEN AKA

ON May 1 the world celebrated the contributions of workers to societies especially to the economic growth of nations. Yet news reports on May 5 (*The Daily Star*) described the dire state of workers in

Bangladesh's informal sector as a result of the economic fallout of the pandemic. Sadly they were not in such a great state before the pandemic either.

The discriminatory practices and deprivation of workers in the formal sector have been talked about especially after the horrendous Rana Plaza tragedy of 2013 that took the lives of 1,134 ready-made garments (RMG) workers and left around 2,500 others injured. Bone-chilling images of the victims trapped and/or killed under the rubble and debris of the collapsed Rana Plaza building still haunt our minds—both within and outside our national borders.

Sadly, it was not until the loss of so many workers' lives that there was an outcry for drastic changes. There were terrible losses of lives because of workplace accidents before—like the Tazreen factory fire that killed at least 117 workers in 2012 and the That's It Sportswear Ltd factory fire that killed at least 27 workers in 2010—yet, those incidents hardly brought about any actions. Did those lives not matter? Or was the loss of lives not big enough of a statistic to draw attention?

While significant structural changes have taken place in the RMG sector to increase safety standards for formal workers since the Rana Plaza tragedy, the scenario is quite frightening in other labour-intensive work sectors nowadays—especially in the informal sector. Unsafe workplace conditions and lack of safety gear in other manual job sectors (like construction and metalworks) still exist.

In 2020 alone, 117 construction workers died from causes such as falling off of under-construction buildings or electrocution while 86 others died in workplaces like hotels and workshops because of poor safety measures. A total of 432 workers were killed in 2020 in work-related accidents, according to a survey report of Safety and Rights Society. Informal sector workers are people who are employed by an employer outside an established working agreement (like fixed work times and wages) and they are often more at risk to

worker is to be treated. For instance, the Act highlights how workers are not to work more than 8 hours any day normally and 10 hours any day on overtime (section 100), how workers must be paid their wages in arrears within the seventh day after the agreed upon day of payment (section 123(1)) and so on. Yet, if the provisions of the Act were properly carried forward by the authorities for the sake of our workers (both formal and informal), there would not be frequent news about agitated workers protesting on the streets

because they refused to vacate the under-construction premises of the Banskhal power plant until their demands for payment of their arrear wages were addressed. The families of the deceased received Tk 2 lakh as compensation. That is what a life of a worker is worth: Tk 2 lakh!

Workers—in formal or informal—find it impossible to call peaceful strikes against injustices of their employers, they are unable to afford basic services like proper healthcare and housing; inadequate wages forces their standards of living further down. And the coronavirus pandemic has left workers poorer and even more helpless than before.

The government's stimulus package of a meagre Tk 2,500 per month in cash assistance to families at the grassroots level is simply not enough to cover the costs of urban living in cities like Dhaka. A report by *The Daily Star* earlier this May highlighted that around 34.97 lakh families received the Tk 2,500 every month last year. However, an average four-member family required at least Tk 6,000 a month to live in a Bangladeshi urban area in the year 2016, according to the Bangladesh Bureau of Statistics' (BBS) Household Income and Expenditure Survey 2016-2017 (a cost that has surely become more expensive in 2021). Receiving Tk 2,500 a month as cash assistance is not enough at all.

There are even doubts whether the cash assistance reached 3.5 million of the listed beneficiaries meant to receive the Tk 2,500 each. According to Transparency International Bangladesh (TIB), the list of beneficiaries of workers is said to have been manipulated by field-level officials and local politically affiliated quarters for their personal benefits.

The pre-pandemic times were not much better either. Just think of day labourers and construction workers. How often have we seen them sleeping in some remote corners of the streets? For a large majority of the workers, their place of respite is either the cold and open corners of the streets, or in a

tiny room in a nearby slum—notorious for being unhygienic, cramped, unsafe and often making headlines as places where massive fire outbreaks take place.

It is not like the workers in the formal sector can afford a better standard of living either. The minimum wages for the formal job sectors like garments and textiles workers in Bangladesh are as abysmal as Tk 8,100 a month since 2020, according to Trading Economics. The Global Wage Report 2020-2021 by the International Labour Organisation (ILO) pointed out that Bangladeshi RMG workers earn a mere USD 50 a month while an income of USD 252 a month is required for a decent lifestyle in Bangladesh. In contrast, Indian RMG workers earn around USD 62 while needing an income of USD 200 for a decent living in India.

Sure, we can praise our government for trying to make things better for our workers. A pool of Tk 1,24,053 crore for stimulus packages is nothing to scoff at. Improved working conditions in factories are a step forward. But there are still many factors that tend to dehumanise our country's working class. Workers need an official minimum wage for jobs in all informal job sectors for a proper livelihood. Workers need to be able to afford necessities such as proper healthcare and safe and better housing arrangements that will not endanger them in one way or another.

How long will we keep overlooking the welfare of our workers? When will we learn that the low costs of production our country enjoys come at the expense of putting the lives of our workers in financial jeopardy and uncertain futures? Or perhaps we already know that, we just do not act on it. If development comes at the price of the wellbeing of the majority of the population, can we call it development?

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An injured worker of under-construction SS Power I Plant being taken to Chattogram Medical College Hospital. Five workers were shot dead when they were demonstrating for salaries of up to three months in arrears.

PHOTO: RAJIB RAIHAN

workplace exploitation compared to formal sector workers like garments workers. The Labour Act 2006, moreover, has no set official minimum wage for informal sector workers even today, giving scope for employers to pay them according to their whims.

The Labour Act 2006 of Bangladesh has many provisions that encompass how a

demanding for their rights to be upheld.

And whenever the workers rally to protest, they are dispersed by law enforcement officials forcefully, leaving their demands unheard and workers injured—or even dead. For a recent example, on April 17, five protesting coal power plant workers were shot dead by the police in Chattogram just

QUOTABLE Quote

ALAN COHEN
author (1950—)

If you know your true worth, you do not need anyone else to confirm it.

CROSSWORD BY THOMAS JOSEPH

ACROSS

- 1 Took notice
- 6 Out of order
- 11 Make blank
- 12 Plain silly
- 13 They "wait for no man"
- 15 Maple fluid
- 16 Convent resident
- 17 Mafia leader
- 18 Dice, essentially
- 20 Left on a liner
- 23 Swiss trill
- 27 Hamlet, for one
- 28 Valentine word
- 29 Hang loosely
- 31 Exercised one's right
- 32 Forest sights
- 34 In the style of
- 37 Friend of Harry

DOWN

- 1 Hardens
- 2 Opera piece
- 3 Pack down
- 4 Trail mix bit
- 6 Bean-shaped organ
- 7 Crumb carrier
- 8 Bill stamp
- 9 Take apart
- 10 Freshman, usually
- 14 Essence
- 18 Moved stealthily
- 19 Lone flights
- 20 Throw in
- 21 Golf goal
- 22 Stop _ dime
- 24 Braille bit
- 25 Planning time
- 26 Went ahead
- 30 Straying
- 31 Merchant
- 33 Long, long time
- 34 Bond component
- 35 Folk learning
- 36 Folk learning
- 36 Tibet setting
- 38 Enterpriser crewman
- 39 Veeps superior
- 40 Hand cost
- 42 Heir, at times
- 43 Binary base

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YESTERDAY'S ANSWERS

P	A	S	T	M	I	R	A
M	A	M	I	E	A	D	A
I	R	A	T	E	R	A	Z
L	A	Z	I	N	G	I	G
E	D	E	N	R	A	I	N
R	E	D	G	A	R	A	G
S	H	A	N	I	A	O	R
S	T	A	M	E	N	A	S
P	A	Z	A	G	A	Z	I
U	T	I	C	A	C	U	R
R	U	N	O	N	C	R	I
E	G	G	Y	T	E	S	S

BEETLE BAILEY BY MORT WALKER

BABY BLUES BY KIRKMAN & SCOTT