



Promises to keep

Biden regaining American leadership:

1. Biden has been reasserting the position of his country as a driving force for democracy worldwide including pushing back on China's aspiration to be a regional hegemon in Asia.
2. Mr Biden's first 100 days in office have been coterminous with arguably the most fraught times in recent U.S. history, given the devastation wreaked by the coronavirus on life and economic activity.
3. However, the Democrat has risen to the challenge posed by the virus, when compared to his predecessor Donald Trump's response, in terms of signing into law a \$1.9 trillion pandemic relief bill and funnelling direct payments of \$1,400 per person to more than 160 million households.
4. Reports suggest that this shot in the arm could boost economic growth this year to 6% or higher, and revive the nearly 8.4 million jobs lost to COVID-19 by 2022.
5. Whether this will be enough to mollify the likely anger of wealthy Americans for the tax hikes he proposes to slap them with is unclear.
6. Yet, it is not the economy but the wounds of racist hatred that he will have to work even harder to heal.

Damage control on Global Image:

1. It is in the international arena that much work remains unfinished to repair the damage wrought by his predecessor, an isolationist who prioritised transactional and bilateral quid pro quo over strengthening the U.S. as a global voice for plurilateral cooperation and regional engagement.
2. Mr Biden, contrarily, has thrown down the gauntlet to China, assuring its President Xi Jinping that Washington would continue to maintain a strong military presence in the Indo-Pacific "not to start conflict, but to prevent one".

China Threat:

Recognising the multi-dimensional character of Beijing's challenge to the rules-based international order, Mr Biden has also vowed to stand up to "unfair" trade practices, including disallowed subsidies for Chinese state-owned enterprises and industrial espionage, as well as speak out on perceived violations of fundamental freedoms and rights relating to, for example, Beijing's aggression in the South China Sea and in Hong Kong and the Xinjiang region, respectively.



Whether facing conservative opposition to domestic policies or hostile pushback on the global stage from geopolitical rivals, Mr Biden must hold fast to the values that saw him elevated to the White House.

Is the government committed to vaccine equity?

Abandoning responsibility:

The Central government has transferred the responsibility of vaccinating people in the 18-44 age group to the States, and opened up vaccine pricing to market forces, at a time when discussions around the world are about intellectual property (IP) waiver for COVID-19 vaccines and providing free vaccines.

The impact of the new policy:

1. What the government is trying to do is keep the vaccines at market prices. These prices are quite high. The State governments may not be able to afford to supply the vaccines free or only the richer sections among this age group, who can afford the prices, will be able to get vaccinated.
2. It is some kind of market segmentation and fragmentation that the government is trying to do in order to get supply and demand to sync at some level.
3. The important objective in the policy is to accelerate vaccination but the way in which the new policy is designed, we may not achieve that, precisely because it fragments the market.
4. This is now divided into three categories at differential pricing. This is going to hamper bulk procurement and affordability. Earlier, there was only one procuring agency, the Central government.
5. Now you have States which will compete with private hospitals to procure vaccines. All this will have implications for accelerating the vaccination target.

Patent Hindrance:

1. During the TRIPS and access to medicines debate in the early 2000s, we were told that the main justification for IP protection is that it is a mechanism to recoup the investment in research and development (R&D).
2. If there is public investment in R&D, you can separate that from the price of the product. That way you can make the innovation happen as well as ensure access.
3. In the case of COVID-19, as per one calculation, \$93 billion was spent by various governments for vaccine research. Moderna is 100% publicly funded,



AstraZeneca, 97%, and Pfizer, it also got around \$2 billion as advance market commitment.

4. All these companies received public funding. After this, there is a complete de-risking of R&D as well as manufacturing, but now they are not ready to give up their monopoly, preventing the scaling-up of production.
5. These companies are not in a position to meet the global demand but are not ready to share the technology. The developed countries are preventing it. We too have taken a lesson.
6. SII, which has received the technology free of cost from AstraZeneca, and funding from the Bill and Melinda Gates Foundation to expand manufacturing capability, is now indulging in differential pricing, charging a huge amount disproportionate to its expenditure or investment.
7. The problem is monopoly and profit, not the idea of recovering R&D expenditure. We need to treat vaccines as a public good because there has been huge spending of public funds.

Any precedent for States being asked to acquire their own vaccines: None

1. The government has had the universal immunisation programme starting from the 1960s. This became a global priority from 1991-92 with the World Health Organization (WHO) piloting it, particularly with the entry of the polio pulse programme.
2. When you do central procurement as a single buyer, you have the advantage of market power and you can beat down the prices. Hepatitis B used to cost ₹750 per dose in the open market, and when the Government of India entered [the scene], it came down to less than ₹100.
3. When you fragment the market and allow pharma companies to set the price, you are giving away all your advantages to them to make super-profits.

Constitutional obligation:

1. In this context, the Central government has a constitutional obligation to stop the inter-State transfer of infectious diseases, under the Concurrent List.
2. The State governments are no doubt responsible for public health. That is why they are running around for oxygen, beds, doctors.
3. Right from the beginning, the Central government has had national programmes to combat all infectious diseases and has supplied vaccines, drugs and consumables at very low prices because of market power. The State governments implement the programme.

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