

AIDS and WHO

AIDS and smoking receive the lion's share of attention at many meetings of the World Health Organisation (WHO). But what else do they have in common? They both kill millions world-wide, to be sure. But several diseases do that. A more complex answer is that both issues allow bureaucratic elites to bypass normal codes of political conduct, sound science and economics, and to stretch their power base.

They are able to do this because the health activists – their socialist allies in health departments and pressure groups around the world – have successfully portrayed smoking and AIDS as “different” from other concerns, and hence worthy of rule-breaking. But there are two major problems with this view. First, it isn't clear what makes AIDS so different from say smallpox, and smoking is a free choice with health consequences. Second, treating these two issues as epidemics that require ignoring the normal rules of behaviour establishes a dangerous precedent.

The fact that, through smoking and AIDS, the big bureaucratic elites expand their power at the expense of big business – the favourite bogeyman of the global public sector – is icing on the cake. Recently the U.S. Senate debated a bill to expand trade with African nations that takes a heavy sideswipe at pharmaceutical companies who hold the patents on anti-HIV drugs.

An exceptional disease

An early amendment requiring pharmaceutical companies to grant licenses to low-cost producers in Africa was struck from the final legislative text because it undermined the intellectual property rights in AIDS drugs. But Californian Democrat Senator Dianne Feinstein threatened to try to block the bill unless the amendment was reinstated. Ms. Feinstein was supported by an article in the *Washington Post* on May 6, 2000, which said that “AIDS is an exceptional disease and that justifies a limited weakening of intellectual property.” To shore up his leftist power base, U.S. President Bill Clinton reinstated the drugs provision and signed an executive order – African nations can now demand that multinational pharmaceutical makers license their patented drugs to local manufacturers.

In a panic, several major pharmaceutical companies, including Glaxo Wellcome and Hoffman La Roche, offered appeasement, saying they would offer their AIDS drugs to African nations at knock-down prices if only they might keep their patents. But this could turn out to be folly, because it gives substance to activists' claims that there has been overpricing. The result is that the WHO's discussion will focus on price capping, which will weaken property rights in AIDS drugs. Meanwhile, the pleas of South African President Thabo Mbeki that new approaches and new drugs are most urgently required for Africa will be ignored.

But where would price-capping end? Since AIDS patients suffer numerous diseases, are they entitled to anti-fungal and antibiotic drugs, with wholesale prices set by health authorities? The pressure group, Treatment Action Campaign (TAC) has been demanding just this, with some success in South Africa. Under intense media pressure to submit to price-capping, the U.S. drug company Pfizer has given away some of its drug *Diflucan* (which is not an anti-retroviral drug but is used to treat serious fungal infections of the brain, to which the immuno-compromised are prone). Such a donation is still an option open to big pharmaceutical companies, but once this choice is replaced by independent price setting, it will be easy for pressure groups to encourage authorities to cap profits on other drugs. The TAC is already stating that Pfizer has “made enough money from *Diflucan*.”

Let's be clear about one thing. Reducing the profitability of drug companies reduces their incentive to develop new drugs. The inevitable result from WHO reviews of these issues will be greater

governmental control over the profits drug companies can make, and so long-term harm to new drug discovery.

Big tobacco doesn't even have it this easy, of course, as it doesn't ever get asked to the negotiating table because of its poor moral standing. Tobacco producers learn what new restrictions are to be placed on their activities through the media. No politician or consumer advocate dare challenge the anti-smoking forces for fear of being considered pro-big tobacco – a poisoned chalice for any public figure.

As a result, the framework convention on tobacco control (FCTC) which is to be debated in Geneva and made international law under Article 19 of WHO's constitution, establishes all sorts of bureaucratic overreach. It demands the abolition of all advertising and brand packaging world-wide, a requirement that the price of a pack of cigarettes be two-thirds tax (with that revenue hypothecated to anti-tobacco activities), and a guarantee of segregation for non-smokers (even in cigar bars). There is even the possibility that trading in tobacco will become subject to stringent import and export permits, requiring mountains of paperwork, which will, in effect, mean the end of multinational tobacco companies. The most insidious part of the FCTC is that it seeks to elevate the importance of health departments around the world, so that health ministers can, with WHO's blessing, interfere with the individual activities of citizens.

An 'alcohol' convention?

Most non-smokers, such as myself, will care little about the abolition of cigarette commercials, or even of cigarettes themselves, but hopefully many will see that the principles of commercial free speech and individual choice are important. But the possibilities of an alcohol convention, cholesterol taxes, and labelling high sugar products, are increasing, so contesting the principles behind the tobacco convention assumes greater importance. It could really be the thin end of the wedge. Once WHO has its convention, the legal precedent will be established for domestic health authorities to play nanny in choices of purely personal risk.

But perhaps the greatest tragedy of the focus on smoking and AIDS is that little attention will be paid to the manifest failures of health programs in other areas controlled by health bureaucrats. For example, until they were embarrassed at a recent UN meeting, WHO was on the wrong side of the anti-malaria debate, by opposing the use of DDT for mosquito control. Malaria is rampaging in Southern Africa, causing disturbingly high child mortality.

The WHO's recent assembly (June 2000) should have been an opportunity to take stock of policy successes and failures in the world of health. Unfortunately, elitist left-wing agendas and first-world guilt and preoccupations dominated the proceedings, with third-world problems (and liberty all over) taking a back seat. The result is that health activists directed media focus at big pharmaceutical companies and at "big tobacco" and their implicit or complicit contribution to death. In so doing they furthered their aims of increasing bureaucratic power and subtly undermining property rights and individual choice.

This Briefing Paper was written by Roger Bate, a fellow at the Institute of Economic Affairs and author of Life's Adventure: Virtual Risk in a Real World (Butterworth Heinemann). It first appeared in the Wall Street Journal Europe on 15 May 2000.