

EU VACCINE ACCESS AND COVID-19

Video Transcript

Alexandra Wells: My name is Alexandra Wells, I'm a research assistant at the Jean Monnet Network on Transatlantic Trade Politics. This is part of a series of interviews for the Network called the Transatlantic Trade Videos. We're here today with Tamara Kay, who is a professor of global affairs and sociology at the University of Notre Dame, and Susan Ostermann, who is an assistant professor of global affairs and political science at the University of Notre Dame. Welcome, Professor Kay and Professor Osterman, and thank you for taking the time to speak with us today.

Susan Ostermann: Thank you for having us.

Tamara Kay: Yeah, thank you for having us.

AW: So, in our interview today, we want to focus on trade and COVID-19 vaccine access. To begin, can you explain the importance of the relationship between trade and COVID-19 vaccine access?

SO: Sure, um, and I think it's...it's sort of an interesting question. My immediate reaction was that there need not be a relationship between COVID-19 vaccine access and trade. As somebody who studies the state, certainly a status approach or one based upon global governance might avoid the trade issue entirely, but that's not the world we live in. Um, for better or worse, the market is how we've agreed, tacitly or otherwise, to govern the global economy and determine allocation of resources. Since we rely on market actors to come up with solutions to our various problems, we live in a market world, and this is all well and good, I'm not anti-market, um, but if you rely on market actors, you have to also recognize that they have their own interests and incentives, and those are likely going to govern their behavior, right? Um, market actors generally want profits, and they want our, I say our being people as separate from market actors, uh, survival and health to the degree that this supports their profits. To put it bluntly, um, most members of society, however, are, if you're a little bit like me or most of the people I know, less concerned about corporate profits, especially in the middle of a pandemic, and more concerned about, for instance, your individual health or about public health. So, if we the public want to

make market actors do what's in the public interest, we have to find a way to align their interests with ours.

As a lawyer and as a political scientist, I recognize that regulation is the way that we typically do that. We can, of course, force them to do what we want them to do, but we risk getting a couple of negative tags associated with us: things like over-regulation, um, and being anti-market. Um, market actors are, of course, adept at pulling the levers of political power, so this is not necessarily the way that I would advise most people to go. Um, anybody trying to change things, anyway. Um, and also, coercion, as I write in a couple of articles and my more recent, I should say forthcoming, book, um, coercion can be costly and inefficient, so that's not necessarily what I advise.

Since we're in a market framework, we should sort of consider that briefly. Um, if we're going to incentivize investment, monopoly, patent protections, and other intellectual property exclusivities are provided for as the way that we do that. This means that a small number of pharmaceutical firms control how much and where vaccines, tests, and treatments are made. That's just the facts if you're in the market paradigm. The WTO, in a text called the WTO's Agreement on Trade Related Aspects of Intellectual Property, which is also called TRIPS, requires its 159 member nations to provide pharmaceutical firms monopoly controls over their products, including vaccines. Um, a temporary COVID-19 emergency waiver of some WTO TRIPS intellectual property barriers would remove the key obstacle to making enough vaccines, medicines, and tests to prevent, treat, and control the disease. It would also likely free countries to adjust policies to respond to the pandemic and facilitate investment in more production capacity. So, without this, I should mention, um, market actors have little reason to change their behavior.

Think about it, if you're making a bunch of profits, if governments eagerly want your services, why are you going to change what you're doing? We consider this to be an ethical issue, an issue of vaccine equity and justice. Like many others, we have been pushing through a recent op-ed, and through some other advocacy work, for global health equity. Governments invested our tax dollars to develop these vaccines. Um, one estimate shows that that the total amount invested by governments was about 112 billion dollars for vaccine development, so these are, could be considered, public vaccines, by the sheer quantity of public money that has been poured into their development. So, to democratize, considering them that way, and to develop, to democratize vaccine manufacturing and to ensure that progress is made in the developed world, that *is* made in the developed world, is not undercut by new variants that come from various places, but some places have, some of them have come from the developing world, I would argue that we need to rethink how we build capacity beyond the West, and that's what we argued in the op-ed that we'll talk about later.

Um, just a broad question would be, why do we allow technology to remain as the exclusive domain of a handful of heligolistic firms, despite public funding and windfall profits, when COVID-19 is a global threat? This is not the first time the world has faced the issue of equity related to access to life-saving medicines, we've been here before, nothing new. Uh, during the height of the HIV/AIDS crisis, millions of people died because the U.S. and other wealthy countries opposed what we would call "flexibilities" and WTO rules that would have given access to life-saving medicine to treat people. The flexibilities ultimately were agreed upon to mitigate some negative impacts intellectual property rules may have on public health, but they're not really designed to fight a global pandemic. This is not really what all of this is about. Um, countries have tried using the flexibilities in the past, um, and they've faced fierce U.S.

opposition. Unsurprisingly, the E.U. is not all that different. In an attempt to derail the TRIPS waiver negotiations, it's been pushing for a WTO declaration that reaffirms existing flexibilities that are not workable for necessary scale-up of COVID-19 vaccines, tests, and treatment production. All of which is to say that, in a world in which there is only trade to secure COVID-19 vaccine access, you can expect subpar outcomes. When we bring the state back in, we can rebalance the scales in favor of the public interest.

AW: And you have recently published an op-ed that focuses particularly on capacity building for pharmaceutical manufacturing and vaccine distribution in low-income countries. Can you explain your argument?

SO: The op-ed that I was talking about earlier was a sort of logistical and ethical argument. Um, TRIPS, a TRIPS waiver, we argued, was necessary to stem the global 19, a global COVID-19 pandemic, um, but that it was also not sufficient. So, it's a first step, it's great, but it's not going to actually get the job done. Um, what was missing from discussions of intellectual property is that few of the countries with the potential to produce sophisticated pharmaceutical products currently have the technological capacity to manufacture things like mRNA and adenovirus vector vaccines to global standards. Um, this is a sort of result of, or a residual effect, of the high concentrated nature, a highly concentrated nature of the global pharmaceutical industry which impedes the transfer of production technology beyond a handful of countries. As I said before, these market actors have very little incentive to change their behavior.

Current production capacity simply can't supply enough vaccines, treatments, or diagnose...diagnostic tests for the world. The poorest countries, um, may have to wait until 2024 for mass immunization. More than halfway into 2021, um, and this is just the data we have, vaccine production since 2020 hit only 4.25 billion doses, while 11 to 15 billion are needed for global herd immunity. Um, when I talk to colleagues in South Asia and in Africa, remarkable numbers of them haven't received a single dose, whereas just about everybody I know who wants one, two, or three doses, uh, here in the West, is doing very well in terms of meeting their own personal goals in in that regard. Building greater supply capacity is vital. Um, by late 2021, major vaccine producers were starting to shift production to boosters because, guess what, they want profits, right? Um, and I think what we're going to see as, um, the booster discussion continues, or, not just boosters, but, um, vaccines that are tailored to deal with new variants, manufacturers are going to start tailoring to some sort of fall shot that combines flu and COVID-19 for developed countries and developing countries will still be left without the vaccinations they need.

AW: And throughout this pandemic we've seen that vaccine producers and pharmaceutical companies are hesitant to share their technological expertise more broadly given reservations about the complex and relatively new technology involved. Do you expect that pattern of hesitancy to change in future?

SO: No, um, at least not...not without a change in, uh, some of the other dynamics, right? Um, we already see some examples of production beyond the West, but not what we need. Um, the Serum

Institute of India is already producing a large proportion of the AstraZeneca vaccine that is bound for Europe, as well as the AstraZeneca vaccine that is bound for domestic use within India. Um, there's no reason why it, and other Indian manufacturers, so the Serum Institute of India and other Indian manufacturers, and those in other countries with emerging scientific and technological capacity, could not produce much more for the developing world over the next year. This is pretty much exactly what was envisioned by the WHO's CTAP Program, but some of the biggest names in the, in the room, or in the game I should say, Pfizer and Moderna, with the backing of the Trump administration at the time, opposed the CTAP Program. I should also mention, in response to this question, that there is some publicly minded distribution of COVID-19...COVID-19 vaccines, for instance, uh, the sort of country of the...the week, Russia, has actually licensed the production of Sputnik 5 to over 30 different companies outside of Russia. Manufacturers might be more willing to do so if public funding was used to ensure that production could be done to their exacting standards, so put differently, technology transfer is not easy, it has costs, and long-term benefits. This is exactly when state intervention in the market can make a difference.

AW: And, in your research, you note the global threat of the COVID-19 pandemic and the fact that there is a need for incentives for pharmaceutical manufacturers to share their expertise and support to manufacturing partners in low-income countries to radically expand production capacity. How do you see trade involved in creating those incentives?

TK: In the article that Susan and I wrote with Adnan Nasimullah that was published in The Hill, we argued that, actually, the U.S. government is pretty well placed to change the incentive structure of the global pharmaceutical industry. So, first it can actually supply multinationals with generous financial inducements to build capacity for vaccine production throughout the world and this would create a network of producers that can vaccinate hundreds of millions with positive spillover effects moving forward. And this is particularly compelling as it becomes increasingly likely that COVID-19 booster shots, and even annual vaccines, will be necessary. So, such an effort would need to be paired with legislation that limits shareholder suits and this is, uh, this is Susan's specialty, because few corporate managers will want to be responsible for moves that, while clearly in the public interest, undermine shareholder value. But, if necessary, the U.S. government is also well poised to actually use pressure. So not just carrots, but sticks, and companies that will comply with capacity building strategies through technology transfer can be stripped of existing patents for lucrative drugs. This is a move that international relations scholars call issue linkage. The state provides intellectual property protection as an incentive. It can also be taken away in the same way that property owners refusing to pay taxes can lose their property.

AW: And given the need for global vaccination, is there a way to ensure that trade policy supports the development and timely distribution of COVID-19 vaccines?

TK: Well, you know, Susan and I, um, we were thinking about Jonas Salk, and how he invented basically the polio vaccine, and he decided not to patent it, not to own it. And when asked why, he said “Could you patent the sun?” So, Jonas Salk saw the polio vaccine is belonging to all of humanity and every region in the world has firms that make vaccines, treatments, and tests if they have the capacity to do that if intellectual property barriers are waived. Um, some vaccine makers contract with these firms but limit how much is made and where it is sold. So, you know, again, as Susan mentioned, um, you know, we feel strongly that if we're going to use markets to...to deal with global vaccination and vaccines, then we should be thinking about this ethically as Jonas Salk did. Um, and, you know, pushing for the for the TRIPS waiver with the WTO and for governments to, um, do, actually, what is in the best interest of public health, right? And you can even support TRIPS waiver and...and think selfishly in the sense that, you know, if the world isn't vaccinated, if the world isn't treated, it's likely that this pandemic will go on. We'll see more iterations of, um, of the virus and, um, you know, so it's in the best interest of countries in the global north or in the West to be very active in solving this problem.

AW: With respect to trade and the international distribution of COVID-19 vaccines, what measures can governments take to facilitate prompt distribution of vaccines?

TK: So, first we would argue to push for sign agree to the TRIPS waiver, right? But the current global programs are actually not enough to immunize the majority of the world population as quickly as possible. Um, Covax, which is a joint initiative of several international bodies, plans to distribute vaccines only to 20 of low- and middle-income countries and they can't get enough vaccine supplies. And, meanwhile, not a single drug firm has donated rights to for COVID-19 medical technologies through the WHO COVID-19 technology pool, right? Which would have, would have, you know, set us on a better path. Not a perfect path, but a better path. But, again, given the global threat, a threat that will not truly diminish, um, locally until it diminishes globally, we should create incentives for them to lend their expertise and support to manufacturing partners of their own choosing in low-income countries to radically expand production capacity of the vaccines.

And I should also note that Dr. Peter Hotez at Texas Children's Hospital Center, uh, for Vaccine Development in the Baylor College of Medicine, um, basically created, um, a free, the first free COVID vaccine designed specifically for global health. It is patent-free, it's called Corbevax, and it has been hailed as a milestone for global health equity. And it's an incredible vaccine, because it's...it's easy to create and easy to distribute. And, so, you know, governments could be doing this kind of work to support research and distribution of these kinds of vaccines that are actually targeted to the global south or lower resource countries.

AW: That kind of brings us to our final question. Given that there is a global demand for COVID-19 vaccines and a geographically concentrated production of COVID-19 vaccines, how does trade policy help mitigate the logistical challenges in distributing vaccines?

TK: Well, I think it's important to keep in mind, as Susan also mentioned, that, you know, um, many, many, many countries across the world, including low resource countries or what we used to call developing countries, have the capacity, have the know-how, have the knowledge, have the skills and talent, um, to be able, um, to produce vaccines, and to even innovate and develop vaccines. So, you know, if we have a scenario where, um, you know, they're...they are prevented from doing so, um, and if the trade, uh, sort of the...the governance institutions that govern global trade can help mitigate some of the logistical challenges in creating and distributing vaccines, then, you know, that should be where everybody is going.

And as, you know, we've said before, we can use trade policy to build capacity all over the world and the way that Susan Adnan and I discussed this in our, in our, um, uh, op-ed, was to really push, and we are not the only ones by far, um, we are just banging the drum of democrat democratizing access to life-saving vaccines and thinking about global health equity. And part and parcel of that, is to think about trade equity and trade, um, ethical trade, and so if we start to think, which activists actually have been doing for the last 40 years, about the implications of trade for your average person, we should really be thinking not just about profits, but about protecting the environment.

You know, initiating global trade policy that gives access to critical medicine and care for people all over the world, um, that, you know, protects...protects, um, we've seen here with COVID the...the impact on global supply chains so that mitigates the impact when supply chains become fragile or broken so that, when we have these crises around the world, everybody still has access to what they need. And I think that, really thinking about ethical trade advocacy and thinking about democratizing access to life-saving health care and, in this case, vaccines, and to thinking about the problems of COVID in relationship to equitable, um, vaccine distribution is really the key to all of this. And I have to say, it's totally doable, right? We don't lack the technology, we don't lack the knowledge, we simply lack the will.

AW: That ends our interview today and, again, thank you Professor Kay and Professor Ostermann for joining us.

TK: Thank you so much, Alexandra, it was a pleasure.