

Bird flu in India: profits override public health concerns

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When the first bird flu outbreaks were reported in India last month, the central government issued mixed messages to the public, at times minimising the arrival of avian influenza in the country, while taking sweeping measures to cull bird flocks.

A house-to-house search for people suffering unexplained fevers began in the small rural town of Navapur in the western state of Maharashtra after the H5N1 strain was first identified in birds in the area. As a precaution, the authorities sealed off Navapur and 19 neighbouring villages, with a combined population of 30,000. A second outbreak was reported in the town of Uchchal in the neighbouring state of Gujarat.

By February 27, nearly 400,000 birds had been slaughtered within a 3 km radius of the affected areas, Department of Animal Husbandry joint secretary Upma Chowdhary told the media. She said samples from Navapur and Uchchhal had tested positive for bird flu, but all the other 516 samples taken in different parts of the country had proven negative.

Fourteen people from Navapur with susceptible symptoms were quarantined and placed under medical observation, including three children under the age of two. Another 90,000 persons in the area were being tested for possible infections.

According to the *Asia Times*, despite the potential dangers the central government has allocated only \$US25 million to contain the spread of the virus and to upgrade three laboratories in Bangalore, Chennai and Kolkata, in addition to the central laboratory in Bhopal, to diagnose influenza. Agriculture Minister Sharad Pawar echoed the financial calculations in business circles by insisting that the media should not create "disproportionate hype" about the issue because it might severely affect the rural economy.

India's poultry giants are making concerted efforts to minimise the risks. Reports of bird flu sent Indian poultry sales plunging by 80-90 percent and halted exports to neighbouring countries, the Middle East and Japan. This triggered share price falls of up to 15 percent for the major poultry producers, Venky's India and SKM Egg Products. Major tourism stocks—Asian Hotels, Oriental Hotels and Royal Orchid—also declined sharply.

India is the world's second largest egg producer and the fifth largest broiler producer, with a rapidly growing industry worth an estimated \$6.7 billion. About 60 percent of the 490 million

poultry farms belong to the commercial sector and the rest are small backyard producers, on which 3 million livelihoods depend.

While the poultry giants are losing lucrative export deals, small farmers face the extermination of their livestock with little or no compensation as a result of rash and ill-managed quarantine measures imposed by state authorities that lack trained staff and sophisticated equipment. According to some news reports, the Maharashtra government has promised to pay \$1 per slaughtered chicken, which distressed farmers say will not even compensate for half their expenses.

Navapur is a typical Indian rural town, with little basic social infrastructure and no effective and affordable medicine at the state-run dispensary. There is high unemployment and children dying of malnutrition. Most villagers were not adequately informed what bird flu meant, let alone told how it was spread and the necessary preventive measures. The absence of a state-sponsored awareness and prevention program has been compounded by staggering illiteracy levels.

Following the flu outbreak, the state government had to set up a special care unit in the sub-district hospital, providing isolation beds and additional staff to treat patients. Basic medical equipment had to be sent for, including four ventilators, and two anaesthetists.

Dr. Archana Chitte, the only doctor in Sarel, another Maharashtra village, told the BBC he was responsible for the health of 28 surrounding villages with more than 20,000 people. "Why doesn't the government have a system where there are two doctors responsible for this number of villages, so that we can alternate our days? Sometimes I have to travel to nearby villages to pick up supplies, and medication. Who looks after the patients on those days when I'm gone?"

His comments provide a glimpse into the appalling conditions in India's rural areas, where two-thirds of the country's population still reside, lacking sanitation and other hygiene facilities. A National Sample Survey Organisation (NSSO) study of village infrastructure in 2003 found that 54 percent of villages were more than 5 km away from the nearest Primary Health Centre and 27 percent were more than 10 km away. Only 10 percent had a dispensary and only 20 percent had a private clinic or doctor.

World Health Organisation (WHO) statistics show India has a national average of only 45 doctors and 8.9 beds for every 100,000 patients, with the levels far lower in the poorest states. India is ranked 127th out of the 177 countries in the Human Development Index, a measurement based on social indicators.

Dr Chitte also complained: “There’s a lack of running water and electricity here.” Maharashtra has an electricity shortage because of the demand generated by foreign and local industries centred on Mumbai, one of India’s major financial and industrial hubs. The state government recently appealed to people to cut power consumption by 20 percent.

Many rural people depend on breeding livestock as an additional food supplement. They live in densely-populated hamlets in close proximity to animals such as fowl and pigs. So far, all the 170 people infected with bird flu worldwide (of whom 92 have died) worked, or came in contact, with sick birds.

The danger is that under these conditions bird flu may mutate into a deadly virus that is transmissible from human to human. If that takes place, a global pandemic may emerge that claims millions of lives around the world.

The Indian government spends less than 1 percent of GDP on public health care. It has one of the world’s most privatised health care systems due to the economic reforms implemented by successive government since 1991. As a result, Indian health costs are growing at a staggering 14 percent a year, while the country has the highest annual death toll due to tuberculosis. Many more die from preventable and treatable diseases such as malaria, dengue and cholera.

K.N. Nagaraj of the Madras Institute of Development Studies commented: “Very few nations have lower public health spending (as a share of GDP) than our own. Those include Myanmar, Burundi, and Azerbaijan. On the other hand, maybe just 12 developing nations exist where private spending on health (as a share of GDP) is more than in India... If we look at private spending as a share of total health expenditure, it gets worse. In India it is 78.7 percent.”

This policy is set to continue, regardless of the bird flu threat. Although Indian Finance Minister P. Chidambaram tried to present the United Progressive Alliance (UPA) government’s third budget, delivered this week, as an “antidote to poverty” and “pro-poor,” he insisted that the government must further slash its budget deficit.

Global and local pharmaceutical companies are positioning themselves to profit from any outbreak of avian flu among humans. Ranbaxy, India’s leading pharmaceutical company with 80 percent of overseas sales, confirmed that it is at an advanced stage of talks with Roche for a license to make the Swiss corporation’s anti-viral drug Tamiflu (oseltamivir). Another Indian-based company, Cipla, is racing to strike sub-licensing deals with Roche for manufacture and supply of the drug.

India’s draft National Pharmaceutical Policy has curbed the

production of low-cost generic drugs for life-threatening and chronic diseases, following changes to India’s patent legislation to conform to the World Trade Organisation’s Trade Related Intellectual Property Rights (TRIPS) patent regime, which commenced in January 2005.

During 2006 a large number of global pharmaceutical majors are expected to outsource manufacturing to Indian companies, which enjoy much lower costs than their Western counterparts. Goldman Sachs, an investment bank, estimates that India’s overall research-and-development costs are one-eighth of Western levels. Last year, the net profits of 50 leading Indian pharmaceutical companies increased by 32.4 percent.

The Congress-led UPA government, which is propped up by the “Left Front,” has continued to liberalise the research sector by proposing to reduce excise duty on pharmaceutical products from 16 to 8 percent and scrap price controls for drug companies that have a major chunk of the domestic market.

Meanwhile, the vast majority of India’s people will be unable to afford Tamiflu. Roche has told its shareholders that it is seeking to charge \$17 per treatment in industrialised countries and a “generous” \$14 in developing countries. One treatment course of 10 capsules, lasting five days, would cost more than a half a month’s income for most Indians.

Studies have shown that 30 percent of India’s population survives on less than \$1 a day, with both the rural and urban poor living in unhealthy slum dwellings.

Nevertheless, the Indian government has rejected help from international health agencies to cope the bird flu risk, insisting that India is in a position to “handle the situation on its own”. As well as endangering Indians, this narrow, parochial attitude flies in the face of the need for international scientific and medical coordination to deal with what is a global, not a specifically Indian, problem that has now been detected in 20 countries.

An avian flu pandemic could become a massive human disaster in India and globally as a direct result of big business pursuing its profit interests, assisted by government policies of riding roughshod, for base commercial and cost-cutting reasons, over the health concerns of millions.



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