

The swine flu pandemic and the market

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President Barack Obama declared a national state of emergency last Saturday over the H1N1 or swine flu virus. The US government had over seven months to get ready for the emerging H1N1 pandemic, after epidemiologists warned that the most significant outbreak might come in the late autumn and winter months.

Yet the Obama administration and state governments now appear caught unawares, with insufficient vaccine supply and woefully inadequate public health infrastructure to deliver what little is available. The question is, what was done during the last seven months to prepare to confront this entirely foreseeable crisis?

The Obama administration turned over the response to the swine flu to the “free market,” predicting, with unwavering faith in the profit motives of the big pharmaceuticals, that an abundant supply of vaccine would be produced. At the same time, state and local governments were busy slashing public health care budgets and laying off administrators, doctors, nurses and other public health employees, in line with President Obama’s insistence that “tough choices” be made on social spending.

These policies have combined to produce a failure so stark that more than one commentator has compared the present crisis to the popular anger resulting from President George W. Bush’s catastrophic response to Hurricane Katrina.

Long lines of people seeking the vaccine have formed in cities and towns all across the US. They have been left at the mercy of a public health system so weakened by budget cuts and layoffs—with the resulting cost savings flowing directly or indirectly into the coffers of the extremely rich—that health workers have been forced to act as what the *New York Times* called “ad hoc swine flu police,” whose primary concern is, of necessity, crowd control.

The great majority of those seeking the vaccine have been turned away, among them those most vulnerable to the virus: pregnant women, parents seeking vaccinations for their children, those already sick, and the elderly.

The general lack of the vaccine will result in many deaths before the virus runs its course. H1N1 has already claimed more than 1,000 lives in the US. While the total number of deaths remains small compared to the number of people who die from typical strains of the flu in a year, the death rate for those who contract the virus is higher than for typical flu strains, and its advance more rapid.

The failure of major pharmaceutical corporations to provide a sufficient supply of vaccine against the H1N1 virus exposes a central myth propagated by the defenders of capitalism—that the “invisible hand” of the market can rationally distribute necessary goods and services.

Pharmaceutical corporations had estimated that by the end of October they would be able to supply 40 million doses of the inoculation to the US market. It is now anticipated that only 16 million shots will be available, according to the Center for Disease Control (CDC). The largest single contractor, Swiss-based Novartis AG, has said it will be unable to meet its quota of 90 million doses even by the end of the year, likely meaning that the shortage of immunizations will continue into the new year.

The pharmaceuticals produce the flu immunization by growing viruses in chicken eggs, a process that takes between six and nine months. The drug companies did not prepare for the possibility that first production runs might fail, simply assuming they could deliver an abundant supply at the end of the six-month production cycle.

The reliance on this old and time-consuming method is not fundamentally a technical problem. The big

pharmaceuticals find the production of flu immunizations unprofitable. The shots sell for little, and due to the constantly mutating character of flu viruses, an entire year's production exhausts its usefulness at the end of the flu season.

It is perhaps for this reason that the largest US-based pharmaceuticals do not produce flu vaccinations. Among the five pharmaceuticals contracted to produce inoculations for the American market, not one is US-based.

The pharmaceuticals have enormous resources at their disposal to develop more modern ways of mass-producing vaccines. The two largest US pharmaceuticals, Johnson & Johnson and Pfizer, had combined revenues of over \$100 billion in 2008.

But profits are handed over to multimillionaire executives and stockholders, and the lion's share of revenues are plowed back not into research and development of new and vitally needed drugs, but rather into marketing and administration. Research and development itself is concentrated on what are known as "me too drugs" that are only slightly different from existing top-selling drugs, but provide the means to capture a share of a profitable market with a patented product.

The scientific and medical effort to understand and combat the swine flu is further compromised by the lack of a global strategy, which arises directly from the system of competing nation states.

While the virus knows no national boundaries, the governments of the wealthier nations have each adopted their own strategy based on laying hold of the largest possible share of the immunization doses produced. Only if there are leftovers—an increasingly dubious proposition—will the vaccine make its way to poor countries, where the virus has the potential of inflicting its greatest toll on populations without access to health care or adequate food, clean water and sanitation.

The central problem exposed by the swine flu outbreak is not scientific or medical. Contrary to the unfounded and, in many cases paranoid, assertions of certain groups, both "left" and right, there is no scientific or historical evidence to doubt the necessary role of vaccinations.

The problem is the subordination of scientific development to the profit drive of the pharmaceutical

corporations and the decimation of the public health system. On a global scale, this is combined with the chaotic system of competing national governments. Liberated from these constraints, there can be no doubt that science and medicine would substantially improve the length and quality of life for billions of people across the planet.

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