

World Bank's Desired Policies and India's Health Sector: Some Not So “Unexpected” Consequences



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Key Health Concerns with WTO Agreements

Agreement	Health impacts from loss of
Agreement on Trade Related Intellectual	Limited access to essential medicines. Higher cost of drugs drains money useful for primary health care.
Agreement on Sanitary and Phytosanitary Measures	Requires scientific risk assessments even when foreign goods treated no differently than domestic goods (i.e. there is no discrimination). Such assessments are costly and imperfect with many health risks associated with environmental and manufactured products.
Technical Barriers to Trade Agreement	Requires that any regulatory barrier to the free flow of goods be as 'least trade restrictive as possible'. Many trade disputes over domestic health and safety regulations have invoked this agreement. To date only one dispute favoured the exception allowing countries to abrogate from rules to protect health (France's ban on the import of Canadian asbestos products).

Agreement on Trade Related Investment Measures	Limits countries' abilities to direct investment where it would do most good for domestic economic development and employment equity, both important to population health.
Agreement on Government Procurement	Limits government's abilities to use its contracts or purchases for domestic economic development, regional equity, employment equity or other social goals with strong links to better population health.
Agreement on Agriculture	Continuing export and producer subsidies by the USA, EU, Japan and Canada depress world prices and cost developing countries hundreds of millions of dollars in lost revenue which could fund health-promoting services. Subsidized food imports from wealthy countries undermine domestic growers' livelihoods. Market barriers to food products from developing countries persist and deny them trade-related earnings.
General Agreement on Trade in Services	Locks in and could increase private provision of key health-promoting services, reducing equitable access by poorer families and groups.

PPP in Gujarat

- To reduce maternal mortality, institutional delivery is being encouraged under the Chiranjeevi Scheme
- The Consequence: Skills of Traditional dais have been devalued and dais feel neglected
- It is not clear maternal mortality has indeed decreased
- But cost of delivery has increased as also no. of caesarians

According to NFHS

- MMR in the last decade has increased from 424 to 540 maternal deaths per 1 lac live births
- About 1.3 lac mothers die every year during childbirth

Today

- More people are seeking health care in the pvt sector than 15 years before –leading to more rural indebtedness
- One of the causes of farm suicides is also health care related loans

Per capita food availability

- Fall in annual food grain availability per capita
- From 177 kg (1990) to 153 kg (2003-04)
- This is lower than the 157 kg average during 1937-41
- This when per capita incomes have been increasing!

RDA (Recommended Dietary Allowance)

- Is 2400 calories (for rural areas; for manual and heavy labor it is more)
- In 2004-05 more 87 % of India's rural population were eating less than 2400 cals per day (that is more than 87 % BPL!) – which means you need Rs 795 monthly expense per head (only on food)
- At official Poverty Line, of Rs 356, you can get only 1820 cals!
- Which means a spiralling cycle of hunger and disease

Lower Calorie Intake means

- Lower Nutritional levels
- Lower body weights (average women weighing around 25-30 kgs)
- At these weights, many medicines do not work in adult –the body metabolism is simply not there
- For example anti-TB medicines

IMR

- Stagnation of the rate of decline of IMR in nineties at 10 %
- 1971-81: 14.7 %; 1981-91: 27.3 %
- Similarly U-5 mortality percentage decline in 90's has come down to 15.7 % from 35.7 % in 80's

Reasons for decline in per capita food availability

- Demand deflating, unemployment raising policies of Govt
- Pricing out poor from PDS as food subsidy was cut
- Targeted PDS from 1997
- Resulting in massive fall in offtake from ration shops: 21 million tonnes in 1991 to 13 mt in 2001

Reduced calorie intake

- Has led to increased rural poverty in the decade from 1993-94 to 2004-05
- Across **Punjab**, Haryana, **UP**, Gujarat, **A.P.**, **Rajasthan**, **MP**, **W Bengal**, Bihar, **Orissa**, **Maharashtra**, **Karnataka** and **Tamil Nadu**
- **Red ones** are coincidentally states where Bank HSDP (or Bank inspired Health reforms of some kind) have been implemented

Privatization trends

- IFCI invests in Wockhardt Hospital
- Picks up equity in Apollo
- Apollo gets land at dirt cheap rate in Delhi
- Health Tourism (estimated to reach Rs 10,000 crores)
- Result: health becomes costlier for our own poor health tourists traveling from village to city

Pharma policies

- Product patents
- Trend towards drug decontrol and “let market take over drug prices”
- Increase in drug prices
- Market is dominated by big players
- **Competition does not work in the pharma sector**
- Brand leader is price leader
- Clinical trials – no regulation
- Property amidst plants

Are India's “low-priced” drugs affordable in India?

- Affordable for whom?
- Cost of drugs for multi-drug resistant TB (maintenance phase) is equivalent to 737 days of daily wage of a wage laborer in India
- Daily wages is Rs 60/- average (One Euro – Indian Rupees 50)
- Coronary heart disease: 209 days of wage labor
- Prevention of Hepatitis A: 30 days of wage labor

Prices of other commodities are not controlled?

- Telephone rates, Insurance premia, Electricity tariff, Bank Interest rates
- Why do Bank documents not talk of regulating prices of Medicines?
- Are medicines less important?

Opening up of Economy?

- Divide big States into small states –the latter is usually mineral rich
- 80 % of India's minerals and 70 % of India's forests are in resource rich tribal areas
- Tribal districts of CHhatisgarh, Orissa, Jharkhand, Karnataka and Maharashtra are to get over US \$85 million investments

This means:

- Acquisition of huge amount of lands at the expense of tribal people's livelihoods, homes and lands
- People protest
- Govt says Naxal inspired
- Govt's response in Chhattisgarh: Salwa Judum – “counter-insurgency vigilantism”

Companies needing lands in Chhattisgarh preferably through “sweet heart deals”

- All the large cement producers have a significant presence in the state, including AV Birla Group (Grasim Industries, Ultratech Cemco), Gujarat Ambuja Cement, ACC and Lafarge.
- Metals and mining companies: Essar Steel, Jindal Steel and Power Ltd, South Eastern Coalfields Ltd, and others.
- Plans for new or expanded steel and aluminium plants in Chhattisgarh that would require land acquisition have been announced by SAIL, Jindal Steel, Monnet Ispat Ltd, Visa Industries Ltd, Bhushan Ltd, Sanvijay Rolling & Engineering Ltd, BALCO, a part of the Vedanta Resources Group, Bajrang Power and Steel Industries Limited, SKS Steel Limited, Raipur Alloys & Steel Limited, and Ind Synergy Limited.

Companies needing lands in Chhattisgarh preferably through “sweet heart deals”

- Subsidiaries of the giant global U.S. AES Corporation are setting up a coal-based power plant in Chhattisgarh and will undertake coal mining for captive consumption.
- AES has been condemned for environmentally abusive projects from Uganda (the planned destruction of the Bujagali Falls) to Panama (rainforest destruction).
- In Argentina, AES claims that under international law a "sweetheart" deal it had with a prior (and now universally acknowledged to be corrupt) government cancels the nation's laws.^{11/13/2009}

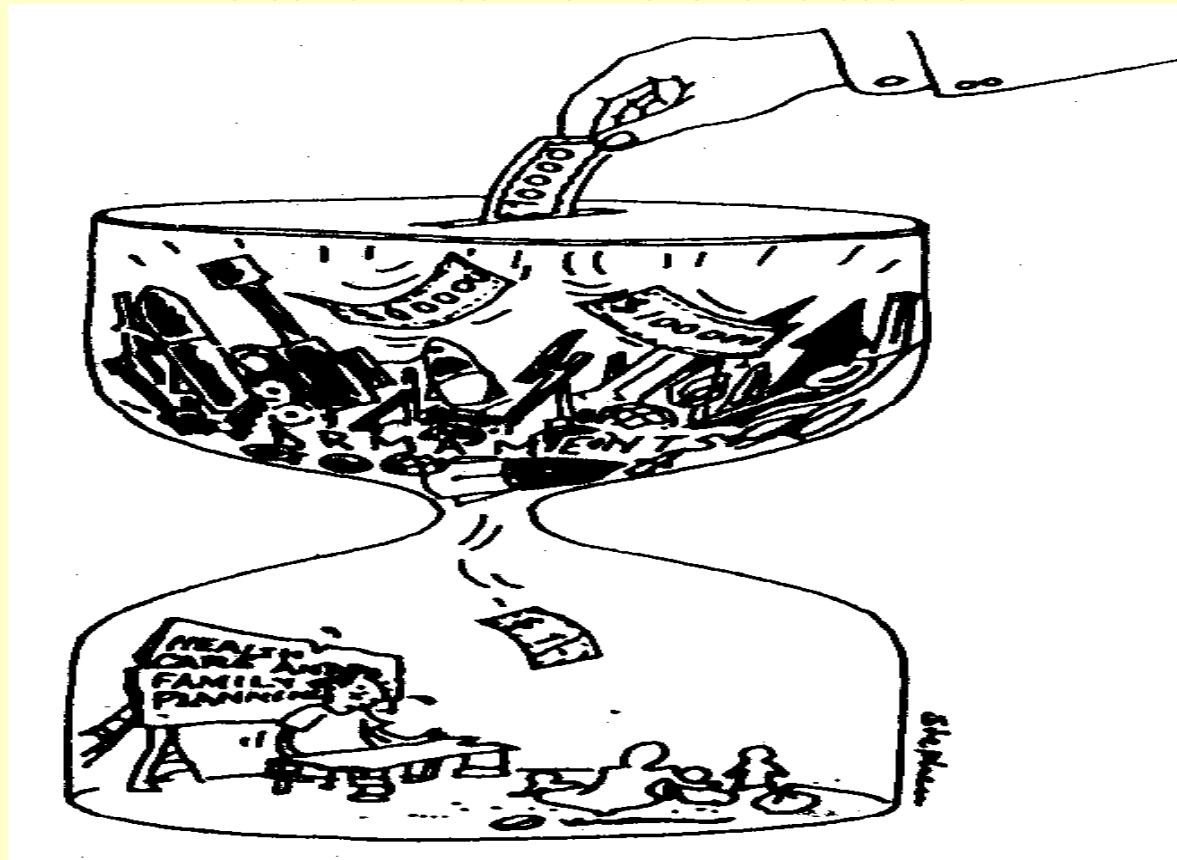
Six Companies Seek Chhattisgarh's Diamond Resources

- Led by the international giants De Beers and Rio Tinto. Many of these plans would require strip mining.
- Real estate speculators are of course at the heart of this opportunity for plunder.
- PACL India, a company developing and building townships and housing units, has planned to purchase up to 5,000 acres in various districts of Chhattisgarh during the current financial year for different projects.
- A proposed new capital city would see in its initial phase of construction an IT Park, a golf course, and a five-star hotel. IL&FS Infrastructure Development Corporation is partner and advisor for the project.

For opposing irrational industrialisation and

- Violation of Human Rights
- Extra judicial killings (fake encounters)
- Dr Binayak Sen, a health activist jailed by govt
- Will the Bank Strategy paper section on Governance assert that human rights are more important?

Why does structural adjustment not slash military budget instead of health and education?



Source: David Werner, et al. *Questioning the Solution*.