



Trade Union  
Advisory Committee  
to the OECD  
*Commission  
syndicale consultative  
auprès de l'OCDE*

## **TUAC briefing: Covid-19 vaccines – challenges and perspectives**

Paris, 10 March 2021

OECD countries have recognised the need for effective policies to combat the spread of the Covid-19 virus and return to economic activity whilst the OECD has provided important insights and data. With the pandemic still uncontrolled, the approval of several vaccines and the consequent launch of vaccination programs brings some hope of a reopening. In our latest health briefing, the TUAC establishes its overview of the current state of vaccination programmes and puts forward some perspectives and a trade union response.

### **Key messages**

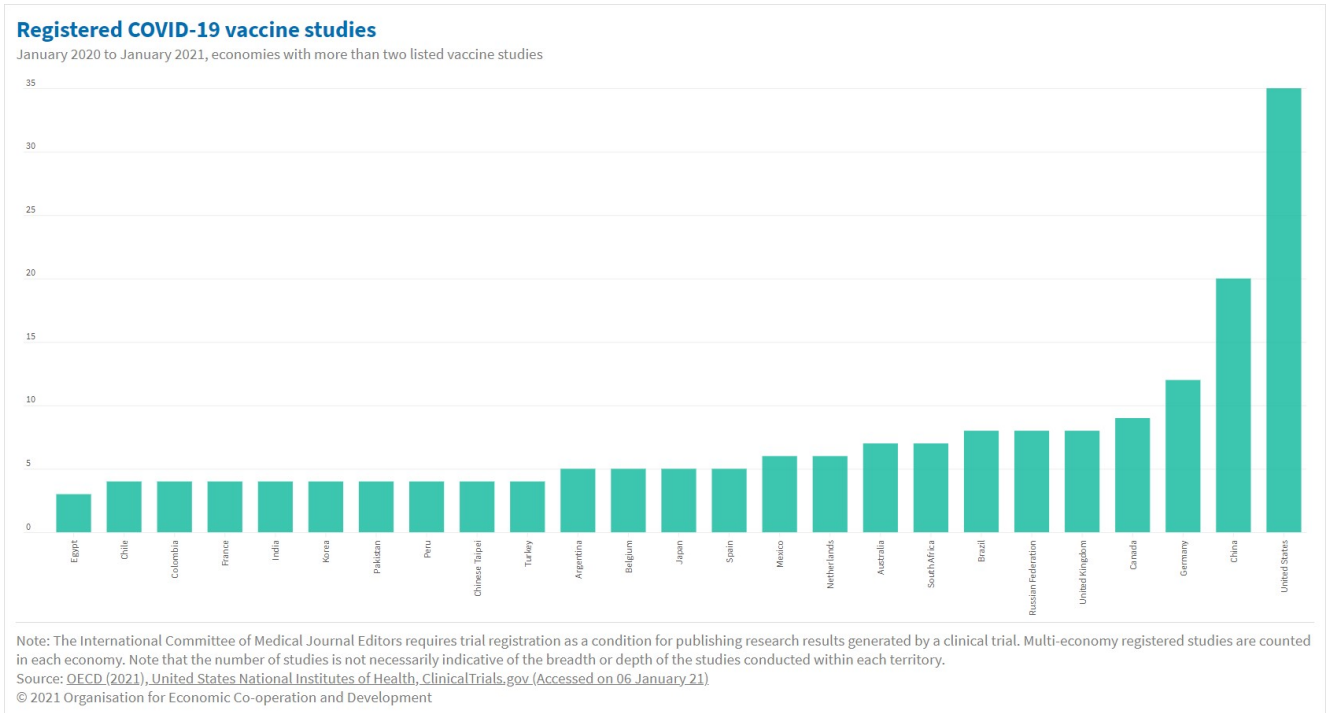
- Governments must accelerate actions to address occupational health and safety of all frontline workers – including health care workers ;
- Access to vaccines is an essential part of recognising Covid-19 as an occupational disease ;
- Governments must work to avoid creating a two-tier vaccine system by ensuring a fair access to vaccines for all countries – including developing countries ;
- Territorial intellectual property rights should be suspended in order to ramp up production of Covid-19 vaccines.

### **State of play**

According to the United Nations World Health Organisation (WHO), the number of reported global new Covid-19 cases grew to 2.6 million new cases in the last week of February, a 7% increase compared to the previous week, otherwise following six consecutive weeks of declining numbers.<sup>i</sup> The global spike was driven by increases in the Eastern Mediterranean (14%), South-East Asia (9%), Europe (9%) and the Americas (6%). The WHO notes possible reasons include the continued spread of more transmissible variants of concern (VOCs), relaxation of public health and social measures (PHSM) and fatigue around adhering to PSHM measures.<sup>ii</sup>

The number of new deaths continued to fall for the previous four weeks, though still with nearly 63,000 new deaths reported in the week of 28 February.<sup>iii</sup> The pandemic remains serious with a global cumulative number of 113.5 million cases and over 2.5 million deaths since the start of the pandemic.

Providing some reason for optimism is the progress of vaccination programmes in many OECD countries. Currently, three vaccines (BioNTech and Pfizer, Moderna and AstraZeneca) have been approved in most countries and more than 70 vaccines have entered clinical development. These initial efforts allow us to turn attention to adapting vaccines to address new variants of the virus at a greater scale.



## Protecting health care and other frontline workers

Despite reported progress, the Covid-19 pandemic continues to present an acute occupational hazard for health care workers. The OECD has on several occasions noted the importance of protecting health care workers in order to boost staff capacity in the health sector.<sup>iv</sup> Governments need to support and protect health care workers and recognise Covid-19 as an occupational disease.

Governments must accelerate actions to address the occupational health and safety of health care workers, but also extend efforts to all frontline workers including workers in transportation and everyday services. Despite some common threads, the definition of frontline workers might vary across national, regional and local contexts. Governments need to involve social partners via social dialogue when identifying needs and vulnerable groups. In this regard, it should be stressed however that guaranteeing access to vaccines is essential in the recognising Covid-19 as an occupational disease.

## Leaving no-one behind - really?

OECD countries represent about 16% of the world's population, and yet they have already secured more than half of all Covid-19 vaccine contracts. OECD member countries have a responsibility to ensure equitable vaccine access and delivery not just for their own populations but also for developing, low and middle-income countries. The OECD has sounded the alarm noting that the Covid-19 crisis is likely to be the biggest test of global

solidarity we have ever faced.<sup>v</sup> Still, not all countries have heeded the OECD's call to action.

Failing to ensure the widest possible vaccine distribution defeats any progress made, prolonging the pandemic, as the virus would continue to spread, mutate, and render existing vaccines useless. OECD member countries must assist one another to deter any possibility of a two-tier vaccination model, leading to two-tier mitigation of the deadly disease. Low- and medium income countries must never be left to fend for themselves.

Trade unions have overwhelmingly welcomed the WHO COVAX Initiative – “Covid-19 Vaccines Global Access” (COVAX) facility of the WHO programme “Access to Covid-19 Technologies Accelerator” (ACT-Accelerator) – established in May 2020.<sup>vi</sup> It is a key priority of labour in G20 and G7 forums. With 190 member countries and a goal to reach 20% of people in the world's poorest countries by the end of this year, and producing 2 billion doses in 2021 with the majority going to 92 low- and middle-income countries, COVAX is the largest multilateral effort since the Paris Agreement representing about 90% of the world's population.

As such, the COVAX initiative would fundamentally address vaccine injustice, but significant headwinds from business and governments deter progress. The initiative has yet to secure necessary funding to reach its initial goal of making 2 billion doses. The OECD 2020 Development Co-operation Report<sup>vii</sup> notes that another USD 5 billion is needed to reach the 2021 vaccination targets. The OECD understates this investment as being a “good value for money” as Covid-19 remains the primary driver of the global economic and social crisis.<sup>viii</sup> OECD countries need to step up their contributions and efforts to ensure equitable access to vaccines, including an increase of official development assistance.

### **Holding Big Pharma accountable**

The OECD has also been asserting reliance on trade as the means for deploying vaccines broadly.<sup>ix</sup> The argument presented is that markets must be kept open by reducing tariffs, streamlining trade-related processes for better co-ordination of logistical processes that ensure timely access to vaccines for all.<sup>x</sup> As much as one can agree with the desired social health objective, it would be wrong however to expect unproven trade policies to ensure timely and equitable deployment of vaccines in all countries.

Beyond pooling resources for equitable access to vaccine and trade, the urgency of the situation calls upon suspending intellectual property rights where needed in order to ramp up production of Covid-19 vaccines. Another OECD paper also highlights the importance of equal and broad access to vaccines and to medicines for treating Covid-19 across all countries.<sup>xi</sup> There the OECD underscores the need to apply the current regime of intellectual property rights in a way that does not hamper research, ensure that that new knowledge is widely disseminated, and that product prices do not constitute access barriers – though also noting the importance of providing sufficient and adequate returns to manufacturers.<sup>xii</sup> While there may be disagreement on the definition of “sufficient and adequate returns”, it is perfectly clear that public investments in the supply of vaccines has not kept up with the demand. More importantly, domestic public health progress will be meaningless if deployment remains encumbered by territorial profit and intellectual property motives.

At the WTO, the Agreement on Trade-Related Aspects of Intellectual Property Rights includes the possibility for exemptions for public health needs. Several developing and emerging economies are calling for activating these exemptions. OECD countries are resisting the call. Multinational pharmaceutical companies are actively lobbying against, prioritising profit motives and intellectual property rights above the social imperative.

Governments committed billions of dollars to help pharmaceutical companies develop vaccines and treatments did so without demanding more from the companies in return. Public support to pharmaceutical companies and the global urgency of the pandemic are creating expectations that the very same pharmaceutical companies would waive intellectual property rights to support public health objectives.

Pharmaceutical companies of the S&P 500 from 2005 through 2014 distributed 97% of their profits to shareholders over the decade, 47% as “share buybacks” and 50% as dividends. The total of \$226 billion spent on buybacks was equivalent to 51% of their combined R&D expenditures. To be sure, massive distributions of cash to shareholders are not unique to pharmaceutical companies – but the Big Pharma constitute a league in its own. Over the decade 2005-2014, Johnson & Johnson, Pfizer, and Merck, the three largest pharma companies, spent an annual average of \$3.9 billion, \$6.1 billion, and \$2.6 billion, respectively, on buybacks.<sup>xiii</sup>

Moving forward, territorial trade barriers and intellectual property rights should be suspended until we significantly ramp up vaccine production. Locked-down markets without vaccines prolong the grip of the pandemic, negating both economic and social returns. Further on, the current crisis has also demonstrated the need to rethink fundamental questions on critical infrastructure and the relationship between the public and private sector. This includes increased transparency in public procurement contracts with the pharmaceutical companies. The crisis and the lack of vaccines have stressed the importance of keeping critical infrastructure under public control in order to sustainably deliver quality public services to society such as the equitable access to vaccines.

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<sup>i</sup> WHO, 2021, Weekly epidemiological update – 2 March 2021:

<https://www.who.int/publications/m/item/weekly-epidemiological-update---2-march-2021>

<sup>ii</sup> Ibid.

<sup>iii</sup> Ibid

<sup>iv</sup> See for example, OECD, 2020, Beyond Containment: Health systems responses to COVID-19 in the OECD:

[https://oecd.dam-broadcast.com/pm\\_7379\\_119\\_119689-ud5comtf84.pdf](https://oecd.dam-broadcast.com/pm_7379_119_119689-ud5comtf84.pdf)

<sup>v</sup> OECD, 2021, Development Co-operation Report 2020: <http://www.oecd.org/dac/development-co-operation-report-20747721.htm>

<sup>vi</sup> WHO, 2020, What is the ACT-Accelerator: <https://www.who.int/initiatives/act-accelerator/about>

<sup>vii</sup> OECD, 2021, Development Co-operation Report 2020: <http://www.oecd.org/dac/development-co-operation-report-20747721.htm>

<sup>viii</sup> Ibid.

<sup>ix</sup> OECD, 2021, Using trade to fight COVID-19: Manufacturing and distributing vaccines:

<http://www.oecd.org/coronavirus/policy-responses/using-trade-to-fight-covid-19-manufacturing-and-distributing-vaccines-dc0d37fc/>

<sup>x</sup> Ibid.

<sup>xi</sup> OECD, 2020, Treatments and a vaccine for COVID-19: The need for coordinating policies on R&D, manufacturing and access: <https://www.oecd.org/coronavirus/policy-responses/treatments-and-a->

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[vaccine-for-covid-19-the-need-for-coordinating-policies-on-r-d-manufacturing-and-access-6e7669a9/#section-d1e1753](#)

<sup>xii</sup> Ibid.

<sup>xiii</sup> “US Pharma’s Business Model: Why It Is Broken, and How It Can Be Fixed” William Lazonick, Matt Hopkins, Ken Jacobson and Oner Tulum - 14 June 2017 <http://www.isigrowth.eu/2017/06/14/us-pharmas-business-model-why-it-is-broken-and-how-it-can-be-fixed/>