

**American Foundation for AIDS Research (amfAR)
and the Mailman School of Public Health at
Columbia University - "HIV/AIDS in Asia: Forging
a Collective Response"**

**"Economics of AIDS"
New York, NY
December 3, 2002**

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[BEGIN TAPE]

ALLAN ROSENFELD: As we get ready to introduce our next speaker, I'd just like to make a couple of comments. One, Dr. Solomon mentioned food. In the MPCT initiative, we are beginning negotiations with the World Food Program to become a partner, nutrition being such an important component. Also, it's wonderful to see Dr. Poupon (Misspelled?) here. Having spent a good part of my earlier career in Thailand, I admire what the Thais have done in this AIDS epidemic, and Dr. Poupon (Misspelled?) is one of the leaders.

Before we have lunch, we're bringing a junior economist, that's recently moved to Columbia. He's on trial, but he is, to be more serious, one of the world's great contributors to the concept that there are macroeconomic benefits to investment and health. And no example is more relevant than the example of the tragic AIDS pandemic. Jeff Sachs, who is a director of the

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Earth Institute at Columbia University, and

although it's not in your program, he is also professor of health and management at the School of Public Health, a professor of economics in the Department of Economics, and a professor in the School of International and Public Affairs. It's sort of a triple threat in football terminology.

Jeff previously was at a small school in Boston, where he trained as an economist. And as you note in the story, for those of us in the academic world, to finish your training year one, and to be a full tenured professor at Harvard the third year out is a rather remarkable achievement. Jeff has had a remarkable career as an economist, development economist in recent years, looking at a variety of issues involved in the development of resource poor settings, and has become a champion in the area of the macroeconomic benefit of investment and health. It's a pleasure to have Jeff now at Columbia. The School of Public Health

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and the Earth Institute are collaborating increasingly in a whole range of issues and have recently created a new Center for Global Health and Economic Development, which is based at the school and shared activity of the Earth Institute and the School of Public Health.

Jeff and I are involved constantly chasing each other, to see who can travel more. Jeff wins hands down, but it's a pleasure to have him at Columbia, and I'm delighted that he's here to speak today on the economic aspects of the HIV crisis. Jeff?

[applause]

JEFF SACHS: Thank you very much, Alan.

What's a macro economist doing here in a room of these heroes and scientists and doctors, who have been struggling in this cause for so many years? I think the one thing that I add to this, if I add anything at all, is that I know the difference of millions, billions, and trillions,

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which is the main job of a macroeconomist. And when I discovered several years ago, and not really having known it beforehand, that an issue that I thought was so critical, so essential, so much the life and death of our planet, that it was being underinvested and so profoundly and shockingly that the public health community was begging for millions when clearly billions were needed, I made it my own personal mission to try to move from the B word -- from the M word to the B word and to help Peter Piatt and others, now Richard Feachem (Misspelled?) at the Global Fund to fight AIDS, TB, and malaria.

And others understand that. And I've done it by trying to explain to them that macroeconomists don't even talk about the B word very much anymore. Only the T word actually shows up. You know, our tax cuts are trillions. Our budgets are measured in trillions. Our annual GNPs are measured in trillions, and we're still

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fighting for millions when millions of lives are at stake, and we're watching people before our eyes die in incredible numbers, and doing almost nothing about it, besides heroically trying to speak, people here heroically trying to speak on their behalves, but watching them die nonetheless.

For me, the state of our world was made more vivid and dramatic than probably at any other moment in my own life when I visited St.

Elizabeth's Hospital in Blantyre (Misspelled?) or Malawi earlier this year. And we walked down a corridor, the AIDS wing as it were, where there was an outpatient clinic on one side of the hall in Blantyre (Misspelled?) where the few Malawians that could afford the dollar a day treatment for the generics produced, antiretroviral combination therapy were there receiving treatment, coming daily or weekly, going home to their jobs and to their families and to their children.

And right across the hall was a site that

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I had never seen before. And I hope somehow that we'll never have to see again in the world, a misnamed medical ward. Misnamed because of course there were no medicines there. That was the ward for the people that couldn't afford the \$1 a day to keep themselves alive. And the day we were there in a medical ward of 160 beds, there were 450 dying people. It's quite a sight to see two dying people in the same bed, strangers, lying head to tie, emaciated, no medicines around. The same doctors around that are treating the patients across the hall, literally.

I said 450 per 160 beds, because in addition to the two lying head to foot in the beds, invariably was someone dying under the bed as well. In the dirt floor, or the "lucky ones" on a piece of cardboard. And that's what passes for a hospital.

Then, of course, I came home and I heard senior officials in this government just explain

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really there's nothing more you can do. You know, it's the infrastructure. It's telling time. It's other things. It happens actually to be something I know something about. It's the money, ladies and gentlemen. That's not the only story, but it's a big part of the story. Certainly for those 450 people that would soon be dead, the ones that I saw that day, for them it was the money overwhelmingly, because the doctors were there, the hospital facilities were there, the testing capability for the CD-4 counts. They were even sending out for some viral load monitoring for the outpatients. They were having a wonderful response, clinical response of the few hundred people that were on treatments, that could afford it out of pocket.

It was the money. The doctors were there. It's the money. Again, I'm late to this, I have to say, not because I didn't care of wasn't aware, but because I thought it was so important that

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surely someone was looking after this issue. And it was only when I began to work in Africa in the mid 1990s, and came face to face with mass death, not only in the communities, but in the finance ministries and the central banks, and the places that I was working with skilled workers and senior government officials, that I started to ask what's going on? Aren't there some treatments? I don't quite understand. And then turn back to uncover what was fairly easily to unravel, but wasn't exactly standing out in headlines, that the rich world was putting in almost no money into the fight against AIDS.

And I spent a fair bit of time trying to unravel that mystery, and try to get to the bottom of the numbers, again, because our donor world wasn't exactly screaming we're doing nothing. So you had to find beneath the speeches and through the misleading rhetoric and through all of the claims that were being made, the actual numbers

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that were there. And at the end of the 1990s, I learned to my complete and utter amazement and horror that the total rich world response to the African AIDS pandemic was about \$80 million a year at a time when there were already \$25 million HIV infected Africans. It's roughly about \$3 per person per year.

The World Bank and other agencies, and very considerately, they weren't sending drugs, but they were sending advice on bereavement training. They were sending manpower advisors to firms to help them respond to the collapse of their workforce or the higher turnover when people could be saved. And I also was invigorated to see impoverished people being saved when I visited the wonderful efforts of one of my dear friends and colleagues, Paul Farmer and his colleague, Jim Kim, who do miracles in the central plateau of Haiti, a place that is absolutely as poor as any place in the highlands of East Africa, where

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children do not have shoes, maybe don't have shirts, where there may not be roofs. There's no roads certainly.

And yet, in this impoverished place, through charitable contributions, Farmer and Kim had been able to bring back to life and sustain the lives of dozens of patients with contributed antiretroviral medicines. I saw that it could be done. Paul took me on a walk through the hills to meet his patients. And there's nothing like seeing somebody who I'd seen pictures before, lying at death's door, like the emaciated people that would soon be dead in Malawi, fully vigorous, out in the fields to greet us with their children around, who won't have to grow up orphans because the drugs work. They work on poor people, as well as on rich people. Really amazing.

We can thank David and many other of his colleagues for these wondrous results. So there's a problem though, they cost money. And even if

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you got generics, and even if there were no patents at all, and even if we were at a \$1 a day for everybody, even if we were at Sipla's (Misspelled?) claim of \$300 a year for treatment, you still could not bring the drugs at large scale to the poorest countries in the world, and certainly not to the epicenter of this pandemic in sub Saharan Africa.

Malawi is a country that an official data, which of course you'll understand is not quite meaningful in a semi monetary economy to begin with, lives at about \$190 per person, per year. Essential health services, not just for AIDS, but for the malaria, which ravages the population, tuberculosis, diarrheal disease, acute respiratory infection, micronutrient deficiencies, the killers, just to address those would require well more than the entire national budget of the country.

It's not a matter of whether they're well

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governed, whether they're trying or not trying.

It's certainly not this mythology that money's going down the drain, because they focus on tertiary care, not primary care or any of these old chivalous (Misspelled?) about how poor countries just don't get it. Poor countries don't get it because they don't have the money to get it. They're impoverished. At \$190 per capita, you don't have enough resources to stay alive, and not in the epicenter of the AIDS pandemic.

So we need money. And of course, together with that, we need science, we need operational research, we need systems, we need oversight, we need management. All of that costs money. Every time I hear somebody say, and I hear it every day, well how can we give money? The doctors don't even show up to the primary health centers, you know, it's so corrupt. And you then ask, well, can you really expect doctors to show up when they're paid \$70 a month? It's not a matter of

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corruption, it's a matter of doctors also trying to stay alive and feed their own families.

In the project that I led for the World Health Organization, the Commission on Macroeconomics and Health, my assistant, who's a wonderful M.D., Ph.D., Ghanaian doctor, Daina (Misspelled?) Arnepancorin (Misspelled?), she's got all the degrees, all the knowledge. And as a district health worker in Ghana, in she had to skip meals herself everyday so she could feed her children on the pay that she got as an M.D. Ph.D., working as a district official. That's what impoverishment is.

So we're really in a pretty simple way in one of these horrible situations where economics isn't a game of who's a little bit ahead and who's behind or it's not a game of tightening one's belts. In the situation of a worldwide pandemic, money becomes the difference of life and death by the millions. The joke of it all, the cosmic joke

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of it all, is that the rich world is so phenomenally rich, that with the smallest of efforts, we could actually gain control of this pandemic. And incidentally at the same time, of malaria, tuberculosis, vaccine preventable diseases, the diarrheas and the respiratory infections that kills children by the millions still, the half a million mothers dying in childbirth because of lack of emergency obstetrical care.

We could actually do these things, because maybe while we haven't been paying attention, we've grown phenomenally rich in the rich world, and our technologies have actually grown phenomenally powerful. And the combination of wealth and powerful technologies make it possible to dream not only of curbing the AIDS pandemic, but make it possible to dream of saving millions of lives every year from all of these controllable or preventable killers.

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Our commission for the World Health Organization made what I think are the most comprehensive estimates of costs and means, translating dollars into lives, lives saved or lives lost. We found that the porous countries cannot afford to keep themselves alive right now, especially with the resurgence of malaria and TB on top of the AIDS pandemic.

And it's not a matter of their willpower or whether they're well governed or corrupt. It's just a matter of their poverty. They need help. And we made, I think a quite serious estimate of what it would cost not to make terrible choices. We'll do AIDS, but we won't do malaria. Or we'll do AIDS prevention, but we won't do treatment, because all of those are phony choices, given the wealth in the world, and given the way that real AIDS control has to work, by the way, or any other disease control. You both treat people that are sick and you prevent. And prevention and

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treatment are, as every practitioner knows, utterly synergistic, mutually supportive, and both vital, ethically vital and practically vital to get the job done.

So we listed 41 essential health interventions, including antiretroviral therapy. We talked about a process of scaling up, because truly it could not be done from one day to the next. It will take some years to get the millions of people on treatment, but you don't get there unless you start now. And we asked what it would cost. We even got the IMF to give a benediction that they wouldn't claim that the poor countries could just do more on their own. They said, no, this is what you could expect of the poor countries to do. And then we asked what's left that would have to be paid for.

We found that the cost comprehensively, not just AIDS, but comprehensively for the major killers, would be about \$25 billion a year from

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the rich countries to the poorest countries. Now if you're a macroeconomist, you say small change. No problem. Just like Secretary O'Neill said, "No problem, \$100 billion war in Iraq, no problem. We're a big economy." I wouldn't even want us to spend \$100 billion all in one place on health this year. Stretch it out over a few years.

We could do \$25 billion a year from the rich world. How do I know? Because the other trick of macroeconomists, division. We are a \$25 trillion rich world GNP. That's the combined income of the U.S., Canada, Western Europe, Japan, and a few other rich countries. \$25 trillion a year. \$25 billion is one in 1,000, therefore of our income. It's 10 cents, 10 cents, ladies and gentlemen, out of every \$100 of our income. 10 cents is what we claim apparently we can't afford.

That 10 cents by the epidemiological estimates of the team of the macroeconomics and health commission led by professors Ann Mill and

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Pravat Jah (Misspelled?), one at London's School of Hygiene Tropic Medicine, the other at the University of Toronto, estimated that that \$25 billion, that 10 cents out of every \$100 of rich world GNP would avert approximately eight million lives per year, by the end of this decade.

I think it's the most remarkable opportunity in history. When has global society ever had the chance to do so much good at such little effort? And when have the stakes ever been so high that if we don't act in that minimally responsible way, we're going to see a surge of suffering and instability and economic retrogression, that will make our heads spin, and will make the world quake.

Even the CIA has figured it out solidly. They know that we're talking about nothing less than our security. And the question is for something that is a tiny fraction of what we're spending for our security now, the president

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yesterday signed the \$350 some billion defense budget. For a tiny fraction of that, are we going to not only save our hearts, but provide for a secure future? I'm in control, he says, so incredibly clear that even we're going to get there.

Thanks very much.

[applause]

ALLAN ROSENFELD: Thank you, Jeff. We are essentially on time for a very tight schedule. What we would like to do is move across the campus. Go out the door and just walk straight. You'll come to Lerner Hall, which is where lunch is. You must wear your bag -- your bag -- you must wear a tag and bring your bag, wear a tag to get in to wherever we're eating. And you only have 45 minutes because we're starting with Richard Gere to follow Jeff Sachs at 12:00 -- 1:15? 1:15. They're shaking their heads.

Lerner Hall, they'll be people downstairs

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to show you where it is and where in Lerner Hall

you're supposed to go. Jeff, again, thank you

very much.

[END TAPE]

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