



DIPLOMACY

# Investing in Health Will Help Indians and Africans, and Cure India's Ailing Exports Too

BY NILANJAN BANIK AND PHILIP STEVENS ON 28/11/2015 • [LEAVE A COMMENT](#)



### Indians and Africans Need Cheaper Modern Drugs Rather than Holy Smoke:

A “fakih” or master in traditional medicine, prepares a treatment against mental illnesses. The patient has to smell the smoke that comes up from a piece of paper (with Koran sentences written on it) fired with charcoal, roots from Sudan and spices from India. This treatment usually costs \$20-40 US dollars depending on the level of the sickness and is guaranteed not to work.

Credit: Albert Gonzalez Farran/UN-African Union Mission in Darfur (UNAMID)

If recent figures are any indication, then India’s exports are not doing well at all. **Exports have been falling** (<http://www.ndtv.com/india-news/exports-fall-by-45-per-cent-despite-pm-modis-30-foreign-trips->

[alleges-congress-1244949](#)) for 11 straight months, pushing earnings down from the high of \$315 billion in March 2013 to \$154 billion in November 2015. This has left government policymakers worried as they try to prop up falling exports with [an interest subvention scheme](#) (<http://www.thehindubusinessline.com/economy/cabinet-approves-long-awaited-interest-subvention-scheme-for-exporters/article7891735.ece>).

At this juncture, Africa can be a knight in shining armour for India. At last month's [summit in New Delhi](#) (<http://thewire.in/tag/india-africa-forum-summit/>), Prime Minister Modi met leaders from 54 African states to discuss ways of deepening the economic and security relationship between their countries and India. Also on the agenda was public health, with the two sides exploring how to improve healthcare by sharing resources and expertise.

For India, the immediate focus should be on increasing its pharmaceutical exports to Africa. Pharmaceuticals are an important component of Indian trade with the continent, making up around 16% of total exported items, with India supplying 85% of all anti-retroviral drugs used to treat HIV. African ministers, meanwhile, are keen to learn from and copy India's success in developing a powerhouse drug manufacturing sector, both to secure their own medicine supplies and to give their economies a fillip.

It is encouraging to see lower and middle-income countries like India and those in Africa taking charge of their own human and economic development priorities, without intervention from the West, and India can certainly be proud of its role in driving down the cost of HIV treatment in Africa and elsewhere through its supply of cheap drugs.

## Not by HIV drugs alone

It would be unwise, however, to assume that what has worked for HIV will work for all the other health problems faced by Africans and Indians. HIV has been singled out for attention by western governments, who have poured billions of dollars into building up the health infrastructure required to treat patients, in addition to paying for a large proportion of the (largely Indian made) anti-retroviral drugs currently relied on by African patients.

These days, outside a handful of sub-Saharan African countries like South Africa, HIV/AIDS is only a small part of the disease landscape in developing countries, constituting just 3.1% of all deaths (0.77% in India). Far more people die from heart disease, stroke and lung disease. Amongst the poorest in African countries, and also in India, easily treatable diseases such as diarrhoea remain a leading cause of death.

India manufactures vast quantities of cheap medicines that could slash death rates for these diseases across Africa and India. The sad reality is that these medicines are simply not getting to those who need them, both at home and abroad.

India itself, home to 3,000 pharmaceutical companies and 10,500 drugs factories, struggles to make even the most basic medicines available to its citizens. One recent survey showed that in New Delhi itself, essential medicines are available in only a quarter of state government facilities, which are the primary source of free medicines for a majority of India's low-income population. Things are equally bleak across sub-Saharan Africa where clinics and pharmacies frequently fail to stock basic medicines such as antibiotics.

Then there is the question of affordability. Even the cheapest off-patent medicines are unaffordable to the majority of people in India and Africa. A single asthma inhaler can cost 50

days' wages in Mozambique, while in India it can cost 2.3 days wages for the lowest paid government worker.

These prices are unaffordable to most people, compounded by long-term failures by African governments and the Indian state to create workable health insurance models. These failures lead to 63 million Indians sinking into poverty each year as a result of healthcare costs, something that rarely happens in OECD countries.

Even if medicines are provided for free, it means little if the health infrastructure is not there to deliver them. There are only 0.7 physicians per 1000 population in India – well below the 3-4 physicians seen in most high-income countries. Things are even worse in Africa: most countries don't record data but in Zambia and Zimbabwe, two countries that do, the figure is 0.2 and 0.1 respectively.

These are terrible statistics that are unlikely to improve while governments spend so little on health. In 2001, 189 African governments committed to spending 15% of total government expenditure on health, the minimum amount recommended by the World Health Organization. Only Rwanda, Botswana, Zambia and Togo have met this commitment, whereas 19 African countries actually now spend less. India, meanwhile, only spends a dismal 4.3% of government expenditure on health – nowhere near enough.

Focusing on tangible issues such as pharmaceutical exports and building factories makes good headlines for politicians who want to be seen doing something. But to truly improve healthcare in India and Africa, there needs to be much greater focus on the basics – recruiting and training staff, building infrastructure, working on pharmaceutical supply chains, committing funds and

ensuring people have some form of insurance.

India has the skills and the resources to make this happen for its own people, and it can also help Africa develop its own health infrastructure through its unique skills in areas such as telemedicine. These are the areas that will make a difference.

*Nilanjan Banik is a professor of economics at Mahindra Ecole Centrale. Philip Stevens is the director of Geneva Network.*

---

## What to read next:



India Must Resist US Pressure on Generic Drugs, African Leaders to Tell Modi

In "Diplomacy"



India Inc will Invest in Africa, But Only if the Government Foots the Bill

In "Diplomacy"



India-Africa Summit High on Diplomacy, Low on Investment In "Diplomacy"

📁 Categories: **Diplomacy** (<http://thewire.in/category/external-affairs/diplomacy/>), **Economy** (<http://thewire.in/category/economy/>), **External Affairs** (<http://thewire.in/category/external-affairs/>), **Trade** (<http://thewire.in/category/economy/trade/>)

🔖 Tagged as: **generic medicines** (<http://thewire.in/tag/generic-medicines/>), **HIV/AIDS** (<http://thewire.in/tag/hiv aids/>), **India-Africa**



**Forum Summit** (<http://thewire.in/tag/india-africa-forum-summit/>), **India-Africa relations** (<http://thewire.in/tag/india-africa-relations/>), **pharmaceuticals** (<http://thewire.in/tag/pharmaceuticals/>)

0 Comments

The Wire

 Login ▾ Recommend Share

Sort by Best ▾



Start the discussion...

Be the first to comment.

## ALSO ON THE WIRE

**Stop Repressing FTII Students, Say Filmmakers to Government**

2 comments • 2 days ago

**S.Thiyagarajan** — The organisers of the IFFI have got a duty and obligation to conduct the festival in an exemplary and peaceful way. The

**This Is the Way a Culture Dies**

3 comments • 6 days ago

**NARAYAN RAO** — The future is bleak.

## WHAT'S THIS?

**Amit Shah Accuses Congress of 'Secret Plan' to Make Assam a Part of Bangladesh**

3 comments • a day ago

**Joji Cherian** — Oh! It is Amit Shah. It is all right for him to say any thing. After all it is the same Amit Shah who said crackers would be burst in

**Opposition to Corner Government in Parliament but Prospects of Thaw on GST**

1 comment • 3 days ago

**NARENDRA M APTE** — (1) There are several reasons as to why so much business remains unfinished in both houses of Parliament.

 Subscribe Add Disqus to your site Privacy