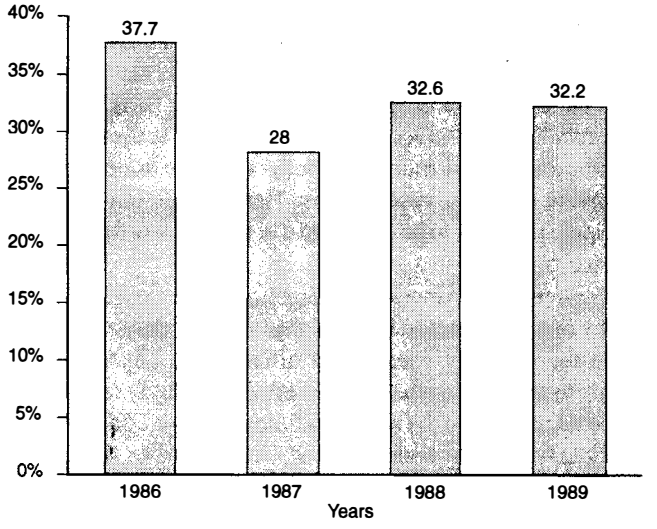
FIGURE 8

African debt service as a percentage of goods and services exports



represents a good third of total export revenues, which only reached $61.4 billion in 1989 (**Figure 8**).

It's worth remembering that Peruvian President Alan García, who revolted against the IMF for several years, had refused to devote more than the equivalent of 10% of Peru's export earnings to pay the foreign debt. In 1988-89, the African continent has effectively reimbursed $15.9 billion the first year, and $17.8 billion the second, which represents an 11.9% increase; whereas export revenues during the first period reached no more than 0.7%! Now, with present rates of accumulation, the debt of black Africa has gone from $38.5 billion in 1978 to $153.3 billion in 1990. If, in 1978, it already represented 87.8% of export revenues, today it represents more than 328.4%!

Thus, if one adds up the reimbursement of credits, the losses due to exchange rate deterioration, plus capital flight, the total outflow of capital in 1988 and 1989 have reached $23 billion each year, surpassing inflow. Let's compare this to public aid for the development of Africa, which constitutes the greatest proportion of financial resources that comes Africa's way. For the same years, this did not surpass $17 billion each year.

Now, let's put in their proper place the "debt relief" measures that the 1988 Toronto Group of Seven summit had adopted toward the least advanced African countries. Adedeji underlines that these measures only concern $500 million over ten years on behalf of a small group of countries, whereas, during the same time period, the debt service rises $25-30 billion per year!

This article was translated from the French.

Preventable diseases turning into killers

by Joyce Fredman

It is a sad commentary on the past two decades' "free market" zealotry among ruling financial circles in the United States, that the rate of vaccinations for children in the United States has been drastically plummeting, even as many other countries throughout the world—including developing countries groaning under massive debt burdens—have succeeded in substantially raising their own rates of immunization. Thanks to the current regime of enforced moral and economic stupidity, childhood diseases such as mumps, polio, diphtheria, measles, pertussis, rubella, and meningitis that were near extinction in the United States, have now resurfaced with a vengeance.

Numerous specific factors can be cited for this condition, not the least of which is the declining standard of living for Americans. The increased poverty rate and inadequate access to proper health care, combined with soaring costs for standard vaccines, have put the United States, particularly the minority populations, at greater risk than were they to live in many Third World countries. Coming in tandem with the shrinking of the personal family income, is the devastation of the local and state budgets, forcing "triage" decisions by authorities, similar to the decision to throw thousands off disability support and welfare.

Take measles, for example. During the late 1970s, a huge immunization push nearly eradicated this disease. In 1983, there were fewer than 1,500 cases in the United States. But by February 1991, that number had increased over tenfold. A classic example of how the urban poor are especially vulnerable, can be seen in Philadelphia. Last year in Philadelphia alone, over 1,500 had been infected with measles, and nine children died, because the city, like so many others, had many neighborhoods in which fewer than half of the children were up-to-date on their shots. These are primarily the same children who do not eat properly, and the great majority of them are either black or Hispanic.

The citywide rate for immunization in Philadelphia is 54%, while in various black and Hispanic areas, it is only 25-30%. St. Christopher's Hospital, located in the city's north central district, deals with much of this population. There, the clinic receives roughly 20,000 office visits from children who get their shots. But another 60,000 per year,

who have no doctor, show up only for emergency room visits and are never screened for any vaccines. And Philadelphia is not unique.

Epidemics waiting to happen

While Bush goes around the country talking about the best health care in the world, the question on most people's mind is: To whom is such care accessible? Certainly not our children.

A January 1992 study issued by the Children's Defense Fund on Medicaid and Childhood Immunizations (CDF) lays out the grim picture. Study authors Joseph Tiang-Yaulin and Sara Rosenbaum report that "fewer than half of the nation's urban preschoolers are fully protected against preventable disease. When the proportion of adquately immunized non-white infants is compared to other nations' overall rates, the U.S. ranks 70th in the world—behind Burundi, Indonesia, Cuba, Jamaica, and Trinidad and Tobago.

"U.S. preschool immunization rates . . . declined during the 1980s, causing major new outbreaks of preventable childhood disease. The most glaring result has been a three-year-long measles epidemic that claimed over 55,000 victims, including 89 who died in 1990. Twice as many children contracted pertussis [whooping cough] last year than in 1981. . . .

"The average state underpays physicians nearly $40 below usual charges for the immunizations a child needs at 15 months. When a child needs a followup visit to complete an immunization series, 17 states refuse to pay physicians for the second office visit and only allow billing for the vaccine and administration. The result is that many children never get the additional immunizations they need."

Vaccine prices skyrocket

The study also reveals some of the financial potholes that are built into the system. First of all, there are two basic price levels for vaccines in the United States. There is the "catalogue" price that physicians or other providers pay for vaccines. Then there is the "contract" price which the Centers for Disease Control (CDC) pays for bulk purchases (to be distributed at public clinics). The difference in price is not small. For oral polio vaccine, for example, the catalogue price is $9.45 as opposed to $2.00 for bulk purchase.

But there has also been tremendous inflation within the catalogue price itself. From 1981 to 1991, the catalogue price for diphtheria, tetanus, and pertussis (DTP) vaccine increased from 33¢ to $9.97—a 2,921% increase. Partly responsible is the factoring of malpractice insurance by the drug companies. But if proper services were provided by the health care system as a whole, the cost of treating the very few cases of a child's negative reaction to a vaccine could be absorbed within the general costs. The real issue, however, is the need to significantly expand bulk purchasing and to have central regulation of standard vaccines. This would make it substantially cheaper and easier to monitor their distribution.

With the current price differential, one would expect that all states would contract to bulk purchase with CDC. But in fact, only a minority of them do. Because the states are so much under the gun financially, thanks to the Reagan-Bush "recovery" which "saved" the federal budget at the expense of gutting state and municipal budgets, there is no leeway to provide for such vaccinations. Hence, it is left to each individual provider to buy vaccines, at many times the cheapest price.

One-fourth of America's preschoolers are on Medicaid, and the fact that states reimburse physicians at only a fraction of the fee typically charged by office-based physicians is leading to a situation whereby most doctors simply refer their Medicaid patients to the nearest public clinic—a clinic which is probably already overwhelmed. According to the Children's Defense Fund study, several states actually reimburse physicians for office visits with immunization services at a rate less than the cost of the vaccines alone. These include Kentucky, Nevada, West Virginia, Georgia, Nebraska, and South Dakota.

'Bush health reform a hoax'

This dilemma must be situated in a national context of an overall health care system that has ignored the majority of children in America. President Bush may well be the worst offender. Sharon Daly, director of government and community affairs for the CDF, critically held up the White House plan to light of day, in a sharply worded statement: "President's Bush's health care reform package is a hoax. The President's health care plan offers very limited help to millions of American middle-income and poor uninsured children. Most of the benefits from the new *tax deduction* for non-poor families proposed by the President will go to upper-income families. For example, a family earning $70,000 a year in the 28% tax bracket would receive $1,050, but a family earning $20,000 in the 15% tax bracket would receive just $375 in tax savings. . . .

"The President's proposal will not provide an insurance card, doctor, or clinic to a single American child. Tax credits cannot treat a child's strep throat or correct a vision problem. . . .

"In 1990, 8.4 million children—the vast majority of whom lived in two-parent, working families with incomes above the poverty line—had no insurance coverage. But the number of uninsured children is only the tip of the iceberg. Fully 25 million children, 40% of the nation's 65 million youngsters, lack employer-based health insurance and are outside the mainstream of the health care system. Over the past decade, the proportion of children with employer-based coverage fell by nearly 14%. If recent trends continue, only half of the nation's children will have employer-based health insurance by the end of the decade," she concluded.