

# Colombia Health Sector Is Being Shut Down

by Javier Almarío

One fine day in March, with a legal order in hand, creditors from the Banco Ganadero, a branch in Colombia of Spain's Banco Bilbao Vizcaya, embargoed and carried off research equipment and materials from the laboratory of the Immunology Institute of the San Juan de Dios Hospital in Bogotá. The laboratory was one of the best equipped in Ibero-America for biological research. In that laboratory, a vaccine against malaria was discovered which has so far proved 60% effective. New methods for detecting tuberculosis were also devised there. Ongoing research involved developing a 90% effective malaria vaccine, as well as vaccines against both tuberculosis and HIV.

The reason for the seizure? The San Juan de Dios Hospital is unable to pay its debts to various banks, and several of its affiliates have already been shut down. Repeatedly, the hospital has had to prepare to shut its own doors, despite the fact that it has always been the capital city's leading hospital, with a long history of attending to the most needy layers of the population.

## 'New Colonialism'

Laboratory director Dr. Manuel Elkin Patarroyo, a world-class scientist credited with developing the malaria vaccine, denounced the Banco Ganadero-BBV legal assault on his institute as a form of "new colonialism," carried out by a foreign bank against the scientific research capabilities of a Third World nation. Stung by his charges, the bank attempted to "generously" return the lab equipment "in the form of a loan," so that Patarroyo's research would not be interrupted, but the scientist was having none of it. Patarroyo rejected the offer because, as he pointed out, one cannot conduct scientific research under the threat that, at any moment, one's equipment could be seized to repay a bank loan. The bank directors apparently did not want to appear like the Spanish "Conquistadores" (Colombia won its independence from Spain in 1810), and so they finally "donated" Patarroyo's equipment back to him.

What is the Banco Bilbao Vizcaya? As *EIR* has documented, BBV has a history that links it in the 1980s to the brothers Manzur and Ghassan al-Kassar, Syrian arms and drug traffickers. More recently, the Venezuelan daily *El Universal* reported that the true owners of BBV are the U.S. company General Electric (GE), the French insurance company Axa, and Nippon Life of Japan. GE is closely

linked to the Morgan financial interests of Britain; and Axa director Claude Bebear was a close collaborator of the recently deceased City of London financier Sir James Goldsmith.

The Patarroyo crisis is far from over. The building and land upon which the Immunology Institute operated, are still under embargo. The San Juan de Dios Hospital which owns the land, is still facing a permanent shutdown. The fate of the laboratory is thus completely up in the air. The 120 researchers who work under Patarroyo have been working gratis for months, as there has been no money to pay their salaries. The Andrés Pastrana government has shown no interest, and has offered no support, for the lab's "Made in Colombia" scientific research, which Patarroyo has declared "the patrimony of Colombia."

Nor has the government done anything to rescue the Colombian health system which, faced with an ongoing privatization campaign and "managed health care," is about to disappear altogether.

In contrast, the Spanish monarchy has offered Dr. Patarroyo a home, with research facilities and scholarships to pay for 60 of his 120 researchers. Seeing no alternatives inside Colombia at present, Patarroyo has asked the Spanish government to pay for all 120 of his researchers. Should Madrid accept his counterproposal, it would mean the transfer of a premier research laboratory from Colombian soil, and the drain of another 121 highly qualified scientists and technicians, to be added to the 3.5 million Colombians who have already fled their country in the past three years because of the insecurity and unemployment crisis there.

The idea that Colombia should have an immunology laboratory that could match any laboratory in the advanced sector, began to take shape in the late 1970s. With government backing and both national and international donations, Patarroyo's laboratory defined as one of its primary objectives from the beginning, to find a vaccine against malaria. From that moment onward, Patarroyo had to battle the representatives in Colombia of the foreign pharmaceutical companies, who offered him financing on the condition that any discoveries he made would fall under their patent control. Patarroyo rejected such a condition as unthinkable.

As a symbolic act, to establish the principle that medical and scientific research should be in the service of the general welfare of man, and not to swell the coffers of private companies, Patarroyo donated the patent rights to his malaria vaccine to the World Health Organization, in 1997.

## Looting the Public Sector

Patarroyo's immunology laboratory is only the most high-profile victim of the Pastrana's government's latest "fiscal cleansing" pact with the International Monetary Fund (IMF), which seeks to "reform" the public sector right out of existence. A pension reform is slated to throw millions of elderly onto the scrapheap, in the name of "rationalization." A reform

of the system by which the federal government transfers funds to the provinces, is imminent, and threatens to cut hundreds of thousands of employees from state and municipal payrolls already slashed to the bone; this in a country where unemployment stands officially at 20%. And now, according to Health Minister Sara Ordóñez, a “restructuring” of the health sector is under way, guaranteed to finish off a public health-care system already being strangled by debt.

Since 1996, all hospitals, clinics, and other institutions which previously had depended on a public budget, stopped receiving state funds. Now private companies, known as ARS (Afilados de Régimen Subsidiado), are supposed to bring low-income sectors of the population into the Subsidized Health Regimen (a sort of Medicaid), and to create “managed health-care” entities (in effect, HMOs).

As a result, the formerly public hospitals are now entirely dependent on whatever the private companies choose to pay them for services rendered to “their” members. The consequence is that these hospitals, and their affiliates — such as Patarroyo’s immunology lab — have accumulated unpayable mountains of debt, and are being unceremoniously and mercifully closed down.

In Bogotá alone over the past five years, the Nicolás de Federman Hospital and the Lorencita Villegas Infant Hospital have gone bankrupt, and have been closed down. The last was considered one of the best children’s hospitals in Ibero-America, and won various international awards for developing improved techniques in saving premature infants.

Now it is the turn of San Juan de Dios Hospital. Similarly facing bankruptcy are the Mother-Infant Hospital and Mercy Hospital in Bogotá. One stunned surgeon at the Mother-Infant Hospital told reporters that callous bank auditors were conducting an inventory of hospital equipment in his operating room, even as he was performing delicate abdominal surgery on a newborn!

On the national scale, 13 public hospitals out of a total of 26, are facing bankruptcy. If these hospitals close, an estimated 10 million people — nearly one-fourth of the Colombian population — will be without health care.

The Pastrana government’s answer to a growing hue and cry over collapsing health services, has been twofold. First, “restructure” the public hospital system. What this immediately means, according to Health Minister Ordóñez, is the firing of 32,790 of the 92,674 public hospital employees. According to Ordóñez, the current problems afflicting the hospitals are due to “an excessive bureaucratic load. . . . We’re working with the Finance Ministry to prevent this from continuing.”

Finance Minister Juan Manuel Santos, who told a Wall



*The developer of a new malaria vaccine in Colombia, Dr. Manuel Elkin Patarroyo: His laboratory’s equipment, and the hospital in which it is located, were seized by international bank creditors; Colombia is losing half its public hospitals.*

Street audience earlier this year that Colombia needed “blood, sweat, and tears,” is also determined to privatize Colombia’s Social Security Institute (ISS) — which provides health care to retirees — just as the public health-care system was privatized. “Immediate shock methods” are needed, Santos said on May 9.

Minister Ordóñez’s idea of an efficient health system, is one where there will be no “redundancy” of hospitals in the same area with sophisticated equipment for dealing with emergencies, or high-risk pregnancies. Such redundancy “carries a barbaric cost,” she insisted in a May 14 interview with *El Tiempo* newspaper.

The government’s other response to the crisis has been to accelerate payments to the private managed-care network, the ARS. But an estimated 60% of the money that the ARS receives from the government is taken as profit, and only 40% is spent on patient care. The hospitals are unable to survive, and neither will their patients — or rather, their “clients,” for, according to Law 100, patients are now to be dubbed “clients,” and health is no longer a public right, but a commercial transaction.

On May 15, some 350,000 teachers and 6,000 health workers went out on an indefinite strike to protest the IMF-dictated bill currently before Congress, that would severely restrict federal fund transfers to state and municipal governments. Said the president of the Colombian Federation of Educators, Gloria Ramírez, “It cannot be that the government tells us it will take away funds for health and education, and nothing happens. We have to do something.” Some 800,000 state workers plan to join the strike on June 7.