

Appendix G

Pharmaceutical Corporations and Medical Research

Shah, Anup. Global Issues: Social, Political, Economic, Environmental Issues that Affect Us All. <http://www.globalissues.org/article/52/pharmaceutical-corporations-and-medical-research#Testingonhumanswithoutpermission> (23, August, 2011)

Pharmaceutical companies have contributed to people's improved health and prolonged life, generally speaking. Research and development of drugs that are brought to market can be costly and there are strict regulations and requirements that companies must follow in most countries. But the details reveal further concerns.

For example, marketing practices and priorities of the pharmaceutical industry have come under scrutiny for many years. It seems that there is increasing emphasis on drugs that fit scare-mongering and over-medicalized problems.

Testing and thorough clinical trials are fundamental to good medical drugs, but there are numerous accusations of shortcuts, including pressuring for favorable results, testing on people without their proper approval, using drugs for unapproved uses and much more.

Ideologically, many drug companies support the position of less government involvement, yet in the developing world in particular, diseases and illnesses affect the poorest the most who cannot afford expensive (or even sometimes cheap) treatments. In the past decade or so, pharmaceutical companies have therefore also been criticized for ignoring this "market" because they can't pay.

[M]any people, most of them in tropical countries of the Third World, die of preventable, curable diseases.... Malaria, tuberculosis, acute lower-respiratory infections—in 1998, these claimed 6.1 million lives. People died because the drugs to treat those illnesses are nonexistent or are no longer effective. They died because it doesn't pay to keep them alive. — *Ken Silverstein, Millions for Viagra, Pennies for Diseases of the Poor*¹, *The Nation*, July 19, 1999

Public announcements of drug donations to poor countries are often welcome, but sometimes the details reveal murkier intentions; some of the drugs are close to, or even past, their expiry date (and are expensive to dispose, adding more costs to recipient countries) for example.

Poorer countries encourage their drug companies to make cheaper generic alternatives to expensive branded ones or use other tools available at their disposal to help bring the price of medicines down to more affordable levels. But they face immense pressure from international institutions and multinational pharmaceutical corporations, even when generics and other options pursued are legitimate under international rules. For these multinationals, they've poured billions into some of these drugs and therefore want a patent system that will protect their investments for as long as possible.

For the developing and poorer countries, as remote as these issues may seem, patents and intellectual property rights issues can mean life or death. (For example, at the end of the 1990s, the pharmaceutical industry lobbied the US government to threaten sanctions on South Africa for trying to produce generic drugs to fight its growing AIDS problem. It took huge public outcry to get the case dropped some 2 years later.)

The establishment of the World Trade Organization...imposed US style intellectual property rights around the world. These rights were intended to reduce access to generic medicines and they succeeded. Developing countries paid a high price for this agreement. But what have they received in return? Drug companies spend more on advertising and marketing than on research, more on research on lifestyle drugs than on life saving drugs, and almost nothing on diseases that affect developing countries only. This is not surprising. Poor people cannot afford drugs, and drug companies make investments that yield the highest returns. The chief executive of Novartis, a drug company with a history of social responsibility said, "We have no model which would [meet] the need for new drugs in a sustainable way...You can't expect for-profit organizations to do this on a large scale."

-Joseph Stiglitz (former World Bank Chief Economist and Nobel Prize winner for economics).
Scrooge and intellectual property rights, British Medical Journal, December 23, 2006, Volume 333, pp. 1270-1280