THE HEALTH BUSINESS

The Pharmaceutical Industry and the Third World

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The pharmaceuticals marketed by the multinational corporations do not correspond to the needs of a just health care system adapted to the situation in the Third World;

A significant part of these medicines is either superfluous or irrelevant;

Trade name medicines are often overpriced;

Research on tropical diseases plays only a marginal role for the pharmaceutical industry in the Federal Republic of Germany;

The market power of the international pharmaceutical corporations largely prevents the development of independent local medicine production adapted to local needs. These criticisms have been raised by the Federal Congress of Development Action Groups (BUKO), in which about 180 development action groups in the Federal Republic are united. For some time, BUKO has been carrying out a pharma campaign, partly financed by the Protestant Church, with the aim of informing the public about problems in this area. Now for the first time a public discussion between the pharmaceutical industry and its critics has taken place. The discussion occurred within the framework of a meeting on the topic of "Medicines in the Third World", which was organized by the Protestant Church of Germany.

At the beginning of the meeting, Klaus Wilkens, of the Protestant Church Office in Hannover, cited the reasons why the Church had taken up this controversial topic:

- In many countries of the Third World there is an acute shortage of medicines because of the lack of foreign exchange: - On the other hand, manufacturers have flooded the market with products, marketing is accompanied by aggressive advertizing which gives consumers the illusion that health can be bought with money, and that prevention becomes unnecessary when the "repairshop" is easily at hand.
- At issue are concrete economic interests which, however, collide with the needs of the developing countries. The Church is concerned that economic power is being used to the disadvantage of people in the Third World. There are already examples, as in the case of Bangladesh, where alternative government health care policies have brought strong pressures from the international pharmaceutical industries and their home governments.

WHO Policies

An initiative for a new health care policy oriented towards the needs of the developing countries has come from the World Health Organisation (WHO). At the World Health Assemb-

ly of 1975, there was a discussion on a list of "essential drugs", which was to end the confusion resulting from the extremely large number of drugs marketed by the international pharma industry. Halfdan Mahler, Director General of WHO, was given the task of supporting member nations in the drafting or execution of a "national drug policy". National drug research programmes are to be supported and suitable measures for official registration, management and control of drugs are to be introduced. In addition, the WHO is supposed to advise the health authorities in the selection and acquisition of essential drugs at appropriate prices.

As a consequence of this decision, a list of 244 generic drugs was drafted, which was designated by the WHO as the list of "essential drugs" and which was recommended as the basis for drug supplies in individual countries. From the WHO viewpoint, the advantages of this list are as follows:

- A reduction in the number of drugs that have to be bought, stored, analyzed and distributed;
- Improvement in the quality of drug application, administration, information and control:

- incentives for local pharmaceutical industries and;
- assistance for the developing countries in finding solutions to the problems of primary health care.

Since then individual developing countries have attempted to realize national drug policies corresponding to the recommendations of WHO. For example, in June, 1982, the Government of Bangladesh issued exact guidelines for the manufacture, distribution and use of medicines. A basic catalogue of only 150 medicines was regarded as sufficient for the requirements of essential therapies.

1700 drugs were banned because they were regarded as useless, harmful or too expensive. In future, the essential drugs are to be manufactured by local firms while imports from international pharmaceutical corporations are to be restricted to complicated medications.

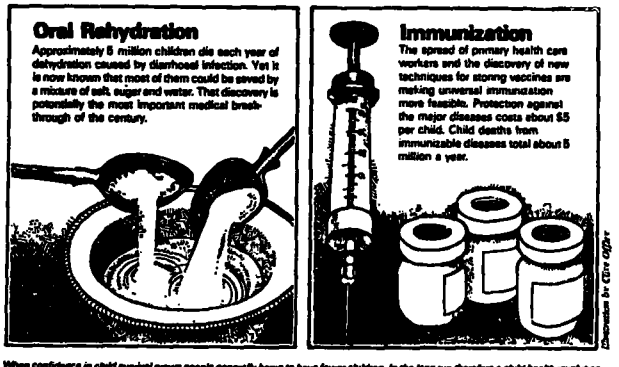
Health for the masses

At the meeting in Bonn, Dr. Reinward Bastian of the German Institute for Medical Mission in Tubingen, explained how a drug policy should be designed to meet the health needs of the broad masses in the developing countries. Dr. Bastian, who has years of practical experience in Tanzania, reported on a project in India which used simple means to achieve an essential improvement in basic health care. In an area in which 6- per cent of all deaths were due to only 8 diseases, considerable success was achieved by the use of only 7 drugs. These were distributed in the villages by health care workers who had undergone only short-term training. In the clinics, doctors have access to about 120 especially priceworthy and dependable drugs. In children, every sixth death was due to diarrhoea, and therefore oral rehydration was regarded as being especially important. This can be achieved by a simple method that does without the use of expensive and in some cases dangerous medicines: The child is given a solution of table salt, dextrose, sodium carbonate and potassium chloride.(see comic above).

The view of the pharmaceutical industry

In the view of the German pharmaceutical industry, some of the problems raised by critics do not really arise. First of all, the industry points out the significance of pharmaceuticals to the national economy. In 1981, total sales of German pharmaceutical companies amounted to more that 16 billion DM. Of this amount,products at a value of about 6.5 billion DM were exported, putting the Federal Republic at the head of world pharmaceuticals exporters. In 1980 about 73,000 people were employed in the industry. About one fourth of the exports go to the developing countries: 18 percent to Asia and 2 per cent to Africa. This makes the Third World an important market for German corporations.

Of course, a restriction of this market to the 244 essential drugs on the WHO list is not seen as very useful by the industry. As Gerd von Breitenbach of the Federation of Pharmaceutical Industries stated in Bonn, it shou-



When confidence in child survival grows people generally begin to have fewer children. In the long run therefore a child health revolution would help to reduce the rate of population growth. In no country has there ever been a significant fall in birth-rates which has not been preceded by a significant fall in child death rate.

Dr. Bastian made 13 recommendations, based on his experience in India, for improved drug supplies for the Third World (see box on p. 24).Among other things, this list calls for improvements in the storage, distribution and control of medicines, the listing of really essential medicines based on the WHO list of 244 essential drugs; the introduction of generic names of medicines (instead of trade names); and the regulation of prices and advertising.

ld be left to national health authorities what criteria are used to approve drugs. This would necessarily result in different behaviour in different countries. For example, there were, "ethnic differences" in the frequency of certain diseases and, therefore, different needs for certain medicines. One should be careful not to prescribe to the developing countries what drugs they should select for import since this could easily be regarded as "neocolo-

nial" interference. If the developing countries used Western criteria in setting standards for medications, then they should not be criticised for doing so, according to Gerd von Breitenbach. After all, he went on, all of the diseases that exist in the industrial nations are also found in the Third World. Therefore, a complete array of drugs should be available.

Gerd von Breitenbach rejected the banning of trade names and their substitution by generic names. The origins and quality of medicines could then no longer be controlled. Such a measure would provide no incentive for research on new drugs, which at present can cost up to 150 million DM for a single product. Nevertheless, he also announced the willingness of German industry to help the Third World establish their own pharma industries. But the interest , for example in Africa, was not very great in such cooperation ventures.

Controversies in the debate

In the course of the meeting, controversies arose in the debate over a number of individual examples of the activities of German Pharmaceutical corporations in developing countries that were brought up by BUKO. Representatives of the development action groups and of the Church object especially to the marketing of drugs in the Third World that have been banned in the Federal Republic on account of possible harmful effects. The representatives of the pharmaceutical industry, including spokesmen from Hoechst, Merck and Bayer companies, stated that, in view of different criteria for releasing drugs in different nations, the German standards could not be applied world-wide. Rather, "meeting the demands for medicines" takes place "within the framework of the free market order" and is aimed at "legitimate profits".

This point was decisively contradicted. According to Marcel Buhler, author of the book "The Business with Poverty", there can be no talk of a free market in the relationship of a patient to the doctor and to the pharma industry. Patients, especially in developing countries, do not have a free choice. It is not the needs of the broad masses, but the "increased expectations" of the elite which decide which drugs are offered on the market.

Angry reactions came on account of the tactics of industry representatives which avoided making replies to concrete cases of inadmissible advertizing or the export of dangerous drugs to Third World markets.

The statements from industry representatives that these cases must first be carefully examined met with little understanding because most of the cases that were mentioned have been known for a long time and have been documented in publications of BUKO and other action groups around the world.

In any case, the debate brought one concrete result for the meeting: Industry representatives declared their willingness to establish a kind of "clearing house", together with the churches, in order to discuss and clarify the charges involving individual cases. Industry is also prepared, together with churches, to support projects in developing countries aimed at establishing national pharmaceutical industries, especially for the production of simple medicines. This is welcome progress on the part of the industry, especially in contrast to its previous attitude which was to reject out of hand the charges brought by BUKO.

IMPROVED DRUG SUPPLIES TO THE THIRD WORLD

1. Each country should have a good drug distribution system with sufficient storage capacities and transport possibilities. Established procedures for ordering and supervision are indispensible to good supplies. Feedback on inadequate packaging and quality of medicines should lead to improvements.

2. Drug orders of a country should be summarized and put up for international tender. This requires an independent and incorruptable authority. To an increasing degree, the private market should be included in this.

3. There should be representative and independent controls on the quality of medicines.

4. An independent committee of experts (pharmacists, doctors and economic experts) should be available to advise the responsible government authorities.

5. The really essential drugs should be listed. This list must be relatively binding and can be oriented on the list of 244 essential drugs of the WHO.

6. In the course of time the generic names of drugs should be given an increasing amount of consideration.

7. The private market should not be left completely to itself. Irrelevant medicines and elixirs should be withdrawn, and the same holds for non-essential medicines and those with dangerous side-effects.

8. Health care workers, nurses and doctors should receive necessary information on drugs in an objective form.

9. Comprehensive legislation should insure that regulation of patents, of prices and technology transfer, in the middleman's sector too, proceeds according to sensible rules. The state should have effective controls on private and government markets.

10. The distribution of free samples, gifts of all kinds, and other sales incentives must be regulated.

11. National pharma companies should orient their production more and more towards the list of drugs considered as of priority. Every country can begin with the first steps of local production, for example, with packaging oriented to needs and with the tabletizing of the 10 most important medicines.

12. Special care should be given to training and advanced training of pharmaceutical and medical personnel. In the area of health care, what is at issue is the cares and fears, the hopes and disappointments of the patients. Doctors, nurses, and assistants are therefore exposed to special temptations. Therefore good training and the inner steadfastness of health care personnel are of great significance.

13. Traditional healing methods should not be seen as competitors of Western scientific therapies. Traditional healing methods can reduce treatment costs and can increase the chances of a cure in certain diseases.