

Drug manufacturers put global health on the agenda

Pharmaceutical companies face demands on transparency and sustainability from their stakeholders. As they increasingly engage in programs to improve global health, critics claim that these initiatives aim only at improving access to medicinal products.

By Charlotte Strøm

Engagement in Corporate Social Responsibility (CSR) activities is becoming a strategic issue globally with any industry, including pharmaceuticals.

– Some have a reactive approach to CSR – they are forced by stakeholders and circumstances to change their ways. Others address environmental and social challenges proactively, because they understand that this will open up new markets and ensure their future “license to operate”. And yet others are ethically driven; they believe that this is not only a good way to do business, it is also the right way, says Tania Ellis, consultant in social business trends and expert on CSR.

Hence improving global health is no longer only the job of governments, the EU, the UN, or the large number of non-governmental organizations. Drug companies put global health on their agendas and take initiatives to improve it in various ways. However, this is not a matter of philanthropy.

CSR as a strategic tool

– The freedom to operate is no longer purchasable through donations alone. This is why CSR plays a much more strategic role with pharmaceutical companies than it has done previously, says Steen Vallentin, associate professor, PhD at the Department of Management, Politics and Philosophy at the Copenhagen Business School (CBS).

Albeit the complexity of CSR and global health goes beyond philanthropy, this is rarely reflected in the media.

– The debate about pharmaceutical companies and third world countries suffers from a lack of knowledge and insight, says Guy Willis, Director of Communication at The International Federation of Pharmaceutical Manufacturers and Associations (IFPMA).

The members of the federation are global pharmaceutical companies and national pharmaceutical industry associations. It is located in Geneva, Switzerland and this is not a coincidence. This is also the hometown of The World Health Organization (WHO). As a global organi-

zation, IFPMA is working on improving health in global aspects, and WHO is a major stakeholder for the IFPMA.

Ethical dilemmas

One of the issues pointed out by critics is the lack of ethics in drug development in third world countries. What is the point in potentially improving lives with medicine that people in low or middle income countries will never be able to pay for themselves? Yet another issue is that health programs in third world countries may just improve people's access to medicine, and ultimately serve the purpose of increasing medicine sales figures.

– We know that these are the arguments of the people who criticize pharmaceutical companies. And this is where they are wrong. Pharmaceutical companies take a large amount of CSR initiatives for improving health, not improving sales, Guy Willis says.

Database oversight

In order to inform and improve the transparency of global health activities, the IFPMA has established the IFPMA Partnerships Directory: www.ifpma.org/healthpartnerships. This is a database allowing the public to obtain easy access to information on company programs to help improve health in developing countries. It can be accessed through the IFPMA website and search functions improve the usability of the database.

The database has been up and running since 2008.

Showroom or source of information

Has the database become a “showroom” for the good deeds of global pharmaceutical companies then?

– Our mission is to make available concrete information to inform the debate about the role of the industry in third world countries. In doing so, we set strict criteria for programs which can be entered into the database, says Guy Willis.

The IFPMA only admits programs that aim at improving health in low or middle income countries. Any program

must be sustained over many years. Per se, this excludes emergency aid programs, which are recorded separately. Small scale programs are allowed, e.g. mother-to-mother education in a village in Africa.

– We do not exclude programs because of scale. They may – in a limited setting – fulfill the purpose of improving health perfectly. Fundamentally, the programs must demonstrate sustainability. For example, the biggest donation program for river blindness is also one of the oldest. It has been running for more than 20 years now, and it reflects the commitment of the company behind the initiative, says Guy Willis.

Measure engagement

Steen Vallentin points out that there will be an increasing demand from the public to demonstrate the effects of CSR initiatives. This implies a change from communicating

about what they are doing to record the activities, evaluate the effects and report it.

– Show me the data! Trustworthiness in global health initiatives as any other CSR activity will have to be measured for people to judge the impact themselves, he says.

Guy Willis points out that the IFPMA has been documenting its member companies' developing world programs since 2003. During this period they have grown from 36 to 213 in number.

One-way road

Tania Ellis, expert on CSR, believes that an increasing number of organizations will travel down the road of CSR. It will however be a one-way road.

– CSR takes commitment and there is no such thing as a free ride.

Glossy, PR-driven CSR will soon be exposed by critical stakeholders. And interestingly, many companies that start traveling on the sustainability journey discover that it actually makes an incredible amount of sense for the business, the employees, and most of all the people with improved health, Tania Ellis says. ■

