

Is it worth it?

There is an acknowledgement in the introduction to *Priority Medicines for the citizens of Europe and the World* that »the complex relationship between pharmaceutical research and development, innovation, intellectual property, pricing and trade is not addressed here [p.vii]«. As a result, *Priority Medicines* ends up a purely technical exercise which does not go to the heart of the problem: pharmaceutical companies' »innovation« is geared towards guaranteed markets and is rewarded by monopolies through the granting of patent protection. The costs of these monopolies are borne by the state, insurers and, ultimately, the consumer. The challenge which *Priority Medicines* does not confront is to come up with other mechanisms for financing research and development that would represent better value for money for consumers.

The pharmaceutical industry is simply not interested in producing medicines for conditions where those suffering are small in number or low in income. Research and development efforts – which cost companies less than marketing or the dividends paid out to shareholders¹ – are concentrated on blockbuster drugs such as Viagra or Prozac, or »me-too« drugs, variations on other companies' »blockbusters«. This selectivity, inherently a low-risk strategy, whatever the risks of individual research investments, is perversely rewarded by monopolies based on intellectual property »rights«. Although medicines produced under this model only coincidentally address public health needs or offer decisive therapeutic advantage over existing treatments, governments seem married to the orthodoxy of intellectual property »rights«. *Priority Medicines* assumes that more incentives need to be offered to help companies overcome a supposed »crisis in innovation«, which is actually just an unwillingness to invest in medicines for which a profit is otherwise unlikely. This amounts to a recipe for making an already expensive system which is not geared to public health needs ever more expensive.

¹ Research from the Bank of America, quoted in the *Guardian*, October 12 2004

What Health Action International Europe says:

There are clearly insufficient funds available for the development of medicines. But it is a false diagnosis to situate this as a problem of insufficient investment in the pharmaceutical industry. The greater investment of funds in the United States has not yielded new products to meet public needs and the costs are recognised as unsustainable. A number of proposals exist, ranging from modifications of the patent system to public treaties for research and development. The costs of medicines' research and development and the importance of steering it towards public health needs demands such thinking »out of the box«.

HAI Europe believes that the Dutch and subsequent European Union presidencies must:

- honestly investigate the use of alternative, sustainable mechanisms to finance public needs-driven therapeutic innovation;
- consider the institution of fiscal mechanisms to provide funds for public needs driven research and medicines production;
- where public funds are invested, provide assurance that a product is of clear therapeutic value and is equally accessible to all.