

## Healthy Persons and Communities

### Global Access to Medicines in Developing Countries

The Universal Declaration of Human Rights, adopted by the United Nations in 1948, in Article 25 declares that *“Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care ... Motherhood and childhood are entitled to special care and assistance...”* The right to health has been recognized in other documents, such as the Constitution of the World Health Organization, which states it as the *“right of everyone to the enjoyment of the highest attainable standard of physical and mental health.”*

More than 2 billion people worldwide lack regular access to needed medicines, which is fundamental to achieve their right to health. Diseases such as HIV-AIDS, tuberculosis, malaria and other neglected diseases are prevalent in developing countries, particularly among the poor. While it is accepted that governments have the primary responsibility for ensuring access to health care for their citizens, the pharmaceutical industry plays a critical role in access to medications. Efforts like the Gates Foundation have made an impact by bringing additional resources, but a systematic approach is essential to remedy this undue disease burden borne by the poorest and most vulnerable in our world. As a result of this critical lack of access to drugs in developing countries, there is a growing recognition that pharmaceutical companies, as part of the obligation of all businesses to respect human rights, have a particular social/human rights responsibility to take reasonable steps to enhance the equitable access to medicines. Global access to medicines in developing countries is aligned with the care and concern of the Sisters of Mercy for the economically poor of the world, and their particular concern for women and children.

Global developing countries present a particular challenge to the pharmaceutical industry. Their normal business model works well in North America and Europe, but does not in developing countries, which generally do not have an established health care delivery system infrastructure or the resources to pay developed world pricing. The Wall Street Journal reported in May 2010 that approximately two-thirds of health care spending globally is for less than 15% of the world’s population. The business model of pharmaceutical companies relies on patent protection of drugs for ongoing profits they view as essential to fund operations and ongoing research and development. As a result, pharmaceutical companies are reluctant to share their patent-protected medicines with the less-expensive generic pharmaceutical producers, which could make these drugs available at a lower price in developing countries.

Faith-based and other socially responsible investors have been engaging with pharmaceutical companies for more than 15 years, through the filing of resolutions and dialogues, and have seen some action taken by some companies. The focus of these engagements has been not only on the pricing and availability of these drugs, but ensuring that drugs appropriate to the

treatment of children are available. There have been some notable successes, such as Gilead Sciences, which shared patents that allowed the manufacture of generic equivalents for two HIV-AIDS drugs, and the recent formation of HIV Futures by two pharmaceutical companies, GlaxoSmithKline and Pfizer, to focus on increasing the access to drugs treating HIV-AIDS in developing countries. The Interfaith Center on Corporate Responsibility (ICCR) has also expanded its involvement with this issue through collaboration with Oxfam, an international NGO that seeks creative solutions to end poverty and injustice in the world. ICCR is also collaborating with UNITAID, part of the World Health Organization, which has formed Medicines Patent Pool Foundation to serve as a “patent pool,” which will develop a standard license for use by pharmaceutical companies for licenses to share use their patents with generic producers to develop more affordable drugs. Participation in the patent pool, however, remains a voluntary initiative for pharmaceutical companies, and many details are to be developed.

Some pharmaceutical companies have taken steps to address global health by contributing funds and drugs through their corporate foundations to some developing countries. As an industry, however, they are not yet taking meaningful action to share the patents for their drugs, which would allow them to be sold at lower prices. A sustainable solution is essential in order to have real impact in improving global health. It is evident that pharmaceutical companies will need to implement innovative approaches to improve access to drugs worldwide. Shareholders can play an important role in continuing to engage companies on their specific activities to make drugs more available in developing countries and encourage transparency in reporting the impact and effectiveness they are achieving to address global health needs. Shareholders can also be a conduit for the exchange of best practices between companies and to foster shared accountability. Without meaningful participation by pharmaceutical companies (as well as governments, foundations and other NGOs), this world health crisis will not be adequately addressed.

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