

Global health: the ethical responsibility of the pharmaceutical industry

– secondary publication

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ABSTRACT

Health as a global issue concerns all and clearly manifests global inequality. All stakeholders of the healthcare systems and disease treatment – including the pharmaceutical industry – have an ethical obligation to contribute to promoting global health. At Novo Nordisk we primarily focus on providing our contribution to global health through defeating diabetes. At the same time we stand by being a private company required to deliver a financial profit, which is why we must create positive results on the financial, the environmental and the social bottom lines. In this article we attempt to provide a brief overview of some of the initiatives that we think business companies can take – and therefore are also obliged to in promoting global health. Further, we have pointed out a number of dilemmas within research and development as well as business ethics that all companies face when they convert the ethical principles to daily practice globally.

Health as an issue clearly highlights global inequality. The opinion in the developed countries is affected by the health-related tragedies of the developing countries. These tragedies follow from inter alia the extremely low healthcare expenditure of these countries of USD 20 per capita annually, corresponding to less than 1% of that of the OECD countries [1].

In this regard, many perceive the contribution of the pharmaceutical industry to promoting global health as being limited. This is demonstrably the case when judging from the bad image of the industry [2], although there are divergent perceptions of the various industry actors [3]. Hence, it is essential for the industry that its good intentions are followed up by concrete actions that can consequently lead to recognition from external stakeholders.

On a global scale, the responsibility for promoting health rests primarily with the political system and in bodies with international legitimacy, including the WHO and the UN. The vision of Novo Nordisk is to lead the way in defeating diabetes: a disease currently affecting around 230 million people worldwide. It is expected that this number will double within the next few decades [4]. The company seeks to contribute to ensuring better access to health and primarily focuses its contribution within its areas of expertise: prevention, diagnosis and treatment of diabetes. The disease continues to be treated with poor outcomes leading to frequent micro- and macro-vascular implications [5]. The effort can be regarded as one element in the company's Triple Bottom Line that includes social and environmental responsibility. The environmental bottom line is beyond the scope of this text. Yet, it should be mentioned that as an energy-consuming company Novo Nordisk has decided to contribute to fulfilling the Kyoto protocol. Hence, Novo Nordisk entered into a *Climate Savers* agreement with WWF (World Wide Fund for Nature), obliging the company to reduce its CO₂ emissions markedly [6].

THE RIGHT TO HEALTH SERVICES

In relation to diabetes, Novo Nordisk wants to – independently or in partnership – participate to ensure better and more equal access to health within the framework proposed by the WHO. The company has contributed socio-economic studies that unfortunately clearly prove that the current lack of control of diabetes implies loss of human life, life quality and national productivity. Effective treatment is far from universal, even in the industrialised countries, inter alia because of lack of knowledge about the disease. The difficulties are exacerbated by insufficient financial resources, infrastructure and access to medicine. This has precipitated a number of Novo Nordisk initiatives, some of which are described below.

STRATEGY IN CHINA:

AN EXAMPLE OF A DEVELOPING COUNTRY

Today, more than 30 million Chinese have diabetes. The number is increasing tremendously and in line with the urbanisation of the country [4]. Novo Nordisk, the World Diabetes Foundation (WDF) and the Chinese Ministry of Health have jointly established a national, five-year diabetes programme in China. Its purpose is to prevent (via information on diet and exercise), diagnose and treat diabetes, thereby limiting the burden of the disease on the Chinese society. The programme will cover approximately 500 million people of which 20 million have diabetes. Systematic diabetes training for a total of 50,000 doctors and nurses will take place in the form of seminars and hands-on training.

SUPPORTING THE POOREST COUNTRIES

To ensure the best possible access to treatment, Novo Nordisk offers human insulin to the public healthcare sector in the 49 least developed countries at a price not exceeding 20% of the average price in North America, Europe and Japan. Unfortunately, formal access to medicine will often be completely insufficient, and additional, marked support for establishing the infrastructure of the healthcare system is needed. This is a prerequisite for making rational use of the medicine. In this regard, Novo Nordisk established the independent foundation, the WDF, in 2001 with a donation of 500 million Danish kroner. Over the course of a 10-year period this donation is to improve treatment and prevention of diabetes in the poorest countries of the world [7]. The means are used for education and information projects and support for establishing healthcare capacity. Today, the foundation supports more than 50 projects with an estimated direct effect on 24 million people in more than 60 developing countries. The WDF has been capable of attracting many contributing partners and significant financial support from other organisations.

RESEARCH AND DEVELOPMENT

Often, questions arise concerning the research and development activities of the pharmaceutical industry, including the deliberate decision not to concentrate on fields such as tropical diseases. Unfortunately, the highly specialised nature of pharmaceutical research [8] implies that Novo Nordisk as a company focused on diabetes cannot contribute in any meaningful way to the efforts of society within, for example, tropical diseases. In this regard, however, it is important that there are de facto leading Danish research institutions within the field of tropical diseases that must continue to face political willingness to finance their efforts.

To improve treatment and prevent outbreaks of diseases, respectively, animal trials [9] and stem-cell research are absolutely necessary. Hence, animal welfare and ethics related to stem-cell research are key issues. The legal regulations and the ethical conventions must be respected by all. In addition to this, Novo Nordisk decided to cooperate with the Danish Society for the Prevention of Cruelty to Animals with the aim of ensuring higher standards for animal welfare than those officially required [10].

Clinical trials also represent a number of ethical dilemmas such as

informed consent, choice of placebo group, trial design and publication of results. These aspects, formerly dealt with in the Journal of the Danish Medical Association [11], are governed by legal regulations, conventions and regulatory authorities, and they are monitored by the committees for research ethics. In this context, we will only stress the issue that modern clinical trials must ensure that the end product needs to be representative of all ethnic groups that can potentially be end users of a given pharmaceutical product. Therefore, clinical development projects must be conducted all over the world. In turn, this requires consistent, high ethical trial standards, also in countries with less restrictive national regulations. Novo Nordisk has established global standards ensuring high ethical standards and we do not accept excuses for "ethical dumping", ie lower ethical standards for trials conducted in certain countries and/or lack of intent on the part of the company to achieve approval of the particular product in all countries that are included in the trial.

BUSINESS ETHICS

Recently, Transparency International expressed its views on the matter of business ethics and sketched some of the key issues, including the need for companies to take an active stance on bribery, corruption and other unethical behaviour [12]. In relation to this, it is important that the obligation to contribute to global health implies that companies must operate in areas providing major challenges in converting the principles of business ethics into practice. To this end Novo Nordisk strives for responsibility, but dilemmas cannot be avoided and they are dealt with in a case-by-case manner. As an example, in October 2005 a UN investigation committee published a report mentioning Novo Nordisk as one of around 2200 companies that were alleged to have paid so-called *after sales service fees* in relation to contracts entered into with the UN's Oil-for-food programme. The programme enabled Iraq to sell limited amounts of oil to cover the humanitarian needs of the Iraqi population in 1996-2003 during the economic sanctions imposed on Iraq after its invasion of Kuwait. Novo Nordisk's own assessment is that no illegal activities have taken place in relation to the contracts and payments of the company. Nevertheless, the situation emphasises the difficulty of working in countries with very different ways of conducting business. In the past 15 years, the company has supplied the Iraqis with insulin for diabetes treatment and has traded with Iraq for more than 30 years. Had Novo Nordisk withdrawn from Iraq, the Iraqis had most likely been unable to get sufficient pharmaceutical supplies for the many diabetes patients of the country, illustrating a classic dilemma: dealing with corrupt regimes/dictatorships versus the legitimate humanitarian need of these people to have access to important medicine. Finally, Novo Nordisk signed UN's Global Compact and the company actively works on incorporating its ten principles, including avoiding bribery and corruption within the company and among its stakeholders.

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