

CORPORATE SOCIAL RESPONSIBILITY IN THE PHARMACEUTICAL
INDUSTRY – WHY IT MATTERS FROM BUSINESS, BIOETHICAL AND SOCIAL
PERSPECTIVES

BY

KEVIN M. BREWER

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Approved By:

Nancy King, J.D., Advisor

Michael Hyde, Ph.D., Chair

Kevin Jung, Ph.D.

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LIST OF ABBREVIATIONS

Access to Medicine Index	ATMI
African Comprehensive AIDS Project	ACHAP
Acquired Immune Deficiency Syndrome	AIDS
Antiretroviral	ARV
British Petroleum	BP
Categorical Imperative	CI
Chief Executive Officer	CEO
Corporate Social Responsibility	CSR
Food and Drug Administration	FDA
GlaxoSmithKline	GSK
Human Immunodeficiency Virus	HIV
International Monetary Fund	IMF
Johnson & Johnson	J & J
Master of Business Administration	MBA
Neglected Tropical Diseases	NTDs
Non-governmental Organization	NGO
PATH Malaria Vaccine Initiative	PATH MVI
Trade Related Aspects of Intellectual Property Rights	TRIPS
United Nations	UN
World Health Organization	WHO
World Trade Organization	WTO

ABSTRACT

In my thesis, I assert that corporate social responsibility (CSR) in the pharmaceutical industry is essential for both society at large and the pharmaceutical business in general. I support this hypothesis with data from pharmaceutical businesses that have CSR programs and explain how these programs can help in multiple areas – ranging from brand image to expedited FDA product review. Companies now measure success in multiple ways beyond just a profit standpoint, using multiple metrics, including benefit to society. This “triple bottom line” approach takes into account stakeholders in addition to shareholders. Businesses are now seeing the long-term value of giving back to the society in which they conduct business. Sustaining health in various communities can raise the standard of living, increasing paying customers and instilling brand loyalty. In addition, there is evidence that mitigating negative public perception can relieve some of the excessive regulation that is now in place. Within this context, I provide real-world examples of CSR programs that pharmaceutical companies are currently engaged in and show how these programs help both society and the pharmaceutical industry itself. In closing, I discuss opportunities for the pharmaceutical industry’s current CSR initiatives that can help reduce industry CSR redundancies and drive a more concentrated focus where it may be needed.

INTRODUCTION

I chose to do a thesis on CSR in the pharmaceutical industry because it is an area where I currently work. During my 14 years in pharmaceuticals, I have seen many positive and negative aspects of the industry. I have seen first-hand the absolute good pharmaceutical companies have done for the world in the development and distribution of lifesaving medicines. I have also closely witnessed unethical marketing practices and exorbitant price structures that render some lifesaving medications inaccessible for many people. This has developed a strong internal feeling for me that as an industry we can do a better job from a CSR standpoint. Thus, I have decided to learn more on the topic with the ultimate intention of helping further develop the current CSR program at the company I now work for. Here is a general outline of the following thesis:

Chapter One

The initial chapter defines CSR, and more specifically CSR in the pharmaceutical business. First I define CSR and how it came about in the business world and specifically in the pharmaceutical industry. I describe how CSR may be different in the pharma world as far as expectation and moral obligation is concerned; CSR in pharma is different than other industries and the public has quite different ideas about the moral necessity of pharma's CSR obligation. The concept that medicine may be beyond a simple commodity has gained traction in business and public circles. Clearly, this is because medicine saves lives and is a necessity, not a want. I develop my argument as to why medicine is beyond a normal commodity-- balancing the economic imperatives of

selling pharmaceuticals while discussing the moral requirements of providing access to medicine to those that cannot afford it. There is much debate as to whether any company truly has an obligation to anyone besides their shareholders.

I discuss moral theories that relate to the necessity of having CSR programs in the pharmaceutical industry. Using authors ranging from Powers and Faden to Pogge, I discuss theories of justice which tie into the pharmaceutical industry's duty to have CSR programs. I discuss the moral necessity of distributing lifesaving medicines to those that cannot afford it from a distributive justice position. Basic justice and human rights include health according to United Nations, and although this is the responsibility of governments, pharmaceutical companies also have a role to play. I discuss the moral idea of beneficence and why companies also have obligation to research and develop medicines for neglected tropical diseases (NTDs) that may not drive profit like many drugs for Western disease states do.

Chapter Two

I use this chapter to give industry examples of CSR initiatives in the pharmaceutical industry. From Pfizer trying to relieve trachoma in Asia to Merck distributing HIV treatment through Africa, I discuss various industry programs and how they impact the companies and the societies they serve. Giving examples of the breadth of CSR programs the industry is involved in will give the reader an understanding of the commitment pharmaceutical firms have to CSR. During this discussion I point out the importance of not only these companies giving to society from an access to medicine standpoint, but the importance of adhering to ethical business practices. Many companies

live inconsistently; that is they have unethical marketing practices or unethical clinical trials and think they can mitigate these negatives with positive CSR programs.

Essentially, it is critical for pharmaceutical companies to adhere to legal and moral frameworks of business and use CSR programs as an additional benevolent practice in order to benefit all stakeholders. To use CSR programs as a band-aid for the negative publicity from immoral business practices is unethical.

Chapter Three

Chapter three gives the social case for CSR programs. Here I discuss reasons the pharmaceutical industry really must work on its 'social contract' with society and how this can be done. I utilize Pogge as a foundation in his views ranging from differential pricing to TRIPS (trade related aspects of intellectual property rights) and how these affect society at large. In this chapter I discuss how current business models in the pharmaceutical industry really hurt populations in the developing world. I discuss the specifics of how patent protection and exorbitant profit-margins for Western disease states incentivize pharmaceutical companies to focus resources on me-too drugs in developed countries and neglect the tropical diseases in lesser developed countries from a research and development standpoint. I show how if these structural economic realities do not change, it is even more morally imperative for pharmaceutical firms to broaden their current CSR initiatives in order to level the playing field for access to medicine in society.

Chapter Four

In this chapter I give the business case for CSR programs in the pharmaceutical industry. I describe how although these CSR programs cost money, in the long-term there is data to suggest that these programs can drive revenue. This business benefit may take forms ranging from reputation capital to decreased time for FDA product review to better access to emerging markets. I show examples of this impact in business terms and relate it to the top pharmaceutical firms in the industry. Regardless of the various ways CSR can impact the pharmaceutical business in a positive manner, most pharmaceutical executives have embraced CSR programs and actually have dedicated CSR teams in place to develop, execute, and monitor these programs. Thus, the industry sees the business benefit in addition to the social one, and CSR in the pharmaceutical industry seems to have gained complete traction. I also outline emerging third-party companies that are measuring CSR programs and their impact on business and society. I argue that the pharmaceutical industry should agree to one platform of CSR measurement (Bioethics International or The Access to Medicine Index). This will help the industry reduce overlap in terms of CSR programs, and may be able to concentrate resources across various firms in order to have better overall results. For example, The Access to Medicine Index comes out with a report every two years which outlines and then rates what the top 20 pharmaceutical firms are doing internationally from a CSR perspective. Many firms do not realize they are working on the same neglected tropical diseases or are trying to ameliorate the same certain conditions in targeted regions. If companies worked together on non-proprietary CSR initiatives it could reduce redundancies and help solve complex health problems in a more efficient manner.

Chapter Five

Chapter five closes with a summary of the thesis. I discuss possible opportunities for the pharmaceutical industry regarding CSR initiatives which may result in better social and business performance.

CHAPTER ONE

To find a commonly agreed upon international definition of Corporate Social Responsibility (CSR) is difficult. Although we are trending toward a truly global society, there are still cultural nuances throughout the globe that dictate what society, businesses, and all stakeholders deem responsible as far as business obligations toward society are concerned. Thus, what may be socially responsible in the United States may differ from what society expects from socially responsible firms in Europe, Asia, Africa, or South America. What seems to be consistent through these various areas is the idea that CSR embodies the notion that corporations are ‘citizens’ with great fiduciary powers that have a moral obligation to give back to society at large. That these corporations should go beyond what is legally required, and bestow some benefit on the society in which they prosper that is beyond the benefit of just shareholders, is agreed upon in the definition of CSR. All CSR terms “speak to some basic notion of a business role in providing some “good” to society in the form of jobs, growth, philanthropy, law abidance, environmental stewardship, rights protections, and other expectations.”¹ These obligations take forms ranging from responsible environmental practices to donations of the company’s products to stakeholders. CSR says that companies ultimately have responsibilities to all stakeholders, not just the company employees and shareholders. There is a difference between domestic CSR programs and international CSR programs; it is my belief that global firms, including pharmaceutical companies, have a duty to provide CSR to the world.

In addition to variance in the definition, the term CSR is also called numerous things. Johnson & Johnson, BP, Novo Nordisk, and Proctor & Gamble call it Sustainable Development while Ford, Intel, GE, and Novartis call it Global Citizenship or Corporate Citizenship.²

Perhaps a more pertinent way to look at CSR is not toward its specific definition or term, but to ask the question, “What are a company’s responsibilities to society?”³ When shareholders’ values are taken into account, and companies listen to the needs of society beyond their shareholders, there usually is a positive business impact. One study found that a firm’s reputation is valued at between 6% and 10% of the total market value of the company.⁴ Corporations that allow stakeholders to determine what is important to them relative to CSR makes business sense. One can almost think of this in terms of Adam Smith’s ‘invisible hand’. In 1776 he argued that:

every individual... neither intends to promote the public interest, nor knows how much he is promoting it. He intends only his own security, his own gain. And he is in this led by an invisible hand to promote an end which was no part of his intention. By pursuing his own interest he frequently promotes that of society more effectively than when he really intends to promote it.⁵

Here Smith had no idea how capitalism would evolve and how corporate entities would drive our current society. And even as recently as 50 years ago, the majority of corporations only had their own profits and viability in mind. This did not necessarily work as envisioned, for much of corporate activity caused harm – ranging from problematic working conditions to environmental degradation. Yet, I suggest, we have come to a point in our capitalistic and corporate transformation that having society’s interest at hand will actually benefit the corporation itself, an almost invisible hand giving

back through reputation capital and ultimately the financial bottom line. So CSR is the responsible action toward stakeholders that can benefit shareholders.

CSR in the pharmaceutical industry is different from CSR in other industries because the primary commodity, medicine, is essential for the well-being of humanity. Clearly water, food, and shelter are as well, but these commodities generally do not have exorbitant prices that make them unattainable. Geoffrey Heal says:

Most people can't afford expensive cars or houses, a fact of little consequence. We don't worry that most people can't afford Ferraris or Aston Martins or Manhattan penthouses. But drug companies are different because drugs are different; they are not just ordinary commodities: they can make the difference between life and death, or between being sick and well, and most do not accept that these differences should be determined by income.⁶

The market and patent platform on which pharmaceuticals are currently sold prohibits many prospective patients from affording these expensive medications even with the help of government or insurance programs. And this is compounded by the fact that most impoverished people cannot access many medications, due to the lack of generics or affordable alternatives to patented medicines. This reality has become unacceptable in the public's eyes. In many polls, U.S. consumers rate the pharmaceutical industry as one of the most unethical industries there is. A Harris Interactive Poll found that in 2005 only 15% of respondents believe the pharmaceutical industry does a good job of serving its customers. This had gone down from about 50% in 1998. Only health insurance, tobacco and oil companies rated worse.⁷

Because the public and moral thinkers view medicine as beyond a simple commodity and many view the profit margins taken by pharmaceutical companies to be unethical, the onus is on the pharmaceutical industry to address this issue. There are

many emerging philosophies at learning institutions which some thoughtful business leaders are adopting. One philosophy is that conventional CSR is essentially adherence to law with the addition of doing some good beyond the normal day-to-day business actions that can benefit society. A second philosophy, “triple bottom line”, emerged in the 1990’s with the notion that all business functions within an organization should be sustainable in economic, social and environmental terms and the company’s success should be measured in terms beyond just financial bottom-line metrics.⁸ Finally, a group of scholars at Case Western have outlined a new CSR paradigm whereby corporations go beyond all previous traditional measurements of success. These scholars envision corporations whose strategic initiatives have so great an impact that they contribute to actually repairing and rebuilding society and the environment.⁹ It is my sense that this ‘Revolutionary Renewal’ CSR strategy of actually transforming society may take a while to gain traction. Many businesses may not see it as their moral or business duty to have this much involvement in society. But interestingly, this has really been happening for centuries. Corporations invariably transform society, as they are prime financial powerhouses with capability to do so. And although this may go beyond the minimal moral requirement of companies, progressive ones will work closely with governments and NGOs and drive global transformation. In doing so they will develop and create new markets, expand customer bases, and ultimately become financial giants in a society they helped mold and create.

The above examples show what CSR is. In *When Principles Pay*, Heal describes that CSR is “a focused response to social and environmental issues arising directly from a company’s operation.”¹⁰ I like this, as Heal shows that CSR programs should be a

response directed at alleviating some of the harms to society a corporation may be responsible for during their daily operations. So, for instance, the pharmaceutical industry must address the issues they are responsible for, not things like carbon dioxide emissions which Heal would suggest the oil companies might address in their CSR programs. Heal gives the example of tobacco companies, saying when they give to charities this is not CSR, but if they invented harmless cigarettes or give to cancer societies this is a valid CSR response.¹¹ In describing pharmaceutical CSR, Heal logically says,

Making drugs available to those who are otherwise priced out of the market is responsive to the issues associated with producing pharmaceuticals, and also counts. So the programs run by pharmaceutical companies to make their drugs available at reduced prices to those on low incomes do count as socially responsible.¹²

So, for me, a clear way of defining CSR would say CSR are the programs a company initiates to address the negative issues that arise during their normal business activity. Ideally these issues would not be present, yet we know that in most industries there are unintended consequences to production and distribution of products and services. To do away with these negative environmental or social maladies that arise from doing business could mean an end to the business itself. So CSR comes to be one method to address and hopefully mitigate as much negative consequences as possible without completely changing the businesses paradigm.

Going beyond public opinion, there are ethical theories that should be referred to when discussing CSR in the pharmaceutical industry. These ethical theories can further be tied into educated opinion on why there may be a further moral obligation for

pharmaceutical firms to embark on CSR programs because of the very commodity they produce. For instance, Klaus Leisinger of Novartis states:

The role of the pharmaceutical company in a global economy is to research, develop, and produce innovative medicines that make a difference to sick people's quality of life, and it is their duty to do so in a profitable way. No other societal actor assumes this responsibility. Many pharmaceutical corporations, however, perceive a moral obligation to do more, whenever possible, to help alleviate health problems of poor people all over the globe.¹³

I will now discuss the moral theories as to why this is so.

Madison Powers and Ruth Faden in their book *Social Justice* set up ethical reasons why human beings, no matter their economic state, have a right to well-being. They describe what they consider to be the six core dimensions of well-being: health, personal security, reasoning, respect, attachment, and self-determination.¹⁴ This right to well-being is a form of justice that I suggest governments, NGOs and business have a synergistic obligation to provide. In this right to well-being, society must provide the platform for access to medicine for the impoverished. In addition to governments and NGOs setting up infrastructure to provide healthcare, pharmaceutical companies exist to create medicines and therapies to help alleviate suffering while at the same time driving profit. Yet, these companies, if they are to be morally just according to Powers and Faden, also must be part of the solution to the access to medicine issue. This may take the form of creating new therapies for neglected tropical diseases (NTDs) or providing inexpensive or complimentary drugs to severely poverty-stricken populations. The pharmaceutical industry has a duty to help in the health dimension of well-being, as this is their area of expertise and where they profit of patent protection.

There is a close connection between poverty and ill health. Although the pharmaceutical industry does not have the capacity or moral obligation to address global poverty, they do have a moral responsibility to provide access to medicine for impoverished regions of the world. This is because, although pharmaceutical firms may not create the underlying conditions of poverty, the current patent protection on drugs and exorbitant prices on medicines deny medicine access for the poor. And to remain dutiful to the principle of justice, Powers and Faden would suggest the pharmaceutical industry has an ethical obligation to help with the access to medicine issue.

Powers and Faden discuss both the negative and positive points of justice that a just society has an ethical duty to provide. For instance, Powers and Faden say:

The positive point of justice for public health is to secure a sufficiency of the dimension for health for everyone. The negative point of justice.... in our view requires a commitment to policing patterns of systemic disadvantage that profoundly and pervasively undermine prospects for well-being..¹⁵

I suggest here that pharmaceutical firms have a moral obligation in the positive point of justice, from the standpoint that the industry can provide reduced price structures for essential medicines, grant temporary patents to overseas companies to make critical drugs, or provide donated products to impoverished regions. What the pharmaceutical industry may not have a moral obligation to address is the negative point of justice where society-wide changes are needed to address the underlying economic factors that drive poverty through the world. The social conditions for human health are more the responsibility of global economic institutions ranging from the World Bank and IMF to international governments who work within this global economic framework. This is not about a reallocation of global assets, but really a transformation of current systems that are in place which help perpetuate deep poverty for over 2.5 billion people who have trouble

meeting even the most basic of needs.¹⁶ As mentioned earlier, in the business philosophy of CSR called 'Revolutionary Renewal', some may argue that the truly forward looking businesses have an obligation to transform society. But this may be too aggressive for many CEOs to digest, and may turn them away from CSR.

I think change will happen if pharmaceutical companies work in conjunction with governments, international institutions, NGOs, etc. to be part of a global solution to societal inequity. Leisinger states:

The scale and complexity of today's global health problems and the human tragedy associated with premature death and preventable disease elevates the access-to-medicines debate to one of the central CSR priorities for pharmaceutical companies. While governments continue to hold the primary responsibility for ensuring access to healthcare for their citizens... the most sophisticated breakthroughs in research and the most generous offers of low-priced medicines will make little difference for the poorest people if there is no basic infrastructure to reach them.¹⁷

Powers and Faden go on to discuss the moral justification for public health. They discuss what they deem may be "the most contested, and most important, moral concerns of public health: whether there is a fundamental right to health."¹⁸ They go on to contend that any society that

fails to ensure for its members the conditions necessary to achieve a sufficient level of health is an unjust society that in our view has violated a basic human right... it is the duty of the global community to ensure the needs of the people...¹⁹

I like this because here they imply that it is the concerted effort of multiple players in the global community to address and deal with our world's problems. By no means is it the responsibility of pharmaceutical firms to provide free medicine to everyone who needs it but cannot afford it, but it is their duty to help ameliorate as much of this problem as possible while still staying financially profitable if they are

to adhere to the principle of justice. In addition to the moral responsibility, one of the reasons this becomes a duty for the pharmaceutical firms is that each one of them within their mission statements declare that it is their responsibility to increase the health of humanity. Thus they must act on their declarations.

Thomas Pogge continues the ethical dialogue on why western societies and corporate entities have a moral duty to provide system change in order to mitigate some of the world's endemic human suffering. He begins his book, *World Poverty and Human Rights*, with the United Nations Declaration on Human Rights, Articles 25 and 28:

Everyone has the right to a standard of living adequate for both the health and well-being of himself and of his family, including food, clothing, housing and medical care. Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized.²⁰

Pogge then elucidates an insightful idea discussing our current globalization and international institutional interconnections – thus making it a requirement that there be a single universal definition of justice that all people can accept.²¹ Essentially, all nations and cultures need to come to a definitive ballpark definition of justice in order to build an actionable framework around. To agree with Pogge, as I do, means recognizing that social justice includes the human right to health. As health is a universal human right, there must be universal access to medicines in order to have a just society.

The key to developing anything close to this in real-world terms would be the close interplay between all players, from governments to pharmaceutical companies. And because medicines are the expertise and business of the pharmaceutical companies, they have a vital role to play in the equation. And to be just, this requires the pharmaceutical industry to be permitted to profit from their expertise and commodities and also to provide access-to-medicines to the impoverished in a sustainable manner. As

the UN Declaration of Human Rights declares, all people are entitled to health, and, it logically follows, access to medicine. To embody justice in our society and also remain consistent with their mission statements, pharmaceutical companies have a moral obligation to provide access to medicine for those who cannot afford them while remaining compatible with sustainable business goals.

In addition to justice, pharmaceutical companies have a duty to adhere to the principle of beneficence. In their *Principles of Biomedical Ethics*, Beauchamp and Childress define beneficence as not merely mercy, kindness or charity, but an actual obligation to help others and further their legitimate interests.²² Beneficence is a call-to-action, really taking on an active role in removing harm and providing benefits.

Pharmaceutical companies claim their *raison d'être* is precisely this -- removing unhealthy harms and providing health benefits through development and distribution of medicine. Consequently, they ought to have the added moral obligation to undertake research into medicines that can help those in impoverished regions, not just profit-driving medicine for Western conditions or lifestyle medications. The research and development of NTDs, and their ultimate distribution, becomes a moral duty. It would be unjust to solely focus on profitable medicines for Western diseases because medicine is beyond a simple commodity, pharmaceutical companies are the experts in making and distributing medicines, and their mission statements declare they are in business to improve the health of humanity.

In addition to the right to life, I believe the fundamental right to human health, and thus access to medicines, may be our most important right. For without health, one is unable to adequately pursue all other human needs. One is in a complete state of

vulnerability, and may not have the capacity to pursue water, food, or shelter from a physical needs standpoint. In addition, the pursuit of love, relationships, comfort, and contentment can rarely be done when one is not well. As pharmaceutical firms make up a segment of society, and a just society is one that treats people fairly, the just pharmaceutical firm profits from medicine while providing access to this commodity for those who cannot afford it. This notion of duty to the people may not make ‘business sense’ immediately to the economic observer, but as I discuss later it truly does in the long-term. A just organization is granted a license to operate successfully in society in many different ways – better brand allegiance, reduced public/government scrutiny, and public relations that are positive and not negative to name a few.

Pharmaceutical companies wield much economic and intellectual power.

Utilizing both these attributes can help mitigate many health problems in today’s global society. As large global companies are becoming more and more powerful, they have a duty to work with governments, NGOs and all stakeholders to make society a better place. Many will argue that it is not the responsibility of companies to do anything but provide shareholder return. This is an antiquated paradigm of short-term return. A company that has a broad approach of providing for stakeholders has a long-term view that business can’t and shouldn’t be measured solely in quarterly economic indicators. This can pay off in many ways. And as pharmaceutical companies issue mission statements acknowledging their mission of enhancing health for humanity, not just for customers who can pay exorbitant profit margins, they have a duty of justice and beneficence to attempt to provide access to medicine for those who may not be able to afford it. By no means is it the moral responsibility of pharmaceutical companies to provide *health* for

humanity, but it is their moral responsibility to try and provide access to medicines they produce in a sustainable manner that will not put the firms themselves out of business. Pharmaceutical companies, in collaboration with governments and NGOs, should provide a 'decent minimum' of medicine to those in need. By doing so, pharmaceutical firms will stand firm on the ethical pillars of justice and beneficence, while at the same time staying in line with the business values of long-term profitability.

CHAPTER TWO

All of the top 20 pharmaceutical companies have some form of CSR. The CSR initiatives within these companies usually contain many components. For example, most pharmaceutical companies have domestic patient assistance programs and work with international NGOs to distribute medicine or build medical infrastructure. These domestic CSR programs provide assistance where the government or private insurance has gaps. For instance, if someone does not have Medicaid, yet also does not have private insurance, many pharmaceutical companies will provide free drug. For the purpose of this thesis, I focus on international CSR programs in resource-poor countries. This is because I feel this is more important from a beneficence and justice standpoint. Citizens of the developed world have more opportunity to access medicine for two primary reasons – the economic foundation is in place for them to more easily garner economic freedom through employment and the government and healthcare infrastructure is further developed so the poor have opportunity at getting medicine. This is not the case in impoverished areas of the world, thus, there is more obligation for others to help. And as the pharmaceutical industry has prolonged patents in place exacerbating the international medicine access issue, in addition to having the resources and capability to distribute medicines, they have the ethical duty to address the problem through CSR programs. I will focus on a few examples of international CSR programs within 4 large pharmaceutical firms:

Pfizer – has an international program called The Global Health Fellows Program. It was instituted in 2003, and so far 300 Pfizer employees have participated. They work

in concert with local NGOs in developing countries, providing their expertise in their field. This is an international volunteer initiative.²³ Pfizer partners with various NGOs, from Save The Children to Project Hope and utilizes their employees to work in concert with these NGOs in order to positively affect designated populations. In addition to this, Pfizer has implemented a medicine donation program to Africa and Asia, hoping to alleviate suffering from trachoma. Pfizer works closely with WHO's Alliance for the Global Elimination of Blinding Trachoma by the year 2020 and the International Trachoma Initiative.²⁴ Pfizer provides Zithromax to support the initiative and has donated more than 225 million Zithromax treatments in 19 countries up to this point.²⁵

Merck—has the Mectizan Donation Program, which aims to alleviate onchocerciasis or ‘river blindness’. This disease afflicts approximately 130 million people. It is transmitted through the bite of black flies and can cause intense itching, disfiguring dermatitis, eye lesions and eventually blindness. At the inception of the program, the disease was one of the leading causes of preventable blindness worldwide.²⁶ The Mectizan Donation Program is the longest-running disease-specific drug donation program of its kind, and is widely regarded as one of the most successful drug donation programs in the world.²⁷

Merck also has a distinct focus on donating HIV/AIDS drugs to developing nations:

In July 2000, the Merck Foundation and the Gates Foundation established the African Comprehensive AIDS Project (ACHAP) with a commitment of \$106.5 million, and Merck agreed to donate its antiretroviral (ARV) medicines Stocrin and Crixivan to Botswana’s national ARV treatment program for the duration of the partnership. In November 2008, Merck expanded its donations to include Atripla and Isentress.²⁸

Botswana was chosen because it had a large HIV/AIDS population in addition to the necessary infrastructure to help ensure the program's success.

In addition to work in Africa, Merck launched an HIV/AIDS CSR program in China called the China-MSD HIV/AIDS Partnership. \$30 million over eight years was donated in order to educate populations on HIV/AIDS, reduce transmission for at-risk demographics, establish infrastructure and service network of care, support orphans and families affected by the disease, and set up monitoring systems to track HIV/AIDS.²⁹

GlaxoSmithKline (GSK) – has an international CSR program that runs from differential pricing to providing access to anti-malarial medications in the developing world. Differential pricing is where GSK offers drugs at greatly discounted prices to the developing world in comparison to its pricing in developed countries. They can only do this by getting a solid return on their medicines in the developed world. The GSK idea of profiting in the West in order to give to the impoverished is summed up here:

The overall GSK goal is to expand access to our medicines and vaccines for around 800 million people in developing countries. This includes the world's 49 poorest nations as defined by the United Nations. In this region, the price of our patented medicines is kept at no more than 25% of our developed world prices and we re-invest 20% of the profits we make from sales in these territories back into local healthcare infrastructure projects.³⁰

In addition to differential pricing, GSK has a robust program in which they work closely with multiple NGOs to deliver healthcare to impoverished regions. Working closely with Amref Health Africa (AMREF), CARE International and Save the Children, GSK donates resources to help train healthcare workers and provides healthcare infrastructure to developing nations. Their focus is on their expertise in the areas of infectious diseases: malaria, tuberculosis and HIV.³¹ Working with Save the Children,

GSK has set a goal of helping save 1 million children by alleviating malnutrition and providing medicines in their areas of expertise.

In their fight against malaria, GSK does research and development for new malaria treatments and vaccines: “RTS,S – is being developed in partnership with the Path Malaria Vaccine Initiative (PATH MVI), supported by grants from the Bill & Melinda Gates Foundation. It aims to trigger the immune system to defend against the malaria parasite, Plasmodium falciparum.”³² This vaccine is in Phase III trials in Africa and may be ready by 2015. With the development of these anti-malarial treatments, GSK provides preferential pricing and education in African nations hit hard by the disease:

GSK established the African Malaria partnership in 2001. It focuses on educating communities about malaria and the preventive measures that can be taken against it, such as sleeping under treated bed nets and seeking immediate treatment for children showing signs of fever.³³

Astellas – has an international CSR focus through its Access to Health initiatives. Specifically, Astellas aims to help in three specific areas: reduction of child mortality, improving maternal health, and combating HIV/Aids, malaria, and other NTDs. In Indonesia, Astellas constructs birth centers and health clinics to address the high infant mortality rates and lack of healthcare centers.³⁴ In north New Delhi, Astellas is partnering with Save the Children to provide free medical care via a Mobile Health Van for mothers and infants. This is a critical area to help because in India, over 1 million babies die each year and 2 million more die before their 5th birthday.³⁵

For prevention of malaria, Astellas donates money to Save The Children’s malaria prevention project in Tanzania. This initiative provided 15,000 insecticide treated mosquito nets through villages in Tanzania, benefitting an estimated 19,883 children and their mothers.³⁶

Astellas works closely with Tokyo Tech and University of Tokyo to accelerate development of drugs that treat Leishmaniasis, Chagas disease, African trypanosomiasis, and Dengue fever.³⁷ In addition to these diseases, Astellas is close to developing a pediatric formulation for Schistosomiasis.

There is no question that these social works that pharmaceutical companies undertake benefit the geographic areas they work within. The donation of time, resources, knowledge, and medicine enhances the health of many people and saves countless lives. One bioethical issue then becomes whether these firms are doing CSR programs because they truly are benevolent or are simply trying to mitigate negative public perceptions resulting from their unethical business practices. From a Kantian point of view this is morally problematic for original intention matters. Kant's Categorical Imperative (CI) would also suggest CSR programs initiated without a genuine long-term goal of helping people and used to mitigate negative business practices is unethical. Kant's CI states,

‘Act only according to that maxim whereby you can at the same time will that it should become a universal law.’ That is, each individual agent regards itself as determining, by its decision to act in a certain way that everyone (including itself) will always act according to the same general rule in the future.³⁸

So Kant would see CSR programs utilized solely to mitigate negative business practices as ethically problematic. The moral foundation would be built on shaky ground, as there is no true intention to help others but to just focus on the company's reputation. One could not will this maxim to be a universal law because then all CSR programs would be temporary and solely based on attempting to change negative perceptions. This would create no genuine foundation for CSR programs and they would not permeate the corporate culture, making them unsustainable and transitory.

There are those that believe the intention is not as important as the end result. For them, the original intent may be irrelevant if the ultimate consequence benefits people. Utilitarianism is concerned with the happiness or well-being of people and the end result of actions are what are most important. John Stuart Mill says:

The creed which accepts as the foundation of morals, Utility, or the Greatest Happiness Principle, holds that actions are right in proportion as they tend to promote happiness, wrong as they tend to produce the reverse of happiness. By happiness is intended pleasure, and the absence of pain; by unhappiness, pain, and the privation of pleasure. To give a clear view of the moral standard set up by the theory, much more requires to be said; in particular, what things it includes in the ideas of pain and pleasure; and to what extent this is left an open question. But these supplementary explanations do not affect the theory of life on which this theory of morality is grounded- namely, that pleasure, and freedom from pain, are the only things desirable as ends; and that all desirable things (which are as numerous in the utilitarian as in any other scheme) are desirable either for the pleasure inherent in themselves, or as means to the promotion of pleasure and the prevention of pain.³⁹

So Mill and other consequentialists would not care if pharmaceutical firms were doing CSR programs just to mitigate negative perceptions if the end result is more people were being helped. But CSR programs cannot balance out the unethical clinical trials, marketing practices, etc. that unethical pharmaceutical companies undertake. The net effect of bad business practices while having a robust CSR program most likely hurts more people than it helps.

For instance, Merck spent years marketing and making billions from their drug Vioxx, while knowing that the arthritis drug may cause increased heart attacks and strokes. Merck ended up settling the nearly 27,000 lawsuits for \$4.85 billion.⁴⁰ GSK was recently involved in a corruption/bribery scandal in China where they paid off physicians to over utilize their medications. The investigation is ongoing, and the scope of the corruption is not clear. What is clear is that both these large pharmaceutical firms have

robust CSR programs yet do not comply with ethical business rules. So the question becomes do these companies do CSR to deflect scrutiny over their immoral business practices or because they truly want to help society? The inconsistency in these values raises questions about these firms' corporate integrity. From my viewpoint, CSR initiatives have much less value if a pharmaceutical company has unethical business practices. Thus, I believe it is critical for these companies to get their base business ideologies and actual day-to-day business practices in ethical order before launching robust CSR programs. Only when laws and ethical business values are coupled with CSR programs is society truly benefitted – and only then can a pharmaceutical firm can be acknowledged as genuinely concerned with beneficence and justice. It is my view that if a pharmaceutical firm has immoral business practices yet has a CSR program, this CSR program is not genuine at best, and represents a cover-up or deflection of their bad business values at worst. Consequently, pharmaceutical firms must adhere to a legal and ethical framework regarding business as their first-line of duty, then implement corresponding CSR programs to help supplement their obligation to shareholders and stakeholders. Only when a pharmaceutical firms has ethical business practices and CSR programs are they aligned with both Kant and Mill – that is they can will their business philosophy to be a universal maxim and they are providing the greatest good for the largest number of people.

CHAPTER THREE

Pharmaceutical companies delivering CSR programs are an essential component of global social programs. Governments and NGOs play a critical role, but an additional requisite component comes from private enterprise due to the financial and knowledge capital they hold. Pharmaceutical firms have a duty to stakeholders because they do business within the framework of society. Because of this, they have an obligation to provide benefits to society and its stakeholders – not just paying customers and shareholders. This is especially necessary in an industry that creates lifesaving medicines, for these medicines are beyond a normal commodity. Approximately 18 million people a year die from preventable diseases that can be prevented.⁴¹ One reason this number is so high is because the current economic business model of patent protection for pharmaceutical products makes the cost of obtaining many lifesaving medicines prohibitive for many people who do not have the resources to afford them. If the pharmaceutical industry cannot be incentivized to change the current economic model, which may be an unrealistic goal, they at least have a moral duty of justice to provide access to medicine to as many impoverished people as possible without threatening their economic existence. This is what is currently being done through CSR programs. Although not treating the underlying issue of poverty, which is an important component of the access to medicine issue, CSR programs are a first-step for pharmaceutical companies in addressing their ‘social contract’ with society. And to me, this ‘social contract’ means providing access to medicines to not just those who can afford them, but to general stakeholders, all of whom ultimately allow/keep business in business.

Thomas Pogge, in *World Poverty and Human Rights*, suggests that the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement which the United States and other affluent countries have induced impoverished nations to sign, exacerbates the current problem of access to medicine. Essentially, TRIPS allows patent holders to extend patents and delay manufacture of generic medicines in these poorer countries.⁴² Pogge suggests, and I support, the idea that patents and their exclusivity for art, music, film, software, etc. are vastly different from patents for food (seeds, etc.) and medicine. He suggests this patent protection/extension for food and medicine is morally problematic because patents actually increase the global rates of malnutrition and disease.⁴³ Pogge makes an excellent argument when he discusses the rationale behind patent protection of commodities vs. medicines. The rationale for patent protections on articles that producers may want to keep scarce, in order to increase value, like a designer handbag, may make economic sense. But with pharmaceuticals, the concept of patent protection to increase scarcity does not make sense from a social perspective. All humans benefit when more people have access to medicine. Driving away diseases ranging from smallpox to AIDS helps everyone, even those from wealthy Western nations. The increased economic productivity with increased health in emerging economies can also benefit those in developed nations. It's in society's interest to alleviate all disease and ailments. Thus, giving medicine to those that may not be able to afford it becomes a utilitarian obligation; that is, the greater benefit people have globally from health does greater good for society as a whole. But according to the World Trade Organization (WTO), the entity responsible for implementing TRIPS, there are safeguards built into the agreement to avoid what Pogge worries about. According to the

WTO, they attempt to safeguard against pharmaceutical patent abuse regarding access to medicine in poor regions:

An issue that has arisen recently is how to ensure patent protection for pharmaceutical products does not prevent people in poor countries from having access to medicines — while at the same time maintaining the patent system's role in providing incentives for research and development into new medicines. Flexibilities such as compulsory licensing are written into the TRIPS Agreement, but some governments were unsure of how these would be interpreted, and how far their right to use them would be respected....They agreed that the TRIPS Agreement does not and should not prevent members from taking measures to protect public health. They underscored countries' ability to use the flexibilities that are built into the TRIPS Agreement. And they agreed to extend exemptions on pharmaceutical patent protection for least-developed countries until 2016.⁴⁴

But these provisions seem short-term, unless an extension is signed beyond 2016. Pogge thinks, and I support the idea that the TRIPS agreement is weighted to benefit the pharmaceutical industry more than poor sick people. There needs to be patent protection for pharmaceuticals in order to drive innovation. But there is no moral justification, and frankly not that much profit in patent protecting medicines for NTDs. The pharmaceutical industry needs to forgo patent protection on NTDs in order to help poor people get access to them. Or, if they insist on patent protection, the pharmaceutical companies have a moral duty of beneficence and justice to donate NTD medicine to lesser developed countries.

Pogge discusses John Locke's view on innovators rights to their creations. He summarizes Locke's view on these innovators rights saying, "a person who produces something out of ingredients he legitimately owns comes to own the product along with an entitlement to veto others' use thereof... And this person's entitlement to products of his labor trumps the needs of others, no matter how desperate."⁴⁵ Pogge continues this line of reasoning using Robert Nozick's thought that:

A medical researcher...does not worsen the situation of others by depriving them of whatever he has appropriated. The others easily can possess the same materials he appropriated...the researcher is not making others worse off.⁴⁶

Pogge goes on to refute this line of reasoning arguing that ultimately people are made worse off by pharmaceutical patent protection – because of prohibitive cost they are being denied medicine, which clearly makes people worse off. Moreover, people are made worse off because they are not only being denied access to the medicine, but also to the very opportunity to invent/make the same medicine which can save lives. Pogge ends by saying this actually violates Lockean principles because appropriating a type of substance does not leave enough for others.⁴⁷ So he is saying when a pharmaceutical firm patents a lifesaving compound this prevents others from using the same chemical molecules to create similar medicines, thus not leaving enough for others.

Another observation Pogge makes is on intellectual property rights that the pharmaceutical industry claims to have. Pharmaceutical companies suggest they have intellectual property and patent rights on medicines due to the effort, time, and money put behind their products. Yet the reality suggests

that it is difficult to show that these rights favor pharmaceutical firms as exclusive recipients of intellectual property rights when their products rely so heavily on basic research conducted at universities and public institutions with funds supplied by governments and tax-advantaged foundations – not to speak of their broader reliance on the surrounding social infrastructure and the preceding centuries of human intellectual exertions.⁴⁸

Pharmaceutical companies continue to stress that the 15-20 year monopolies they are granted with are justified by the extensive risk and exorbitant cost of research and development into their medicines. Many times what is not addressed here are the millions and perhaps billions of people unable to purchase these medicines due to this current economic structure. In order for the industry to be responsible corporate citizens,

there must be provisions to address this problem. Systematic change in the way business is done – a removal of TRIPS or changes in segments of the free-market we currently abide by -- is unlikely. The nearest term solution to helping improve some of these access to medicine problems are pharmaceutical CSR programs.

Donating medicines to hand-picked impoverished regions will not alleviate our global health/poverty concerns. But it is a short-term step in the right direction -- far better than corporate practices 50 years ago when pharmaceutical companies had nominal CSR programs. Because near term structural changes in our capitalistic system are unlikely, it is morally imperative for pharmaceutical companies to continue and expand current CSR programs. These very CSR programs can help address justice and beneficence moral issues which are essential for a just society. By becoming active in impoverished communities to improve distribution of medicine and benefits, the pharmaceutical industry is aligning their capabilities to do two important things for a healthy functioning society – drive revenue for the company and the shareholders while still providing positive benefits to general stakeholders. So, because pharmaceutical firms make lifesaving medicines which people have a right to access, and the current economic model that is currently in place (patent monopolies, etc.) is unlikely to change, pharmaceutical companies have a moral obligation to have CSR programs to address issues of NTD medicine development and medicine access. CSR programs are a way to ameliorate the issues of capitalism which drive high prices and lack of incentive to develop medicines for NTDs. I think Pogge's ideas on changing the underlying economic incentives are unrealistic. And because I do not think there will be a seismic shift away from programs like TRIPS or long patent monopolies on new medicines, I

think CSR programs are an important way to address the NTD development and access to medicines issues in lesser developed countries.

CHAPTER FOUR

CSR provides businesses with opportunities ranging from benefitting brand equity and reputation to better access to emerging economies. Pharmaceutical business leaders are now embracing CSR programs and are developing dedicated teams designed to implement various CSR initiatives. Some of these pharmaceutical executives are doing this to mitigate negative public perception of their respective companies. Many, though, believe in the underlying value that these programs bring in terms of better brand recognition, reduced regulation, enhanced employee satisfaction and recruitment, and overall better social perception and community relationships.

Many pharmaceutical companies have multiple product lines that rely on customers perceiving worth and value. For instance, Johnson & Johnson makes Tylenol, Band-Aid, and Clean and Clear face and body care; the total consumer goods division at J&J is worth approximately \$35 billion.⁴⁹ Pharmaceutical companies must maintain good public perception in order to maintain customer loyalty. These companies need multiple avenues to garner brand loyalty and customer retention. Even pharmaceutical firms with no consumer care divisions find CSR program beneficial in terms of reputation capital. People remember positive corporate social programs and will want to do business with the companies that are involved.

The pharmaceutical industry currently has an image problem because of past and present business practices that the public sees as questionable. For instance, in 1998, 39 drug companies sued the government of South Africa for violating TRIPs provisions when they tried to buy AIDS medications from an Indian drug company at far reduced

prices for their population living with AIDS.⁵⁰ The poor of South Africa could not afford the nearly \$10,000 a year cost of treatment that patients in the United States and Europe paid, yet the drug companies were unwilling to allow low priced competitors access to even impoverished areas. This was a severe miscalculation by the 39 drug companies, and they saw the negative public backlash and dropped the lawsuit. But these types of business decisions have been made repeatedly and the public now has a severe distrust of the pharmaceutical industry. The first key directive must be to stop these types of business decisions in the first place in order to mitigate negative industry and brand perception. The second key initiative is launching various CSR works to show the industry does care about society in addition to profit margins. This can help reinforce positive brand awareness for particular pharmaceutical firms and perhaps more importantly, the whole pharmaceutical industry.

When an industry provides positive societal benefits to stakeholders, people are less inclined to urge government oversight and regulation. Although government oversight and regulation is critical, especially in industries like pharmaceuticals, it can go too far. For instance, current regulation in the form of the Sunshine Act, enforced as of September 2014, requires pharmaceutical companies to disclose all payments (lunches, books, etc.) to physicians if over \$100/annually.⁵¹ This is due to the unethical payment behavior between pharmaceutical companies and prescribing physicians over the last 20 years in the form of consultancy fees for speaking, travel payments for conferences, and overall abuse of the system in which it looked as if the industry was paying physicians to prescribe their products. This certainly needed to be addressed through government regulation, but now the pendulum has swung way too far to the other end. The

pharmaceutical industry is now the only one in which it is essentially prohibited to take a customer to lunch. This is overregulation. Overregulation can be reduced through public works, because when people do not press their elected officials for excessive oversight, it usually is not implemented.

Employees tend to want to work for companies that do more than just drive profit. People want to work for companies that help society; companies that are attempting to be part of the solution to global problems, not exacerbating them. Surveys indicate that people not only want to work for socially responsible firms, but may actually give up a percentage of salary to do so. For example:

A 2009 Kelly Services Survey interviewed around 100,000 people in 34 countries around the world. They found 88 % of respondents are more likely to want to work for a company that is considered ethically and socially responsible. 56% say that in deciding where to work, an organization's reputation for ethical conduct is 'very important.' 26% would be prepared to accept a lesser role or a lower salary to work for a firm with a strong environmental and community conscience.⁵²

Pharmaceutical executives understand that accessing the best talent ensures long-term business success. Clearly MBA candidates are key recruits, and a

study of MBA students asked them how much pay they would be willing to forgo in order to work for a company that 1) cares about employees 2) cares about stakeholders beyond shareholders and 3) committed to sustainability. 90% said they would accept a lower salary in order to work for an employer that cares about its employees, and 94% said they would give up some pay to work for an employer who cares about all three aspects. The actual amount they were willing to give up is as follows: they would forgo around 8% of income to work for an employer committed to its employees and would give up 11.9% to work for a company that exhibited all three characteristics.⁵³

Having a robust CSR program can help pharmaceutical companies attract and retain key talent.

Better social perception and community engagement is good for business. People want to do business with responsible companies – “Edelman's Trust Barometer 2009 says

that 77% of respondents refused to buy products or services from a distrusted company, while 91% chose to buy from trusted companies.’⁵⁴ CSR increases positive social perception if people know companies are doing it. The problem is most of society hears all the negative publicity and does not know of the positive works done in the pharmaceutical industry. In a 12 year period, the pharmaceutical industry contributed \$94.8 billion to the developing world.⁵⁵ Yet, the general public knows little about this positive work. Thus it becomes essential for the pharmaceutical firms to discuss their positive works to their stakeholders. But to do this, there needs to be an assessment tool or organization that rates/ranks pharmaceutical firms respective to their CSR endeavors. This organization can substantiate a firm’s CSR initiatives and rate/rank them relative to their corporate peer. This information can then be made public, and will help set benchmarks and allow the public understand the true measure of what each pharmaceutical company, and thus the industry is doing as far as CSR. Matthew Lee and Jillian Kohler discuss this in an article, “Benchmarking and Transparency: Incentives for the Pharmaceutical Industry’s Corporate Social Responsibility”, saying,

With the continual criticism the pharmaceutical industry faces, there is an unequivocal need for proper assessments of what exactly is being done – to both justify the current criticisms and provide the transparency necessary for further assessments....In comparison to mature fields, such as environmental CSR, which have been benchmarking outcomes for several decades, the pharmaceutical industry is in infancy.⁵⁶

This benchmarking is starting to happen through organizations like the Access to Medicine Index. The Access to Medicine Index (ATMI) independently ranks pharmaceutical companies’ efforts to improve access to medicine in developing countries.

Wil Leereveld started the ATMI in 2008 because:

working with the pharmaceutical industry had taught him that simply ‘naming and shaming’ the industry did not encourage big pharma to play their part. Instead, he decided, it was time to recognise good practice within the pharmaceutical industry by developing a ratings system to show which companies do the most to improve access to medicine and how.⁵⁷

Funded by the Bill & Melinda Gates Foundation and the UK and Dutch governments, the Index has been published every two years.⁵⁸ The ATMI is an organization that

publicly recognizes companies for their investments in access to medicine, raising awareness of relevant issues within pharmaceutical companies and providing them with a transparent means by which they can assess, monitor and improve their own performance as well as their public and investment profiles.⁵⁹

The ATMI measures 7 technical areas of the top 20 pharmaceutical companies: general access to medicine management; public policy and market influence; research & development, pricing, manufacturing and distribution; patents & licensing; capability advancement; and product donations.⁶⁰ These technical areas are then ranked according to a company’s commitment, transparency, innovation, and performance. The purpose of the ATMI is to incentivize pharmaceutical firms to increase their CSR commitments by tapping into a core tenet of the industry – competition. By ranking the firms, pharmaceutical companies seek to increase their standings amongst peers. To have third party barometers of actual CSR programs and their impact on society will help stakeholders get to the truth. Jennifer Miller states in her article ‘From Bad Pharma to Good Pharma: Aligning Market Forces with Good and Trustworthy Practices through Accreditation, Certification, and Rating’:

Most stakeholders perceive the pharmaceutical industry as deeply corrupt and untrustworthy. In contrast, the industry consistently claims that it is superseding the baseline requirements set by stakeholders such as journal editors and medical societies. Executive rhetoric, corporate mission statements, and official codes of conduct all proclaim noble priorities of saving lives and alleviating suffering. Companies insist that they are just as concerned with people as profits. So what is

the truth? Are drug companies as *good* as their executives claim or as *bad* as their critics claim?⁶¹

I suggest the answer lies in between, yet the best way to corroborate this and get true information back to the executives and stakeholders is through a third party assessment or agency that is an agreed upon medium. And to enhance the authority of this entity, corporations and stakeholders should agree upon one or two that will be respected and looked to.

The business case for CSR has its detractors. Many think that taking from a company's profits/assets is counter to what a company should be delivering – profits solely for their shareholders and the long-term viability of the company. In fact, in *People and Profits*, Joshua Margolis and James Walsh discuss the over 30 years of empirical research done into CSR programs at companies and whether they improve financial performance. They analyze the 95 empirical studies done since 1972 that study the relationship between social and financial performance of companies.⁶² Margolis and Walsh essentially conclude that it is too difficult to make a certain causal link between good corporate social programs and positive corporate financial performance. But one thing is unambiguous – The top 20 pharmaceutical companies from a revenue standpoint all have the most robust CSR programs. So whether financial performance drives CSR, or CSR enhances financial performance is not as important as the fact that the top firms have committed long-term CSR within their corporate cultures. Although measuring a direct return on CSR may be difficult, top executives and their respective teams see value in CSR programs. This value may not come in terms of financial bottom line numbers but in terms of better brand recognition, reduced regulation, enhanced employee satisfaction and recruitment, and overall better social perception and community relationships. And

in today's corporate environment, these are critical aspects to a company's long-term viability.

CHAPTER FIVE

CSR in the pharmaceutical industry is an emerging philosophy on additional responsibilities in conducting business. In today's society, stakeholders are demanding much more from corporations. It is no longer socially permitted to exploit the environment or people. The social expectations are that corporations become good corporate citizens. The cost of not complying with society's interest can come in the form of lost brand equity, increased regulation, reduced investment, large fines and negative public perception. All of these are factors negatively affect a company's ability to operate. And to address society's concern, pharmaceutical companies are implementing CSR programs. CSR comes in many forms, but the fundamental principle is for corporations to give back more to society than just products or returns to shareholders. Interestingly, this form of distributive justice, where a pharmaceutical company tries to address imbalances ranging from medicine access to medical infrastructure development, can actually provide long-term profits and substantial returns for shareholders as well.

Much of society believes humans have a right to health. This has been formalized in many declarations. The 'right-to-health' framework developed by the UN Committee on Economic, Social, and Cultural Rights is a good baseline to understand key pharmaceutical social responsibilities. This committee suggests that pharmaceutical companies have the following social responsibilities: A human rights policy statement, drug availability, drug access, acceptable clinical trials, quality, transparency with information, and independent accountability regarding these right-to-health

responsibilities.⁶³ These social responsibilities are examined more critically by society than they might be if similar types of demands were put on another industry. This is due to the fact that society generally looks at medicine as something beyond a simple commodity. A compound that has the ability to increase quality of life, extend life, and save life itself is not going to be looked at in terms of a simple commodity. Because of this, the expectation from society on pharmaceutical firms regarding CSR is higher than in other industries.

So the pharmaceutical industry, from a justice perspective, has an obligation to work with governments and NGOs to provide access to lifesaving medicines to as many as reasonably possible. This is because there is a general social agreement that all people have a right to basic healthcare, that lifesaving medicines are beyond simple commodities, and that this is the expertise and profit arena of pharmaceutical firms. In order for the pharmaceutical industry to live up to its end of the social agreement and or social contract with the global marketplace they are conducting business in, it is a requisite to have CSR programs that address these issues. And what pharmaceutical executives are learning is that having robust CSR programs not only benefit society, but helps the company, its shareholders, and the industry itself.

All large pharmaceutical companies have developed CSR programs. At issue is the true intention of these programs. Many firms execute unethical clinical trials, have immoral marketing practices, and generally may not do the right thing from a business standpoint. And in order to mitigate the negative public perception and regulatory oversight, they may embark on CSR initiatives to counter their initial unethical practices. This is unacceptable. A pharmaceutical firm first must abide by all laws, and execute

their day-to-day business practices in a transparent and ethical manner. Then add CSR to the company mandate and as a positive addition to the corporate raison d'être.

Fortunately, many pharmaceutical firms live by this mantra. Once all the firms do so more consistently, public perception will change for the better. Yet the onus is on the pharmaceutical industry to do better ethically in everyday business practices, and expand their CSR programs as an addition to this baseline of morality. Then the pharmaceutical industry will be aligning their practices with their mission statements and societies expectations – that is, driving profit and helping society by saving as many lives as possible.

The economic structure currently in place is not conducive for the development of drugs for NTDs or the distribution of medicines to those that cannot afford it.

Pharmaceutical companies are incentivized to create drugs for western markets where exorbitant prices can be paid. There is little incentive to develop drugs for small or impoverished populations where the profit return may be nominal. Pharmaceutical companies must turn a profit in order to exist and further develop essential medicines. But they also have an obligation to society to do more than just develop and deliver profitable medicines. Their 'social license' to operate in the global marketplace demands development of NTD drugs and to also help the poor access these and other essential medicines. It is questionable whether agreements such as TRIPS or the monopoly of patents on medicines will change in the near term. Because of this, pharmaceutical companies have an ethical obligation to society to help as many as reasonably possible with their access to medicine programs.

Business leaders within the pharmaceutical industry are now seeing true value in their CSR programs. There are many indicators that CSR programs can help a company in a multitude of ways. As long as pharmaceutical companies are not attempting to use CSR to mitigate their unethical business practices, these social programs have a net positive impact for the pharmaceutical companies and society. One cannot really separate the business case from the social case when it comes to corporate social responsibility. CSR can deliver the critical business values of brand equity and recognition, reduced government oversight, better employee satisfaction and recruitment, and better relationships with stakeholders.

It is clear that the pharmaceutical industry has embraced CSR. The fact is the public cares about the integrity of the pharmaceutical business, and the pharmaceutical industry now realizes that this integrity is good for business. So the social, business and ethical reasons behind CSR programs in the pharmaceutical industry have come together. All the top 20 pharmaceutical companies have developed robust CSR initiatives and many have core CSR teams in place. Executives realize this is now the 'entry fee' stakeholder's request of pharmaceutical firms in order to do business within society in terms of reputation. But there is still much to be done, for there are 50,000 avoidable deaths per day on this planet.⁶⁴ Most of these deaths occur in impoverished areas and can be prevented by medicines we already have. As governments and NGOs seem to be incapable of dealing with these issues on their own, it is time private industry take on more responsibility. As the pharmaceutical industry has the technical know-how in medicine development, and they garner large profit margins from this, they have the moral obligations of beneficence and justice to provide better development and access to

medicines for the poor. Through CSR programs, the pharmaceutical industry can help change society's perception of it and remain highly profitable. This will appease shareholders and do what their mission statements say, stakeholders demand, and ethics require – help alleviate human suffering and enhance/extend the lives for as many people as possible.

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CURRICULUM VITAE

EDUCATION

Master of Arts, Bioethics
Wake Forest University, Winston-Salem, NC, May 2014

Bachelor of Arts, Humanities with an emphasis in Philosophy
Dominican University of California, San Rafael, CA, May 1999

WORK

Astellas / Senior Hospital Executive Representative, New York, NY and
Greensboro/Roanoke
October 2007 – Current

- Formulary wins for Lexiscan and Vaprisol at Mt. Sinai, Columbia, Montefiore, and Bronx-Lebanon
- Formulary wins for Lexiscan at High Point Regional, Wake Forest, Moses Cone, Forsyth
- CV Marketing Advisory Board in 2008
- Part of PAC / Southeast Hospital Representative
- Numbers hit 4 consecutive years in North Carolina/Virginia territory
- Summit Club 2013

ESP Pharma / Protein Design Labs / Senior Oncology Sales Specialist, New York, NY
June 2003 – October 2007

- Highest sales volume, dollar generation Q4, 2006 and Q1 2007 in U.S.
- 111% to sales quota Q1, 2007
- Grew territory 32.7% from \$1,419,000 in 2005 to \$1,883,000 in 2006 in annual total revenue
- 1 of 6 sales representatives out of 105 to achieve Outstanding Rating on 2005 Performance Review
- Quota attained 10 of 11 consecutive Quarters

Sanofi - Aventis / Sales Representative, New York, NY
November 2001 – June 2003

- Regional Award Winner for annual 100% attainment for three products (Avapro, Ambien, Plavix), 2002
- Recipient of the Spirit Award for National physician detail contest
- Ascended from National sales rank #140 to #14 of 500.

Real Media / Senior Account Executive, San Francisco, CA
November 2000 – August 2001

- Successfully forged advertising contracts for direct clients including Visa, Fujitsu and Nike
- Developed long-term relationships with Fortune 500 clients and top interactive agencies
- Continually exhibited strengths in prospecting, negotiating and closing strategic deals

NBC Internet / Account Manager, San Francisco, CA
September 1999 – November 2000

- Demographic specialist deploying marketing strategies according to client needs
- Accountable for tracking ad campaigns including monitoring their delivery and fulfillment, integrating sponsorship deals and campaign optimization for positive ROI

SUMMARY OF SKILLS

Vast trade show experience for multiple product categories
High level negotiation skills
Ability to predict market trends
Established record of positive ROI promotion strategies