

Chapter 41

Corporate Social Responsibility of Pharmaceutical Industry Towards Access to Medicine: A Case Study of GlaxoSmithKline

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ABSTRACT

India has changed its patent policy in 2005. It was compliance to WTO TRIPs provision and after this there was prohibition on process or generic manufacturing. India is the biggest supplier of affordable generic medicines and this patent protection is said to be beneficial to novel drug manufacturing countries. The generic drugs can be a differentiation factor between lives starting point and the ending point for millions of people in developing countries. This remains an obstacle to inexpensive generic medicines which results in devastating impact on the poorer people. These patent laws allow large MNC's to place 'profits over people'. World Health Organisation report price of medicines are important for maintaining the affordability and access of the medicines. This research evaluates the strategies and practices of Glaxo Smith Kline in contribution towards the access to medicines and their contribution of corporate social responsibility in India.

INTRODUCTION

Background of the Study

India has changed its patent policy in 2005. It was compliance to WTO TRIPs provision and after this there was prohibition on process or generic manufacturing. India is the biggest supplier of affordable generic medicines and this patent protection is said to be beneficial to novel drug manufacturing countries. The generic drugs can be a differentiation factor between lives starting point and the ending point for millions of people in developing countries like Malaysia, Zimbabwe, South Africa and few other

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countries. This remains as a as an obstacle to inexpensive generic medicines which results in devastating impact on the poorer people. These patent laws allow large MNC's to place 'profits over people'. Glaxo Smithkline a multinational company also makes 'Profits over people'. This means that the company has the advantage of a twenty year monopoly over life saving drugs and they gain high profit margins. It is estimated that GSK makes a profit of \$6 billion.

In 2008 the human rights guiding principles for pharmaceutical firms that deals with access medicines was circulated by United Nations Human Rights Council provided sector specific guidance in promoting access to medicines. Pharmaceutical industry's unique responsibility is health because they bring a vital function in sustaining the standard of lives. (Forman and Kohler, 2012). These expect the pharmaceutical companies to recognize the practice of exercise to the highest attainable standard of health. Societal expectations are extending beyond the making of ethical profits and it is an example of the fact that societal expectations are extending beyond minimum ethical standards of practice, Millennium Development Goals(MDGs) a eight time bound targets were established as a cut-off period, the year of 2015(Millennium project 2006). In UN during the Millennium summit the global leadership heads gathered and proceeded with the UN Millennium Declaration. This was adopted with an intention of devoting their countries to a fresh and a new universal relationship to minimise poverty in various proportions. 48 millennium Development goals, in which 18 Goals are health related.

The main target is to improve the availability of medicines and a proper health factors which remain necessary for the people will not be accomplished without medicines and this particularly improves the availability of medicines for poor with cooperation of pharmaceutical companies. This Research Problem has achieved global recognition, and a worldwide demand has been made for the availability of medicines for the poor patients. (Leisinger, 2008). The pharmaceutical companies have right to health responsibilities that exceed legal and ethical requirements and it has right to health. CESCR (Committee on Economic, Social and Cultural rights) states that the non-public firms have duties concerning the right to health. This guidance requires the pharmaceutical companies to reach the most prominent position to attain towards standard of health. The recommendation consists of standardised disclosure, independent monitoring, transparent reporting, accountability development for neglected diseases and ethical practices. GSK (Glaxo Smith Kline) a MNC has a corporate social responsibility commitment towards the problem faced in regards to access to medicines. There are also list of controversies of unethical practices associated with it. According to World Health Organisation (WHO) in 2010 identified four major factors affecting the access to medicine and are rational selection of medicine, reliable medicine supply, sustainable financing and affordable pricing.

Research Problem

World Health Organisation report price of medicines are important for maintaining the affordability and access of the medicines. The Globalisation of trade has benefited the pharmaceutical companies which impacted the price of medicine and its access. This research evaluates the strategies and practices of Glaxo Smith Kline in contribution towards the access to medicines and their contribution of corporate social responsibility in India. There is a growing demand upon pharmaceutical companies to contribute to the access of medicines and they should be connected to health of the people. The increase in awareness of corporate social responsibility in Indian pharmaceutical sector and their contribution in India also will be focussed.

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