

Four Good Questions About Pharmaceutical Industry Reform

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By Kalman Applbaum

In response to [my last post](#), a reader raised several issues that are too important to be buried in a comments section, so I'd like to offer a reply up here. I had said, "most pharmaceutical company executives (and much of the public) do not see themselves as profiteers, but as public servants." Paul asked: ?

"What kind of claim is this, exactly? Does it mean that the goal of being effective public servants is a part of the real strategic calculus that these executives carry out in the line of their work? Or that appearing to take this role seriously is a key part of how they find it necessary to present themselves — to themselves or others? Is it a consideration about what issues these executives are likely to be sensitive to if they are raised in the course of some kind of give-and-take about company policies, lobbying, court actions, etc? Or simply an observation intended to highlight some apparent hypocritical discrepancy between their proclaimed principles and their actual methods and strategic goals?"

Is being an effective public servant part of the "real strategic calculus" of a marketing executive's work? The highest espoused ideal quoted to me by pharma marketers is "to do well while doing good." Combine this with the tenet that booming sales are a proxy for a great product, and we have an ethos in which the market becomes the arbiter of value, and marketers, not scientists, the interpreters of the markets needs. The fulfillment of unmet needs is considered inherently ethical action. Thus emerges an ethic that functions instrumentally to reinforce a marketing focus in a firm and also motivates individual practitioners.

While this disconnect with medical realities may seem absurdist, it's a consequence of industry self-absorption. Execs tend to be more wrapped up in competitive strategy, economic/regulatory obstacles, and share prices than they are on the medical value of their products. They measure success in terms of market share, revenues earned, and other non-medical outcomes.

In response to the second question, I'd start by noting that there is an increasing anxiety internally over the industry's dismal image. How can

we fix this? they ask. Spokespeople argue that the public must be convinced that the profit-maximizing objectives of the industry in fact align with those of public health needs. Is this a cynical stratagem? A scheme to hold on to power? Since it's difficult to ascertain individual sincerity, and conspiracy theory is too blunt—all institutions act strategically in the interest of self-preservation—I prefer to focus on the marketing profession's norms. Consider, for instance, this typical solution proposed by a man who calls himself a marketing ethicist: "To repair their relationship with society in a sustainable manner, drug companies must learn to think of diverse groups as active partners in the process of drug development and sales" (Santoro 2005:5).

To a marketer, I believe, this proposal contains no hidden agenda. If consumers and other stakeholders are consulted early in the process, marketers believe, then the outcome will be a shared invention—value co-creation, they call it. In my view, by contrast, this plan becomes the charter for further integration of marketing with R&D (see my earlier post: http://www.somatosphere.net/2009/02/colonization-of-pharmaceutical-science_07.html). In other words, marketing goals back up to begin yet earlier in the drug development process (at the level of research funding and publication), and are then threaded through all stakeholders in the process from government agencies to prescribing physicians to patient advocacy groups. Only once all of these stakeholders are "on board" with the intended program, when even the industry's natural opponents are brought unwittingly to the verge of participation in its project, criticism will be neutralized and the industry will be able operate in a frictionless world of drug sales.

It is a hairy task to demonstrate that and how this pervasive, inimical campaign towards marketing oversight of healthcare is transpiring despite the apparent absence of a cabal of conspirators. But in this connection, my response to the fourth question is, yes, mine is "an observation intended to highlight some apparent... discrepancy between their proclaimed principles and their actual methods and strategic goals"—only note that I have remove the word 'hypocritical' from the sentence. I do so because (again) I don't wish to speculate on individual culpability. Not that there aren't bad people—there certainly are, and they should be jailed, not fined. But if we focus only on individuals we'll end up prosecuting a few prominent violators but we won't fix the system that on the whole is made up of people who quite seriously think they are doing good while doing well, even while the only good they're doing is a marketing one.

The meaning of the third question is a little unclear to me, but as I understand it, Paul is asking whether my assertion about pharmaceutical executives' self-image as public servants needs to be accounted for when we get around to confronting them with governance reform. I think yes.

There are many debatable issues, but with respect to pharma specifically we can adopt the straightforward stance that society has a right to demand that the industry cannot exploit the healthcare system or us. We have not reached even that point of a stated consensus that would request of pharma workers a universal assent of their obligation not to exploit.

Part of the reason we have been slow to get to this basic premise is that we have given the industry a pass under a different moral logic—that of the free market. Free consumer choice, fairness (and innovation and low prices) arising from competition, attention to the aesthetically pleasing and non-paternalistic provisioning of goods, not to mention contribution to shareholder value, have been the implicit standards for measuring the industry's service to society. But even if these business ethics were being observed straightforwardly, which they are not, they still do not constitute a sufficient ethical charter for a healthcare industry.

On one level, this is already understood. The industry recognizes that they are not like the tobacco industry, say, which says outright: "The free market is our ethic. Caveat emptor—buyer beware." If we look at how pharmaceutical companies present themselves to the public through their corporate citizenship efforts, industry branding, their efforts to "value co-create" with their various clients, and at the tenor of their internal debates about industry ethics, we get a view into their recognition that they bear greater moral responsibility than other industries. Or at least that their legitimacy as purveyors of medicines rests on the claim that they are about more than the naked pursuit of profits.

However, they have not and are not likely on their own to transcend the contradictions that arise out of the effort to blend marketing and medical ethics. Public health reformers must therefore establish clear moral terms for pharmaceutical provisioning, starting with a descriptive formulation of what constitutes exploitative marketing behavior that will no longer be accepted as legitimate practice (some number of which can be found in earlier posts and in the references cited there). With regard to pharmaceutical company executives and the issues they "are likely to be sensitive to if they are raised in the course of some kind of give-and-take about company policies," the question becomes, How can we engage industry executives in a way that permits us to frame reform around shared moral understandings vis-à-vis the public's right not to be victims of marketing strategies that bear only the most superficial relationship to good medicine?

Pharmaceutical executives already see their work as being involved in the public interest. What is required in the effort to introduce a more public form of governance to the industry (as I suggest here: <http://www.somatosphere.net/2009/03/cases-for-overhauling-pharmaceutic>

[al.html](#)) is to build on the already existing consensus that this industry cannot restrict its goals and virtues to a marketing universe in which profits are pursued with only legal but not ethical restraint.

For further reading:

Applbaum K., Pharmaceutical Marketing and the Invention of the Medical Consumer. *PLoS Med* (2006) 3(4): e189.
doi:10.1371/journal.pmed.0030189

Martin, Emily. Pharmaceutical Virtue. *Culture, Medicine and Psychiatry* 30:157-174. 20

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