



Figure 1. Unloading cartons containing prepacked drugs from container

industry is to be preferred to cheap imports of essential drugs is a matter which, in our opinion, needs to be reconsidered.

SUMMARY

Based on the results of an inquiry, answered by 39 out of the 53 rural Church hospitals and clinics in Ghana, a list of 34 indispensable drugs was compiled. At a cost of less than US \$ 600 000 it is possible to provide all Church health institutions (30% of all health facilities in Ghana) with these 34 essential drugs for one year (at 1982 prices).

When the drugs are prepacked in Units, distribution can easily be carried out from a very limited number of distribution points, without the need for extensive logistic provisions such as trucks, stores, personnel and security checks.

REFERENCES

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World Health Organization (1977) The Selection of Essential Drugs, *Technical Report Series* 615
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Book Reviews

Planning Pharmaceuticals for Primary Health Care by O Gish and L L Feller (*New York: American Public Health Association, International Health Programs. Monograph Series No. 2. 1979*)

Drugs and the Third World

by A Agarwal (*London: Earthscan, 10 Percy Street, London W1P 0DR 1978 £2*)

Drug Diplomacy: Decoding the Conduct of a Multinational Pharmaceutical Company and the Failure of a Western Remedy for the Third World by C Medawar and B Freese (*London: Social Audit, 9 Poland Street, London W1V 3DG 1982 £3.95*)

The Corporate Crime of the Century

(*Special issue of Mother Jones, November 1979. Mother Jones Reprint Service, 625 Third Street, San Francisco, CA 94107, USA \$1.35 for 2 copies*)

An increasing number of people criticize the commercial character of medicine. They claim that profit-making in health care is essentially promoting the opposite of health. We do not need to repeat all their arguments here but they roughly boil down to the point that profit-making puts capital accumulation by some above wellbeing for all. Still more simply put: profits go before people. This sick-making effect of commercial medicine has been called "commerciogenesis".

Although commerciogenesis occurs in all sectors of the medical establishment, its working is probably most sharply felt in the manufacture and distribution of pharmaceutical products, particularly to developing countries. A spate of publications, both in the popular and in the scientific press, have recently drawn attention to the activities of multinational pharmaceutical companies in these countries. In this review we want to take a cursory view of four such publications and discuss briefly some points raised by them.

In "Planning Pharmaceuticals for Primary Health Care" Gish and Feller carefully explain how the total system of pharmaceutical production and distribution works. They distinguish three phases: the supply by the pharmaceutical industry; the procurement by ministries and other agencies in the developing countries; and the utilization by health workers and patients. In their exposition on the supply of drugs they discuss the oligopolistic tendency of the pharmaceutical multinationals

which makes it increasingly difficult to control their practices. Other issues which are discussed are the so-called "research and development" activities, the patent system, sales promotion, and methods of pricing. Particularly relevant is the system of transfer pricing which means that companies let their own subsidiaries in developing countries pay an extremely high price for imported chemicals. By this manipulation they keep their visible profit low and escape heavy taxation or other financial drawbacks. The production of pharmaceuticals within developing countries is also discussed. It is shown that the opposition of the international companies and other problems pose serious obstacles to its realization.

The chapter on the procurement of pharmaceuticals by governments of developing countries is not so much an analysis of the problems but contains a list of recommendations as to how this procurement can be brought more in line with the health needs of the population. Emphasis is placed on the introduction of formularies based on existing therapeutic needs and using a simplified non-brand nomenclature. These and other suggestions largely follow WHO proposals for the implementation of a list of essential drugs. The fact that the authors offer hardly any explanation for the reluctance of governments to adopt the WHO guidelines, in spite of their obvious benefits, illustrates the lack of information about the exact dealings between local governments and pharmaceutical companies.

In the chapter on utilization of drugs the authors discuss the tendency of doctors to overprescribe and the role of pharmacy workers in selling to the public. Self-medication, which in developing countries includes the use of dangerous drugs, is not explicitly dealt with.

The authors are quite balanced in the way they criticize certain activities, but they nevertheless expose the absurdity of the present situation very clearly. The indifference to the real health needs and to the cost is indeed astonishing, if we take into account the economic and medical problems of the countries concerned.

The main conclusion of the authors is a plea for increased self-reliance in the production of essential drugs, and for the integration of drug distribution in primary health care services. Other interesting suggestions are the introduction of nominal fees for drugs in public health services, the dissemination of printed consumer information on potent drugs on sale in village medicine

shops, and the bulk purchasing and packaging of drugs.

Earthscan, a media information unit on global development and environment issues, has brought out a simple offset document on "Drugs and the Third World". Although Earthscan is financially supported by the United Nations, it does not necessarily express the official views of UN organizations. In other words, it is much less inhibited in airing criticism on world issues than the UN organizations, bound as they are by non-interference in internal national affairs and other restrictions. It is well known that the dominant views in certain UN circles are considerably more radical than is shown in the official publications. This Earthscan document presents an overall description of the UN strategy against "drug colonialism", "something the UN agencies do not officially admit even exists", as is remarked in the introduction.

This publication provides a wealth of information, particularly useful for those who do not read elaborate studies, and of course for the press. It consists of a collection of very concise statements about facts and developments connected with drugs in the third world. The statements are grouped in chapters devoted to particular problems. Some of the issues touched upon are the structure of the pharmaceutical industry, the WHO basic drugs list, bulk purchasing of drugs, traditional herbs and appropriate drug technology. It is an extremely useful document. It is hoped that an updated version will soon be published to include the latest developments in UN policy and the reactions of pharmaceutical companies.

"Drug Diplomacy" is a minute report of a polemic between Social Audit, a British action-research unit and Searle, a pharmaceutical company. The main issue is the promotion by this company of a drug called Lomotil in third world countries. This drug, which in western countries is used against nonspecific "traveller's" diarrhoea in adults, is recommended by Searle for the treatment of diarrhoea of bacterial origin, even in children, in developing countries. One of the objections raised by Social Audit was that Lomotil is an "effective chemical plug", developed for what in Western countries is a disease of inconvenience. Such a drug cannot be used for a disease which in developing countries kills seven to eight million children each year. Apart from the fact that Lomotil is very expensive and has dangerous

side effects, particularly in children, the greatest objection to its use is that it does not attack the real causes of diarrhoea in those countries. Such a useless treatment taking the place of effective treatment is very dangerous.

The book, which bears a most appropriate title, describes in detail how Searle defended the use of Lomotil for children in the third world. Particularly revealing is the way in which the company manipulated "scientific" research tests to defend its case.

The book ends with a plea for the introduction of a WHO drug code to restrain the pharmaceutical companies. The irony is, however, that WHO itself is dependent on the financial support of the major drug exporting countries. Over half of the WHO budget is contributed by six countries which control three-quarters of the world drug trade (page 63)!

This little book is an excellent case study of the conduct of multinational drug companies. It shows both the possibilities and the limitations of a struggle against them. It can be used as a guide for others who want to fight practices of the pharmaceutical companies, but it does not provide guidelines on how the problem can be tackled in the developing countries themselves.

The fourth publication reviewed here, and the most outspoken of all, is "The Corporate Crime of the Century", a special issue of the American journal *Mother Jones*. It provides information about a number of scandals concerning products banned in the USA, which were dumped in the third world. It is about drugs, insecticides and other products.

A summing-up of the dumping tricks is particularly revealing. Some of the cases described are extremely shocking. It is stated that not only commercial companies but also the US Agency for International Development (US/AID) is involved in dumping activities.

Without doubt these four publications show the excesses of a commercially oriented health care industry. But what conclusions can be drawn? "Drug Diplomacy" and "The Corporate Crime of the Century" explicitly state that the principle of profit-making leads by definition to the impairment of health. The data provided by the other two publications strongly suggest the same thing. At first sight there seems to be little reason to disagree with them, but on closer examination, there is.

These very publications refute to some extent the above mentioned conclusion: that profit-making *per se* is pathogenic. Indeed, the fact that the activities of drug companies are revealed,

makes it possible to take steps against those activities which are regarded as harmful. The publications themselves contribute to bringing about a situation in which commercial enterprises are no longer free to act as they want. The possible effects of these publications are twofold. In the first place, they provide governments with relevant information which will enable them to take counter-measures and tie the companies by legal restrictions. In the second place, these publications inform consumers of pharmaceutical products about the kind of drugs they really need, how they are being cheated by the companies, and what they can do to change this situation. In other words, the ignorance and consequent passivity of drug consumers is reduced and their position as buyers is strengthened. Commercial health care organizations will have to take more and more into account the wishes of the consumers and they will have to do this for commercial reasons. They will gradually come to realize that the highest profits will be made by answering the needs of patients in the best possible way. By legal restrictions on pharmaceutical firms, and by strengthening the position of drug consumers, commercial firms will not be turned into beneficiary organizations. On the contrary they will have to survive in a much more difficult and competitive market. We are not saying that this will happen overnight. On the contrary, we are well aware of the enormous obstacles still ahead, notably the relative impotence of WHO *vis-à-vis* the drug companies. We only want to point out that such a development is brought nearer by each publication which adds to our understanding of the practices of pharmaceutical companies.

Another remark we would make is that, for understandable reasons, efforts to expose the activities of drug companies in developing countries have been too much restricted to activities in drug-exporting countries. As a result, proposals for counter-measures also have been largely confined to these countries. There is, however, abundant reason to believe that counter-measures can only be effectively taken by the importing countries. As long as countries of the third world fail to introduce restrictions on number, effectiveness, and price of imported drugs, all codes and other measures adopted by the export countries will remain useless. The multinational structure of the drug trade will continue to make it possible for companies to evade export restrictions, using a large variety of tricks. Import

restrictions, however, are much more difficult to evade.

It is therefore of great importance to devote more research to the factors which account for the continuation of apparently irrational drug purchasing by third world countries. Only when these factors are exposed may it be expected that more efficient action can be undertaken against the wasteful and harmful supply of drugs to the third world.

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Bitter Pills: Medicines and the Third World Poor

by Diana Melrose (*Oxford: Oxfam 1982 pp 277 £4.95*)

"Poor people suffer most ill health, but benefit least from modern health care and life-saving drugs. The third world market is flooded with unnecessary and overpriced medicines which poor people make great sacrifices to buy, unaware that their uncontrolled use is wasteful and dangerous. That is our diagnosis of the problem."

With these emotive phrases Diana Melrose opens one of the eleven chapters in this outstanding and valuable book. What she says is true. Resources in many of the poorest countries are dissipated on expensive, unnecessary and potentially dangerous drugs, when they should be spent on food production, basic hygiene and the provision of essential medicines such as those listed by WHO. In a well-researched text she shows how ignorance among the poor, gullibility of the medical profession, and unscrupulous dealings by some pharmaceutical companies and their agents combine to create and perpetuate the present situation. She rightly accuses the developed nations of treating medicines of all sorts merely as commodities, just like paper clips, ballpoint pens, washing machines and guns. The outcome is predictable.

But the situation is not hopeless. In her last four chapters the author shows how new national and regional policies for drug supply can be, and are being, generated among the poorer nations. She then shows how the developed world is responding, albeit slowly, through international, governmental and charitable agencies to make essential medicines available at sensible prices and to assist

recipient governments to distribute such drugs to those who most need them.

If you want to know about the problems and how they can be solved, read this book. If you want to know how to go about obtaining drugs at prices that underprivileged people can afford, read this book; it will tell you. Diana Melrose has done us all a service by compiling a volume like this, which is both lucid and informative. It is compulsive reading.

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Pharmaceuticals and Developing Countries: a Dialogue for Constructive Action

by John H Bryant and others (*Washington: National Council for International Health, 2121 Virginia Avenue NW, Suite 303, Washington DC 20037 1982 \$6.50*)

"Ideas need wings but they must have feet to walk on" (Danish proverb). There has been a plethora of recent publications on this issue, most of them ill informed and polemic in style. This book comes as a welcome relief providing, as it does, opinions by acknowledged health professionals with long experience in the subject. Their views should be of special interest to readers in both the developing world and the pharmaceutical industry.

Meeting the pharmaceutical needs of underserved populations in the third world is probably one of the most complex and difficult problems facing the institutions involved. Governments, WHO, UNICEF and, not least, the pharmaceutical industry that actually produces the drugs so urgently required are all deeply involved. Each of these institutions have their own special problems: governments of the poorer developing countries have limited financial resources and supplies of foreign currency but, as Kingham points out in his contribution, the facts demonstrate that, sadly, health often comes low down in the priority list in most of these countries (and usually well below spending on defence) as a claim on public resources.

The pharmaceutical industry is clearly profit orientated but this need not, and indeed the industry itself would argue, certainly should not, be interpreted as meaning that it is acting against the public interest. The industry can also fairly argue that nearly all the drugs included in WHO's Model List of Essential Drugs (and the word "model" should be emphasized) would not exist had it not been for the industry's research and development activities.