

AFI CHANGEMAKERS AT THE UNITED NATIONS

CORRUPTION IN HEALTHCARE



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Special Thank You to:

All participants of the 2015 summit

Co Chairs Catherine White, Megan Smith and Michael Fox.

Ambassador Ireneo O. Namboka

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Co Chair Ambassador Collette Samoya

A blurred background image showing several people sitting at a table in what appears to be a meeting or conference. A woman in the foreground is looking towards the right. A water bottle is visible on the table in the lower left.

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ABBREVIATIONS

EU	European Union
HIV	Human Immunodeficiency Virus
IATI	International Aid Transparency Initiative
NGO	Non-governmental organization
OHCHR	Office of the United Nations High Commissioner for Human Rights
STG	Standard Treatment Guidelines
TRIPS	Trade-Related Aspects of Intellectual Property Rights
TPP	Trans-Pacific Partnership agreement
UN	United Nations
US	United States
WHO	World Health Organization
WTO	World Trade Organization

CORRUPTION IN HEALTHCARE

Millions of individuals do not have access to efficient medicines and their health is severely affected as a result. Epidemics like the Ebola crisis in Western Africa cannot be prevented in a time where modern technology and operations should be sufficient. The World Health Organisation (WHO) lacks the resources, the influence and the power to effectively act on those matters. Global health is, like numerous other international matters, a major, global problem. It is, however, surprising to witness the limited attention the Global Health Issue attracts within the public sphere, the international community and the private sector.

At the 2015 Summit on “Access to Health,” AFI Changemakers worked on highlighting the main causes of global health failures and recommended various policy solutions. This report group worked on the causes and consequences of corruption within the healthcare sector. Corruption in this report includes issues within both the public and private spheres.

Various issues are presented within the politics and economics of Healthcare in order to identify the corrupted relationships between the various actors involved in Healthcare. The four areas covered are :

The Politics and Economics of Healthcare
Prevention of Domestic production of Medicines
Trade Treaties and Access to Health
Public Awareness of Global Health Issues

Each section will include a short introduction before highlighting the main issues of the section followed by possible policy solutions for the section.

1.POLITICS AND ECONOMICS OF HEALTHCARE

The economics and politics of healthcare are aplenty, which makes it all the more difficult for individuals to enjoy their natural entitlement to adequate healthcare and to access medicines. Simply put, corruption is multi-faceted and in this context of healthcare, corruption exists in foreign aid, the government regulation of the healthcare sector, and the blurred lines between business and healthcare.

One serious issue that we are highlighting is the pocketing of aid money by those in leadership positions. The funds meant for facilitating and enhancing the healthcare sector in developing countries often do not reach the intended beneficiaries. It has been brought to our attention that one state's government pocketed \$7.3 million of aid funds intended for a health organization to combat malaria. The funds were specifically intended for training 27,000 people to distribute medicines professionally and safely. As a consequence of the lack of funds, only 495 people were trained – an extremely disproportionate number to serve the 2.7 million people affected by malaria.

Another prevalent issue within the economics and politics of healthcare involves the regulation of the healthcare sector, or lack of. We wish to focus particularly on developing countries where the lack of government regulation of the healthcare sector has made way for various illegitimate practices, ultimately contributing to inadequate delivery of healthcare services. One practice we are highlighting is the lack of regulation of private medical clinics. In many cases, healthcare personnel, especially in rural regions are unqualified to practice in their respective area. For example, "doctors" in rural areas of developing countries are able to establish and register their clinic as a business entity rather than a healthcare service. This is achieved through means of bribery of the local authorities in charge. Additionally, it is well-worth mentioning that these "doctors" could and have practiced unethically. One state recently experienced an HIV outbreak as a result of an unlicensed medic reusing syringes. He has since been charged with murder by the authorities but we agree that there will never be sufficient

closure for those victims who are now HIV-positive. Thus, we strongly emphasize the need for stricter regulations of "medical" professionals to ensure they are qualified and are able to deliver adequate healthcare services. To recapitulate, the lack of regulation thoroughly exists in the establishment of these private clinics and moreover, the way in which the "medical" practices are carried out.

The second issue we are highlighting is the establishment and (business) practices of pharmacies, particularly those in rural areas. Similar to the "doctors" running their private clinics, pharmacists in rural areas are likely to be unqualified and unlicensed to operate a pharmacy. They see a pharmacy primarily as a business and not an organ within the healthcare sector. As a result, they are unable to deliver adequate pharmaceutical services to patients. It has been brought to our attention that some pharmacists could and have dispensed expired medication. It is also worth mentioning that some patients seek initial medical attention from pharmacies as it is more efficient in terms of cost and accessibility than medical clinics. This leads to cases of illegitimate prescription and dispensing, which may have detrimental effects on patients. In essence, pharmacies and "pharmacists" in developing countries are capitalizing on the minimal options of the population and their desperation, which is almost always heightened during times of illness.

The last issue we are highlighting exists as a consequence of the narrow gap, if there is any at all, between the healthcare sector and private companies whose sole objective is to earn profit. The capability of medical companies, such as pharmaceuticals, to exert heavy influence on politics through financial means to satisfy their (business) interests is a societal paradigm that is all too common today. For instance, pharmaceutical companies are able to lobby politicians with large monetary donations to fund election campaigns in exchange for assistance in protecting their product patents and shutting down foreign competition. There needs to be a firm and clear separation of healthcare and business interests as even the slightest integration would not be symbiotic.

Recommendations

- Establishment and implementation of a traceability system. The system would ensure the funds travel along the delivery chain in its entirety and further enhance transparency and accountability
- The system of traceability that we propose is drawn up by the International Aid Transparency Initiative (IATI). Each donation would be tagged with an "origin" code and a "destination" code. The codes would come in the form of bar codes – ones very similar to that labeled on consumer products or ISBN number on books that can be scanned. Because the funds can be traced simply, all information and records pertaining to the funds and its subsequent spending, are lodged into an electronic system. This further enhances accessibility and transparency of information to the public, ultimately ensuring that the money is not being diverted into the pockets of those in leadership positions
- To establish and implement stricter regulations on the healthcare sector of developing countries, medical personnel and pharmacists wishing to practice, should submit their qualifications to the government at all levels, not just the provincial/rural level. This will gradually eradicate the practice of bribery at the smallest levels of government, as the double-entry mechanism will enable national health authorities to ensure accountability, responsibility, and transparency.
- There should be unannounced and sporadic inspections of medical clinics around the country to ensure safe and ethical medical practices are in order
- It should be required that medical personnel and pharmacists undergo written and/or practical examinations every several years to ensure that they are delivering adequate healthcare services to the population and maintaining knowledge of current (health) developments in the world. The tests should be conducted by the primary governmental health authority and possibly external international health organizations such as

as the WHO.

- There should be substantial emphasis on the importance of abiding by the Standard Treatment Guideline (STG) and other medical oaths. We recognize that in order to ensure medical personnel adhere to these regulations, there needs to be an even larger emphasis on the penalties and punishment if these regulations are not followed.
- In combatting the integration of healthcare with political and business interests, there needs to be legislation capping the monetary amount allowed to be donated by private companies to politicians – less money will mean less influence. The less political/business interests are involved with the healthcare sector, the more healthcare can shift its focus back to delivering adequate healthcare and satisfying an individual's natural right to health.

2. PREVENTION OF DOMESTIC PRODUCTION OF MEDICINES

Domestic production of medicines is important to enable countries to be self-sufficient in terms of healthcare. Producing medicines locally enables countries to access larger quantities of important medicines used for treating citizens, medicines that would require large amounts of spending if imported. Importing also means that trade deals can be centred around medicines, and with the degree of importance on medicines, countries without production capacities have much less bargaining power in International Politics. Where there are massive deficits between those suffering from disease and those who have access to medicines, local production can be seen as an effective solution in creating cheaper drugs that can therefore be delivered to a greater number of people in need.

As previously discussed, TRIPS (Trade Related Intellectual Property Rights) concerns the protection of patents and bilateral agreements sometimes referred to as 'TRIPS Plus provisions' that include trade agreements made between WTO states that use the tightening of patent laws as a condition of trade. This in turn means that many developing countries have been forced to put tighter patent laws in place when completing trade deals with powerful states such as the US.

Only one country, Brazil has the Right to Health as a basic human right. This causes the Brazilian Government to place more emphasis on their health system and encourage production of domestic medicines. However most countries lack any mention of the Right to Health in their constitution and this causes health policies to lack priority when undertaking international trade deals that would protect their domestic producers of medicines.

An important reason for lack of domestic production also lies in the politics of aid. In fighting diseases, much aid is directed into buying already produced medicines, usually produced in the US or EU, directing finances back into those countries. There is no allocated fund for developing domestic production of generic medicines

which would be a sustainable answer to providing developing countries with the ability to care for their sick.

- Health should be adopted as a basic human right by UN member states, whether by constitution or policy. This will give more protection to the citizens of the country as they demand access to health care.
- UN Member states should not partake in bilateral agreements that further restrain member states from realising the provision in TRIPS to provide adequate public health care for citizens when necessary. Bilateral agreements that remove freedoms in TRIPS allowing for countries to remove or revoke patents on medicines should be strongly discouraged. The WTO TRIPS must be respected by all member states of the WTO and pressure can be made through the UN to ensure this happens. Overall awareness of international trade policies as previously mentioned, should be increased so states can realise their full capabilities to provide access to medicines and develop their domestic production of generic medicines. Countries should be supported in the legalities and paperwork necessary to use TRIPPs flexibilities.
- Lastly, there should be greater aid and investment into the pharmaceutical industry of developing countries. A move should be made away from traditional resource funding into infrastructure funding, developing a pharmaceutical industry in certain developing countries allowing for the local production of important lifesaving medicines. This will need funding and transfer of technology from developed nations. The WHO should cooperate with the growing pharmaceutical industry in the developing world to coordinate changes to recommended medicines lists so that developing countries can plan stocks appropriately.

3. TRADE TREATIES AND ACCESS TO HEALTH

There is a lack of control over the price of medicines due to flaws in the international pharmaceutical market. Multinational pharmaceutical companies are legally able to sell medicine at unattainable costs in order to make exponential profits. The high cost of medicines results in health increasingly becoming a luxury product. In other words, underprivileged populations see their access to health diminish or disappear altogether as a result of their lack of personal wealth.

Furthermore, as expected, there is a huge gap between developed and developing states in terms of access to health. In developed countries with a national health care system, the cost of the public's health is carried by the state, thus all have access to health. However, such systems are often inefficient or simply inexistent in most developing countries. Due to very limited economic resources, individuals in low-income and middle-income states must choose which human needs (food, water, health) to fulfil. International health programmes and NGOs working in developing countries have limited resources and are vulnerable to increasing prices of medicines. This severely decreases underprivileged population's access to health.

The capacity to prevent diseases such as measles and tuberculosis by using vaccines, which is common in developed countries, is practically inexistent in developing countries. Also, accessing efficient treatment for long-term diseases such as cancer and HIV is beyond complicated and extremely costly in developing states. Consequently, diseases, which can easily be treated, controlled and even eliminated in developed countries, tend to spread quickly in developing countries, causing thousands of death every year.

The 1994-Trade-Related aspects of Intellectual Property Rights (TRIPS) gave the foundations for protection of medicines' patents and state's rights in regard to national health. On the one hand, patent's owners of medicines – usually pharmaceutical companies – could be the sole producers of their discovery for a maximum of twenty years. On the other hand, states reserve the right – known as compulsory licensing – to overrule the patent at any moment in cases of major health concerns and authorise the production of a generic medicine. Since 1994, however, agreements known as TRIPS-plus have increasingly undermined the original treaty. Numerous bilateral agreements between developing and developed states limit or discard the right to compulsory licensing and extend the term of the patent. The 2007-Trans-Pacific Partnership agreement (TPP) reinforces and legalises the aforementioned trade practices within the international system. TRIPS-plus and TPP have major consequences on the access to medicine in developing states. Forbidding or severely limiting the use of compulsory licencing puts the individuals in those states at higher risks of epidemic than the ones in developed states since the first cannot afford modern treatments.

Post-TRIPS agreements not only endanger the access to health but also normalise unethical practices where profits are more important than the lives of millions. First of all, the claim that controlling the price of medicine will diminish the private sector's capacities for research and development is false. A recent report shows that multinational pharmaceutical companies spend between 20% to 50% more resources on marketing than on research. Thus, this is only a matter of choosing where to allocate the most resources. Millions of individuals choose between health and eating every day. The private sector can choose decreasing the budget allocated to marketing and redirecting resources towards research efforts.

Second of all, there is a clear lack of equality in trade agreements between developed and developing states. Indeed, the first appear to take advantage of the second's economic necessity by discarding TRIPS, violating state's rights and endangering the lives of thousands.

We recognise that developing states have a shared responsibility in the matter for not providing their public a national health care system as in numerous developed states and for the wide corruption of government officials. However, pharmaceutical firms need to be reminded of their duty as providers of life-saving medicines, not profit-seekers.

Recommendations

- The WTO should enforce that no trade agreements should exclude or even undermine the state's right to use compulsory licencing. In agreement with commercial ideology and human rights, if a pharmaceutical company is unable or unwilling to reduce the cost of its medicine, the state reserves the right to authorise the production of a generic.
- The WHO and WTO should initiate negotiations on a price-control treaty regarding access to medicine in order to stop the abusive use of treaties on intellectual property by pharmaceutical companies. This treaty should state that the price of medicine should be based on the level of income of the country, according to the UN classifications of countries' economies.
- The international system should encourage transparency during the negotiations of trade agreements and equal rights between trade partners.

4. RAISING PUBLIC AWARENESS

Although it has been recognized that the emergence of transnational social organization and epidemiological structure – as a consequence of globalization - have transformed national public health into an international issue, the subject is still relatively unfamiliar to most people in society and has been disregarded in most discussions of public debate relating to Human Rights. One of the main problems for this neglect, is that the Right to Health is not yet as widely recognized as a fundamental human right.

We identified that there is a lack of global awareness and knowledge concerning this issue, as a consequence of inefficient promotion and information exchange accessible to the global public at large. This is surprising, as when one becomes familiar with subject and the institutional regimes and political processes, one cannot but recognize that this subject deserves global attention and necessitates the development of global health policy and governance.

The Right to Health requires a more efficient promotion and global priority, in order to ensure that it gains equal recognition. Not only do we need to raise public awareness concerning the global importance of this fundamental right, it is also vital to inform the global public of the current existing problems and obstacles caused by conflicting approaches, with on one side the protection of the intellectual property rights (which reflect the pursuit for economic interests), and on the other, the promotion of human rights to health. The ultimate goal is the establishment of a resolution that balances the conflict between the right to development and the intellectual property rights on the institutional level. To accomplish this, effective and efficient promotion, coordination, and the identification of the appropriate resources is necessary.

World politics has changed drastically, and in the last decade the world has seen the growing role of global civil society: addressing and solving societal challenges and supporting local, national and global governance. Today, civil society cannot be seen separate from the relation between state and citizen (public sphere). It is through the public sphere that civil society enact public debate,

ultimately influencing states' decision-making, government policies and effecting change in international institutions. The public sphere – the space where autonomous views on political institutions of society are articulated - is a vital component of socio-political organization. This, however, is only functional when the (global) public is well informed about the concerning issue and political and institutional processes are subject to transparency to allow public scrutiny.

In certain instances, international organisations – such as the UN, WTO – can be limited in their resources or restricted by stakeholders (i.e., Member States) to openly advocate and instigate changes on the institutional level. This has sometimes led to a stagnation of development and progress on the policy implementation and fulfilment of the Human Rights programme at the national and international level. Thus, crucial to this process is the role of global civil society, as it has the technological means to exist independently from political institutions. When effective, it is not only the agent that informs, but is also capable in structuring and channelling public debates. Hence, having the ability to mobilize information strategically to persuade, pressurize, and gain leverage over organizations and governments.

In order to do so, we must direct our efforts to a more efficient use of the capacity and capability of civil society and strengthen their influence in creating public awareness and helping establish accountability mechanism to hold states and pharmaceutical companies to account for adhering to the human right to health principles. When executed well, civil society would be able to facilitate the debate towards issues of justice, fairness, and equity and the adverse impact of trade regimes on vulnerable countries and communities. This is through the efficient use of both mass media and horizontal networks of communication.

Recommendations:

- Strengthening international, national, regional mechanisms (intensify dialogue, engage with emerging organisations (regional and international) and mechanisms for the promotion of the right to health).
- Lobbying for funds by governments in resourcing public awareness campaigns
- Developing communication and campaign strategies that focus on (1) developing a national action plan for human right to health education programme; (2) supporting education initiatives for universities addressing the human right to health and access to medicines; (3) Supporting national conferences; (4) collaborating with journalists and media agencies willing to put joint effort in producing commercials and documentaries;
- Awareness-raising campaigns should be relevant to the context and audience. They should be accurate, effective and informative and should be developed in consultation with governments, stakeholders and civil society.
- Identifying the most effective medium to reach the target audience. Depending on the target audience different media channels may be more effective than others (print media, radio, television or web sites).
- Building transnational advocacy networks
- Advocacy topics should focus on informing the global public of the regulations and principles relating to 'health' and 'access to medicine'; TRIPS agreements, IPRs, Principles of the Right to Health, explaining the interplay between public health, international trade rules and the intellectual property (IP) system, and the negative affect they have of the realization of improving global public health.

It is thus through the media, that non-state actors can influence people's minds and foster social change. 'Ultimately, the transformation of consciousness does have consequences on political behavior, on voting patterns, and on the decisions of governments. It is at the level of media politics where it appears that societies can be moved in a direction that diverges from the values and interests institutionalized in the political system'.

Whereas civil society needs to focus on increasing dialogue and information exchange, international and intergovernmental organisations (i.e., the UN, WTO, OHCHR) should work closely on a resolution to balance the conflict between the right to health and the intellectual property right, along this process. These organizations have the critical role when it comes to (re-) defining and developing a universal global health policy that brings foreign trade and development policies into closer alignment.

Recommendations:

- Advancement of effective multilateralism (prioritise the topic UN meetings, campaigns);
- Intensify cooperation and coordination of UN, WHO and WTO on the legal and policy factors that impede access to essential medicines, and the production and dissemination of medical technologies
- Developing clear policy guidelines and lessen agreement vagueness
- Effective burden sharing systems (e.g., strengthen burden sharing system, strengthen responsibility, accountability, and ownership of all UN member states)

- Evaluate the list of essential medicines in collaboration with all countries, developing as well as the industrialized (equal say among all countries should be protected during this process)
- Intensify dialogue and cooperation with pharmaceutical companies concerning the access of essential medicines, preferably with the support of governments.
- Appoint a suitable organ responsible for monitoring international, regional, and bilateral trade agreements and trade processes (focused on safeguarding public health and corruption control)
- Accountability must be ensured through judicial mechanisms at the national and international levels, possibly enforced by retribution measures
- Increase cooperation and close ties with civil society organizations to work together on an effective and efficient promotion campaign, national educational programs, and other promotion initiatives at the national level as well as on the international level.
- Criteria for the participating NGOs must be specified. It must also be ensured that they advocate the objectives independently, unattached from any agenda's from other stakeholders/funders.
- Establish a fund to support effective and balanced civil society representation
- Official recognition should be given to the consultations initiated by civil society and mechanisms must be made available to include their inputs into the official process

CONCLUSION

The problems facing the medicine industry are large but clear. The politics of aid and investment combined with Western led economic structures and legal systems seriously hinder developing countries domestic production of medicines, corrupted governments and pharmaceutical companies continue to reap profits in the name of healthcare and meanwhile public awareness that one billion people around the world do not have access to the drugs they need is unacceptably low.

It is public awareness that is needed to educate citizens around the world on the problems that the global healthcare system faces. Only together can solutions be made that will create an environment where patents do not restrict millions from lifesaving medicines, where governments do not become corrupted by pharmaceuticals, where pharmaceutical companies do not abuse their financial power and where all countries can begin to produce the medical resources they need.

Living in a time where necessary technologies exist, necessary medicines exist, necessary procedures that will save millions from dying are known, this is an incredible opportunity to void countries around the world from avoidable deaths. In protecting these people it is not only better for humanity but it will enable these people to live and have a positive impact on the people around them.

However, it is essential first that countries and companies change mind-sets away from seeing healthcare as a great money-maker, and instead think of innovative approaches to the Global Health problem. No profit should deter life-saving treatment and this must be widely recognised by the international community.

Doruk Akin, 30, Netherlands

Doruk worked in the role of communication and media in political affairs specifically while working at a non-governmental organization that works towards the development and reinforcement of independent media in conflict areas, and countries in transition. This has led her to continue to expand her academic knowledge in this area, by graduating in Political Science, and obtaining her MA in International Relations. She has taken a great interest in the UN model and the role of civil society and mass media in the international political system. She focusses on the question of how to create social movements and bring change in governance structures and political institutions that negatively affect global development.



Thun Thong, 22, Australia.

Thun is an undergraduate student of International Studies with a minor in French from Monash University in Melbourne, Australia. Currently, He is studying abroad at Leiden University in the Netherlands. Thun has worked with youth leadership organizations and has been involved with a national conservation project. His areas of interests are human rights and social equity. He hopes to work with the United Nations and other relevant organizations to promote these issues and initiate resolutions which he believes are key to tackling the inequitable horizontal societies across the globe and to transform them into vertical societies - a structure where all individuals are equal and treated fair and just.





Michael Fox, 23, Northern Ireland

Michael is a final year Politics student in Belfast, Northern Ireland. He is currently co founding a charity to support young girls in Old Moshi, Tanzania through secondary school. He is passionate about micro finance, social enterprise and corporate corruption.

Nina Rachet, 22, France

Nina Rachet is a postgraduate student at UCL in International Public Policy. Her goals are to better the lives of others and give them the opportunities to achieve their dreams while building a less individualistic world. She specialised in conflict resolution and post-war development.





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