

PHD PROPOSAL

ACCESS TO TREATMENT IN THE GLOBAL SOUTH: ESCAPING STRUCTURAL DEPENDENCY AND BUILDING HEALTHCARE SOVEREIGNTY

Context

Over the last four decades, the global pharmaceutical industry has become increasingly financialised, with the subordination of corporate strategies to the accumulation logic of financial capital, represented by the rising dominance of financial actors, instruments and measurements in defining the circumstances under which wealth is going to be realised in the sector. A fundamental change in the way the pharmaceutical industry behaves has occurred, based on maximising shareholder value in the short term and by shifting their priorities away from productive and innovative investments, towards redistributing the value extracted to the shareholder through dividends and stock buybacks (Montalban et al., 2013; Klinge et al., 2022; Lazonick et. al, 2017).

Under this paradigm, one of the foundational strategies is the monopolisation of intellectual property, enabled and maintained by: (i) patenting legal structure and international agreements (Montalban et al., 2013); (ii) the organisation of global innovation networks, in which the monopolistic pharmaceutical companies privately appropriate public research and centralises intellectual property through mergers and acquisitions of venture capital start-ups (Rikap, 2021). While patents were introduced to foster innovation, this objective has been subverted: the TRIPS agreements (1994) have allowed a 20 year (with possibility of extension) legal temporary monopoly. In the pharmaceutical sector, the monopolistic practices and curtailing of knowledge at the behest of maximising shareholder value, marginalises individuals and countries from appropriate treatment (Chaves, 2016; Hiratuka et al. 2022)

This situation raises a major “Global Health” question, i.e. the capacity for peripheral countries to provide an access to treatment at a reasonable cost, thus also questioning the potential need for sovereign production of drugs. As an example, Latin American countries appear as victims of centre-periphery dynamics. At first, subordinate insertion in the international division of labour implies specialisation in the production of commodities and goods of low technological complexity, the terms of trade progressively deteriorate, and there is a transfer of value to the central countries (Prebisch, 2010). The overall productive structure of a peripheral country is outdated and, therefore, lacks dynamism and diversification, in addition to the consumer market being structurally precarious due to overexploitation in dependent economies. As a result, there is a slow diffusion of technical progress and great sectoral heterogeneity, with significant internal productive gaps. The periphery also has a higher organic composition of capital and productivity gains over time are lower, given its low technological insertion. From the perspective of Latin American countries, this process leads to structural dependency on an exogenous core of innovations, technology and production, within the pharmaceutical sector is no different. This constitutes a vicious cycle of dependency, in which underdevelopment is not an intermediate phase, but rather a category of integration into global capitalism (Furtado, 1964; Gadelha, 2021).

Built upon dependency theory, the concept of the Health Economic-Industrial Complex (HEIC) is coined by Gadelha (2003) and redefines the framework for discussions of these impasses within health. The HEIC understands the interaction between health and development as something that transcends the merely social dimension. It brings with it the systemic inseparability between the provision of health services and the productive sectors whose goods flow into health. A complex in which there is a convergence of social development and the development of the productive structure (Gadelha, 2016).

The productive base of the goods used in health is highly technologically complex, and the industries involved are dynamic and capital-intensive. HEIC includes chemical and biotechnology industries associated with the production of medications, vaccines, pharmaceutical inputs, and diagnostic reagents; mechanical, electronic, and materials industries related to the production of electronic instruments, mechanical equipment, prostheses and orthoses, consumables, and diagnostic devices (Gadelha, 2021). The advancement of this production base depends on innovation and the constant exploration of technological frontiers. It is, therefore, a production system whose advancement is extremely dependent on research and development (R&D) and subject to a lot of risk and uncertainty, including that access to capital, knowledge and techno-productive capacities

Research question

How and to what extent a sovereign pharmaceutical industry can be developed to secure the access to the most important treatments at a reasonable cost in countries of the Global South?

Objectives of the PhD and research methodology

The objective of the PhD is to consider the research question from both a theoretical and empirical point of view. The PhD candidate is encouraged to identify one or several countries that have envisaged and potentially implemented such a policy aiming to reduce their external dependence and therefore develop a kind of sovereignty in producing drugs and innovation in the field.

In particular, the main objectives will be to integrate dependency theory, HEIC framework and industrial development economics to conceptualise local – potentially state-owned – pharmaceutical production as a structural response to financialised global health capitalism. An objective will be in particular to understand the conditions, strategies, and institutional designs under which state-owned pharmaceutical production can advance health sovereignty and industrial development in peripheral health systems.

The approach can include the analysis of countries' historical trajectories in pharmaceutical production, a mapping of institutional architectures (including funding mechanisms, governance bodies, and coordination instruments between ministries, public laboratories, and the broader healthcare system), the typology of the productive pharmaceutical portfolios and the degree of technological sophistication and diversification, etc. The methodology could rely on mix (quantitative and qualitative) methods, including database construction and analysis, interviews, modelling, etc.

Supervision

The thesis will be supervised by David Flacher (Professor of Economics at the UTC). Co-supervision is Nathalie Coutinet (MCF HDR, specialist in health issues).

Scientific mediation and expertise

The researcher will engage in scientific mediation and expertise, targeting different audiences with distinct objectives:

- **Policy makers** will be reached through policy briefs (at least two per year), disseminated in at least French and English, to relevant members of parliaments in selected EU countries;
- **the general public** will be engaged via media outreach, including statements in newspapers and/or multimedia content on social networks (at least two productions per year). Additionally, a yearly conference or public debate will be organized, involving key stakeholders;
- **expertise for stakeholders**, both in the Global North and South, may involve extended stays or fieldwork, evaluation of treatment access campaigns, drafting of advocacy arguments, or participation in advocacy initiatives.

References

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