

Jean Laville: “The creation of the Access to Medicine Index, in 2008, will encourage investors and laboratories to share best practices”

A coalition of government agencies (Dutch and British), non-governmental and religious organisations (Oxfam, Interfaith Centre on Corporate Social Responsibility - ICCR, etc.), and financial establishments are the initiators for the Access to Medicine Index, to be released in spring 2008 (www.atmindex.org). What is it about?



Rather than an index as such, which would only list the best performing companies, it is a ranking of pharmaceutical laboratories based on their practices concerning access to medicine. The idea was started by a Dutch foundation led by a former director in the industry, Wim Leereveld. The construction of the index, put together by the rating agency Innovest, is done by consulting all of the stakeholders, including the laboratories and the investors. This is how the Ethos foundation, which offers sustainable investment possibilities to Swiss pension funds, was consulted, as were asset managers such as F&C Investments, Morley Fund Managers, Schroders, or Universities Superannuation Scheme – the pension fund for British university personnel.

What is its goal?

To create an index that is solid and consensual enough for investors and pharmaceutical companies to realise that the stakes at play concerning access to medicine are strategic for the economic future of the sector, and to work together to find solutions. It is important to leave behind the model where shareholders were only looking for short-term profits based on the traditional economic model of large laboratories – the “Big Pharma” -, which was mainly based on protecting innovation with intellectual property rules. In consulting investors and shareholders, we examine results when they are made public, and we will go and talk to each laboratory. This index should contribute to a sharing of best practices.

Is it compatible for pharmaceutical companies to make a profit while trying to respond to building pressure to provide less expensive access to medicine and health care?

Our objective isn't to force laboratories to give out their medicine for free to populations in developing countries, that wouldn't make any sense for them as companies, or for us as investors. But it's true that the traditional model is currently threatened; it can be easily disregarded when there's a pandemic or a less violent health crisis. The 2001 lawsuit in South Africa, where the judgement was made on August 6th, 2007 by an Indian High Court of justice dismissing Novartis' complaint against the state of India, shows that a laboratory can now lose their patents due to a mandatory license or generic products, or even, in developing countries, due to social security saving measures.

The example of Tamiflu is just as enlightening: whereas this medicine against avian flu was perceived by its manufacturer, Roche, as a golden goose, it in fact threatened the stability of the laboratory. When the public authorities required them to manufacture it in massive volumes at a reduced price, and even threatened to revoke Roche's license, their factories were saturated and they had to look into having other manufacturers produce the same medicine!

Responding to the social demand in favour of less expensive access to health care has become a conditional part of future activities in the pharmaceutical industry. General opinion is convinced and investors are being to realise it. It is a complex task, but the industry has to buckle down and get to work, and we have to help them.

Interview conducted by Antoine Reverchon

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2002 Jean Laville is Executive Deputy Director of the Ethos Foundation and the Ethos Services company, in charge of sustainable development management and environmental and social research.

1988 He is an asset manager with Banque Pictet&Cie, in Geneva. Deputy Director of the quantitative office of the Institutional Management Department, since 1997, specialised portfolio management based on sustainable development criteria.