
8-7-2023

Transnational Pharmaceuticals and COVID-19 Vaccines: Global Access

Follow this and additional works at: <https://digitalcommons.fairfield.edu/jogc>

Recommended Citation

(2023) "Transnational Pharmaceuticals and COVID-19 Vaccines: Global Access," *Undergraduate Journal of Global Citizenship*: Vol. 5: Iss. 1, Article 5.

Available at: <https://digitalcommons.fairfield.edu/jogc/vol5/iss1/5>

This item has been accepted for inclusion in DigitalCommons@Fairfield by an authorized administrator of DigitalCommons@Fairfield. It is brought to you by DigitalCommons@Fairfield with permission from the rights-holder(s) and is protected by copyright and/or related rights. **You are free to use this item in any way that is permitted by the copyright and related rights legislation that applies to your use. For other uses, you need to obtain permission from the rights-holder(s) directly, unless additional rights are indicated by a Creative Commons license in the record and/or on the work itself.** For more information, please contact digitalcommons@fairfield.edu.

Transnational Pharmaceuticals and COVID-19 Vaccines: Global Access

GWENDOLYN MINOGUE

Abstract

In the wake of the Covid-19 pandemic, unequal vaccine access has exposed the inequities perpetuated by the transnational industry that is corporate pharmaceuticals. Intellectual property rights catalyze the lack of production in low-income countries, leading to disproportionate vaccination rates in the global north. Yet lobbyists argue that intellectual property rights foster innovation of new drugs by billion-dollar pharma companies. A deep dive into access, pharmaceutical activity, profit margins, and IP law reveal some possible solutions to the access problem.

Introduction

Of the nearly thirteen billion vaccines administered since the start of the pandemic, southern African countries acquired less than 20 doses per 100 people. In contrast, industrial nations obtained greater than or equal to 100 doses per 100 people.¹ WHO Director General Tedros

Ghebreyesus addressed the organization, saying, “I think I would go one step further and say not just that the world is at risk of vaccine apartheid. The world is in vaccine apartheid.”² The connotation of “apartheid” conjures a sobering image of the realities of vaccine inequity. Compounded with the profit mindset of transnational pharmaceutical corporations (TNCs), this creates a tricky situation in a globalized world. “Though *half* of all Americans are now fully immunized against COVID-19, only 1 percent of people living in low-income countries have received at least one dose of the vaccine”.³ Is this vaccine distribution inequality at odds with increased pressure to waive intellectual property, or IP, in the midst of an access crisis? Will increased access to poorer nations hinder the innovation of new drugs?

I argue that expanding access does not necessarily diminish profit-driven innovation; waiving IP rights temporarily to promote vaccine distribution to vaccine-deficient countries will not reduce the revenues gained from northern industrial nations. Pfizer, a prominent pharmaceutical TNC, has faced scrutiny in the wake of the Covid-19 pandemic, with allegations that “big pharma” is increasing Covid-19 vaccine prices as the pandemic is waning to increase corporate profits. While denying access by raising costs is undoubtedly an ethical issue, the corporation maintains that these raised costs can actually funnel more money into the creation of other life-saving drugs, according to the corporation.⁴ In this

¹ World Health Organization Covid-19 Dashboard. <https://covid19.who.int>.

² Lerner, Sharon. “World Faces COVID-19 ‘Vaccine Apartheid.’” *The Intercept*, December 31, 2020. <https://theintercept.com/2020/12/31/covid-vaccine-countries-scarcity-access/>

³ MSF. “Take action to help end this pandemic for all.” MSF website, 2022.

<https://www.doctorswithoutborders.org/latest/campaigns/end-pandemic-for-all>. Mullin, E.

⁴ Pollack, A. “For profit, industry seeks cancer drugs.” *New York Times*, September 2, 2009. <https://www.nytimes.com/2009/09/02/health/research/02cancerdrug.html>. Sidley, P. “Drug companies sue South African government over generics.” *NIH*, February 24, 2001.

way, any profit generated can contribute to innovation of new drugs. Through re-evaluating their target profit margins and understanding the necessity for the development of healthcare infrastructure in third-world states, pharmaceutical TNCs must strike the balance between profit and responsibility.

Inequalities in Access

A focus on the global northern countries augments the plight of lower-economic states when it comes to vaccine access. “An open letter to G20 [Group of 20 forum] leaders in October, 2021 highlighted how 133 doses per 100 people have been given in HICs [high-income countries] compared with four doses per 100 people in LICs.”⁵ This statistic highlights the crisis faced by developing states. Healthcare infrastructures within these states leave much to be desired, and this is exacerbated by the lack of resources received from other states to curb issues like the pandemic. Even before Covid, “the poorest countries in developing regions carry the highest burden of disease: communicable diseases (CDs), non-communicable diseases (NCDs), and the risk of new diseases related to changes in the social and physical environment, the socio-behavioral illness”.⁶ This leaves states in the global south

particularly vulnerable when events like pandemics do enter the horizon.

The issue is not a lack of innovation, but rather a lack of access. Pharmaceutical companies make a profit from producing new and better vaccines, which in the context of Covid-19, enables booster shots to keep up with new variants. But this drive to innovate often takes precedence over the basic administration of first doses. “Given limited supply, every booster shot HICs purchase is a lost first or second dose for LICs”.⁷ Last year, Pfizer had only delivered less than one percent of its vaccines to LICs, because they aren’t able to pay as much as more developed states.⁸

Intellectual Property Debate

Why is access so limited? Why is there a monopoly on a life-saving good? The intellectual property debate is one that permeates discussions surrounding mitigation of the pandemic. Intellectual property refers to “creations of the human imagination, typically protected under the law using systems of patents, copyrights, and trademarks,” with IP rights defined as “rules that protect the owners of content through copyright, patents, trade marks, and trade secrets”.⁹ It is argued that IP helps to protect innovation, because a

<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1119675/>.

⁵ Bajaj, S. S.; Maki, L.; Stanford, F. C. “Vaccine apartheid: global cooperation and equity.” *The Lancet*, 399, no. 10334 (April 2022): 1452-1453. [https://doi.org/10.1016/S0140-6736\(22\)00328-2](https://doi.org/10.1016/S0140-6736(22)00328-2).

⁶ Stevens, H.; Huys, I. “Innovative Approaches to Increase Access to Medicines in Developing Countries.” *Frontiers in Medicine*, 4, no. 218 (December 2017).

<https://doi.org/10.3389/fmed.2017.00218>.

⁷ Bajaj, S. S.; Maki, L.; Stanford, F. C. “Vaccine apartheid: global cooperation and equity.” *The*

Lancet, 399, no. 10334 (April 2022): 1452-1453.

[https://doi.org/10.1016/S0140-6736\(22\)00328-2](https://doi.org/10.1016/S0140-6736(22)00328-2).

⁸ Oxfam. “Pfizer, BioNTech and Moderna making \$1,000 profit every second while world’s poorest countries remain largely unvaccinated.” *OCHA Services*, 16 November 2021.

<https://reliefweb.int/report/world/pfizer-biontech-and-moderna-making-1000-profit-every-second-while-world-s-poorest>.

⁹ Baylis, J.; Owens, P.; and Smith, S., eds. 2020. *The Globalization of World Politics: An Introduction to International Relations*, 8th Edition (New York: Oxford University Press), pages 353, 354, 541.

company with IP rights has a better competitive advantage.

But innovation is often at odds with access. A company may protect its IP rights to vaccine development in order to utilize the resulting profit for innovation. But this precludes global manufacturing capacity, because it prohibits these entities from making the much-needed vaccines on their own.¹⁰ This industry monopoly by a few big pharmaceutical companies exacerbates and perpetuates the vaccine shortage. Arguments for temporarily waiving IP rights in the wake of the Covid-19 pandemic focus on the necessity of humanity banding together, especially in a globalized world. We must learn from our past mistakes. “Shamefully, it took nearly a decade for the first antiretroviral drugs to reach the African continent, even though Africa was the hardest hit region and antiretroviral drugs provided 90% mortality reduction”.¹¹ The virus behind Covid affects people globally, so the capacity to vaccinate must be global too. Opponents of waiving these rights argue that existing World Trade Organization (WTO) protections of IP like TRIPS (Trade-Related Aspects of Intellectual Property Rights) offer enough leeway. “Article 31 grants governments rights to issue licenses for using a patent during the patent term without a patent holder’s consent”.¹² But these exceptions require an

application, wasting what is precious time during a pandemic. Waiving IP rights would allow for greater investment into global manufacturing processes without fear of lawsuits for involvement in patented production. Otherwise, LICs are blocked from getting access to the life-saving shots gatekept by Pfizer in favor of selling to the global North, where the profits are greater.

Pfizer

Pfizer quickly became a household name, if it hadn’t been one already, after its work on the Covid-19 vaccine fairly early in the pandemic. The pharmaceutical company is research-based and has over 100 drugs on the market in fields of neurology, cardiology, oncology, pain management, and more. TNCs exercise considerable influence in trade, with Pfizer, a pharmaceutical TNC, dominating world market share of pharmaceuticals in 2019.¹³ “We’re in relentless pursuit of breakthroughs that change patients’ lives. We innovate every day to make the world a healthier place. It was Charles Pfizer’s vision at the beginning and it holds true today,” according to its website.¹⁴ Indeed, Pfizer has pledged 2 billion doses of its Covid-19 vaccine to low- and middle-income countries. Currently, 181 countries have access to the vaccine, as per Pfizer’s

¹⁰ Jecker, N. S.; Atuire, C. A. “What’s yours is ours: waiving intellectual property protections for COVID-19 vaccines.” *Journal of Medical Ethics*, 47, no. 9 (July 2021): 595. <http://dx.doi.org/10.1136/medethics-2021-107555>.

¹¹ Jecker, N. S.; Atuire, C. A. “What’s yours is ours: waiving intellectual property protections for COVID-19 vaccines.” *Journal of Medical Ethics*, 47, no. 9 (July 2021): 597. <http://dx.doi.org/10.1136/medethics-2021-107555>.

¹² Jecker, N. S.; Atuire, C. A. “What’s yours is ours: waiving intellectual property protections for COVID-19 vaccines.” *Journal of Medical Ethics*, 47, no. 9

(July 2021): 597.

<http://dx.doi.org/10.1136/medethics-2021-107555>.

¹³ Statista. “Top 20 pharmaceutical companies worldwide based on prescription drug market share in 2019 and 2026*.” <https://www.statista.com/statistics/309425/prescription-drugs-market-shares-by-top-companies-globally/>.

¹⁴ Pfizer.

<https://www.pfizer.com/science/coronavirus/vaccine/working-to-reach-everyone-everywhere>.

website. But at what cost are these doses distributed? “Pfizer was a good citizen in keeping prices down during the worst of the pandemic,” CEO Albert Bourla told investors. Now payers [health insurance companies] will pick up the added cost, while consumers “wouldn’t see the difference” because there’s generally no copay for vaccines.¹⁵ It is true that individuals in first-world states will see little to no difference as Pfizer begins to hike prices of the mRNA vaccine. Health insurance costs may rise; however, any increase is not attributed solely to the Covid-19 vaccine. Costs were low then, but now that they are higher, how will less well-off countries afford them without the insurance infrastructure backing high-income countries? The answer is that they can’t, not as well as countries in the global North can. Pfizer’s profits come almost exclusively from the global north; in fact, Pfizer makes “\$1,000 profit every second while world’s poorest countries remain largely unvaccinated”.¹⁶ This is because thanks to IP rights, Pfizer can command an industrial monopoly and charge at the highest margins.

As the Covid-19 vaccine marks an innovative switch to mRNA-based technology, various technological aspects remain a “closely guarded secret.”¹⁷ If a poorer state decides it cannot afford to purchase the vaccine, it is unlikely that they

have the technological ability or the resources for vaccine production. This inaccessibility allows Pfizer to profit and funnel that profit into advancing technologies like mRNA vaccines. But if Pfizer is neglecting the global south when it comes to the vaccine, a more ethical route would be to focus the resulting profits on developing vaccines for other emerging diseases that plague these areas. Even more amenable to corporate social justice principles would be to temporarily waive IP rights - Pfizer could follow Moderna’s lead in pledging not to enforce Covid-19 vaccine patents.¹⁸ But this is only one step.

However, Nigerian virologist Oyewale Tomori points out that most African states lack the public health infrastructure to make the shift from western dependency.¹⁹ A solution is to create what Bajaj calls a “value chain” in which domestic production emerges. Temporarily waiving patent enforcement could accomplish this increased production capacity. This also provides an opportunity for foreign direct investment, or FDI, in healthcare equipment in these states if no legal repercussions ensue from vaccine production. Greater global manufacturing capacity can bridge the inequity gaps, and a forgiveness on patent enforcement helps with this.

¹⁵ Allen, A. “Pfizer is on the hunt for new blockbuster drugs, backed by its COVID fortune.” *Fortune*, November 8, 2022.

<https://fortune.com/2022/11/08/pfizer-weigh-loss-pill-migraines-sickle-cell-disease-vaccine-paxlovid/>.

¹⁶ Oxfam. “Pfizer, BioNTech and Moderna making \$1,000 profit every second while world’s poorest countries remain largely unvaccinated.” *OCHA Services*, 16 November 2021.

<https://reliefweb.int/report/world/pfizer-biontech-and-moderna-making-1000-profit-every-second-while-world-s-poorest>.

¹⁷ Bajaj, S. S. “African scientists say Western aid to fight pandemic is backfiring. Here’s their plan.” *NPR*,

November 4, 2022.

<https://www.npr.org/sections/goatsandsoda/2022/11/04/1133319628/african-scientists-say-western-aid-to-fight-pandemic-is-backfiring-heres-their-p>.

¹⁸ Jecker, N. S.; Atuire, C. A. “What’s yours is ours: waiving intellectual property protections for COVID-19 vaccines.” *Journal of Medical Ethics*, 47, no. 9 (July 2021): 597.

¹⁹ Bajaj, S. S. “African scientists say Western aid to fight pandemic is backfiring. Here’s their plan.” *NPR*, November 4, 2022.

<https://www.npr.org/sections/goatsandsoda/2022/11/04/1133319628/african-scientists-say-western-aid-to-fight-pandemic-is-backfiring-heres-their-p>.

Political Involvement

TNCs' political involvements are inevitable in the realm of IP. Take the TRIPS waiver, a proposal emerging from the pandemic from a coalition of states led by India and South Africa that aimed to waive the IP rights of Covid-related technology.²⁰ The proposal would have allowed lower-income countries to access the vaccine without the additional costs associated with IP implications. But companies like Pfizer and J&J threatened to pull distribution and manufacturing operations out of any country that supported the waiver. A few politicians in Belgium, for example, expressed support for the waiver; they in turn received a warning call from J&J that this sponsorship would be risky for them to support.²¹

Countries must consider the balance of humanitarian aid, a responsibility to assist other countries, with the interests of their own people. The EU quickly established a pro-IP position, likely because of the political and economic dependence these countries have with pharmaceutical TNCs in that region. It is easy to see here the perceived western alliances with transnational pharmaceuticals that frustrate lower-income countries, especially in the global south. "Collaboration, not donation, is what pushes the needle forward".²² This

collaboration can be as tacit as more innovation towards needed vaccines affecting LICs, and these large pharmaceutical companies can continue to profit and innovate while the global south meets basic accessibility needs.

But a government-to-pharmaceutical company alliance is utilized thoughtfully, this partnership offers some hope for Africa. Countries may harness the power of education to work with Big Pharma. For example, in a memorandum of understanding between Pfizer and North-West University in South Africa, Pfizer agreed to assist with advancing research initiatives.²³ The Pfizer agreement with this publicly funded university indicated that North-West University receives the rights to use some of Pfizer's technology, namely, the company's GMO animal models for use in drug testing. NWU's Pre-Clinical Drug Development Platform will allow for innovation to be spread through South Africa in areas that may not otherwise have access to lifesaving technology without this partnership.²⁴ This case offers some hope for Africa, especially in an area where HIV/AIDS wreaked havoc. Having access to IP in this area is significant, especially considering the ordeals that South Africa and surrounding states went through to get even generic drugs to the region to combat HIV/AIDS.²⁵

²⁰ Jecker, N. S.; Atuire, C. A. "What's yours is ours: waiving intellectual property protections for COVID-19 vaccines." *Journal of Medical Ethics*, 47, no. 9 (July 2021): 595.

<http://dx.doi.org/10.1136/medethics-2021-107555>.

²¹ Horti, S. "Who killed the vaccine waiver?" *The Bureau of Investigative Journalism*, October 11, 2022.

<https://www.thebureauinvestigates.com/stories/2022-11-10/who-killed-the-vaccine-waiver>.

²² Bajaj, S. S. "African scientists say Western aid to fight pandemic is backfiring. Here's their plan." *NPR*, November 4, 2022.

<https://www.npr.org/sections/goatsandsoda/2022/11/>

[04/1133319628/african-scientists-say-western-aid-to-fight-pandemic-is-backfiring-heres-their-p](https://www.doctorswithoutborders.org/latest/campaigns/end-pandemic-for-all).

²³ MSF. "Take action to help end this pandemic for all." MSF website, 2022.

<https://www.doctorswithoutborders.org/latest/campaigns/end-pandemic-for-all>. Mullin, E.

²⁴ MSF. "Take action to help end this pandemic for all." MSF website, 2022.

<https://www.doctorswithoutborders.org/latest/campaigns/end-pandemic-for-all>. Mullin, E.

²⁵ Sidley, P. "Drug companies sue South African government over generics." *NIH*, February 24, 2001. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1119675/>.

Efforts like this collaboration strike the perfect balance between a TNC's political and business roles. "The engagement with business also increasingly takes the form of cooperation".²⁶ As organizations that cooperate with many countries as a part of doing business, TNCs do have the responsibility to cooperate in the realm of ethical issues surrounding IP. If pharmaceutical TNCs follow Pfizer's lead in South Africa, they may be able to bring more technology to underserved regions, still profiting but also placing some of the production onus on these states. Still, for every NWU, there is a Brazil. Fluconazole, a drug used to treat fungal infections due to AIDS complications, was produced by Pfizer and sold at inflated rates above Brazilians' affordability. In the meantime, Pfizer refused to sell the IP rights to the production of the drug to Brazil.

Transnational pharmaceutical defenders argue that the profits off these highly inflated drugs enable such advanced companies like Pfizer to put other innovative drugs to market rapidly. After all, the Covid-19 pandemic, considered the most recent epidemic since HIV/AIDS, netted about \$100 million for Pfizer, and the company will put this money towards therapies like promising diabetes medications.²⁷ But what is the point of producing more and more lifesaving products if they are made inaccessible to those who need them the most? Pfizer must strike an appropriate balance between financially demanding ventures and high profits until LICs can produce and obtain

the needed vaccines and drugs. But much of these are vanity drugs, with a focus on diabetes/weight-loss instead of HIV/AIDS or malaria drugs that would prove more beneficial in the global south.²⁸

Conclusion

Healthcare-related TNCs play a special role in the globalized world. They occupy a gray area between profit and IP controversy, especially when it comes to human rights and ethical accessibility. By cooperating with international initiatives regarding intellectual property, "Big Pharma" can contribute to vaccine equity in the global south, waiving a global monopoly and still retaining the extreme profits that have exclusively driven its innovation for so long. Access does not hinder innovation, but an unnecessary IP monopoly hinders global health.

Bibliography

Allen, A. "Pfizer is on the hunt for new blockbuster drugs, backed by its COVID fortune." *Fortune*, November 8, 2022. <https://fortune.com/2022/11/08/pfizer-weigh-loss-pill-migraines-sickle-cell-disease-vacci ne-paxlovid/>.

Bajaj, S. S. "African scientists say Western aid to fight pandemic is backfiring. Here's their plan." *NPR*, November 4, 2022. <https://www.npr.org/sections/goatsan>

<https://fortune.com/2022/11/08/pfizer-weigh-loss-pill-migraines-sickle-cell-disease-vacci ne-paxlovid/>.

²⁸ Pollack, A. "For profit, industry seeks cancer drugs." *New York Times*, September 2, 2009. <https://www.nytimes.com/2009/09/02/health/research/02cancerdrug.html>.

²⁶ Baylis, J.; Owens, P.; and Smith, S., eds. 2020. *The Globalization of World Politics: An Introduction to International Relations*, 8th Edition (New York: Oxford University Press), pages 353.

²⁷ Allen, A. "Pfizer is on the hunt for new blockbuster drugs, backed by its COVID fortune." *Fortune*, November 8, 2022.

[dsoda/2022/11/04/1133319628/african-scientists-say-western-aid-to-fight-pandemic-is-backfiring-heres-their-p.](https://www.dsoda.com/2022/11/04/1133319628/african-scientists-say-western-aid-to-fight-pandemic-is-backfiring-heres-their-p/)

Bajaj, S. S.; Maki, L.; Stanford, F. C. "Vaccine apartheid: global cooperation and equity." *The Lancet*, 399, no. 10334 (April 2022): 1452-1453. [https://doi.org/10.1016/S0140-6736\(22\)00328-2](https://doi.org/10.1016/S0140-6736(22)00328-2).

Baylis, J.; Owens, P.; and Smith, S., eds. 2020. *The Globalization of World Politics: An Introduction to International Relations*, 8th Edition (New York: Oxford University Press), pages 353, 354, 541.

Frage, E.; Shields, M. "World has entered stage of "vaccine apartheid" - WHO head." *Reuters, Healthcare and Pharmaceuticals*, May 17, 2021. <https://www.reuters.com/business/healthcare-pharmaceuticals/world-has-entered-stage-vaccine-apartheid-who-head-2021-05-17/>.

Horti, S. "Who killed the vaccine waiver?" *The Bureau of Investigative Journalism*, October 11, 2022. <https://www.thebureauinvestigates.com/stories/2022-11-10/who-killed-the-vaccine-waiver>.

Jecker, N. S.; Atuire, C. A. "What's yours is ours: waiving intellectual property protections for COVID-19 vaccines." *Journal of Medical Ethics*, 47, no. 9 (July 2021): 595-598. <http://dx.doi.org/10.1136/medethics-2021-107555>.

Lerner, Sharon. "World Faces COVID-19 'Vaccine Apartheid.'" *The Intercept*, December 31, 2020.

<https://theintercept.com/2020/12/31/covid-vaccine-countries-scarcity-access/>

MSF. "Take action to help end this pandemic for all." MSF website, 2022. <https://www.doctorswithoutborders.org/latest/campaigns/end-pandemic-for-all>. Mullin, E.

Oxfam. "Pfizer, BioNTech and Moderna making \$1,000 profit every second while world's poorest countries remain largely unvaccinated." *OCHA Services*, 16 November 2021. <https://reliefweb.int/report/world/pfizer-biontech-and-moderna-making-1000-profit-every-second-while-world-s-poorest>.

Pfizer. <https://www.pfizer.com/science/coronavirus/vaccine/working-to-reach-everyone-everywhere>.

"Pfizer Inc., South Africa's North-West University Sign MOU for Potential Collaboration on Pre-Clinical Research and Development." *Fierce Biotech*, June 27, 2014. <https://www.fiercebiotech.com/research/pfizer-inc-south-africa-s-north-west-university-sign-mou-for-potential-collaboration-on>

Pollack, A. "For profit, industry seeks cancer drugs." *New York Times*, September 2, 2009. <https://www.nytimes.com/2009/09/02/health/research/02cancerdrug.html>.

Sidley, P. "Drug companies sue South African government over generics." *NIH*, February 24, 2001. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC1119675/>.

Statista. “Top 20 pharmaceutical companies worldwide based on prescription drug market share in 2019 and 2026*.” <https://www.statista.com/statistics/309425/prescription-drugs-market-shares-by-top-companies-globally/>.

Stevens, H.; Huys, I. “Innovative Approaches to Increase Access to Medicines in Developing Countries.” *Frontiers in Medicine*, 4, no. 218 (December 2017). <https://doi.org/10.3389/fmed.2017.00218>.

World Health Organization Covid-19 Dashboard. <https://covid19.who.int>.