Essential medicines supply chains and inequality

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Abstract

One area of innovation in pharmaceutical markets in medicines for low and middle income countries has been in supply chain organisation. This is a substantially aid-dependent market, and the huge recent rise in international funding for specific medicines and treatments has brought in new commercial actors and new organisational initiatives that have complex effects for low income populations' access to essential medicines.

Medicines access is a major driver of inequality in much of low income Africa. Lack of access drives up morbidity and mortality. Access via predominant out-of-pocket payment systems drives people further into poverty. Conversely, access free at the point of use improves equity and reduces inequality by moving health systems towards response to need rather than response to individual demand. Uncontrolled commercialisation has created a situation in many low income countries where medicines – often substandard – are chiefly sold piecemeal as commodity items to ill informed buyers. Improvements require a move towards equality not so much of 'access to medicines' as of 'access to appropriate treatment', through the filtering of medicines access by a system of professional advice and control, while removing the cash barrier.

So have innovations in supply chain organisation, associated with major new funding, moved low income populations in the direction of more equitable access – and hence less inequality? The score card is not easy to fill in – better indicators are needed – but the record seems to be mixed. On the positive side: much of the aid-funded provision is free at the point of use and therefore likely to be more equitable than, say, access to antibiotics. The result has been a huge rise in treatment rates for certain conditions, especially for HIV/AIDS. On the negative side these initiatives are often 'islands' in a sea of charging-based access to medicines, and have had, it seems, relatively little impact on access to the broad span of basis medicines people need. Also the cost of the new supply chain and treatment systems for HIV/AIDS are widely seen locally as unsustainable.

Meanwhile, a number of African countries have been quietly upgrading their own productive capabilities in pharmaceutical production: innovating in terms of their local industrial capabilities rather than in innovative product terms. And they have been doing this by integrating health policy tools – such as local procurement – with industrial policies such as facilitating joint ventures. We can show that these initiatives can also have an impact on access to medicines.