

Is it time to nationalize the drug industry?

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Critics of the pharmaceutical industry say it is misaligned with public interest. So is it time to nationalise the sector? Experts debate the issue in *The BMJ* today.

Mariana Mazzucato and Henry Lishi Li at the UCL Institute for

Innovation & Public Purpose believe the state should play a greater role in the sector.

They acknowledge that the private sector is crucial to bringing cutting-edge medicines to the market, but say the system "is not working for the public that has invested in some of the riskiest stages of drug development."

For example, they point to a lack of innovative medicines that address key public health priorities, extortionate pricing, and lack of patient access to new advanced drugs, as a strong case for change.

A public option in pharmaceuticals would take the form of government-provided quality-assured medicines that are universally available at a reasonable and fixed price, which co-exist with products from the [private sector](#), they explain.

A more proactive role by the government also has broader public interests, such as protecting national security, improving national competitiveness, and establishing robust market competition.

"This is not about micromanaging companies but ensuring a public benefit for public investment," they write. "By making sure prices reflect the public contribution, nationalisation can be a better way to manage risks and rewards."

But Lord Ara Darzi from the Institute of Global Health Innovation at Imperial College London argues that we should support, monitor and regulate the [pharmaceutical industry](#)—not kill it.

He points out that over the last 50 years, the industry has delivered transformative improvements in global health, while the UK's long history of [drug](#) discovery and development is the envy of the developed

world.

He acknowledges that there are problems, including me-too drugs offering minimal gains, excessive advertising, profit gouging, lack of transparency, and protectionism, but says "we need to foster our innovative, competitive pharmaceutical industry, not destroy it."

Some form of de-linkage may be required in areas where the market is too small to generate returns, he writes, but no government could risk the huge sums involved in bringing new drugs to market.

"So yes—British pharmaceutical firms make big profits which are necessary to fund the development of better treatments and save lives," he says. The flipside is tough regulation to manage the downsides, and here Britain has a proud record of success.

As a result, our spending on drugs is lower than most of our European neighbours, he writes. "The upshot is that we get excellent value from the pharmaceutical industry. And the downsides of its profit driven nature can be managed."

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