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Bristol-Myers Squibb And The Secure The Future Foundation: A Genuine Act Of Corporate Social Responsibility?

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BRISTOL-MYERS SQUIBB AND THE SECURE THE FUTURE FOUNDATION:
A GENUINE ACT OF CORPORATE SOCIAL RESPONSIBILITY?

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS
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DEPARTMENT OF
INTERNATIONAL RELATIONS

BY
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HELENA, MONTANA
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CHAPTER I
INTRODUCTION

In early February of 1999, apprehensive Yale University students frequented their campus’s newest building—an edifice many had angrily entitled the “Stavudine building,” since more than half the $176 million used to finance its construction came from Yale’s patent on the HIV/AIDS drug Stavudine.\(^1\) The timidity and resentment felt by campus inhabitants was not without cause; over six-hundred concerned students, researchers and professors had recently signed a petition condemning Yale Medical School for making countries in emergency situations, like those in Africa, pay full price for HIV/AIDS medications.\(^2\) Though the Yale population was infuriated with the University’s decisions regarding patent rights, their resentment was not reserved for Yale alone. Bristol-Myers Squibb (BMS), the pharmaceutical company that has shared Stavudine patent rights with Yale for almost ten years, was also a target.\(^3\) Together, Yale and Bristol-Myers Squibb were charged by social justice advocates with the following: vending Stavudine with a


\(^2\) Ibid., p. 2.

\(^3\) Ibid., p. 1.
hefty price-tag. In a panicked response, brought on by the sight of this public outrage, Yale and Bristol-Myers Squibb played a sort of Hot Potato—each trying to hand the issue back to the other and divert responsibility before the controversy got too intense. As the community watched the clash between Yale and Bristol-Myers Squibb ensue, many believed the patent-partners had turned a deaf ear to the crisis.

But Bristol-Myers Squibb was listening. In less than a month’s time, the company pledged substantial price cuts on its HIV/AIDS drugs and relinquished its patent on Stavudine, also known as d4t or Zerit, in African countries. With this historic decision, Bristol-Myers Squibb became the first major pharmaceutical company to ever allow its patent rights to be broken so countries in Africa could generically, that is, cheaply, manufacture certain HIV/AIDS drugs. The news of this development delighted the former protestors, though Bristol-Myers Squibb vowed to do still more for the AIDS crisis. The company devised a program to mitigate the HIV/AIDS pandemic currently overwhelming countries in Africa. The name of this program was called Secure the Future and is currently in its fourth year of service.

The recent measures instituted by Bristol-Myers Squibb can be identified as acts of corporate social responsibility. In prestigious newspaper headlines and bold-faced

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5 Ibid., p. 2.

6 Lindsey, “Amy and Goliath... . p. 4.

7 Ibid., p. 4.
editorials alike, these feats of social responsibility often incite enthusiasm and support for the corporation practicing them. However, as the Secure the Future’s five-year plan comes to an end, one is compelled to inquire about Bristol-Myers Squibb’s hefty social goals for HIV/AIDS in Africa; did the pharmaceutical company make a significant impact on the AIDS disaster in Africa? Thus far, has the relinquishing of the Stavudine patent, the price cutting of medications, and the Secure the Future foundation been a success? This thesis seeks to answer these questions by investigating the following: (1) the nature of corporate social responsibility and the aspirations of Bristol-Myers Squibb; (2) the HIV/AIDS situation in Africa; (3) the Secure the Future Foundation; (4) the audit system for corporate social responsibility; (5) the progress (or lack thereof) that has thus far been made in the affected countries.

With the glum statistics of the spread of HIV, the acts of one pharmaceutical company cannot be expected to be a “cure-all.” However, for the sake of building mechanisms to handle future programs for alleviating the pandemic, the above analysis becomes imperative. It is therefore the fervent hope of this report that even the analysis of one program might bring to light more aspects of corporate social responsibility within the realm of the lucrative and critical business of pharmaceuticals.
CHAPTER II
CORPORATE SOCIAL RESPONSIBILITY & 
BRISTOL-MYERS SQUIBB

In January of 1999, 39 international pharmaceutical companies, including Bristol-Myers Squibb, were preparing to sue the government of South Africa for "compulsory licenses" to sell their medications within the country." Two months later, Bristol-Myers Squibb was negotiating a different deal with Yale for providing affordable, if not altogether free, medication to sufferers of HIV or AIDS in South Africa. The fact that all this happened in less than six months is curious. What caused Bristol-Myers Squibb to change policy? Was their change inspired by fear of public outrage or a genuine concern for human life?

The task of this section is not to guess the inner-most intentions of Bristol-Myers Squibb, though it is very possible that both of the above options motivated its decisions. Instead, it is essential to ask: what is corporate social responsibility? Is it effective in its goals? How can the public know if a corporation is making good on its promises to be socially responsible?

1 Philippe Demenet, "Yale University Shares...", p.1.
The Nature of Corporate Social Responsibility

It refers to the obligations of businessmen to pursue those policies, to make those decisions, or to follow those lines of action which are desirable in terms of the objectives and values of our society.\(^2\)

The idea of social responsibilities supposes that the corporation has not only economic and legal obligations but also certain responsibilities to society which extend beyond these obligations.\(^3\)

The above definitions of corporate social responsibility are wordy at best. In contemporary terms, most scholars accept the following to be an adequate definition of corporate social responsibility: “The continuing commitment to behave ethically and contribute to economic development while improving the quality of the workforce and their families as well as of the local community and society at large.” \(^4\) Corporate social responsibility (CSR) is therefore a humanitarian undertaking as companies recognize their own powers to strengthen society. Beyond the schematics of staunch capitalism, companies who practice CSR tend to believe their commitment to humanity transcends their own entrepreneurship.

Though the above statements do an admirable job of defining CSR, it has taken decades of consideration to come to this meaning. Indeed, the definition of CSR has changed since its conception--its course of evolution is worthy of note.

According to Dr. Archie B. Carroll, a professor and department head for


\(^3\) Keith Davis, "Can Business Afford to Ignore Social Responsibilities?" *California Management Review*, 2, p. 70.

\(^4\) Ibid., p. 71.
Management at the University of Georgia, corporate social responsibility (CSR) owes most of its evolution to twentieth century, developed nations, like the United States.\(^5\) Carroll further notes that, while CSR has its roots in contemporary first world nations, the idea is not altogether new. Business executives have been formulating the idea for decades. The following books testify to early discussion of CSR: *The Functions of the Executive*, by Chester Barnard (1938); *Social Control of Business*, by J.M. Clark (1939); *Measurement of the Social Performance of Business*, by Theodore Kreps (1940). Dr. Carroll finds it appropriate to begin his analysis of CSR in the 1950s because, up until that point in history, the actual formal pursuit of morality in the workplace was not formalized.\(^6\)

Howard R. Bowen has been referred to as the “Father of Corporate Social Responsibility,” beginning in 1953 when he wrote his book *Social Responsibilities of the Businessman*.\(^7\) Bowen noted in his book that hundreds of corporations had the means to make a difference in their society; having these means suggest that the corporations might benefit from contributing to their clientele in charitable ways. Although business minds might answer only to market analysis and stock reports, Bowen recommended that the deeds of a company in society answer to a “higher” morality wherein the cumulative


\(^6\) Ibid., p. 2.

actions of a corporation should consider ideas to improve the society they live in.\(^8\) With this in mind, it is not difficult to fathom that, prior to entering the world of business, Bowen was preparing to do seminary work.\(^9\)

Another important person in formalizing a definition of CSR has been Keith Davis, working a decade later than Bowen. Following Bowen, Davis attempted to define and justify CSR, though he found the issue much more complicated and regarded CSR as a "nebulous idea."\(^10\) CSR, by his standards, should be observed as a means of management capable of implementation. This examination of CSR was crucial to its development; before this time CSR was such an ambiguous term that it lacked any direction. Davis helped in formulating its performance. Another important contribution from Davis was the assessment that "...socially responsible business decisions can be justified by a long, complicated process of reasoning as having a good chance of bringing long-run economic gain to the firm, thus paying it back for its socially responsible outlook."\(^11\) This appraisal by Davis, though justifying the pursuit of CSR, does not necessarily entail that a company would be morally responsible. Davis's investigation of CSR seems to benefit the company more than society. In this way, Davis's observations of CSR are lacking in comparison to contemporary interpretations. Davis's mention of "economic gain" provides an early


\(^9\) Ibid., p. 1.


\(^11\) Ibid., p. 71.
incentive for practicing CSR. In addition to this insight, Davis’s investigation of CSR helped him coin the, “Iron Law of Responsibility,” which reads as follows: “social responsibilities of businessmen need to be commensurate with their social power.”12 His articulation of this “law,” while not a binding one, has been important to the development of CSR; it endowed the business community with its first standards for behavior within the realm of social responsibility. This law, though not widely recognized in all facets of business, is extensively acknowledged by business consultants discussing CSR with big corporations.

In the 1970s, the work of Harold Johnson produced the book, Business in Contemporary Society: Framework and Issues. In his book, Johnson introduced the term “conventional wisdom.” Johnson defined his concept as follows:

A socially responsible firm is one whose managerial staff balances a multiplicity of interests. Instead of striving only for larger profits for its stockholders, a responsible enterprise also takes into account employees, suppliers, dealers, local communities and the nation.13

In Johnson’s particular view, a corporation is compelled to act in harmony with the socio-economic goals of its nation. In later years, Johnson amended his definition to include two more characteristics of CSR. First, Johnson postulated that CSR works in the best interest of a company’s profit-gain; in the long run, CSR should economically benefit the company itself. Second, Johnson believed that, because companies may have multiple

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interests, they should try to distribute their economic means proportionally—they need not balance all goals equally.\textsuperscript{14} Therefore, while CSR may have some priority in a company, it is not necessary for a huge amount of corporate funds to go to this cause. If when a company prioritizes their investments they have money left over to spend on their community, then it can donate to society. In a lot of ways, Johnson’s assessment is similar to Davis’s; both men’s logic avow that CSR can help a company financially. In modern terms, CSR is accomplished mostly out of the belief it will help society, not just that it will help company profits. It was not until the 1970s, with more analysis, that the definition of CSR became more balanced.

In 1971, Dr. Carroll himself designed a “four-part definition” of CSR wherein a corporation should be obliged to act responsibly. According to his definition, which can actually be summed up in three points, companies should have: “(a) a basic definition of CSR; (b) an understanding/enumeration of the issues for which a social responsibility existed; (c) a specification of the philosophy of responsiveness to the issues.”\textsuperscript{15}

The practice of CSR in the 1970s can best be described as the quest for an appropriate definition and application. Because CSR has been an abstract term, it has been difficult for firms to understand what it is and why they should consider using it.

The 1980s ushered in a new time period in which CSR was studied. Because there were now many definitions of CSR, analysts tried less and less to define CSR and more to

\textsuperscript{14} Harold Johnson, \textit{Business in Contemporary} . . . , p. 34.

\textsuperscript{15} Ibid., p. 12.
“research” the best ways in which to implement it. One problem analysts have faced with CSR is finding practical ways for its operationalization. In 1981 some sociologists sought to find a better mechanism for companies to use and understand CSR. Barry Armandi and Frank Tuzzolino recommended that companies gauge CSR with the “need-hierarchy framework patterned after Maslow’s need hierarchy.” In this way, “organizations have physiological, safety, afflictive, esteem and self-actualization needs that parallel those of humans as depicted by Maslow.”

In 1982, Daniel Dalton and Richard Cosier designed a four-cell model for firms to use in assessing where their interests were insofar as CSR is concerned. By the standards of Dalton and Cosier, if companies could define itself by the below table, they might better understand their societal goals and strategize their intentions.

Table 2.1

<table>
<thead>
<tr>
<th></th>
<th>Illegal</th>
<th>Legal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Irresponsible</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsible</td>
<td></td>
<td>CSR Strategy</td>
</tr>
</tbody>
</table>

**Table adapted from D.R. Dalton & R. Cosier, “The Four Faces of Social Responsibility.” Business Horizons, 19-20.**

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16 Harold Johnson, Business in Contemporary, . . , p. 34.


In the 1990s, the sociologist Donna Wood looked at earlier assessments of CSR and presented her own standards. She introduced three principles she found essential for contemporary use of social responsibility. First, Wood said CSR had the following four “domains” which are (1) economic; (2) legal; (3) ethical; and (4) discretionary. Each of these dimensions of CSR relates to the three standards of “social legitimacy, public responsibility, and managerial discretion.”

Second, Wood distinguished differences in standards for social “responsiveness.” Wood assessed these standards which are, regrettably, as ambiguous as the definition of CSR. The basic conclusion Wood reached was this: though a company’s standards may differ, the basic definition of CSR should not. In regards to standards, there are degrees of responsiveness that in turn dictate the potential success of a company’s goal. Third and final, she elaborated on the relationship between possible outcomes and company concerns. Wood’s paradigm has often been used since its inception, though her analysis, as critics point out, lacks creative thought.

According to Carroll’s investigation of CSR, every decade since the 1950s has brought about different trends. The following chart is therefore an adapted representation of the changes CSR has met with in years past.

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20 Ibid., p. 759

21 Archie Carroll. “Corporate Social..., p. 16.
Table 2.2
Carroll’s Evolution of Corporate Social Responsibility

<table>
<thead>
<tr>
<th>Era of Social Responsibility Begins</th>
<th>CSR Literature Grows</th>
<th>Definition of CSR Expands</th>
<th>Research</th>
<th>CSR &amp; &quot;Alternative Themes&quot;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1950s</strong></td>
<td><strong>1960s</strong></td>
<td><strong>1970s</strong></td>
<td><strong>1980s</strong></td>
<td><strong>1990s</strong></td>
</tr>
</tbody>
</table>

**Chart adapted from Archie B. Carroll, “Corporate Social Responsibility,” Business & Society 38, no 3 (Sept 1999).**

Although its evolution is a seemingly short one, CSR nonetheless has a full history. At this point it becomes necessary to ask: What is next for CSR? Does it have a positive future? Carroll postulates: “the CSR concept has a bright future because at its core, it addresses and captures the most important concerns of the public regarding business and society relationship.”

Carroll is not alone in his positive assessment of CSR. According to the World Business Council for Sustainable Development (WBCSD), the pressure on businesses to practice corporate social responsibility will only increase. Even if companies are not fond of charitable contributions, practical business sense for corporations in the public eye provides that appearing socially aware will probably help business, not hurt it.

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22 Archie Carroll. “Corporate Social...,” p. 16.


24 Ibid., p. 15.
Public Opinion & Bristol-Myers Squibb

The significance of Bristol-Myers Squibb relinquishing its patent on Stavudine cannot be underplayed. In 1998 Stavudine earned the status of "world’s most prescribed antiretroviral," with Bristol-Myers Squibb reaping over $2.3 billion dollars in profit in less than two years. To relinquish the rights on a drug which brings in such a sizeable revenue is, for many business entrepreneurs, suicide. As tempting as it would be to proclaim business minds of this persuasion to be aloof or cruel, their inability to abandon the rights of capitalism does not necessarily translate into corporate indifference. Instead, pharmaceutical company advocates are bound to think less money means less research, and, consequently less medical progress. However, one force that counteracts the anxieties of accountants for Bristol-Myers Squibb is the constant obsession over how the corporation wants to be seen in the public eye.

The public voice can "make or break" most high-ranking corporations. How the public perceives an issue is imperative to the survival of a company. One need only look at the airplane business after the terrorist attacks of September 11th, 2001, or the Enron scandal of 2002, to be convinced that the public’s sense of safety with a business is of the utmost importance. After September 11th, many airliners found themselves desperately trying to convince the public that it was safe to fly again. Though the United States government took sympathy with the airlines, one cannot overlook that on September 11th,

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2001, the majority of airlines in business were lax about security. This oversight of airliners still affects passengers today as some would rather travel by car than take a risk. In addition to affecting air travel, September 11th, also influenced the stock market as many apprehensive Americans withdrew or lost their money. Again, if the public does not feel safe with business, they will not invest and companies, as a consequence, may fall. Another example of negative public perception was the Enron scandal. After the Enron scandal, the stock market was not in good standing. The public had lost faith as nationwide headlines painted pictures of the greedy, money-grubbing executives bent on saving their own profits regardless the consequences for others. It took months for investors to return their business to the stock market.

With the above examples in mind, one can easily liken the president of a pharmaceutical company to the President of the United States of America; a miniscule scandal can become tomorrow’s career-ending headline. No company executive wants to be written in history books as having been inauspicious in the public’s eye. The power of favorable public opinion is therefore vital to the company’s and the country’s interests. For the purpose of comparison between the leaders of the free world and the leader of a pharmaceutical company, the reciprocal relationship of public voice is eloquently described in Wittkopf, Kegley and Scott’s sixth edition of American Foreign Policy. The authors quoted George F. Keenan in saying:
American leaders [have shown a tendency to] make statements and take actions with regard not to their effect on the international scene to which they are ostensibly addressed but rather to their effect on those echelons of American opinion... to which respective leaders are anxious to appeal. The questions, in these circumstances, [become], not: How effective is what I am doing in terms of the impact it makes on our world environment? But rather: How do I look, in the mirror of domestic American opinion, as I do it?26

The situation can easily be compared to the senior personnel of any pharmaceutical company with international business--the decisions made become a question of: “How will we look if we do this? What happens if we don’t respond to that?” In hindsight, one can look at the actions of almost any president to prove the above statements valid. When Harry S. Truman dropped atomic bombs on Hiroshima and Nagasaki, which essentially brought to an end World War II in the Pacific, the administration had no shortage of reasons to present to the public to justify its actions. During the Cuban Missile Crisis, President Kennedy agreed to remove missiles from Turkey, but not with the public looking, lest they believe Kennedy was appeasing the Soviets. When Lyndon B. Johnson was in office, his administration was very careful in handling the issue of Vietnam, for fear that the public might get more angered with the war. There are contemporary examples as well. When the September 11th attacks occurred, President George W. Bush tried to unite the American public to feel safe again. To regain public support a number of plans passed through government including new standards for security on airplanes and compensation for families who lost loved-ones during the attacks. Additionally, when the Enron scandal

happened, government officials discussed putting more restrictions on business and severely punishing those responsible. For presidents of pharmaceutical companies, the scenarios are not so different. President Charles Heimbold, head of the Bristol-Myers Squibb company, felt huge public pressure after the Yale incident. Heimbold had two choices: either find good reason to keep patent rights tight or, have the company succumb, at least somewhat, to the demands of the protestors. If Heimbold would have chosen the first option, Bristol-Myers Squibb could easily of lost stock points if the public did not “buy” what he was saying. The president of Bristol-Myers Squibb must therefore always be aware of what the public is thinking in regards to the company.

In short, corporations concerned with international business will probably feel a natural impulse to get involved with their communities or other nations, whether the intent is genuine or superficial. It can be concluded that American leaders at any level will first please the people on the home-front, rather than evaluating their choice on the severity of the conflict abroad. Because experts have indicated the growing sense of social awareness by a more educated domestic public, corporations are paying very close attention to what the fickle public is saying.

Luckily for corporations, this use of public opinion can work both ways—it can benefit the company as well. Positive public reflection can be utilized to conceal controversies and increase worker morale. However, even this fact brings little consolation as public opinion cannot be considered a “constant” variable by any means. In

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this sense, issues may easily be forgotten if other stories in the news are more pressing.

In a recent survey I conducted, I asked fifty individuals between the ages of 18 and 65 some questions about social responsibility. The following chart illustrates the results and seems to confirm the interest members of the public take in pharmaceutical corporate affairs, although they might not be willing to pay extra to be socially responsible.

**Table 2.3**

**Public Opinion of Corporate Social Responsibility**

<table>
<thead>
<tr>
<th>Question Asked:</th>
<th>Response #1</th>
<th>Response #2</th>
<th>Response #3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.) Is it the moral obligation of pharmaceutical companies to ensure that certain individuals can afford their medications?</td>
<td>Yes-- 62% (31)</td>
<td>No-- 32% (16)</td>
<td>Undecided-- 6% (3)</td>
</tr>
<tr>
<td>2.) Would you rather get your medications from a company that practices corporate social responsibility, or one that does not?</td>
<td>Company that practices CSR-- 72% (36)</td>
<td>Undecided-- 22% (11)</td>
<td>Company that does not practice CSR-- 6% (3)</td>
</tr>
<tr>
<td>3.) If you answered ‘yes’ to number 2: would you still get your medications from pharmaceutical companies that practice corporate social responsibility if it meant paying a higher price?</td>
<td>Yes--47.2% (17)</td>
<td>No--41.6% (15)</td>
<td>Undecided-- 11% (4)</td>
</tr>
<tr>
<td>4.) Would you rather work for a company that is socially responsible?</td>
<td>Yes--94% (47)</td>
<td>No--2% (1)</td>
<td>Undecided--4% (2)</td>
</tr>
</tbody>
</table>

Sources: Interview by Julia Wendt.28

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Although the above table does not represent the results of a scientific poll, the sample is still useful. In table 2.3, the public does indeed take interest in corporate affairs insofar as it does not require too much effort or sacrifice any more spending. One problem with table 2.3 is that it does not, and understandably, cannot reasonably measure how much an individual researches the companies she is concerned about. In this circumstance, it is only practical to cite table 2.3 as evidence that people care, to a precious extent, what their pharmaceutical company is doing socially.

Is Corporate Social Responsibility Effective? How can the public tell?

As described above, corporate social responsibility can be a win-win situation for companies and society alike. However, tracking the actual progress of a company’s advancement in societal goals is not so easy. Many of the programs started by corporations are not a matter of public record save only to inform the public of minor details. How much money a company spends on an issue is not a matter of public record—unless the corporation is sued for these records and chooses to make them public.29

Before 1980, the auditing of corporate social activities was non-existent.30 With better understanding of CSR, analysts came to discover that, while it takes special scrutiny to define CSR, it also takes extraordinary mechanisms to track finances for the corporations. Therefore, just as there are annual financial audits, there are annual social

30 Ibid., p. 29.
The actual internal processes of the social audit are complicated. For the sake of maintaining brevity, I will summarize the social audit into three main areas.

1. Social "screens" which are used for socially responsible investing; 2. Social assessments used by public interest groups to evaluate the degree of corporate compliance to standards advocated by the group; and 3. Internal audits initiated by companies, which may or may not be released to the public.³¹

Homer Johnson is a professor of organizational development and psychology for Loyola University, Chicago, Illinois. Johnson’s analysis of social audits corresponds with Carroll’s history of CSR—the idea of social audits emerged during the 1950s with the rise in examination of CSR. The history of the social audit is described as being one of "rise and demise."³² At first the idea of CSR appeared exciting and revolutionary; this was the case until some companies realized how much work it took to practice socially responsible goals. Additionally, the sudden "demise" of CSR audits was partly caused by the "lack of enthusiasm for voluntary auditing by the business community itself."³³

In the late 1960s, the concept of the social audit re-emerged with the inceptions of four new agencies founded to help regulate CSR. These groups included: (1) the Occupational Safety and Health Administration (OSHA); (2) The Equal Employment Opportunity Commission (EEOC); (3) the Consumer Product Safety Commission

³¹ Homer H. Johnson, Corporate Social Audits. . . , p. 29.
³² Ibid., p. 28.
³³ Ibid., p. 29.
(CPSC); and (4) the Environmental Protection Agency (EPA).  

Though businesses were affected by the rise of these groups, the federal government also contributed to regulation, inventing organizations that could “discipline companies that were not in compliance with social standards.”

Bristol-Myers Squibb’s Secure the Future presents a unique problem for social auditing. Secure the Future provides funding for hundreds of NGOs and local organizations within the African countries to which it caters. The questions becomes: how should auditors monitor the progress of Secure the Future? Given the exceptional situation in which Secure the Future is found, I will talk about the auditing practices later in the paper with the discussion of the various groups within Secure the Future. For the time being, however, it is still necessary to become more acquainted with Bristol-Myers Squibb itself and the strategies it wishes to use.

**History and Strategy of Bristol-Myers Squibb**

For Bristol-Myers Squibb, corporate social responsibility had indubitably been a top priority, but whether it efficiently fulfills its goals is a different story. The following is a short synopsis of the company’s history and undertakings.

Bristol-Myers Squibb is not a young pharmaceutical company. Its origins lay in 1887 when William McLaren Bristol and John Ripley Myers invested $5,000 into a

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34 Homer H. Johnson, *Corporate Social Audits...*, p. 29.

deteriorating pharmaceutical company called the Clinton Pharmaceutical company. The company was in such poor shape when the two men purchased it that it took until 1900 for them to break even with their finances. Their main products at this time included Sal Hepatica, otherwise called the poor man’s spa, and Ipana, the first toothpaste to have a disinfectant included in its formula. These two products are what made Bristol-Myers famous, though they were not yet making pharmaceuticals. During the depression era, Bristol-Myers decided to specialize in those two products and other minor toiletry items.

In 1943, Bristol-Myers began to produce pharmaceutical products, just as the original Clinton Company had intended to do. Bristol-Myers became the main supplier of penicillin, and helped supply medicine to the allied armed forces; this idea was brainstormed by the U.S. War Production Board.

The Squibb Company did not join forces with Bristol-Myers until the 1970s; however, the company was also very successful prior to the merger. Squibb was devoted to operating a pharmaceutical company that produced “consistently pure


38 Ibid., p. 2.

39 Ibid.

40 Ibid.

41 Ibid., p. 6.
medicines."\(^{42}\) This indeed was his life goal. Squibb’s life aspirations for supplying better quality medication did not come to pass until six years after his death in 1906; at this time Congress passed the Pure Food and Drugs Act.\(^{43}\) The Pure Food and Drugs Act promotes “safe and reliable pharmaceutical products.”\(^{44}\) Such regulation was the dream of Edward Squibb. In 1921 the Squibb company’s slogan was: “The Priceless ingredient in every product is the honor and integrity of its maker.”\(^{45}\) Today the combined company pledges:

> to extend and enhance human life by providing the highest-quality pharmaceutical and related health care products. We Pledge--to our patients and customers, to our employees and partners, to our shareholders and neighbors and to the world we serve--to act on our belief that the priceless ingredient of every product is the honor and integrity of its maker.\(^{46}\)

In trying to help society today, Bristol-Myers Squibb considers “sustainability” to be central in business success.\(^{47}\) By the company’s own standards, their projects since 1984 have reflected the desire to sustain various facets of society.\(^{48}\) With a look at Bristol-Myers Squibb’s record, few can deny that the company is very attentive to global


\(^{43}\) Ibid., p. 23.

\(^{44}\) Ibid., p. 6.

\(^{45}\) Ibid., p. 4.

\(^{46}\) Ibid., p. 3.

\(^{47}\) “Our Company. . . , p. 4.

\(^{48}\) Ibid.
issues.

BMS is in partnership with the Hungarian Hospice Foundation (HHF) in efforts to alleviate the alarming rate of cancer present in Hungary.\textsuperscript{49} BMS provides the funding for local health care officials to facilitate psychosocial counseling to cancer sufferers and their family members.\textsuperscript{50} Bristol-Myers Squibb is also progressive in rural parts of China where it provides affordable vaccinations for Hepatitis B.\textsuperscript{51} In Afghanistan, Bristol-Myers Squibb offers counseling and health care to women and children who have experienced years of war and trauma.\textsuperscript{52} On the home-front Bristol-Myers Squibb is also very active. BMS has pledged its support to decrease the unusual number of diabetes cases found in Texas.\textsuperscript{53}

One of Bristol-Myers Squibb's most recent programs has been the Secure the Future Foundation. As mentioned in the introduction, BMS pledged $100 million in 1999 to fight HIV/AIDS in Africa.\textsuperscript{54} They proudly call this project "sustaining a continent."\textsuperscript{55} The success of each of these endeavors is questionable, despite very honorable intentions. The Secure the Future project will be discussed in further depth later in the paper.

One person who has recently supported the efforts of Bristol-Myers Squibb is none

\textsuperscript{49}"Our Company. . . , p. 4.

\textsuperscript{50}Ibid.

\textsuperscript{51}"The Lives..." p. 6.

\textsuperscript{52}Ibid., p. 3.

\textsuperscript{53}Ibid.

\textsuperscript{54}Ibid., p.10.

\textsuperscript{55}Ibid., p. 12.
other than the man who was instrumental in inventing the drug Stavudine, Dr. William Prusoff. After Bristol-Myers Squibb pledged to alleviate the crisis, Prusoff wrote:

I once helped create a drug that could enable millions of people to lead better and longer lives. . .more recently it became apparent that the drug Dr. Lin and I had developed was not reaching millions of desperately suffering people because they lacked the money to purchase it. . . . Now Bristol-Myers Squibb, encouraged by Yale, has begun the process of making d4t and its companion drug, Videx, available to millions of people. I imagine many of these suffering people thought they would die before seeing these drugs.

Prusoff, now 83 years old, still advertises his drug, with the help of Yale and Bristol-Myers Squibb, to be used to help people with AIDS live longer. However, unlike the two corporate giants who have direct control over Stavudine, Prusoff appears wiser when asked to turn his eyes toward the continent of Africa. Prusoff is not as optimistic when asked about the pandemic. Upon discussion of HIV in Africa, the scientist simply shakes his head and mutters, “People shouldn’t die for economic reasons . . .”

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57 Ibid., p. 1.

CHAPTER III

THE GOOD, THE BAD AND THE DEAD:

AFRICANS FIGHT FOR LIFE

AND DIGNITY ON A DOOMED CONTINENT

We have upside down access to AIDS drugs in this world. The drugs are where the disease is not, and the disease is where the drugs are not. Commercial interests come above human suffering.

---Peter Mugyenyi, Joint Clinical Research Center, December 2000.

Nowhere is the HIV/AIDS epidemic worse than in the country of South Africa. On average, 600 people die every day in South Africa and yet, the government does very little to stop the devastation.1 The government of South Africa is uncooperative with any NGO, pharmaceutical company or volunteer group that offers its services. For many, the words of Archbishop Njongonkulu Ndungane ring very true in describing the HIV/AIDS pandemic as “a disgrace as serious as apartheid.”2 This assessment appears very appropriate when looking again at South Africa, where the scandal of apartheid was simply shifted to the crisis of HIV/AIDS. Table 3.1 and 3.2 demonstrate the severity of the situation.

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2 Ibid.
Table 3.1
People Infected Globally in 2002

<table>
<thead>
<tr>
<th></th>
<th>People Newly Infected</th>
<th>People living with HIV/AIDS</th>
<th>AIDS deaths</th>
<th>Deaths since beginning of Pandemic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adults</td>
<td>4.2 million</td>
<td>38.6 million</td>
<td>2.5 million</td>
<td>17.5 million</td>
</tr>
<tr>
<td>Women</td>
<td>2 million</td>
<td>19.2 million</td>
<td>1.2 million</td>
<td>9 million</td>
</tr>
<tr>
<td>Children</td>
<td>800,000</td>
<td>3.2 million</td>
<td>610,000</td>
<td>4.3 million</td>
</tr>
<tr>
<td>Total</td>
<td>5 million</td>
<td>42 million</td>
<td>3.1 million</td>
<td>21.8 million</td>
</tr>
</tbody>
</table>

Source: Table adapted from: Avert.org.3

Table 3.2
Sub-Saharan Africa Compared to Rest of the World in 2002

<table>
<thead>
<tr>
<th>Region</th>
<th>Total of Newly infected adults &amp; children with HIV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Saharan Africa</td>
<td>3.5 million</td>
</tr>
<tr>
<td>Asia &amp; Pacific</td>
<td>970,000</td>
</tr>
<tr>
<td>Eastern Europe/ Central Asia</td>
<td>250,000</td>
</tr>
<tr>
<td>Latin American &amp; Caribbean</td>
<td>210,000</td>
</tr>
<tr>
<td>Middle East &amp; North Africa</td>
<td>83,000</td>
</tr>
<tr>
<td>High-Income Countries</td>
<td>75,500</td>
</tr>
</tbody>
</table>

Source: Table adapted from: Avert.org.4

With these tables in mind, one cannot seem to emphasize enough the bleakness of the situation—sub-Saharan Africa is definitely in trouble. Globally, the World Health

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4 Ibid., p. 3.
Organization is expecting the levels of HIV/AIDS to rise in Russia, China and Africa. What this rise in HIV or AIDS will do for local economies is frightening. For these reasons, it is now necessary to look at what problems are being seen with HIV/AIDS in Africa and whether there are any plausible solutions.

**Denial, Procrastination and Apathy**

The problems in Africa, though they cannot be downplayed to any extent, can be categorized into three main issues: denial, procrastination and apathy. The African governments, as well as the international community, are all suspect in denying the severity of circumstances, procrastinating action and acting apathetically—some aspiring to solve the crisis in plush offices thousands of miles away.

Many members of the South African government go as far to wholeheartedly deny the existence of HIV and AIDS.⁵ Some of these government officials follow the research of a group of American scientists who also deny the existence of HIV/AIDS.⁶ The basis of the scientists’ arguments lies in their own conspiracy theory.⁷ They say pharmaceutical companies made up the HIV and AIDS virus in order scare people into buying their products.⁸ These conspiracy theorists also claim that many pharmaceutical companies are

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⁶ Ibid., p. 4.

⁷ Ibid., p. 3.

⁸ Ibid.
racist, and have conveniently diagnosed black people with an imaginary disease.9 Because there is a fair amount of credence to the greediness of certain drug companies, many are compelled to believe the conspiracy theory.10

Others do not deny the existence of AIDS, but point out that tuberculosis, malaria and ebola actually kill people, whereas AIDS merely destroys the immune system.11 AIDS itself does not kill a person.12 This appraisal seems to be another form of denial as the people who hold this view are not confronting the actual issues but instead avoiding them.

Even if every critic who has either denied the existence of or downplayed AIDS were suddenly to agree it is a international crisis, money would still be a problem.13 Most all countries in Africa are perpetually poor; far too poor to do anything about tuberculosis, let alone AIDS. This opinion appears apathetic; these critics do not formulate any solution for the crisis. Many are content to concede that fighting the HIV/AIDS pandemic is futile.

Outside of Africa the problem is not necessarily denial, but apathy and procrastination. As a case in point, the United States and Europe deliberated for weeks

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10 The Lives. . . , p. 6.


12 Ibid., p. 4.

about action for cheaper medications, only to see all resolutions dropped because no agreement could be reached.\textsuperscript{14} In January of 2003, the World Health Organization made a suggestion for solving the problem of international drug patent privileges by weakening patent laws for countries in emergencies; it basically went unheard.\textsuperscript{15} During talks with the WHO, the European Union proposed that developing countries should not need to heed international drug patent laws at all when they cannot even dream of affording to manufacture generic drugs locally.\textsuperscript{16} Officials from the United States disliked the ideas of the European Union and WHO--saying that weakening patent laws in emergency-ridden countries does not respect pharmaceutical companies and their patent-rights. The United States proposed, instead, a unilateral solution wherein it would send money for the African governments to implement their own systems.\textsuperscript{17} Pascal Lamy, a member of the EU and an advocate of weakened patent laws, wrote to the minister of the WHO in defiance of the United States proposal:

The EU continues to want a multilateral agreement on this matter as soon as possible, and regrets that no consensus could be achieved on the text submitted by the Chairman on 16 December 2002. For the EU, this text remains acceptable. It strikes a fair and delicate balance between all the interests involved and provides for a solution that is workable, sustainable and legally secure. For our part, we do not believe that unilateral and non-binding measures, however well intentioned,
offer such a solution.\textsuperscript{18}

No resolution has been reached yet. It would seem that, while some governments do not even acknowledge a crisis, others recognize a problem but do not know where to start fixing it. Meanwhile, in another echelon of society, many activists are having trouble sitting still as they watch integral international players appear indecisive and lethargic.

\textbf{Activism}

On July 13, 2003, AIDS activists from the Treatment Action Campaign (TAC) released information from South African government documents that made top-ranking South African officials blush.\textsuperscript{19} The documents affirmed that, if drugs were made available within the next month, 1.7 million people infected with HIV/AIDS in South Africa might be saved by 2010.\textsuperscript{20} The documents also expressed the government’s position on the crisis; it intended to never make these drugs available. The report also calculated that 1.8 million children would be orphaned by 2010.\textsuperscript{21} According to the Treatment Action Campaign: “The number could be reduced by 860,000 if the government made the drugs available.”\textsuperscript{22}

One month following the words of Archbishop Njongonkulu Ndungane, the South

\textsuperscript{18} Pascal Lamy, \textit{Letter to World Health Organization.} (2003), p. 3.
\textsuperscript{19} “Sustainable Trade. . . , p. 1.
\textsuperscript{20} Elliott Sylvester, \textit{AIDS Activists leak Damning Government Reports}, \textit{Associated Press}, July 14\textsuperscript{th}, 2003, p. 3.
\textsuperscript{21} Ibid., p. 2.
\textsuperscript{22} Ibid.
African government responded with a plan. The government planned to rollout antiretroviral treatment for the people of South Africa suffering from HIV or AIDS. Whether this plan will actually work does not concern the majority of people in Africa; they know it will not work. The government passed the Bill--but it does not mean the lower governmental institutions which would affect change are capable of providing HIV medication to people. If the free tuberculosis drug treatment is any indication of the future of these health programs; the AIDS program might already be doomed. The tuberculosis program has been considered a failure; there is a lack of education, a lack of hospital personal, and a problem reaching people with the affliction.

The problems of dealing with AIDS in African countries is not necessarily even the virus itself; most people try to emphasize the phrase “living with AIDS” instead of dying of AIDS. In fact, in many parts of the world HIV and AIDS have been considered manageable. The two real problems faced by health practitioners in Africa are poverty and poor nutrition. Another problem is “consistency.” Most ARV treatments need to be


24 Ibid. 2.


27 Ibid.

28 Ibid.
taken consistently throughout life. Africans do not have reliable assurance that drugs will always be available. This reality affects the worries over the new government plan. As if all this were not terrible enough, the health workers the government claims to support have no security that they themselves will be treated if they are infected. Though this sounds ridiculous, it is just one indication of how worried the government is about finances; it will not even spend money on their own workers and their families. This does not provide an incentive for people to work with HIV/AIDS infected individuals.

It is in this environment that Bristol-Myers Squibb has implemented its program, Secure the Future. Amid denial, procrastination and apathy, the volunteers of Secure the Future prepare to enter the African nightmare.

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31 Ibid.
CHAPTER IV
SECURE THE FUTURE

As mentioned earlier, Bristol-Myers Squibb created the Secure the Future Foundation in 1999 as an attempt to ease the HIV/AIDS pandemic in portions of Southern Africa.\(^1\) The company’s first commitment to the crisis in Africa was $100 million, which was to be used to: (1) promote research and development; (2) help local authorities deal with the epidemic; (3) provide HIV curriculum to local nurses; (4) arrange exchange programs for physicians to consult other physicians for treatment; (5) study various forms of therapy; (6) build a children’s hospital in Botswana; and (7) promote community-based programs.\(^2\)

At the very least, the objectives of Bristol-Myers Squibb mentioned above are huge. In recent reports, the goals of Secure the Future have been summed up into four main points. They include: (1) drugs below cost; (2) transparent pricing; (3) Emergency patent relief and (4) an expansion of funds to four more countries.\(^3\) Although the negotiation of price is considered a part of the Secure the Future goals, this does not mean that Bristol-Myers Squibb does not by itself try to change drug prices. Instead, Secure the

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\(^1\) "The lives..." p. 10.

\(^2\) Ibid., p. 8.

Future provides a way for Bristol-Myers Squibb to focus on its prices in Africa alone.

Bristol-Myers Squibb's first point of "drugs below cost" refers to its two most effective nucleoside reverse transcriptase inhibitors, Videx, or *Didanosine* and Zerit, or *Stavudine.* These two drugs will have lower prices and be easier to access through groups like UNAIDS and the World Health Organization stationed within countries. Transparent pricing refers to what costs of drugs will be made public and which will not. In this case, Bristol-Myers Squibb says it will make all its prices public and, any country that wants to participate in this agreement, need only have their citizens pay a dollar a day for the two drugs: 15 cents for Videx and 85 cents for Stavudine. Third, Bristol-Myers Squibb also made its policy on emergency patent relief abundantly clear.

Bristol-Myers Squibb also decided to dedicate an additional $15 million to four other countries in Africa, which will be discussed more in-depth later.

The first five countries included in the company's plans were: Botswana, Lesotho, Namibia, South Africa and Swaziland. Below, in table 4.1., the statistics from each of these countries is listed.

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5 Ibid., p. 12.
Table 4.1

Statistics on Secure the Future Countries

<table>
<thead>
<tr>
<th>Secure The Future's Original Countries</th>
<th>Men ages 15-49 infected</th>
<th>Women ages 15-49 infected</th>
<th>Total Adults infected</th>
<th>Total Percentage of adults ages 15-49 infected</th>
<th>Total Children ages 0-14 infected</th>
<th>Total Adults and Children infected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>130,000</td>
<td>190,000</td>
<td>320,000</td>
<td>38.8%</td>
<td>28,000</td>
<td>350,000</td>
</tr>
<tr>
<td>Lesotho</td>
<td>150,000</td>
<td>180,000</td>
<td>330,000</td>
<td>18%</td>
<td>27,000</td>
<td>360,000</td>
</tr>
<tr>
<td>Namibia</td>
<td>90,000</td>
<td>110,000</td>
<td>200,000</td>
<td>22.5%</td>
<td>30,000</td>
<td>230,000</td>
</tr>
<tr>
<td>South Africa</td>
<td>2,000,000</td>
<td>2,700,000</td>
<td>4,700,000</td>
<td>20.1%</td>
<td>250,000</td>
<td>5,000,000</td>
</tr>
<tr>
<td>Swaziland</td>
<td>61,000</td>
<td>89,000</td>
<td>150,000</td>
<td>33.4%</td>
<td>14,000</td>
<td>170,000</td>
</tr>
</tbody>
</table>

Sources: Table adapted from: Avert.org.6

In press releases, Bristol-Myers Squibb points out that 20% of all the people who have died in Africa from AIDS were children and that this fact alone was enough to convince the company that something needed to be done.7 The company does not, however, mention the situation with Yale that might have also caused an impetus for their dramatic dedication to social change. Instead, Bristol-Myers Squibb cites having listened to Secretary General of the United Nations Kofi Annan—to commit money and relax patent rights for countries in Africa.8

Secure the Future and Bristol-Myers Squibb had a lot of help in confronting the HIV/AIDS epidemic. Bristol-Myers Squibb approached PricewaterhouseCoopers, a

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6 "World HIV & AIDS Statistics... p. 2.

7 "The Lives... p. 10.

8 Ibid., p. 12.
private company that specializes in auditing and accounting.⁹ PricewaterhouseCoopers claims to hold the same standards as Bristol-Myers Squibb in terms of sustainability and research capacity. With the help of PricewaterhouseCoopers, Secure the Future lends money to local groups after they have submitted a detailed agenda of how they wish to spend the money.¹⁰

In Botswana, Secure the Future provided funding for a group called BOCAIP, or Botswana Christian AIDS Intervention Programme.¹¹ The group consists of “grassroots community AIDS initiatives, churches and para-church organizations.”¹² According to sources from Secure the Future, after a few months of work with BOCAIP, the organization was receiving donations from various other groups and had a more organized infrastructure.¹³

Botswana was also able to open the first pediatric HIV/AIDS Center in the country with the help of Secure the Future.¹⁴ The hospital will focus on treating children infected with HIV or AIDS while, in the meantime, training local people to eventually run the hospital themselves. A local health care official noted:

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¹¹ Ibid.

¹² Ibid.

¹³ Ibid., p. 3.

¹⁴ Ibid.
This center would not have been possible without the assistance of Bristol-Myers Squibb and its Foundation. This is an enormous amount of money for the region and the ongoing support from Bristol-Myers Squibb not only aided in the construction of the facility, but also will aid in its operation over a number of years to come.¹⁵

Secure the Future also takes credit for establishing the basis for a “new NGO Training Institute,” where more productive means of negotiation and organization can be taught to these groups that want to make a difference.¹⁶ In all of the Secure the Future countries, three international NGOs work in partnership with Bristol-Myers Squibb. They include: (1) CARE, (2) Family Health International (FHI), (3) Population Services International (PSI).¹⁷ In four years, the company has supported 129 different community programs in the five countries. However, with less than one year left to go, the company has only spent $65 million of the $100 million pledged.¹⁸

What happens at the end of the allotted five-year plan presented by Bristol-Myers Squibb? The company claims that after five years, the five countries will have the local resources to combat the AIDS pandemic themselves. According to its plan, the company says both the community-based programs and the local governments will have the “tools” to work together and “persevere.”¹⁹

¹⁵ “Bristol-Myers Squibb to provide Emergency. . . , p. 3.


¹⁷ Ibid.

¹⁸ Ibid., p. 8.

¹⁹ Ibid.
The Revised Plan

Recently, Bristol-Myers Squibb added to the Secure the Future Program by allowing four more countries to join the group.\textsuperscript{20} Bristol-Myers Squibb has given an extra $15 million to these four countries for the duration of the project; at this time another three years away.\textsuperscript{21} Table 4.2 reveals the statistics for the four new countries.

Table 4.2

Statistics in Secure the Future’s Newest Countries

<table>
<thead>
<tr>
<th>Secure The Future’s Newest Countries</th>
<th>Men ages 15-49 infected</th>
<th>Women ages 15-49 infected</th>
<th>Total Adults infected</th>
<th>Total Percentage of adults ages 15-49</th>
<th>Total Children ages 0-14 infected</th>
<th>Total Adults and Children infected</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burkina Faso</td>
<td>160,000</td>
<td>220,000</td>
<td>380,000</td>
<td>6.5%</td>
<td>61,000</td>
<td>440,000</td>
</tr>
<tr>
<td>Cote d’Ivoire</td>
<td>29,000</td>
<td>400,000</td>
<td>690,000</td>
<td>9.7%</td>
<td>84,000</td>
<td>770,000</td>
</tr>
<tr>
<td>Mali</td>
<td>46,000</td>
<td>54,000</td>
<td>100,000</td>
<td>1.7%</td>
<td>13,000</td>
<td>110,000</td>
</tr>
<tr>
<td>Senegal</td>
<td>10,000</td>
<td>14,000</td>
<td>24,000</td>
<td>.5%</td>
<td>2,900</td>
<td>27,000</td>
</tr>
</tbody>
</table>

Source: Table adapted from: Avert.org.\textsuperscript{22}

One project used in these countries is called the Rail Link Project.\textsuperscript{23} This project is community-based and centers around the Dakar-Bamako and Abidjan Ouagadougou—which happens to run through Senegal, Mali, Burkina Faso and the Ivory Coast.\textsuperscript{24} What could this rail system project possibly do to help the situation?  

Jean Michel Vigreux of

\textsuperscript{20} "The Lives... , p. 10.

\textsuperscript{21} "World HIV & AIDS Statistics... , p. 2.

\textsuperscript{22} Ibid.

\textsuperscript{23} "The Lives... , p. 10.

\textsuperscript{24} Ibid., p. 14.
CARE remarked:

At the very basic level, the project was originally focused on economic migrants and mobile populations in train stations, plus the communities along the rail lines, we’re also targeting commercial sex workers, mobile vendors, migrants and those who work for railroads and their families—a total of 1.2 million people who use the train lines in West Africa.25

This rail link is one of the first of its kind. However, Mr. Vigreuz conceded that this rail link attempt does not reach the majority of people affected with HIV or AIDS in Western Africa, but insists its still a good start.26 He went on to say:

Our Strategy emphasizes local response. That is to say, the rail link project encourages local populations to take the bull by the horns themselves and not be passive objects of the epidemic. [L]ocal responses and the participatory nature of the project will tell us what will and what won’t work.27

Bristol-Myers Squibb has a long list of accomplishments for its Secure the Future Foundation, but whether people are actually getting the medications and community volunteers are getting the training is nearly impossible to track. An outside source estimated the scope of Secure the Future to only 10,000 individuals in all nine countries.28 Although this is a small number, it is said that these 10,000 individuals get the best treatment possible—the only problem is there is a lot more people suffering from HIV and

26 Ibid.
27 Ibid.
AIDS than 10,000.29

Problems for Auditors

Bristol-Myers Squibb is not alone in its work for the Secure the Future foundation. The company hands a lot of its money out to other independent groups who, in turn, combat the HIV/AIDS pandemic where they are specialized to do so. The problem with auditing the progress made by Bristol-Myers Squibb is precisely this: there are too many groups to monitor within Secure the Future. Not only is Bristol-Myers Squibb in partnership with various NGOs, but each country where Secure the Future resides has its own social programs which receive money from Bristol-Myers Squibb.

Table 4.3
Secure the Future Programs in Swaziland:
Community Outreach and Education Fund

| Baphalai Swaziland Red Cross Society |
| Joint Center for Political and Economic Studies & Schools Health and Population Education (SHAPE) |
| Khulisa Umntwana Project |
| Maternal Life International/Cantas Parish Nurse Program |
| Save the Children, Swaziland HIV/AIDS Program |
| Swaziland Institute of Management and Public Administration (SIMPA) |
| University of Illinois, College of Nursing, Missionary Sisters of the Sacred Heart/ Rural Health Motivators |

***Table adapted from "Partners in Secure the Future."30

29 "Why There’s a shortage of AIDS. . . , p. 2.

Table 4.4
Secure the Future Programs in Namibia
Community Outreach and Education Fund

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>♥ Catholic AIDS Action/ Namibian Catholic Bishop’s Conference</td>
</tr>
<tr>
<td>♥ Life Line/ Child-line Namibia</td>
</tr>
<tr>
<td>♥ Namibian Housing Action Group/ Cactus Consortium</td>
</tr>
</tbody>
</table>

***Table adapted from “Partners in Secure the Future.” 31***

Table 4.5
Secure the Future Programs in Lesotho
Community Outreach and Education Fund

<p>| |</p>
<table>
<thead>
<tr>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>♥ Christian Health Association of Lesotho (CHAL)</td>
</tr>
<tr>
<td>♥ Co-Operative for Assistance and Relief Everywhere (CARE)</td>
</tr>
<tr>
<td>♥ Scripture Union of Lesotho</td>
</tr>
</tbody>
</table>

***Table adapted from “Partners in Secure the Future.” 32***

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32 Ibid.
Table 4.6

Secure the Future Programs in Botswana

Community Outreach and Education Fund

<table>
<thead>
<tr>
<th>Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>♦ The National HIV Reference Laboratory</td>
</tr>
<tr>
<td>♦ The Baylor Botswana Children’s Clinical Center of Excellence</td>
</tr>
<tr>
<td>♦ The BANA (Children) Trail</td>
</tr>
<tr>
<td>♦ Male Involvement in Mother-to-Child HIV Prevention in Botswana</td>
</tr>
<tr>
<td>♦ Harvard AIDS Tshep-nal</td>
</tr>
<tr>
<td>♦ A Study of conditions for orphans in rural and urban areas of Botswana and the implications for future poverty levels in Botswana</td>
</tr>
</tbody>
</table>

***Table adapted from “Partners in Secure the Future.”***

33 “Partners in Secure the Future. . . , p. 2.
Table 4.7
Secure the Future Programs in South Africa
Community Outreach and Education Fund

<table>
<thead>
<tr>
<th>Partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>♠ AIDS foundation</td>
</tr>
<tr>
<td>♠ Center for Positive Care</td>
</tr>
<tr>
<td>♠ Community AIDS Response (CARE)</td>
</tr>
<tr>
<td>♠ Cottlands Baby Sanctuary HIV Infant Care (HIC) Program</td>
</tr>
<tr>
<td>♠ Empilsweni Woodlands Center for HIDS Prevention</td>
</tr>
<tr>
<td>♠ Hospice Association of the Witwaterstrand/ Soweto Hospice</td>
</tr>
<tr>
<td>♠ Older women as parents to children and grandchildren with AIDS</td>
</tr>
<tr>
<td>♠ Joy for Life</td>
</tr>
<tr>
<td>♠ Sungarden, Tateni &amp; Hospivision (STH) Consortium</td>
</tr>
<tr>
<td>♠ Naledi Hospice in partnership with Free State NGOs and the provincial Department of Health</td>
</tr>
<tr>
<td>♠ National Association of Child Care Workers</td>
</tr>
<tr>
<td>♠ Oral History Project School of Theology</td>
</tr>
<tr>
<td>♠ Bambisanai</td>
</tr>
<tr>
<td>♠ Rhema Christian Service Foundation</td>
</tr>
<tr>
<td>♠ Scripture Union of South Africa</td>
</tr>
<tr>
<td>♠ Sirbambisene Network</td>
</tr>
<tr>
<td>♠ Stellenborch AIDS Action</td>
</tr>
<tr>
<td>♠ The Care Ministry</td>
</tr>
<tr>
<td>♠ The Caring Network</td>
</tr>
<tr>
<td>♠ The Valley Trust</td>
</tr>
<tr>
<td>♠ University of Cape Town--Occupational Therapy Department</td>
</tr>
<tr>
<td>♠ Women's Leadership and Training Program</td>
</tr>
</tbody>
</table>

***Table adapted from "Partners in Secure the Future.""34

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34 "Partners in Secure the Future. . ., p. 2."
Aside from these internal NGOs that work within each country, Bristol-Myers Squibb also funds other groups, like International Organizations and colleges/universities. The six primary organizations Bristol-Myers Squibb deals with are: Harvard AIDS Institute; The Medical University of South Africa (MEDUNSA); UNAIDS; The Baylor International Pediatric AIDS Initiative; the Baylor College of Medicine; and the Catholic Medical Mission Board.

Though all the above institutions do their part with the Secure the Future money they are given, UNAIDS is the most-ambitious with its research. UNAIDS was originally a program designed by seven United Nation organizations to pool efforts in combating the HIV/AIDS pandemic. UNAIDS consists of UNICEF, UNDF, UNFEA, UNDCF, UNESCO, WHO and the World Bank. The primary goal of these seven groups is to mobilize both government sectors, and civil society.

Only Botswana and South Africa have had serious research conducted within their borders. Because Secure the Future is generally a pilot-program to provide more research on how to fight the crisis, this research cultivates more intelligence on HIV and helps provides standards for administering new medications. All this research does affect the HIV pandemic; the more people can be reached, even through research, is significant.

There are a large number of groups that are receiving funding from Bristol-Myers Squibb. Though it is very difficult to conduct an interior social audit of Secure the Future, one can audit specific groups which keep stringent financial records for legal purposes. In this way, it is highly probable that these groups are actually spending their money the way it was allocated to be spent. Still, many critics are disheartened to find this audit so hard
to perform.
CHAPTER V
BRISTOL-MYERS SQUIBB AND
THEIR CRITICS

From the point-of-view of the pharmaceutical industry, the AIDS problem has already been solved. After all, we already have a drug which can be sold at the incredible dose of $8,000 an annual dose, and which has the added virtue of not diminishing the market by actually curing anyone.¹

June 15, 2000, was a proud day for Bristol-Myers Squibb. In a ceremony at the New York Marriott Marquis, the Council on Economic Priorities (CEP) awarded Bristol-Myers Squibb the Global Ethics Award in recognition of its generous and socially conscientious efforts in recent years.² The primary impetus for the distinguished award came from Bristol-Myers Squibb’s commitment to the Secure the Future Foundation. This impressive corporate undertaking also attracted the praise of Kofi Annan, the Secretary General of the United Nations who commended the company for its remarkable social responsibility.³ With such high praise coming from the Secretary General of the United Nations and the CEP, it would seem very difficult to criticize the humanitarian


efforts of Bristol-Myers Squibb. However, some critics find that a closer look reveals the
sometimes shady life of pharmaceutical companies.

It is here that the saint-like image of Bristol-Myers Squibb becomes shadowy. Most awards accepted by Bristol-Myers Squibb in the last five years have not been by coincidence. Interestingly enough, the company wins more awards from organizations it is financially attached to than ones that have no economic interest in the company.\(^4\) The majority of the awards received for Secure the Future in the last four years have been sponsored by groups that are on Bristol-Myers Squibb’s payroll.\(^5\) Additionally, organizations like the CEP only recognized the amount of the contribution and not how the money was being spent to make a difference.

The situation becomes more curious when one investigates the discrepancy in perspectives regarding the actual progress of Secure the Future in Africa during the last four years. Whereas Bristol-Myers Squibb trumpets success, many groups stationed in the affected countries have different statistics to share.\(^6\) This inconsistency in testimonies seems to beg the question: who is Secure the Future helping? Is it fair to agree with Act Up Paris when it proclaims the only thing Bristol-Myers Squibb is “securing” is its own profits and, in the meantime, quieting potential critics?\(^7\)


On March 14, 1999, around the time the Secure the Future was being introduced, Bristol-Myers Squibb promised the public it would relinquish its patent on Stavudine in South African countries. The company made this declaration so that countries in Southern Africa could generically produce their own versions of Stavudine and consequently, sell it for a cheaper price. This concession by Bristol-Myers Squibb is a generous one, but did it work? Many who heard this announcement by Bristol-Myers Squibb assumed that this relinquishing would happen immediately. To their own dismay, it took until August of 2003 for one company in South Africa to gain the rights to produce their generic version of Stavudine. In four years, only one company in all of Africa obtained a “voluntary license” from Bristol-Myers Squibb to produce Stavudine. Still more troubling has been this bleak reality: few pharmaceutical facilities in Africa will ever be able to produce Stavudine generically. Most companies in Africa do not have the legal power to even negotiate with Bristol-Myers Squibb. Even with the promised price-cuts on Stavudine by Bristol-Myers Squibb, few individuals in any sub-Saharan country could dream of affording the drug and the “drug-cocktail” that is required to be taken with it.

Since 1999, two other big pharmaceutical companies have followed Bristol-Myers Squibb’s lead in reducing their drug prices for African nations. In addition to this, the

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8 Philippe Demenet, “Yale University Shares. . . , p. 2.


10 Ibid., p. 2.
United Nations introduced another plan to expand access to HIV/AIDS drugs to those who require it most. Despite all these efforts, recent studies done by Medecins Sans Frontieres or (Doctors Without Borders), indicate that many who would actually benefit from the price-slashing of medications are not getting access to medication. In fact, only 25,000 of the three million AIDS sufferers are receiving medication. Though Doctors Without Borders believe three million of the AIDS sufferers in Africa might actually benefit from the treatment, there is still an estimated 28 million individuals infected with HIV or AIDS. Even with Secure the Future in place, NGOs, like Doctors Without Borders agree that the program probably only helps at maximum capacity, 10,000 people in all nine combined countries.

One critic of Bristol-Myers Squibb is the Treatment Action Campaign. Nathan Geffen, a spokesperson for the group, reported to the Washington Post, “Basically, Bristol-Myers Squibb is investing $100 million to ensure that criticism from important sources is silenced.” The Treatment Action Campaign is confident in saying that if Bristol-Myers Squibb is reaching people, it is not enough people to make a difference.

Another set of critics are from the SPAN Coalition, an internet group dedicated to

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13 Ibid., p. 3.
educating pharmaceutical consumers on products and companies.\textsuperscript{14} According to SPAN, Bristol-Myers Squibb is guilty of the following: (1) preventing competition; (2) exaggerating charitable contributions; (3) playing hard-ball with women who are ill; (4) ignoring shareholders; (5) inflating research and development claims; and (6) roughing up states.\textsuperscript{15} Secure the Future falls into SPAN's realm of criticism; the group seems to believe that Bristol-Myers Squibb exaggerates its progress. SPAN points out three main problems with Secure the Future. First, when Bristol-Myers Squibb donates $20 million a year for a five year plan, the company gets $52.4 million in return.\textsuperscript{16} Second, Bristol-Myers Squibb values its donated drugs at wholesale price instead of at manufacturing price. This means, instead of producing more drugs for the cause, the $100 million BMS donates is buying their own fully priced products; as paid in non-emergency countries like the United States.\textsuperscript{17} Third, SPAN also noticed the link between awards received by BMS and the companies giving them being financially linked.\textsuperscript{18}

On an entirely different and more important level, Bristol-Myers Squibb receives some of its harshest criticisms from competing pharmaceutical companies. In 2000, many companies, like Merck and Co. and Boehringer Ingelheim, thought Bristol-Myers Squibb's

\textsuperscript{14} "Numbers Bristol-Myers Squibb doesn't want you to see," \textit{The SPAN Coalition}, \url{http://www.spancoalition.org/watch/corporate%20Citizen.html}. (26 October 2003), p. 1.

\textsuperscript{15} Ibid.

\textsuperscript{16} "Numbers Bristol-Myers Squibb doesn't want you to see. . . ," p. 12.

\textsuperscript{17} Ibid., p. 17.

\textsuperscript{18} Ibid.
commitments were unrealistic. While these companies were working towards reducing their prices, Bristol-Myers Squibb announced it would not only cut its prices but also relinquish one of its patents. One of the agreements which was being negotiated in May of 2000 was that five of the world’s largest pharmaceutical companies would, together, cut their prices in Africa with the condition that companies within Africa could not generically produce any drug they want. South Africa was one of the governments that heavily rebuked the agreement. Spokeswoman to the Healthy Ministry in South Africa Patricia Lambert was quoted in saying:

If this offer is attached to a condition that governments like South Africa should not pursue generic substitution, parallel, importing and compulsory licensing, then it is not genuine and unacceptable.

The issue was resolved by President Bill Clinton when he issued an executive order to pharmaceutical companies in the United States that the U.S. will not enforce their intellectual property rights against countries in sub-Saharan Africa. Clinton’s announcement came as a bittersweet event in the pharmaceutical world. On the one hand, countries in sub-Saharan Africa might have some hope for medication. On the other hand, the economic consequences of this are unsettling to business minds within the company.

One of the downfalls of the original Secure the Future program was that the

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20 Ibid.

21 Ibid.

22 Ibid., p. 2.
HIV/AIDS drugs were not necessarily the cheapest Bristol-Myers Squibb could provide.\footnote{\textit{NewsRx.} "South Africa Cautious . . . , p. 2.}

It was not until 2001, with the installment of the new Secure the Future, that the company guaranteed "that its patents do not prevent inexpensive HIV/AIDS therapy in Africa."\footnote{Ibid.}

Additionally, Bristol-Myers Squibb made the patent for their most prominent AIDS drug, Zerit, available at no cost to countries in Southern Africa.\footnote{Ibid.}

Though Bristol-Myers Squibb does have a fair number of critics, especially regarding the Secure the Future Foundation, there are those who still defend the company and its undertakings. At the beginning of this thesis, Kofi Annan applauded the efforts of Bristol-Myers Squibb; since that time he has not abandoned his praise. In a letter to the President of Bristol-Myers Squibb Company, Annan wrote:

The magnitude of the AIDS crisis--particularly in Africa--makes partnerships between the public and private sectors critical if we are to make significant headway in developing effective therapies and helping people in need. Through its initiative, "Secure the Future: Care and Support for Women and Children with HIV/AIDS," Bristol-Myers Squibb is providing a remarkable instance of leadership in creating and sustaining such partnerships. The United Nations, and in particular UNAIDS, is proud to be a part of this historic effort.\footnote{Kofi Annan, Letter to Dr. Charles . . . , p. 1.}

Annan recently met with six pharmaceutical companies to discuss what can further be done for the HIV/AIDS crisis in Africa. These six companies were: Abbott Laboratories, Boehringer Ingelheim, Bristol-Myers Squibb, GlaxoSmithKline, Hoffman-La
Roche and Pfizer.\(^{27}\)

In 2001, company executives estimated that Secure the Future would reach over 20,000 individuals with HIV/AIDS in Africa.\(^{28}\) After looking at numbers of how many people are reached—only several thousand people all together—Secure the Future is a failure. Of the 28 million currently infected with HIV/AIDS in Africa, it is mind-boggling to think only 10,000 at most, are being reached in some dimension for their treatment, be it education about the virus or actual pills.\(^{29}\) The fact that not all of the 10,000 are even being given medication indicates an inefficiency in the program—the medication is affordable and yet groups sponsored by Secure the Future are not finding ways to reach people. Additionally, Secure the Future is barely reaching half the estimated group it proposed it would. HIV/AIDS sufferers, if put on the proper medication, could have their lives extended for another five-to-ten years. Without the medication, many of them will be dead within five years.\(^{30}\)

In 1999, Bristol-Myers Squibb proposed that $53 of the $100 million given to Secure the Future will be spent on making AIDS medications free.\(^{31}\) Within a year the company changed their figures to only allocate $1.3 million to each country to spend on

\(^{27}\) "Numbers Bristol-Myers Squibb doesn't want...", p. 1.

\(^{28}\) Ibid.

\(^{29}\) Catherine Haze, "Bristol-Myers Squibb numbers not as they seem," *Washington Business Information*, 2 May 2003, p. 3.


\(^{31}\) Bill Brubaker, "The Limits of $100 million...", p. 1.
mediation till the end of the program.\textsuperscript{32} Because in 2000 Secure the Future was only in five countries, that means Bristol-Myers Squibb is now only spending approximately $26 million on making medication free--perhaps contributing to another reason HIV sufferers are not being reached.

Another place where Secure the Future appears to be a failure is in terms of money. 77\% of the funds allocated to Secure the Future groups go to U.S. based companies that can bolster and advertise their efforts and Bristol-Myers Squibb.\textsuperscript{33} In other words, the groups that are chosen are those that are important to Bristol-Myers Squibb's reputation. Bristol-Myers Squibb might have had more success if they considered groups already stationed within the African countries--not necessary sponsored by American groups.

There has also been some poor planning on the part of Bristol-Myers Squibb in terms of which groups they allow to audit Secure the Future. The International Association of Physicians in AIDS Care (IAPAC) has been monitoring Secure the Future for five years.\textsuperscript{34} Unfortunately, it has been excessively easy for reporters to point out that IAPAC has received, beginning in 1999, over one million dollars in grants from Bristol-Myers Squibb.\textsuperscript{35} One of the main companies auditing Secure the Future is financially

\begin{itemize}
\item \textsuperscript{32} Ibid.
\item \textsuperscript{33} Catherine Haze, "Bristol-Myers Squibb. . . , p. 4.
\item \textsuperscript{34} Ibid.
\item \textsuperscript{35} Bill Brubaker, "The Limits of $100 million. . . , p. 1.
\end{itemize}
linked to Bristol-Myers Squibb and therefore, is probably a bias source.

Unfortunately for Bristol-Myers Squibb, statistics on Secure the Future do not improve with more scrutiny. In looking at the financial planning, some of the money allocated to Secure the Future is being given to Bristol-Myers Squibb executives for their "consultant duties" within Secure the Future.\textsuperscript{36} Though the consultant duties are a part of these executive’s regular job description--they are being paid by their own program to do investigating for the program.

In looking at those who support Bristol-Myers Squibb and those who do not, it would seem that no one really is sure how Secure the Future is doing. In terms of relinquishing its patent on Stavudine, Bristol-Myers Squibb came through, but it took four years for the cheaper drugs to reach African shelves.\textsuperscript{37} Additionally, because Secure the Future is based on developing treatment capacity at the local level, it seems no one at the top really understands what is going on in the African countries except to say: "the situation is bad." Head organizers of the Secure the Future program barely speak English, and are unprepared to answer questions from the press. Instead of direct leaders confronting the press, the President of BMS, Charles Heimbold, writes a letter or delivers a speech--and he is probably one of the least qualified to assess the situation as he only delivers information to the press and other firms and does not deal directly with any of the NGOs.


\textsuperscript{37} Sylvester, "AIDS Activists. . . , p. 2.
Within the auditing community, it is exceedingly difficult to get companies to open their financial records to observe where money is going. Unfortunately, this is the case with Bristol-Myers Squibb which, in 2003, was sued for its accounting records and, to this day, has not produced records of its finances for social goals.\textsuperscript{38}

There are no shortage of reasons why Bristol-Myers Squibb receives criticism. Many advocates of corporate social responsibility believe Bristol-Myers Squibb has an obligation to promote health everywhere because it has a monopoly on HIV/AIDS drugs. Being that this is a very serious allegation, I took the following section to discuss (1) the implications of a monopoly and (2) whether or not Bristol-Myers Squibb has one.

\textbf{Obligations of a Monopoly Power?}

In accusing Bristol-Myers Squibb of a monopoly, there are two main issues to discuss. First: just because a company has a monopoly does not mean it has to act socially responsible, as if to repent for the corporation’s success. In other words, a company’s domination of a market does not require it to practice corporate social responsibility. Second: Bristol-Myers Squibb does not have a monopoly by any current standards. Therefore, though a company may have the choice to practice CSR, this does not mean it must because of a monopoly scenario. Even if this was the case, which it is not, Bristol-Myers Squibb has no such monopoly on HIV/AIDS drugs. Table 5.1 begins the inspection of where Bristol-Myers Squibb truly stands.

\textsuperscript{38} Sylvester, "AIDS Activists\ldots, p. 2.
## Table 5.1

The Twelve Primary AIDS Drugs

<table>
<thead>
<tr>
<th>Drug:</th>
<th>Trade Name:</th>
<th>Produced by:</th>
<th>Average Price in U.S. each year</th>
<th>Average Price in Africa each Year since 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abacavir</td>
<td>Ziagen</td>
<td>GlaxoSmithKline</td>
<td>$4635.50</td>
<td>$985.50</td>
</tr>
<tr>
<td>Stavudine (d4T)</td>
<td>Zerit</td>
<td>Bristol-Myers Squibb</td>
<td>$1514.10</td>
<td>$54.75</td>
</tr>
<tr>
<td>Zidovudine (AZT or ZDV)</td>
<td>Retrovir</td>
<td>GlaxoSmithKline/Cipla</td>
<td>$5475.00</td>
<td>$438.00</td>
</tr>
<tr>
<td>Didanosine</td>
<td>Videx</td>
<td>Bristol-Myers Squibb</td>
<td>$2195.88</td>
<td>$310.25</td>
</tr>
<tr>
<td>Lamivudine (3TC)</td>
<td>Epivir</td>
<td>GlaxoSmithKline</td>
<td>$3175.50</td>
<td>$237.25</td>
</tr>
<tr>
<td>Indinavir</td>
<td>Crixivan</td>
<td>Merck &amp; Co.</td>
<td>$4048.00</td>
<td>$600.00</td>
</tr>
<tr>
<td>Saquinavir</td>
<td>Fortovase or</td>
<td>Hoffman-La Roche</td>
<td>$6093.45</td>
<td>$1726.40</td>
</tr>
<tr>
<td>Ritonavir</td>
<td>Norvir</td>
<td>Abbott Laboratories</td>
<td>$7425.76</td>
<td>$500.00</td>
</tr>
<tr>
<td>Nelfinavir</td>
<td>Viracept</td>
<td>Hoffman-La Roche</td>
<td>$5708.08</td>
<td>$801.00</td>
</tr>
<tr>
<td>Lopinavir + Ritonavir</td>
<td>Kaletra</td>
<td>Abbott Laboratories</td>
<td>$6538.45</td>
<td>$500.00</td>
</tr>
<tr>
<td>Efavirenz</td>
<td>Sustiva/Stocrin</td>
<td>Bristol-Myers Squibb/ Merck &amp; Co in Africa</td>
<td>$4342.06</td>
<td>$346.75</td>
</tr>
<tr>
<td>Nevirapine</td>
<td>Viramune</td>
<td>Boehringer Ingelheim/Roxanne Laboratories</td>
<td>$3399.61</td>
<td>$438.00</td>
</tr>
<tr>
<td>Duovir-N</td>
<td>Lamivudine</td>
<td>Cipla</td>
<td>N/A</td>
<td>$418.00</td>
</tr>
</tbody>
</table>

**Source:** Table adapted from: *The Guardian* and *Guardian Unlimited.*

In Table 5.1, the top twelve AIDS drugs according to the World Health Organization are listed. As highlighted in Table 5.1, Bristol-Myers Squibb only has

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41 The World Health Organization is the most qualified to assess the top HIV/AIDS drugs. I therefore
patents on three of the twelve most important AIDS drugs. One pharmaceutical company that has not been accused of having a monopoly, and probably should, is GlaxoSmithKline (GSK) -- GSK produces five of the top twelve AIDS drugs. Still, Bristol-Myers Squibb, having a greater tendency to be in the public eye, receives more criticism. Even if the company did have a monopoly, the final column shows the considerable price reductions made for countries in Africa. In the case of Sustiva, which Bristol-Myers Squibb shares with Merck & Co., BMS reduced its price by 81% for African countries.\(^42\) For Videx, Bristol-Myers Squibb reduced the price by approximately 84%.\(^43\) Finally, the cost of Zerit, which is far cheaper than other AIDS drugs to begin with, was reduced by 96% from its original cost.\(^44\) This is not to say that generic brands could not produce a cheaper drug, but it is still better than charging African countries full price for medication. Not only does Table 5.1 show Bristol-Myers Squibb does not have a monopoly, but it shows that all the pharmaceutical companies included in the World Health Organizations studies have tried to reduce their prices.

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43 adapted from: Ibid.

44 adapted from: Ibid.
Table 5.1 does not, however, clarify completely whether a company has a monopoly or not. One needs to also consider what drugs are used at different stages of treatment. A company may only have one of the top twelve AIDS drugs and still have a monopoly on treatment for a certain stage of HIV. I have provided another chart, Table 2.6, to show the various drugs that can be used in each stage and whether it is here that Bristol-Myers Squibb may have a monopoly.
Table 5.2 Monopoly Check in the Six Stages of HIV/AIDS

<table>
<thead>
<tr>
<th>Stage</th>
<th>Treatment</th>
<th>Company Holding Patent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase #1: Binding also known as Infection</td>
<td><strong>Entry Inhibitor:</strong> Coat of Protein of HIV and virus will not be able to attach itself to a healthy cell.</td>
<td>Hoffman-La Roche: Fuzeon**</td>
</tr>
<tr>
<td>Phase #2: Reverse Transcription</td>
<td><strong>Nucleoside Reverse Transcriptase Inhibitors (NRTIs);</strong> HIV virus will not be able to pass on its biological information.</td>
<td>Bristol-Myers Squibb, Zerit &amp; Videx; GlaxoSmithKline, Lamivudine, Combivir, Retrovir &amp; Ziagon.</td>
</tr>
<tr>
<td>Phase #3: Integration</td>
<td><strong>Integrase Inhibitors;</strong> HIV virus will not be able to begin copying itself within the cell.</td>
<td>Not yet available. (Still in clinical trials)</td>
</tr>
<tr>
<td>Phase #4: Transcription</td>
<td><strong>Experimental Drugs</strong></td>
<td>Not yet available. (Still in clinical trials)</td>
</tr>
<tr>
<td>Phase #5: Translation</td>
<td><strong>Experimental Drugs</strong></td>
<td>Not yet available. (Still in clinical trials)</td>
</tr>
</tbody>
</table>

**See footnote.** Sources: U.S. Department of Health, San Francisco AIDS Foundation, FDA, and...
Highlighted in the top right corner of Table 5.2 is the pharmaceutical company Hoffman La-Roche, which happens to be the soul producer of entry inhibitors. Unfortunately for other companies who lack technology and research in the basic stages of HIV, entry inhibitors are valuable in that they treat the first stages of HIV. Whereas Hoffman La-Roche seemed considerably innocent in Table 5.1, only boasting two of the top twelve AIDS medications, Table 5.2 shows the company has a considerable monopoly. A look at Table 5.2 demonstrates that in areas where Bristol-Myers Squibb produces a drug, other companies have a competing brand. In short, those who have accused Bristol-Myers Squibb of a monopoly are mistaken. If the company has an obligation to affect social change it is not coming from their domination of the drug market.

Nonetheless, perhaps the critics who accused Bristol-Myers Squibb of being a monopoly picked the wrong choice of words; it would seem the above charts demonstrate more of an oligarchy situation wherein a few powerful companies dominate the market. The decisions of these higher-ups could transform at the prompting of their other counterparts. This oligarchy scenario, if accurate, does not make the pharmaceutical


50 Demenet, “Yale University Shares. . . , p. 4.

51 “Taking the Poisoned Pill. . . , p. 2.
industry appear any less vindictive than if one company had a monopoly: individuals will still suffer because they cannot afford the medications they need.

And yet, the oligarchy may still work for the benefit of the consumers. Following Bristol-Myers Squibb’s announcement in 1999 that it would soften its protection of the patent on Stavudine, 39 other pharmaceutical companies promised the same, though not necessarily out of a genuine sense of good-will.\(^{52}\) When Bristol-Myers Squibb eased public angst by affirming dedication to the cause, attention shifted to the other companies—they had no choice but to succumb to public pressure and change old ways. Again, this shows the influence of CSR on pharmaceutical companies around the world; it is a power not to be taken lightly. The oligarchy can backfire.

Although advocates of corporate social responsibility, like Act Up Paris and the Treatment Action Campaign, applaud the efforts of Bristol-Myers Squibb and the relaxation of its patent rights over Stavudine, they nevertheless warn that, despite its good intentions and financial help, the efforts may do little to actually heal the AIDS pandemic.\(^{53}\) Without the cooperation of various government institutions and other pharmaceutical companies, they write, “Cheaper drugs will still only bring treatment into the hands of a tiny minority of those affected.”\(^{54}\) The warnings do not seem to hinder Bristol-Myers Squibb, which has been no stranger to acting within the realm of social

\(^{52}\) “Taking the Poisoned Pill . . . , p. 2.

\(^{53}\) Ibid., p. 3.

\(^{54}\) Ibid.
responsibility.
CHAPTER VI

CONCLUSION

"Quite honestly, three years ago I don’t think we understood the magnitude of the issue of HIV/AIDS in Africa. I mean none of this was known three years ago. It was not known to the extent that it is known today."

---Kenneth E. Weg, Bristol-Myers Squibb Vice Chairman & STF Consultant, 2004

When protests ensued at Yale’s campus in 1999, Bristol-Myers Squibb was looking for a way to balance its commercial and humanitarian efforts; Secure the Future was ultimately the initiative proposed for this task. While it was somewhat admirable for Bristol-Myers Squibb to confront criticisms about its lack of humanitarian intervention, it would seem that the company took on more than it can handle. Many top-ranking Bristol-Myers Squibb officials now admit their naivety in trying to alleviate the HIV/AIDS pandemic--they didn’t think it would be quite to complex.¹ Be that as it may, it is now appropriate to sincerely ask whether Secure the Future is really a successful program.

Bristol-Myers Squibb designed its entire business strategy to include sustainability and the enhancement of human life. While Bristol-Myers Squibb’s goals are aimed to please, the goals are seemingly grandiose. As discussed before, there are approximately 28 million people infected with HIV/AIDS in Africa alone. $100 million dollars over five

years is not enough to begin to treat any significant portion of the population. Thankfully for Bristol-Myers Squibb’s case, the company claims that Secure the Future is a pilot program meant to strengthen local and international NGOs working in the affected countries.

There are many dimensions of business wherein Bristol-Myers Squibb, try though it might, just appears shady. In my personal opinion I would not blame their poor planning on a cold-calculating chairmen bent on promoting his company at all costs--instead, I would attribute most of Bristol-Myers Squibb’s mistakes on basic and habitual naivety. Bristol-Myers Squibb can be likened to a seemingly hopeless pipe-dreamer dedicated to helping the world but, repeatedly, not knowing where to start or what to do. Additionally, there appears to be an illusion among many executives at Bristol-Myers Squibb that “throwing money” at a problem will fulfill whatever debt to society the company has. What is often forgotten is that in helping a crisis, though money is useful, good planning is invaluable. At this point in the program, Bristol-Myers Squibb needs to either take a hiatus and really consider the shortcomings of Secure the Future, or hire more qualified people to help with the various dimensions of the crisis.

Many of the criticisms mentioned in the previous chapter, sadly, have credence. Secure the Future is a mediocre program with too many goals. Yet, one cannot dismiss the Secure the Future program as a mere publicity stunt. Bristol-Myers Squibb wanted to help, but really lacked the resources and manpower to really make a difference. The program is therefore a genuine but meager attempt to alleviate the pandemic.

The burden of the AIDS pandemic has destroyed many lives. At times like these it
would seem easy to simply retreat to places where HIV and AIDS is still a clandestine and distant topic. But the dark reality will allow no government, organization, corporation or individual person to ignore the vast expanse HIV now occupies. Hope now lies with various echelons of society acknowledging HIV/AIDS and doing what their vocation allows them to do. Even with such assistance, many more millions of people will die before this kind of help reaches them. Even the good intentions of Secure the Future are in question, as the program can never seem to help everyone. In this way, the words of the Washington Post’s Bill Brubaker seem to sum up the main problem with Secure the Future: “The complexity of the epidemic curbs the impact of Bristol-Myers Squibb’s initiative.”

Bristol-Myers Squibb and the Secure the Future Foundation have seldom made headlines in the past year—if not for the occasional mention of Bristol-Myers Squibb’s honorable program, then for a reiteration of the protests that took place on Yale’s campus. Secure the Future has not reached the end of its five-year plan, though it is on the horizon, so the company really has nothing to relate as of yet. It would seem that even the critics are timidly waiting in the wings for the moment when they can run onto stage and tell the world—“Bristol-Myers Squibb made a mistake! They’re not helping anyone!” In the end, the fact that Bristol-Myers Squibb contributed to a cause above what the normal call of duty for a pharmaceutical company usually prescribes appears noble—regardless the intention at the beginning.

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