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Business Ethic Case Study

Introduction

 When one talks about the ethical dilemmas that are being faced by the pharmaceutical companies, one of the most interesting things that has to be kept in mind is that how the market regulations and the ethical considerations are going to work in the case of the price of the drugs. The key component of the whole thing is that how it is going to be made sure that the price regulations are going to be controlled, do the pharmacist companies have any ethical obligations in this regard and how the price control, whether it is the increase in the price of the drug or decline in the price of drug that can be explained with the help of the given situation. In this paper, the similar case that is going to be discussed when companies like GlaxoSmithKline and Bristol-Myers Squibb are under any sort of ethical implications in the wake of the price cuts and how the usage of the patented technology was being allowed by them in Africa in the wake of the AIDS scandal. Even though the price cuts were carried out, the prices were far from lower in the other countries that were much richer. The idea behind this paper is to make sure that the understanding of the whole phenomenon is carried out with respect to the ethical theories and how the underlying facts are needed to be managed in the given situation.

Utilitarianism and Drug Price Regulation

 One of the key aspects of this theory is that how it tends to define the functionality of the free market based on the premises that the maximization of the welfare is supposed to be carried out. The idea is that how the human imperfections in the service of the human welfare are some of the key considerations when such decision must be made. Now, the argument that is being made here is that in order to make sure that the maximum welfare of the poor population of the African people is being carried out, it has to be made sure that how in the long run it can be made sure that balance exists in terms of the consideration of the buyers and the sellers at the given point of time. The argument that is made here is that rather than bringing about the controls in the prices, the free market should have been allowed to let it course. One of the reasons that such a decision would be fine is since how the ethical fulfillment is going to be carried out in each of the cases. The justice in the acquisition and the other transfer that are needed to be kept in mind in such a situation are such that they should be completely in synch with a decision is needed to be made. It the assumption is being made that how the first pre condition in the given case holds and the medical and the property right of the people are needed to be taken care off, then the idea has to be there when it comes to making sure that how the overall considerations of the people are supposed to be shaped up at the given point of time. One of the key problems that can be seen in the given case that even though effort was being made to maximize the wellbeing of the people, the problem was that not enough consideration was being given to the fact that how the transparency is going to be maintained during the course of the whole process. The idea being the theory of the Utilitarianism is to make sure that the wellbeing of the people must be taken care of all the time and one of the ways through which it can be done is to make sure that how the improvement the processes is needed to be brought upon. At the broader level, effort is needed to be made to make sure that how the legal intervention has to be carried out at the broader level all the time and how the cheaper alternatives are supposed to be created in the given situation so that rather than creating supply and demand difficulties in terms of the way price management was supposed to be done, effort has to be made to make sure that the justice should be prevailing in order to make sure that the transfer of the individuals at the broader level has to be done at the given point of time. Other key consideration that has to be kept in mind all the time is how it is going to be made sure that the determination of the different aspects of the free market place are going to be done and how the adornment review is going to take shape in the given situation at a more appropriate level to say the least.

Right and Drug Price Regulation

 Now some idea is being developed in terms of the first theory, the next thing that is going to be done is that how the right theory tends to define the whole situation. It can be seen that the when one talks about the access to the healthcare solutions, it is important that all the stakeholders who are part of the decision making process should be willing to take care of the things at the broader level and how effort must be made to make sure that if there is lack of freedom where people are not able to select the appropriate treatment for their wellbeing or the right to information is not being provided them. Then it goes against the violation of the human rights.

 Now, this theory tends to suggest that the idea of the free healthcare is something that allows equality and the social justice to be taken care of all the time. In wake of these facts, effort has to be made to make sure that the traditional alternatives are being found out instead of the going with the experimental solutions. As a matter of fact, one of the key arguments that is being made during the rights theory is that how important it is for people to have access to the healthcare and how it is one of the most important determinants of the social equality and justice. The rights theory also made an argument that how important the healthcare equality. Keeping in mind the implications of the price control mechanism that was devised by Gschu and some of the other pharmaceutical firms, the assessment can be made that the rights theory is the one that is most receptive of the idea in terms of how it is supposed to be accepted at the broader level. Additionally, the idea of very affordable – or even free – healthcare is consistent with John Rawls’ theory of social justice, which entails equality of both opportunity and outcome. Norman Daniels argues that access to healthcare is fundamental to equality of opportunity as good health is needed for an individual to enjoy the “normal range of opportunities” afforded in a free society.

Justice Theory and Drug Price Regulation

 When one talks about the drug theory, one of the key argument that is being made in this theory is that how important it is for the organizations that are developed in the provision of the healthcare services to make sure that they are adopting to the free market service. The idea that is being set forth here is that how effort is needed to be made to make sure that the free market mechanism should be preserved. One of the ways through which it can be allowed to prosper is to ensure that the demand and supply forces must be the one that should determine the price of the drugs and how it can be made sure that the rectification of the justice can be done at the given point of time. The same logical and rationel might be taking place if one talks about the broader price changing mechanism that are devised and developed by GSK. The problem that the rights theory tends to see with this mechanism is that it has not allowed the free market mechanics to have control of the situation. Now, in the region like Africa, one of the biggest problems is that how the measurement of the economic variables is going to be done. When that allocative mechanism is not being shaped in the appropriate manner, then it means that the some of the other aspects of the price control program are also not going to turn out well at the given point of time. The other thing that is going to be a huge problem is that how eventually it is going to be made sure that the appropriate controls are going to be developed. The other major problem with such an allocative mechanism is that how it is going to be made sure that the broader consensus and opinion of all the stakeholders who are involved in the decision making process is going to be taken. When such thing happens, the justice theory claims that rather than disrupting the free market mechanism, efforts should be made to make sure that the distribution and allocation mechanisms in the drug markets ae needed to be looked and despite the fact that it’s a long term process, effort must be made somehow to ensure that the degree of change is achieved in this regard. A belief in healthcare as a human right and the need to ensure accessible healthcare to maintain social equity has resulted in some countries offering free healthcare, one of the most well-known being the National Health Service (NHS) in Britain,

Caring Theory and Drug Price Regulation

 Caring theory is one of the most enduring theory when one talks about the way underlying aspects of the medical ethics are talked about. The idea behind the caring theory is to make sure that how effort must be made by individuals and societies to make sure that they take care of each other and effort must be made to ensure that with the help of the empathy and self-caring. Some of the long range issues at the societal levels are needed to be worked out. The main premise of this theory is that it is the responsibility of the community of the global healthcare leaders to make sure that they allocative efficiency and the distribution mechanism must be improved, but the down trodden and the ones that are not able to take look after themselves, effort must be made to make sure that the appropriate care and treatment must be provided to these people at the given point of time. The other aspect of this theory is that how it must be made sure at all the levels to make sure that the when the appropriate caring mechanism is being developed, effort can be made to ensure that the energy reserves and the self-healing process among people can be worked out. Keeping these aspects in mind, the caring theory implies that no matter what the situations, is the price of the drugs are needed to be regulated. The idea behind this theory is to make sure that with the help of the appropriate control. So there is a need to develop efficient mechanism and in the light of the care theory, it is completely fine to take these measures at the broader level. There is an element of the spirituality and religion as well that is discussed in the care theory and one of the thing that is quite common in such an instance is that effort must be made to heal the people so that the spiritual awakening is there. The message that is given here also resonates with the religion and thus the acceptance of such an agenda is always going to be quite popular. Thus the caring theory is the one that sees the drug regulation price in the positive manner and something that has to be continued. Physicians’ sway over patients’ health and lives creates the risk of discretionary exploitation, which arises when parties in a transaction are unequal in position and power.

Virtue Theory and Drug Price Regulation

 Virtue theory is one of the most interesting theory if one talks about the ethics and the moral sciences. One of the basic premise of the theory is that how it is supposed to be made sure that the role of the character and the virtue is one of the key thing that has to be taken care off during the course of the moral philosophy rather than being astute about. The idea behind the theory is to make sure that one should be taking care of their duty and at times, doing the right thing does not mean that it is always going to bring out the right results. What it implies is that all the stakeholders that are part of the society must make a combined effort to make sure that they take into account different perspectives that are witnessed when it comes to the drug theory and how the functionality of the healthcare industry and pharma market has to be carried out. The key assertion that is being made here is that effort must be made that these organizations should follow and adopt good business practices. What it means that in order to provide good service, rather than lowering the prices and increasing the likelihood of the business model that is not going to be sustainable or successful, effort has to be made to make sure that long term perspective has to be kept in mind. These organizations like GSK rather than concentrating on the market that they intend to focus at the given point of time, they should not be indulging in this unfair business practice. What it is going to do is that it would also not allow the regional and local organizations to sustain in the business. Not only that, such a business practice is not very sustainable for the long period of time. Rather than that, effort must be made to make sure that the clear perspective has to be developed among the stakeholders that how they are going to be well off in the instance that allows them to stay relevant in the marketplace without resorting to medical practices that are likely to create disruption among the marketplace at the given point of time. Virtue ethics is a broad term for theories that emphasize the role of character and virtue in moral philosophy rather than either doing one's duty or acting in order to bring about good consequences. Instead, a moral price can be set based on some overarching principles. Firstly, an adaptation of Kant’s second formulation on not using individuals as a means to an end. Patients should, thus, not be used as a means for physicians to gain fame or fortune, but treated for their own sake as individuals whose lives have moral value. This ethical reasoning can be defended on grounds of basic human decency, as well as the idea of ‘moral luck’:

Conclusion

 In the hindsight, it can be said that there are many theories that might favor the argument that the prices of the drugs are needed to be lowered for a certain demographic as was the case that was done by GSK. There are some theories though that support the effort that is made by GSK. In the given case, it can be said that the Rights Theory and the Caring Theory are some of the theories that have approved the practice that is being carried out by GSK in the given markets. The other thing that is needed to be noted in terms of the market practice of these firms is that how they are able to bring about regulation in the market in terms of the way they operate. However, this does not preclude doctors and firms from charging patients a reasonable price for their services, especially since many doctors own their practices and hence are principals. The price should take into account both the cost in providing treatment and patients’ ability to pay. By this token, charging wealthy patients higher rates may not be construed as exploitative.

# Works Cited

Velazquez, Manuel G. Business Ethics: Concepts and Cases, 7th ed. Upper Saddle, NJ: Prentice Hall.