

The Construction of Drug Distribution as a Competitive Market

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To understand drugs as economic goods, the pharmacist as a trader and drug distribution as a competitive market is a rather common view today. Hypothesis of this contribution-proposal is, that this knowledge stems from a contingent micro-economic perspective, which neither is the only possible, nor even a preferable socialscientific description of the drug area. The rise of the market-mechanism as a government-tool will be discussed at the empirical example of drug distribution in Germany.¹

Drugs belong to those areas, which pretty early became object of political interference. Already in the 13th century, medical constitutions fix, who under which conditions and to which prices is allowed to deliver drugs. Government of drugs primarily implies restriction – restriction of goods tradable as drugs and restriction of the circumstances of this trade. When in consequence of the Thalidomid-scandal the risk of side-effects becomes obvious, restrictive political interferences regarding drugs grow even more severe, since clinical studies now are a requirement for drug-admission.

In contrast to this restrictive government style, the idea of a free drug market falls in as an innovative government perspective, in Germany since about the 1980s. While restrictions in all other regards of the drug-regulation are untouched, the liberalisation of the retail trade with drugs is claimed. Health economic studies conceptualize the drug area as a market, strictly following micro-economic principles: The individual drug acts as an economic good, for which the offer of the pharmaceutical industry meets the demand of patients. Certain market anomalies are conceded, like especially the falling apart of cost-causation (patient) and cost-responsibility (health-care insurance). Nevertheless the drug area passes for a market, optimally to be shaped after the model of free consumer-good markets. To make patients more responsible for the costs they produce and to cancel restrictions of the retail trade with drugs

¹ My understanding of governance follows Uwe Schimank in taking this perspective as an opportunity to compare different modes of social coordination, see Schimank, Uwe (2007). *Elementare Mechanismen*. In: Benz, Arthur, Lütz, Susanne, Schimank, Uwe and Simonis, Georg (Hrsg.): *Handbuch Governance. Theoretische Grundlagen und empirische Anwendungsfelder*. Wiesbaden, VS Verlag für Sozialwissenschaften. 29-45.

logically follow from this perspective (that means especially: to allow mailing-order business for drugs and to allow joint-stock companies to run pharmacy-chains).²

With reference to “*making* knowledge about governance”, the proposed contribution will first describe the rise of the market-concept as a governance-instrument for the drug area. Both the transfer of general micro-economic assumptions to the drug area and the consequences for political decisions which result from these ideas will be taken into account.

Further, with reference to “*contesting* knowledge about governance”, the governance-concept of a drug retail-market will be critically discussed. This discussion is based first on a historical comparison of drug-government. Second, this discussion is possible due to an alternative sociological conception of the drug area, which considers the historical comparison.³ It can be shown, that individual drugs are not appropriate to be conceptualized as economic goods, since the availability of the overall drug-scope for the emergency-case is the main aspect of drug-demand. Political decisions which are based on the drug-market concept may accordingly lead to politically and socially undesirable distribution-results.

An outlook will discuss, which analytical part sociologically induced historical comparison can play for the inquiry of governance-instruments and which conclusions may be drawn from the drug-case for the government of public-good supply.

² As examples for this perspective, see Prinz, Aloys (2004). *Apothekenabgabepreise: Einheitspreise mit regulierten Zuschlägen oder Wettbewerbspreise?* In: Cassel, Dieter (Hrsg.): *Wettbewerb und Regulierung im Gesundheitswesen*. Tagungsband des Ausschusses für Gesundheitsökonomie des Vereins für Socialpolitik. Baden-Baden, Nomos Verlagsgesellschaft; Vogel, Ronald (2007). *Pharmaceutical Economics and Public Policy*. New York, Pharmaceutical Products Press.

³ For the chosen theoretical perspective see Luhmann, Niklas (2002). *Die Politik der Gesellschaft*. Frankfurt am Main, Suhrkamp.