

BUILDING SUB-SAHARAN AFRICA'S COMPETITIVENESS IN HEALTH RESEARCH AND INNOVATION: LESSONS FROM INDIA, CHINA AND BRAZIL.

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ABSTRACT

Sub-Saharan Africa has a rapidly growing health research and pharmaceutical industry and is prone to contribute significantly to economic growth in the region. There are many initiatives that have been launched in the region to increase Sub-Saharan competitiveness to the level of other emerging economies such as India, China and Brazil under the umbrella of the Africa Pharmaceutical Manufacturing Plan (PMP) that was developed by the African Union (AU). However, we have found that Sub-Saharan Africa continues to lag behind China, India and Brazil in scientific productivity, patent applications and investment in health research and

development. While India and China continue to attract on average 28.7% of foreign direct investment in knowledge based health research and development and 30.6% in design, development and testing, Sub-Saharan Africa has barely attracted 1%. We analyzed factors affecting Sub-Saharan competitiveness and factors that have contributed to the success of India, China and Brazil in health research and innovation. We derived lessons that Sub-Saharan Africa should adopt to increase its competitiveness. We showed that to increase its competitiveness, Sub-Saharan Africa must address four fundamental bottlenecks. These include addressing its economics of clinical trials management processes, its capacity to provide competitive quality low cost R&D outsourcing, its adaptive and progressive technology transfer and its optimal product portfolio mix to include product based on neglected disease affecting Sub-Saharan Africa and the more profitable global market.

Improving Sub-Saharan Africa's competitiveness in health R&D ad innovation relies on a mix of strategic business strategies, policy incentives and investment framework that incentivize long-term health innovation systems as opposed to isolated short-term capacity buildings and manufacturing plans. A greater focus is needed on strategies to increase competitiveness as a market destination for more efficient and cost-effective clinical trials. This includes addressing its high cost of human resources improve efficiency of ethical and regulatory frameworks, intellectual property regulations, procurement processes and importation policies. We proposed a mix of fiscal and non-fiscal policies, internal market and capital markets approaches that would stimulate both technological adaptation and innovative capabilities. However, for long-term competitiveness, the industry portfolio and investment mix should include a stronger focus on profitable markets beyond government publicly funded health products and pricing based on equity.

Key Words: Africa Health Research and Innovation, Africa Economics of Clinical Trials, Africa Outsourcing of Health Research and Development, Africa Pharmaceutical competitiveness, Africa Health Research Policy effectiveness, Lessons from BRICS countries.

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