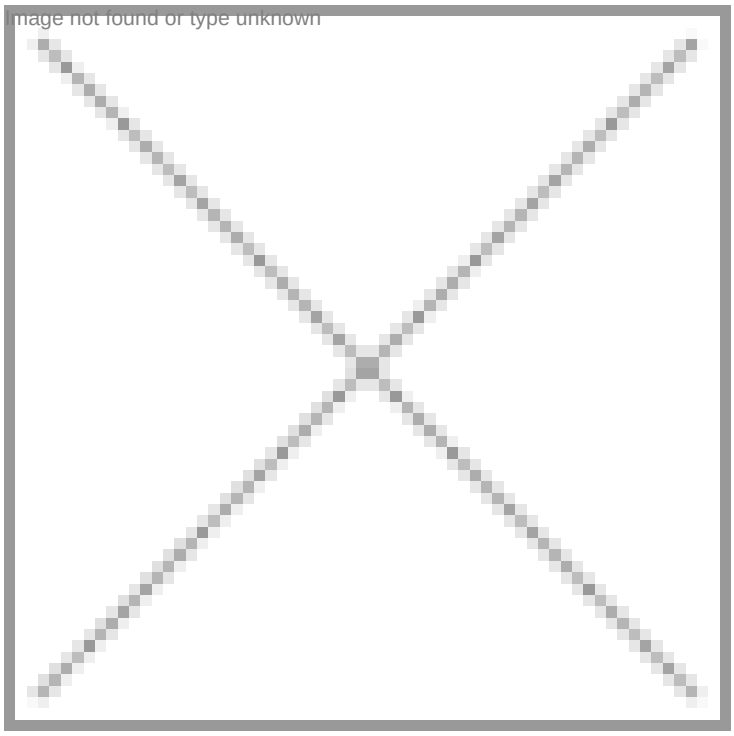
BioSpectrum
the business of Bio & Health Sciences

Efficient allocation of public funds for biomed R&D

11 May 2012 | News



Suresh Biosciences is one of the few industrial sectors in the world which is highly dependent on public funds for research which advances the frontiers of knowledge and leads to effective solutions. Most of the fundamental breakthroughs recorded in this segment in the last century have their origins in publicly-funded research institutions. In such a scenario, public policy makers always have to make the difficult choices related to allocation of resources to fund research to find cure against the long list of diseases that require urgent attention. They also have to weigh their options against short term and long term requirement of the society, as well as problems that affect the most number of people and also the neglected diseases. In a thought-provoking paper published in the latest issue of scientific journal PLoS ONE, three top American researchers have made a compelling case to follow the â€œfinancial portfolio theoryâ€? used by financial investors to maximize their returns. Using the same theory, the researchers argue that if health policy makers allocate the limited available resources to research projects that extend human life as the most important criteria, the returns for public investments will be maximum. The three authors of the paper-Dr Andrew Lo of the MIT Sloan School's Laboratory for Financial Engineering, Dr Dimitrios Bisias at the Massachusetts Institute of Technology (MIT) and surgeon James Watkins of Brigham and Women's Hospital in Boston--applied the theory to the annual $30 billion spent by the US National Institutes of Health (NIH) and predict that the financial theory based research allocation will increase the lives lost by 28 to 89 per cent in a year. What the researchers suggest is that the best results for public funds will be to concentrate on diseases that affect the most number of people so that more lives can be saved with the available resources. This scientific paper has already initiated a major debate among various stakeholders of the healthcare system. Vocal critics of the paper fear that if governments adopt such an allocation plan, many of the neglected diseases and some research work which may not have promise currently but could turn out to be potential breakthroughs could be affected immensely. India too is increasing public investments in the bioscience sector in a big way. Various national policies have outlined the resource allocation plans. After a wide national debate, the government has given a new lease of life to the public sector network of vaccine manufacturers. The revival plan of $120 million to improve facilities at the vaccine plants in Kasauli in Himachal Pradesh, Chennai and Coonoor in Tamil Nadu is the harbinger of a new era of public investments in an area where it is needed urgently to augment

the efforts of the globally-acclaimed private vaccine manufacturers in the country. The cover story of this issue provides a comprehensive review of the life breathing efforts into the Indian public sector vaccine manufacturing industry. As public investments increase, the private sector has also upped the investment efforts. The inauguration of the $25 million Biocon Research Center in Bangalore on April 5, 2012 marks yet another milestone for this company. With this new facility, the Biocon Park in south Bangalore becomes the largest single campus for biotechnology researchers in Asia, housing over 3,000 scientists. **Narayanan Suresh** Chief Editor sureshn@cybermedia.co.in