# Roshni and I negate.

# Our Sole Contention is Inhibiting Innovation.

#### Ezell of the Information Technology and Innovation Foundation studies the 56 most innovative countries and concludes in 2016, specifically due to high research and development from a lack of price controls, the U.S. contributes the most to global medical innovation.

## However, price controls would reverse this trend.

#### Indeed, Professor Sood of the University of Southern California studies price controls from 1992 to 2004 and concludes in 2009 that regulations on the pharmaceutical industry decrease revenue.

## This devastates research and development in two ways, and the first is by forming pharmaceutical monopolies.

#### Wieczner of Fortune explains in 2015 that slowed revenue growth causes investors and companies to form monopolies to boost profit.

#### History proves this trend. In 2015, a revenue scare prompted pharmaceutical firms such as Gilead Sciences, Teva, and Allergan to increase their acquisitions, tripling the number of pharmaceutical mergers in just six months.

#### Such monopolies then collapse their research and development departments. Amadeo of the Balance warrants in 2017 that because monopolies control an entire market, there is no incentive to develop “new and improved” products.

#### That’s why the Institute for Health and Social Policy finds in 2016 that after a merger, firms reduce their research and development budgets by over 20 percent.

#### Even worse, Haucap of the Harvard Business Review quantifies in 2016 that after a merger, competitors of each monopoly also slash their R&D by more than 20 percent. That’s why he concludes that “pharmaceutical mergers substantially reduce innovation in the market as a whole.”

## The second way research and development collapses is by incentivizing generic drug production.

#### Francis of the National Bureau of Economic Research explains in November that the reduced budget of companies will force them away from high-risk, high-cost innovation towards manufacturing low-risk, low-cost generic drugs.

#### That is to say, instead of spending millions on creating groundbreaking, life-saving medication, companies will pivot to producing more profitable generics that are already on the market.

#### That’s why Easton of Stat News reports in January that if price controls were implemented, pharmaceutical companies would reduce their research and development budgets by 80 percent.

#### Overall, Francis concludes that price controls come “at the expense of revolutionary research that yield[s] greater health improvements.”

## Undercutting such R&D through monopolization and generic drug production is devastating for three reasons.

## The first is economic growth.

#### The American Public Health Association quantifies that investing in innovative treatments reduces the economic impact of disease by 1.1 trillion dollars annually due to decreases in productivity.

#### As a result, Murphy of the National Bureau of Economic Research quantifies that in the past 50 years, medical innovation has been the source of nearly half of all GDP growth in the United States through gains in life expectancy.

#### That’s critical as the World Bank finds that every one percent increase in GDP per capita reduced poverty by 1.7 percent.

#### Price controls would reverse this trend by slashing the very GDP growth that has pulled millions over the breadline.

## The second impact of research and development is affordable healthcare.

#### The American Public Health Association continues that “investing in prevention and treatment of the most common chronic diseases decrease[s] treatment costs by 218 billion dollars per year,” making even the most high-end drugs more accessible to Americans that need it the most.

#### Moreover, Janssen Global reports in 2018 that every dollar spent on innovation decreases the cost of healthcare by seven dollars. When an innovative treatment cures thousands, there is no longer a necessity to pay the astronomical prices for hospital bills, healthcare, or medication they warn you about.

## The third impact is saving lives.

#### The American Cancer Society quantifies in 2014 that new treatments have caused a 22 percent decline in cancer deaths since the 1990s.

#### Likewise, the Pharmaceutical Research and Manufacturers of America reports in 2015 that the introduction of new medicine has caused an 85 percent decline in HIV/AIDS death since 1995.

#### Overall, because of such breakthroughs and thousands more, Lichtenberg of the National Bureau of Economic Research quantifies in 2013 that from 2000 to 2009, new medicine accounted for 73 percent of the increase in life expectancy.

#### Unfortunately, Golec of the University of Connecticut quantifies in 2010 that if the U.S. had adopted EU price controls over the past two decades, 117 life-saving medicines would never have been launched.

#### Indeed, Vernon of the University of Chicago quantifies in 2005 that price controls would cut “over one‐third of all actual new drug launches brought to the global market.”

# Prevent this catastrophe and negate.