

Providing Better Treatment for Patients: Dr. Ariel Pakes Discusses the Importance of Evaluating Drug Policies

The Department of Economics held a Tamkang Clement and Carrie Lecture at 10 AM on June 5 in the Chang Yeo Lan International Conference Hall of the Hsu Shou-Chlien International Conference Center. The guest speaker, Professor Ariel Pakes from the Department of Economics at Harvard University, delivered a lecture on "Evaluating Pharmaceutical Policy Options," sharing his latest research findings. The lecture explored the impact of direct-to-consumer advertising (DTCA) policies on consumers and the pharmaceutical industry.

Professor Ariel Pakes enjoys a prestigious reputation in economics, particularly in industrial organization (IO) research. In 2022, he was awarded the Nemmers Prize in Economics from Northwestern University. This prize is awarded biennially, with only one recipient per discipline worldwide each time. Among the 15 past Nemmers Prize winners in Economics, 8 have also received the Nobel Prize in Economics. Additionally, he is one of the top contenders for this year's Nobel Prize in Economics.

Vice President for Academic Affairs, Dr. Hui-Huang Hsu, delivered a speech expressing a warm welcome. When introducing the speaker, Economics Professor Yen-Ling Lin highlighted that Dr. Pakes, a distinguished figure in economics, has made contributions that enhance the understanding of industrial organization and econometrics. His work in developing empirical analysis methods has profoundly impacted academic research and practical policy-making.

In his lecture, Professor Pakes mentioned that only the United States and New Zealand currently allow direct-to-consumer advertising by pharmaceutical companies. The primary utility of this research is to help governments understand how this policy affects consumers who use medications and the social welfare of the pharmaceutical industry. The research findings indicate that this policy can promote the invention and use of innovative therapies and accelerate patients' access to better drug

treatments. However, it may also lead to the overuse of medications or become a competitive tool for capturing commercial interests. While it alters consumer spending on medications, it does not produce significant welfare effects.

Assistant Professor of Economics Chen-Sheng Lin stated that it is truly invaluable for faculty and students to have the opportunity to listen to world-leading research, as Professor Pakes made his first trip to Taiwan to visit Tamkang University. He believes Pakes' research can impact the global pharmaceutical industry's ecosystem and help governments understand the need to evaluate relevant regulatory policies carefully. This is crucial for safeguarding patients' welfare, maintaining the population's health care, and ensuring the long-term development of the national economy.

En-En Hung, a sophomore in the Department of Economics, shared, "As an economics student, it was amazing to see the theories we learned in textbooks being applied so flexibly. It made the knowledge we've learned less distant and abstract." She served as the MC this time, using English throughout, making her very nervous and happy. Sitting in the front row and listening closely to Professor Ariel Pakes' presentation was an incredible experience.

On the afternoon of June 5 at 1:30 PM, Professor Ariel Pakes, the Tamkang Clement and Carrie Chair from the Department of Economics at Harvard University, accompanied by Dean Li-Ren Yang of the College of Business and Management, Economics Department Chair Chao-Liang Chen, Professors Shi-Feng Chuang and Yen-Ling Lin, and Assistant Professor Chen-Sheng Lin, visited President Huan-Chao Keh and Chairperson Flora Chia-I Chang. President Keh and Chairperson Chang respectively presented Professor Pakes with a Panda trophy and a vase imprinted with calligraphy by Masters Chi-Mao Li and a painting by Master Ben-Hang Chang, featuring Tamkang campus scenery and the school anthem as commemorative gifts.

President Keh and Chairperson Chang first welcomed Professor Ariel Pakes and expressed their gratitude. They explained the reason behind the

establishment of the Tamkang Clement and Carrie Chair by the founder, Dr. Clement C.P. Chang, and his wife and discussed the lecture's topic. Professor Ariel Pakes praised the beautiful environment of Tamkang University's campus, which he visited for the first time. They mentioned that the Panda Suite, which Dr. Shi-Feng Chuang planned during her tenure as Vice President for Administrative Affairs, was very comfortable. This allowed him to rest well after arriving in Taiwan the previous day and complete his lecture. In addition to the Clement and Carrie Chair, Professor Ariel Pakes also had discussions with faculty and students of the Department of Economics and planned visits to places such as the National Palace Museum to experience Taiwan.

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Department Chair of Economics, Dr. Chao-Liang Chen (3rd from left), and Professor Ariel Pakes (2nd from left) exchange school banners. From left to right: Economics Professor and Chief Audit Executive Yen-Ling Lin, Dean of the College of Business and Management Li-Ren Yang, and Assistant Professor of Economics Chen-Sheng Lin.

The Department of Economics invites Professor Ariel Pakes to serve as the Clement and Carrie Chair.



Vice President Hui-Huang Hsu (left) personally presents the Panda trophy to Professor Ariel Pakes, the Clement and Carrie Chair invited by the Department of Economics.



President Huan-Chao Keh (left) personally presents the Panda trophy to Professor Ariel Pakes, the Clement and Carrie Chair invited by the Department of Economics.



Chairperson Flora Chia-I Chang (left) presents a unique Tamkang vase to Professor Ariel Pakes, the Clement and Carrie Chair for the Department of Economics.