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How the government can pay for a universal coronavirus vaccine

BY RACHEL GLENNERSTER, THOMAS KELLY AND CHRISTOPHER SNYDER, OPINION CONTRIBUTORS - 06/17/23 2:00 PM ET



A nurse administers a Moderna COVID-19 booster vaccine at an inoculation station next to Jackson State University in Jackson, Miss., Friday, Nov. 18, 2022. U.S. regulators on Tuesday, April 18, 2023, cleared another COVID-19 booster dose for older adults and people with weak immune systems so they can shore up protection this spring — while taking steps to make coronavirus vaccinations simpler for everyone else. (AP Photo/Rogelio V. Solis)

Now is not the time to ease up on investing in defeating Covid-19. We need a universal coronavirus vaccine to prevent future economic disaster and protect our communities. A type of contract called an advance market commitment can help accelerate its development in a cost-effective way.

Despite last month's announcement of the official end of the Covid-19 national public health emergency, when it comes to threats from pandemics, we must still invest in prevention. The world will continue to lose an average of over \$700 billion dollars every year (in expectation) to pandemics unless we make critical investments, according to our new research.

Instead, we are seeing pressure to cut back funding for pandemics — with a \$30 million cut in spending under the debt deal Congress just passed. Even if we only focus on new variants of Covid-19, we will almost certainly be hit by a new “variant of concern” as damaging as the delta wave within the next seven years, if mutations continue at the rate we have seen in the past. Taking action now will save us billions of dollars — and countless lives — in the future.

So, what can we do to protect ourselves? Unfortunately, we can't leave it to private companies to make the investments we need. The economic, health, and education benefits to society from an innovative vaccine are hundreds or even thousands of times more than the revenue to a company from the vaccine. This leads to market failures and, as a result, inadequate innovation.

In January 2021, the true economic value of a vaccine dose to society was nearly \$6,000, while some vaccines were selling for just \$6. The answer is not to sell vaccines for \$6,000, nor to have the government produce vaccines, but to “shape the market” so that private companies have the incentives to produce the goods society needs.

Right now, we need a “universal” coronavirus vaccine, which would not only protect against existing strains of the virus but also protect against future variants — and their costs. Scientists are working on several novel ways to produce such a universal vaccine. But given what’s at stake, we must invest significantly more resources. We are in a deadly race against a virus that is continuing to mutate. We can’t wait for a new variant to emerge to start developing a vaccine designed specifically for that variant. The process of developing, getting regulatory approval for, scaling production and vaccinating people takes many months, if not years. In that time, lives and economies would be destroyed.

Operation Warp Speed demonstrated that the government can enable the private sector to rapidly develop and scale innovative new vaccines. Analysis suggests that Operation Warp Speed, which cost \$13 billion, would have paid for itself if it had accelerated the development and large-scale production of Covid-19 vaccines by just 12 hours; it clearly accelerated them much more than this.

While a universal coronavirus vaccine is a harder problem to solve than developing a vaccine for one specific variant, the benefits would also be large. If people were already vaccinated with a universal vaccine, we could limit the damage of a new variant even before it took off. Not everyone would be willing to take the universal coronavirus vaccines, but many would; roughly half of the American population took the first Covid-19 booster. What’s more, a universal vaccine could be stockpiled for those who are only likely to want it when a variant emerges, dramatically speeding up the response compared to starting the process of development when a new variant hits.

How much would it cost? We estimate that if the federal government made an advanced market commitment — a legally binding commitment to buy something if it is invented — to purchase enough universal coronavirus vaccine to vaccinate 33% of the American population, it would cost on the order of \$5 billion and save the U.S. approximately \$700 billion to \$1 trillion.

The investment risks are relatively low. If a vaccine does not meet the target product profile for a universal coronavirus vaccine set out by the government, the government wastes no money. If it is met, we protect ourselves in advance against a very real public health threat.

We don’t scramble to shore up our buildings after an earthquake hits, even when we don’t know precisely when the next earthquake is coming. Instead, we invest in making our buildings sufficiently strong to resist the quake we know is coming.

It’s about time we adopt the same approach toward investing in protecting our health. It’s possible that we will be lucky with future Covid mutations, but in the last 25 years we have already had two coronavirus pandemics (SARS and Covid-19). Investing in having a universal coronavirus vaccine is a small price to pay to win the race against further mutations of the virus.

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