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Distributing Vaccines – The Economics Are Simple

Listening to public radio this morning, your blogger heard a discussion about the plans for distributing a COVID-19 vaccine. While making it seem difficult, the economics and the distribution would seem to be simple. Look at what worked for the polio vaccine sixty-plus years ago … and do it again.

In the March 17 entry (http://allengoodman.wayne.edu/Blog/Epidemics-Economics.pdf), your blogger discussed the external benefits that accrue to vaccination. Infected people infect others, sometimes a lot of others. So, any vaccine that can reduce infection, will help others. The problem (in economic terms) is that individuals may not recognize the benefits they are bringing to others. This would lead to inadequate levels of vaccination among the population.

The economic answer is a simple one – subsidize the distribution. By lowering the cost (possibly to zero), people who would otherwise not find it worth their while to vaccinate will do so. We will get to (or at least close to) the right amount of vaccination. This is textbook Economics 101 (or at the blogger's University, Economics 2010).

Vaccines for polio became available in the 1950s (for a fascinating account of the politics of science and the rivalry between competing investigators see Kevin Loughlin's 2018 https://hekint.org/2018/01/30/salk-sabin-disease-rivalry-vaccine/). The Salk vaccine (dead virus) was first available in the mid-1950s. The Sabin vaccine became available in the late 1950s.

Your blogger got both of them. In Cleveland they were dispensed in public schools. The Salk vaccine was given by needle, by the school nurse, without cost. The Sabin vaccine (giving rise to Sabin-Oral-Sundays, https://magazine.uc.edu/issues/0408/on_campus.html) was administered by sugar cube. Families stood in line at Fairfax School to get a sugar cube laced with vaccine. Donations were voluntary – the suggested amount was 25 to 50 cents per cube. The take-up percent rates were into the high 90s, and in some places they were higher (with people from neighboring communities coming in).

Is this type of subsidized distribution the right thing for the Federal Government to be doing? The answer seems obvious.

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