

OPINION

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COMMENTARY

Vaccine push has Bill Gates, science and economics going for it

By Scott Duke Kominers
Bloomberg Opinion

As the coronavirus crisis grinds on, many companies and university research labs are trying to develop vaccines. Let's hope one of them achieves a breakthrough — the sooner the better.

Once a vaccine is found, you have to manufacture it and deliver it to the population. The catch is, manufacturers may not have the means or motivation to invest in mass production. That's why Microsoft co-founder Bill Gates is devoting money to help build factories to produce vaccines, even before one is developed.

Of course, nobody is concerned that there won't be demand for coronavirus vaccines; there's a global pandemic going on, after all. But even so, the vaccine market won't be as deep as we'd like: many who will need vaccines won't have the resources to get them. For this reason, manufacturers may lack the incentive to make vaccines for vast swaths of the population.

This is a common problem when vaccines are offered in the developing world, where the value of inoculating the population is high, but many people can't pay. And there's a solution: instituting what's called an advance market commitment, where governments or private donors pledge upfront subsidies to support distribution once a vaccine is developed. By ensuring robust demand, advance market commitments encourage producers to invest in infrastructure to manufacture and distribute the vaccine widely — and quickly. That's what we need now.

But economic theory tells us that not all advance market commitments are created equal. In a recent paper, economists Michael Kremer, Jonathan Levin and Christopher M. Snyder have shown that different subsidy schemes lead to starkly different incentives.

Perhaps the simplest way to structure a vaccine subsidy would be for either the government or private donors to just set aside funds that can be used to underwrite vaccine delivery. Although that sounds like it should help, Kremer, Levin, and Snyder show that such a mechanism in fact may not lead companies to invest in production capacity above what they would have built otherwise.

Why is that? Assuming the subsidy money is stored in a bank, it accrues interest — exactly as it would in the manufacturer's own account. This makes the manufacturer more or less indifferent about how quickly it draws down the fund — which in turn means it doesn't have much reason to speed up vaccine production.

That changes, of course, if there's a lot of competition, because then manufacturers have to race to capture as large a chunk of the fund as possible. But we can't count on competition when the first COVID-19 vaccines hit the market because most likely one maker will get there ahead of the others.

So what should we do? Kremer, Levin, and Snyder argue that it's more effective to use advance market commitments built around a supply target. Under such a mechanism, funds from the subsidy would be prorated based on how close manufacturers get to a set production goal.

So long as the goal is set above the level that manufacturers would have produced otherwise, this sort of advance market commitment pushes them to develop additional capacity so they can capture more of the subsidy. That worked in a pilot Kremer, Levin, and Snyder advised that has supported immunizing more than 150 million children against pneumococcus since 2009.

You might be able to do even better if the government were to set capacity directly. But given the present administration's unwillingness to macro-manage our crisis response that seems unlikely to happen.

As you might expect, the optimal advance market commitment design also depends on how close companies are to being ready to bring vaccines to market. In particular, if research and development is in progress but lagging, then subsidies would need to be larger.

More broadly, vaccine makers need to be encouraged to develop coronavirus vaccines and get them widely distributed as soon as possible. Committing upfront to make doing so worth their while might kick the whole process into a higher gear.

This editorial is the opinion of the Bloomberg Opinion's editorial board.

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The next victim of the coronavirus?

By Johann N. Neem

Special to The Washington Times

The rise of Donald Trump, and the embarrassing failure of the American state to respond effectively to coronavirus, has proven to the world that the United States is no longer exceptional nor, in President Barack Obama's word, indispensable. The inability of the American government to protect its citizens from a pandemic and provide global leadership vividly illustrates that American exceptionalism is dead.

This might be a good thing. American exceptionalism has allowed Americans on the left and right alike to pretend that we could evade the problems facing other societies. But now is the time to accept the reality that we are part of the world and its history, not exceptions to it.

This requires dismantling aspects of American mythology that have made it harder for us to address deep problems in our society. All nations rely on myths, and perhaps none can survive without them. But today, some of the ideas we hold dear about ourselves — that America is a country of rugged individuals, destined to be the world's first multicultural democracy and too strong and important to falter — are impeding our ability to overcome our most pressing challenges.

These ideas have a history. American exceptionalism is as old as the nation. From the founding, American citizens believed that plentiful land and opportunity combined with God's Providence had blessed them as a people. In the 19th century, these ideas became known as Manifest Destiny — the belief that God's goodwill toward us manifested in America's expansion westward, its prosperity and ultimately its freedom. At the center of this myth stood the rugged individual who pulled himself up by his own bootstraps and tamed the West.

But the self-made man was never made all by himself. The federal government cleared the land for settlement, often using armed force and violence to displace Native Americans. State and federal transportation investments ensured that farmers could bring their crops to domestic and foreign markets. The Homestead Act, passed during the Civil War, promised cheap land to Americans willing to improve it. And social mobility was promoted through an expanding system of public schools. In short, American individualism has always relied on government.

Our celebration of individualism has persisted into the 21st century, but our commitment to the public infrastructure that sustains it has withered over the past four decades. Our failure to make the investments necessary to maintain our government's quality and capability has had an impact on all of us — Americans struggle to make ends meet and social mobility is declining.

Our challenges are not just political, but also cultural.

A second myth that inhibits us is the idea that we can become a multicultural society. In the 1970s, multiculturalism emerged as a way to challenge ethnic, religious and racial prejudice. Today, we rightly celebrate America's diversity. But, over time, some advocates of multiculturalism moved beyond demands for political and social equality to proclaim that every ethnic group should maintain its own distinct culture without being as attentive to what binds us together.

Unfortunately, the United States is not exempt from the forces that produce conflict and even violence in other places. Democracies depend on social trust, and that trust depends on citizens seeing themselves as part of the nation. As many commentators have noted, today we are at risk of devolving into a society divided by ethnicity, race and religion. Democratic norms are harder to sustain if we see our opponents as enemies instead of as fellow citizens. At a time when white nationalists are threatening to reclaim America for themselves, it is essential that we balance our differences with what we share as Americans.

A third myth is that somehow American democracy can be taken for granted. This myth emerged after the end of the Cold War, when suddenly the U.S. found its military and economic primacy unchallenged. Some even believed that we had reached the end of history. With the fall of the Iron Curtain, many hoped that liberal democracy would spread across the globe. Instead, today, democracy is in retreat around the world. In the United States, voting rights are threatened, money plays an outsized role in politics, false information spreads widely on the internet and increasing numbers of Americans question the importance of living in a democratic country.

Despite our military and economic might, our democracy is as fragile as any other. For too long, too many American leaders have presumed that we are too big to fail. Over the past three decades, no matter how unequal we became, no matter how many jobs were lost, no matter how many people suffered for lack of health care, no matter how many people felt forgotten, while the rich became richer, many political leaders assumed that the U.S. would not have the kind of angry populist response that we have seen (and continue to see) in countries around the globe.

That myth is busted.

In the Trump era, any observer of the United States can see that we are no different from other nation-states. Today, we are divided into hostile camps — rural and urban, white and nonwhite, evangelical and nonevangelical, rich and poor. These divisions have produced social distrust, and, as students of democracy know, in such times, populist demagogues can feed on the resentment and anger of some while blaming others, tapping into our divisions to gain power. This is happening in the U.S., just as it is happening in Brazil, India and elsewhere.

The framers of our Constitution aspired to establish a government that accounted for the basic facts of human nature, including selfishness and ambition. For example, the Constitution depends on the separate branches of government checking the excesses of the others. As James Madison wrote, "ambition must be made to counteract ambition." But that system is being tested today. Our democracy is in a state of crisis.

If we believe in democracy, we need to start by rebuilding our institutions and weaving back together a national fabric torn apart by decades of culture wars. We must invest in jobs that ensure that prosperity and dignity are widely shared. We must nurture democracy, not take it for granted. If American exceptionalism is dead, perhaps we can begin the hard work of remaking our country.

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How would Kent State tragedy be covered with today's resources?

Robert Giles, the second-in-command at the Akron Beacon Journal during a fateful moment 50 years ago, who was 37 at the time, did not screw it up.

Days later, the country and the world would look to the local paper for authoritative, exemplary coverage of an event that is still hard to comprehend, five decades later.

Ohio National Guard troops responding to a protest of the Vietnam War on the Kent State University campus opened fire on a crowd, killing four people and injuring nine others.

It was one of those rare hinge-of-history moments. The country would never be the same. This horrific event on May 4, 1970, would be seen as the beginning of a new era in American politics and society that has brought us to the current moment of almost hopeless polarization, cynicism and distrust.

"The gunshots still echo in 2020," wrote Philadelphia Inquirer columnist Will Bunch. "It's no accident that in the months immediately after Kent State, business leaders and other conservatives began looking for ways to quash liberal thinking on campus and counteract it with the conservative web of noise that became talk radio and Fox News."

But as Giles, the Beacon Journal's former managing editor, told me in an interview, the worst of it is that no justice was ever done.

"No one has ever been held accountable, in a country where the rule of law is supposed to prevail."

The Beacon Journal — headquartered just 20 minutes from campus — provided exceptional coverage on May 4 and in the contentious, emotional months and years that followed. Its initial reporting countered a wire-service flash report that erroneously stated that two students and two guardsmen had died.

"We went with our young reporter and we were right," said Giles, whose new book, "When Truth Mattered: The Kent State Shootings 50 Years Later," meticulously chronicles what happened inside the newspaper and how its journalism played out in the reeling nation:

Later, the paper investigated false allegations that sought to shift the blame from the National Guard to the students.

Photography played a role, too. Looking back at the work of three student photographers used in the paper's coverage, Giles saw in retrospect how clear it was that the guardsmen had not been threateningly surrounded by students as some were claiming.

One student photographer, John Paul Filo, took the iconic image that still has the power to bring tears: A young woman's agony as she knelt beside one of the fallen bodies. It is that image — along with Neil Young's great protest anthem, "Ohio" — that may linger most in our consciousness of the tragedy today.

And although the Beacon Journal's work was sometimes contested, it was accurate. The midsize daily won a Pulitzer Prize for its spot-news reporting. Filo's photograph also won a Pulitzer.

I asked Giles if such exemplary and commanding local coverage would be possible today.

Of course it would, he said — if a news organization had the resources that the Beacon Journal then had.

Owned then by Knight Newspapers, which was known for its commitment to quality work, the newsroom had a robust 150-member staff, and the advantage of editors with deep knowledge of their community.

But Giles, who lives in Traverse City, Michigan, says he's cognizant of what's happened to much of local journalism in recent years.

The Beacon Journal, now down to perhaps 30 in its newsroom, "is gamely trying to do the job for their community," he said — but it's much harder now.

Still, he said, the importance of local journalism is underscored now as an even more polarized nation faces the current health and economic crisis caused by the coronavirus epidemic.

But some values haven't changed. Hence the title of Giles's book.

Even amid the rampant polarization and turmoil, "people do want to gravitate to truthful information." The challenge, at least on the local level, is how to keep the sources of it alive and functioning.

Margaret Sullivan is The Washington Post's media columnist.