



TOWARDS AN EFFECTIVE VACCINATION DISTRIBUTION POLICY

The government must examine the principle underlying the triage scheme and whether private players should be allowed space



India plans to vaccinate 300 million people against COVID19 over the next 67 months. The government plans to give priority to healthcare workers and other frontline workers, followed by everyone who is above 50 years of age. This will mean that roughly 20% of the population will be vaccinated by July or August 2021.

Since all the vaccines that are currently in the spotlight require two doses, the government will have to acquire 600 million doses. Fortunately, Pune's Serum Institute of India is the world's largest producer of vaccines. There are reports that the government has already struck a deal with the Serum Institute to acquire 500 million doses of the AstraZeneca vaccine. Emergency authorisation for this vaccine is likely to follow soon. There are other vaccine frontrunners including Bharat Biotech's Covaxin and the Russian Sputnik V whose clinical trials in India are being conducted by Reddy's Labs. So, provided that there are no last minute setbacks, the government should have no problems in acquiring the required number of doses.

A few issues are worth discussing. Perhaps the most important is the principle underlying the triage scheme adopted by the government. A different and somewhat contentious issue is whether the government will allow private players any space in the vaccination process.

WHO GETS PRIORITY?

The government's strategy of giving priority to frontline workers and elderly people is in line with the practice being followed in the U.K. and the U.S., the two major countries that have been the leaders in the COVID19 vaccination drive. The rationale for this is to protect those who are most likely to be infected in the future as well as those who are most vulnerable to the health consequences of the infection. However, a vaccination drive such as this should have two distinct objectives: one, providing protection to those vaccinated, and two, to minimise or at least slow down the speed and spread of the viral transmission. Ideally, a vaccine distribution programme should keep both these in mind. In some cases, there is no conflict between these two objectives. For instance, the priority given to healthcare professionals satisfies both objectives: these are



individuals who have high levels of exposure and they also act as active disease vectors since they interact with large numbers of people. However, the priority given to older people may not actually minimize the total social and economic cost inflicted by the virus in the long run. The elderly are less mobile, have a lower level of social interaction, and are hence less likely to spread the virus. Obviously, a younger person who interacts with a larger number of people is both more likely to be infected and subsequently infect others. This suggests that densely populated areas — for instance, the Dharavi slum — should receive far more attention than they are likely to get under the current strategy. Of course, the point is that allocation guidelines must squarely face the tradeoffs between the direct and indirect objectives. This is a difficult trade off_ but one about which reasoned thought is essential.

INVOLVING PRIVATE HOSPITALS

The government's procurement strategy seems to depend entirely on domestic sources. It also plans to rely entirely on public resources for distribution without involving private hospitals. Moreover, the government plans to bear the entire cost of vaccination. The latter is particularly important and appropriate since crucial health facilities should be accessible to all. But consider the following proposition. Suppose Pfizer or some other multinational pharmaceutical company approaches the government both for authorisation of a vaccine as well as for permission to import and sell (for a profit) to those who can afford it. Let us assume, in order to focus on the ethical issue, that the vaccine is medically safe and effective. What should the government do?

Any approval from the government will enable the affluent to jump the vaccination queue. This will inevitably attract the charge that the government is catering to the interests of the richer groups in the population. But perhaps a more dispassionate analysis would suggest that allowing the private sector to provide additional supplies of the vaccine would not really be a bad policy decision after all — even when the interests of the poor are taken into account. The most important consideration that has to be kept in mind is that this would not decrease the availability of the vaccine to the poor. Of course, this assumes that the government will and should continue to procure all available domestically produced vaccines and supply them through its own distribution channel. In other words, it should follow its own distribution policies as if the additional sources of supply do not exist. It has to ensure that there is no



reduction in the availability of the vaccine for the poor. In fact, there may actually be an increase in supply and hence less waiting time for the less affluent since some of the richer individuals in the target group will opt out of the government distribution system and prefer to get vaccinated at some private outlet.

Another potential benefit accruing to the entire population is that the larger the numbers who get vaccinated, the lower will be the speed of virus transmission amongst the non vaccinated.

But is it all likely that private suppliers will request government permission to import and distribute the vaccine in India? Two recent headlines suggest that this is possible. The first is the news that the regulatory authorities have authorised the emergency use of the Moderna vaccine across the U.S. Several other vaccines are already conducting Phase 3 trials and there is a strong possibility that there will be a significant boost in the global supply of COVID19 vaccines. The second is that a Belgian Minister has revealed very sensitive price information by tweeting the prices that the European Union has agreed to pay for leading COVID19 vaccines. It turns out that these prices are substantially lower than the prices that Moderna and Pfizer, for example, have been quoting to other countries. For instance, the tweet reveals that Moderna will be charging \$ 18 per dose while Pfizer's price at \$12 is even lower. In contrast, Indian newspapers have mentioned that Pfizer is contemplating a price of \$37 per dose in India. Of course, the EU could get a very good deal simply because the large size of its market gives it a lot of bargaining power. But India too provides a large market even if the cost of vaccination is around Rs. 5,000. Of course, some centralized purchasing will be essential in order to exploit the bargaining power associated with the size of the market. But this should not be particularly hard to achieve.

Bhaskar Dutta is Professor of Economics,
Ashoka University