



Stanford eCorner

Creating Markets to Solve Problems

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Gates Foundation Co-Chair Melinda Gates describes how her organization helped in developing an innovative way to create new vaccine markets to combat childhood deaths in the developing world. Gates explains how the road to finding a solution begins by examining and taking apart established problems and systems.



Transcript

When Bill and I first got in this work, we got really puzzled by this notion that so many children were dying a year. We looked at basically deaths around the world, adult deaths and children's deaths. And to us, we read a New York Times article and then went and got the backup data and we learned that children in the developing world were dying of diarrhea. We scratched our head and we said 'are you kidding me? Almost 2 million children a year die of diarrhea?' When in our day and age you go down to drug store and there's a solution for it? That just shouldn't be. And why is that? And we started to learn from experts and take apart the problem. And we started to learn that millions of children were dying from a whole series of things. Children, when you look at childhood deaths, you measure childhood deaths under the age of five years. And there were two things that befuddled us really. One was, why is it that this innovation, this amazing innovation of biology that we have in the United States and we take so for granted or in the U.K. or in Japan that a vaccine - that you grew up and got as children, why does it take 15 to 20 years for that to get to the developing world? Why is that? And that shouldn't be.

What is it about the system that makes that happen? And we said, as we started to learn about it, we said 'we can do something about that. That lag should not be 15 to 20 years, it should be a year, basically, or less. There's just no reason. And the second thing is we started to say some of these huge childhood deaths that are going are because we have vaccines that don't get out to the developing world, we have solutions, but others are like rotavirus, the huge diarrheal disease, we don't get it essentially here in the United States or you don't die of it in the United States if you're a child, let me say that. You get it, but you don't die of it. So there were market failures, why a vaccine? There was no rich world market for a diarrheal vaccine or pneumonia vaccine. And again we thought we could stimulate the pharmaceutical companies through public-private partnership to start to create vaccines. If we could guarantee them a market of millions of children getting this vaccine and then being paid for in the developing world that paid just a little bit over cost, but millions of doses. If we could commit to a market and we knew that the demand would be there we could incent them with the right research dollars to actually create those vaccines. And that is in fact what has happened.

There is now a rotavirus vaccine on the market and there's now a new pneumococcus vaccine. I was in Kenya over a year ago and it was less than a year from when the new pneumococcus vaccine came out and it was being rolled out in Kenya with the right strains from Kenya. And what that means is that when I was growing up in early 1960s, 20 million children died every single year. So when you look at all the children that are born in the world, 20 million die. Now the majority of those deaths happen of course in the developing world and Bill and I said 'well that shouldn't be.' But the way we track whether we're making progress is 'are those childhood deaths coming down.' And I'm happy to tell you that last year there were less than 7 million childhood deaths because of that innovation of vaccine being taken to the developing world.