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Wall Street Journal Op Ed Page Promotes Big Government!

Posted By [John Stossel](#) On March 10, 2010 @ 7:28 am In [Education](#), [Health Care](#), [Media](#), [Politics](#) | [21 Comments](#)



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Yesterday's WSJ had my head whipping around in disbelief. First, a column by school "reformer" Diane Ravitch [explaining why she had concluded that](#) ^[1] "deregulation and privately managed charter schools were not the answer to the deep-seated problems of American education."

Wow. A proponent of choice says she was wrong?

On the same page, [an economist praises Obamacare](#) ^[2]!

One at a time:

Diane Ravitch's Op Ed says charter schools may be worse than unionized government schools!

The only major national evaluation of charter schools was carried out by Stanford economist Margaret Raymond and funded by pro-charter foundations. Her group found that compared to regular public schools, 17% of charters got higher test scores, 46% had gains that were no different than their public counterparts, and 37% were significantly worse.

I emailed some school reformers, saying that I didn't remember Ravitch being an advocate for choice, and asking, "Is she right about the best study being by Raymond?"

Jeanne Allen of the [Center for Education Reform](#) ^[3] responded:

"You are correct; Diane Ravitch was never really a reformer. She joined the Bush Admin because of her friendship with Checker [Finn], and she was always a big fan of government to solve problems. I've gone back through numerous notes I had back and forth with Diane dating back to the early 2000s. All of them are about Political correctness in textbooks, or standards, or the deficiencies in math teaching. She never once accepted an invitation to speak at a reform conference (other than Checker's) I really don't think she was ever with us, but her alliance with Checker and her record with the Bush admin certainly led folks to "assume" her into the reform fold.

I would argue that the biggest factor, in her public "conversion" has to do with her new

relationship with a top official at the UFT.

About Raymond's charter conclusions. They are VERY, VERY Flawed. The best data comes from Caroline Hoxby, who uses actual children from comparable backgrounds and actual test results, to report conclusively that charter students outperform public school students in comparable circumstances."

Okay, that makes sense. Relationships matter, and the UFT is committed to killing choice. Also, I've seen [plenty](#) ^[4] of [research](#) ^[5] that show charter schools succeeding. And one beauty of choice is that when a charter school does not succeed, it goes away. Unionized government schools fail, and fail again.

Here's [more on Ravitch](#) ^[6] from Andrew Coulson of Cato.

Op Ed #2: Harvard Economist David Cutler says Obamacare will save America money, and applauds it for, among other things, "Moving to value-based payment in Medicare. Both Democrats and Republicans have called for moving from a system where volume drives reimbursement to one where value drives reimbursement. The president's proposal includes virtually every idea offered for doing this."

Maybe the best response to the cost saving claim [comes from Stanford's Alain Enthoven](#) ^[7].

Cato's Michael Cannon adds:

Value-based payment in Medicare is pure fantasy, both from a conceptual and political perspective.

Conceptually, politicians will never find that one perfect payment system that promotes quality. Each way of paying doctors promotes some dimensions of quality, but fails others. See this piece by Jerome Groopman about what happens when government tries to promote quality care: <http://www.nybooks.com/articles/23590> ^[8]. Markets promote all dimensions of quality (access, effectiveness, convenience, choice, etc.) by allowing competition between different payment systems (capitation, fee-for-service, and everything in between). Politicians will end up settling on a single payment system (as Medicare does right now: FFS).

Even if the experts could find that one, perfect payment system, incumbent providers would block it, just as they have blocked pilot program after pilot program. See this article: ^[9]<http://www.kaiserhealthnews.org/Stories/2009/November/03/medicare-pilot-projects.aspx> ^[10] (it's about cost-cutting pilots, but quality-improving pilot programs suffer the same fate).

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URLs in this post:

[1] explaining why she had concluded that: <http://online.wsj.com/article/SB10001424052748704869304575109443305343962.html>

[2] an economist praises Obamacare: <http://online.wsj.com/article/SB10001424052748703936804575108080266520738.html>

- [3] Center for Education Reform: <http://www.edreform.com/Home/>
- [4] plenty : <http://stossel.blogs.foxbusiness.com/2010/02/18/education-show-tonight-killing-school-choice-in-dc/>
- [5] research: http://online.wsj.com/article/SB125358513141729871.html?mod=rss_US_News
- [6] more on Ravitch: <http://www.cato-at-liberty.org/2010/03/09/diane-ravich-expert-historian-policy-tyro/>
- [7] comes from Stanford's Alain Enthoven: <http://healthaffairs.org/blog/2009/12/22/would-reform-bills-control-costs-a-response-to-atul-gawande/>
- [8] <http://www.nybooks.com/articles/23590>: <http://www.nybooks.com/articles/23590>
- [9] : <http://www.kaiserhealthnews.org/Stories/2009/November/03/medicare-pilot-projects.aspx>
- [10] <http://www.kaiserhealthnews.org/Stories/2009/November/03/medicare-pilot-projects.aspx>

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