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A tale of two heavy-handed government problems: Sochi & ObamaCare

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From incomprehensible bathrooms, to toxic hotel water, to the mass execution of an astonishing number of feral dogs, one might forget that the Russians had seven years to prepare for the Sochi Olympics.

Americans have been quick to ridicule Vladimir Putin and his minions. But we should instead take a lesson. After all, how different are our myriad ObamaCare problems?

After being promised lower premiums, better coverage and greater portability, we actually are ending up with massive cancellations, higher premiums and degraded coverage. The Obama administration didn't have quite the seven years the Russians had to prepare for the Olympics but it was pretty close. And our ObamaCare fiasco and Russia's Sochi fiasco are due to the same error: Both of us are using government to solve problems that could have been better solved by markets.

Government runs on a system defined by power and benefit. Politicians seek power and special interests benefit by encouraging them to exercise it at your expense. What results? Wall Street bailouts of corporations deemed "too big to fail," mountains of regulation that favor established businesses at the expense of potential new competitors and an annual avalanche of legislation that serves only to empower entrenched interests of every stripe.

Markets, on the other hand, run on a system of profit and loss. Entrepreneurs and investors seek profits and customers guide them by paying for good products and refusing to pay for bad products. What results? Smartphones, wonder drugs, home delivery of pizza in 30 minutes or less and countless other things you use every day.

Government is a tool of coercion while markets are tools of cooperation. Society needs both but as we see with Sochi and ObamaCare, the damage caused by using the wrong tool to solve a problem is often worse than the problem itself.

Russia spent more than \$50 billion preparing Sochi. And what did visitors and athletes get for all that money? Not nearly enough. This is always the answer when governments decide to do what markets can do better.

Markets are not perfect. They are populated by sometimes selfish, often ignorant, always fallible humans. What the defenders of big government seem to miss is that government is populated by those very same humans. The difference between markets and government isn't that one is less error-prone than the other; it's that the market's profit-and-loss system provides built-in incentives for people to identify and correct errors as quickly and efficiently as possible.

The government's power and benefit system provides no such incentives. Where incentives for efficiency do exist in government they are merely coincidental, occurring when the people involved happen to be selfless and competent. Those saints exist in markets too, of course. The difference is that markets don't require saints to function well. Government does.

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