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Washington at Work; An Idealist's New Task: To Revamp Health Care

By ROBERT PEAR,

WASHINGTON, Feb. 25— He made radical changes in the curriculum at Brown University. He led a band of young idealists working for social change in Brockton, Mass. He tried unsuccessfully to make his home state of Rhode Island into a laboratory for his theory of industrial policy.

And now he is trying to revamp the nation's health-care system. Ira C. Magaziner is President Clinton's senior adviser for policy development. But he works mostly for Hillary Rodham Clinton in her effort to devise a plan to control health costs and guarantee health care for all Americans.

Mr. Magaziner, who is 45, is variously described as a complex, intense man; a shy, eccentric genius; a harsh taskmaster who works harder than anyone on his staff.

"Ira is a nonlinear thinker," said Stephen H. Crolius, a 37-year-old consultant at Telesis, a company founded by Mr. Magaziner. "Most people are used to thinking in terms that proceed logically from A to B to C to D. Ira can go immediately from A and B to G." 'An Outsider in Washington'

Following an edict he imposed on other officials, Mr. Magaziner refused to discuss the Administration's health-policy review. By his own account he is "an outsider in Washington," a novice in the capital's corridors of power. But he presides over a policy-making apparatus like nothing seen here in decades: more than 300 economists, health-policy experts, Government employees and consultants racing to assemble a major health-care proposal by May 1.

"He is worth several million dollars, but I think he owns one rumpled suit, which he doesn't press," said Mark Patinkin, who wrote a book with Mr. Magaziner in 1988. "He spends 90 percent of his mental energy thinking about policy. He lives to solve policy problems."

Mr. Magaziner's career as a business consultant illuminates his approach to health policy. He has immersed himself in vast quantities of detail and data, just as he did when he worked for clients like Volvo, General Electric, Corning, Wang Laboratories and the Governments of Israel and Sweden.

He has established more than two dozen committees to study aspects of health policy, including cost controls, long-term care and mental health. Each team must meet seven deadlines. Each deadline, in his jargon, is a tollgate. He spends his time talking with these committees, with members of Congress and with lobbyists from groups like the Health Insurance Association of America.

Mr. Magaziner was a Rhodes Scholar at Oxford University with Bill Clinton, and his intellectual imprint is evident in Mr. Clinton's campaign manifesto, "Putting People First."

In a 1990 study called "America's Choice: High Skills or Low Wages," Mr. Magaziner said the nation must train workers and reorganize the workplace to meet challenges of the 21st century. As candidate and as President, Mr. Clinton has often talked about the need for "an economy of high-wage, high-skill jobs." Consultant and Agitator

For nearly 20 years, Mr. Magaziner was a consultant to blue-chip companies, which he often charged more than \$500 an hour, colleagues say. But he also advised Walter F. Mondale and Michael S. Dukakis, the Democratic candidates for President in 1984 and 1988, and he has not abandoned his past as a political agitator.

Roger G. Ackerman, president of Corning, which makes glass and high-tech materials, described Mr. Magaziner as "a tremendous encyclopedia," the best consultant ever retained by the company. He said Mr. Magaziner helped Corning compare itself with foreign competitors.

"Ira constructed a model of what we were up against by visiting foreign countries and collecting huge amounts of information about our competitors' taxes and labor costs," Mr. Ackerman said in an interview. "Based on his advice, we decided to make a big commitment to the liquid-crystal display business in Japan, and it's been a success story for Corning."

On the other hand, in 1989, Mr. Magaziner told a Congressional committee that the Federal Government should invest in research on "cold fusion," lest the United States fall behind Japan and European countries in developing this technology. Congress, he said, must not "dawdle and wait until the science is proven." The science, however, has still not proved commercially valuable. Led Curriculum Reform

Mr. Magaziner grew up in New York City, the son of an accountant who worked at a tomato-packing company. As valedictorian of the class of 1969 at Brown, he led efforts to liberalize the curriculum. Through noisy rallies and quiet negotiations, he persuaded faculty members to move away from large lecture classes and toward individual instruction and independent study.

"The goal was to eliminate most of the requirements and let students have greater freedom to choose their courses," said Elmer E. Cornwell Jr., a professor of political science at Brown. "Ira and another student drafted a very comprehensive report, and most of their recommendations were adopted by the faculty. A great deal of Brown's popularity flows from the 1969 curriculum

reform. We were viewed as an avant-garde kind of place."

After two years at Balliol College, one of the oldest colleges at Oxford University, Mr. Magaziner and several friends went to Brockton, an old shoe-manufacturing center 19 miles south of Boston, for a local experiment in social democracy that sought to reverse the city's economic decline.

In an effort to give more power to the residents of Brockton, Mr. Magaziner and his friends supported liberal candidates for local office and established a food cooperative, a weekly newspaper, a tenants' rights organization and a nonprofit corporation to repair dilapidated housing.

"We were very idealistic, committed and earnest," said Joshua C. Posner, who graduated from Brown in 1971. "After a couple of years, it became clear we were not going to change the world starting with Brockton. Ira realized there was a lot about the real world that he didn't know, and he wanted to learn. That's why he went to the Boston Consulting Group in 1973, to be a business strategy consultant." Moving Toward the Center

This was a turning point in Mr. Magaziner's career. At this time, his friends say, he moved toward the center of the political spectrum.

"Up till then, Ira had seen big business as an institution to be skeptical about," Mr. Patinkin said. "But a number of Brockton shoe factories shut down because of foreign competition. All his work to help the needy was overwhelmed by the closing of those factories. Ira realized that corporate and economic success was the truest path to save the world, to create prosperity for those who didn't have it."

In 1979 Mr. Magaziner formed his own consulting concern, Telesis, to develop his ideas on industrial policy and to advise corporate clients. In 1986 he sold it to Towers Perrin, a big consulting company, for a sum estimated by Rhode Island businessmen at \$6 million. He formed another consulting concern, SJS Inc., in 1990.

Mr. Magaziner put his economic ideas to a test in 1984. He was the chief architect of a \$248 million industrial development plan for the State of Rhode Island. The proposal was called the Greenhouse Compact, an allusion to the fact that Mr. Magaziner wanted to establish "greenhouses" to nurture promising industries like robotics. But the plan was overwhelmingly rejected by voters in a state referendum. Economic Ideas Criticized

Recalling the referendum, Prof. George H. Borts of Brown, who describes himself as a free-market economist, said, "Ira's economic ideas were primitive, just off the wall." He maintained that Mr. Magaziner seemed to assume that Rhode Island, the nation's smallest state, could develop its own economy and thrive on exports. That notion is absurd, Professor Borts said, because Rhode Island is economically dependent on its neighbors, Massachusetts and

Connecticut.

In addition, Mr. Borts said: "There was great suspicion that the Greenhouse Compact would favor some firms at the expense of others. Businessmen feared their competitors would be subsidized by the state."

But many ideas from the Greenhouse Compact, like the proposal for government aid to high-tech industries, showed up in Mr. Clinton's economic proposals.

J. Joseph Garrahy, a Democrat who championed the Greenhouse Compact as Governor of Rhode Island in 1984, said, "Leading educators and businessmen saw it as a valid way of trying to help the state out of its economic difficulties."

Representative John F. Reed, a Rhode Island Democrat, said: "Ira's predictions about the state's economy have unfortunately been borne out. If we didn't do anything, he warned, the job base and the manufacturing base would decline. He was right."

In the national health-care industry, as in the Rhode Island economy, Mr. Magaziner wants to stimulate free-market competition, but he also welcomes the firm guiding hand of government. Thus, the President's Task Force on National Health Care Reform is considering "interim cost controls" like limits on doctors' fees and hospital charges.

Edward J. Caron, a vice president of Providence College, who worked with Mr. Magaziner at Telesis and SJS Inc., said: "Ira thinks in very broad strokes. His health-care reform proposal will be well-supported and well-documented. But he will need nuts-and-bolts people to put his strategy into effect in the real world, at the level of the average person, because he thinks at a more global level."

Photo: Ira C. Magaziner, President Clinton's senior adviser for policy development, is finding the health-care agenda of Donna E. Shalala, left, Secretary of Health and Human Services, and Hillary Rodham Clinton, the head of the President's task force, to be the major focus of his job. (Stephen Crowley/The New York Times) Chronology: "Ira C. Magaziner" Born: Nov. 8, 1947, New York City. Hometown: Bristol, R.I. Education: Public schools of Far Rockaway, Queens, and Lawrence, N.Y.; Brown University; Oxford University. Career Highlights: 1971-73, neighborhood organizer, Brockton, Mass.; 1973-1979, Boston Consulting Group; 1979-1989, president of Telesis, a business consulting concern; 1990-92, president of SJS Inc., a consulting concern. 1988-91, chairman, Commission on the Skills of the American Work Force. Also involved in public policy studies like the Greenhouse Compact, for industrial development, and Aging 2000, for health care, in Rhode Island. Family: Married to Suzanne McTigue; two sons and one daughter. Hobbies: New York Giants football fan; New York Yankees baseball fan; travel with his children.

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