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Policy Entrepreneurs: The Power of Audacity

Bruce Levinson | May 21, 2013 | Opinion

The most powerful, influential, and creative people in any society are its entrepreneurs. Entrepreneurial endeavors span every field of human enterprise: commerce, academia, the arts, and, yes, even the [career civil service](#).

The power of civil service entrepreneurship was beautifully illustrated in a recent book by Ken Godwin, Scott Ainsworth and Erik Godwin, *Lobbying and Policymaking*, which shows how policy change depends on entrepreneurship, whether from inside or outside of government.

In a recent [article](#), Jim Tozzi, a former official at the [Office of Information and Regulatory Affairs \(OIRA\)](#), provides an accounting of the events during the Johnson through Carter Administrations that resulted in the founding of OIRA in 1980, a successful entrepreneurship undertaken from within the



civil service. As it happens, Tozzi is also featured in the Godwin et al. book — but in its discussion of the Data Quality Act (“DQA”) of 2001, an example of civil service entrepreneurship undertaken from outside the government.

Whether entrepreneurship takes place inside or outside of government, Tozzi’s article and his work on the DQA provide exceptional support for Godwin’s finding that the “entrepreneur has extensive knowledge not only of the issue but also of the policy process.”

Godwin et al. provide new policymaking insights through their analysis of the DQA. Of particular note, they highlight functional differences – in scope, strategies, and funding – between how ordinary lobbyists and policy entrepreneurs approach the policy process.

With respect to scope, the authors note that lobbyists typically focus “on obtaining goods” for their clients, while policy entrepreneurs often choose a more expansive

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canvas for their work. Entrepreneurial audacity was on display with the DQA, which Godwin et al. describe as “a radical change in regulatory policymaking” and “one of the most significant regulatory reforms over the past twenty-five years.” They say the DQA “changed the balance of power” in regulatory circles.

That’s typical of what Godwin et al. refer to as policy entrepreneurs’ audacious aspirations: “most successful policy entrepreneurs create an institutional change that will shape future policy decisions.” Their case study of the DQA provides insights into the advantages of policy actors adopting a long-term strategic perspective versus pursuing results-now [tactical targeting](#) of limited goals.

Given the broad applicability of the DQA, it’s not surprising that one of the most notable DQA victories was initiated by an environmental organization. Public Employees for Environmental Responsibility (PEER) used the DQA to [change](#) the [Fish and Wildlife Service’s](#) (FWS) determination of the habitat needed by the Florida panther. PEER’s successful use of the DQA was particularly remarkable because the group’s Request for Correction was signed by a former FWS scientist who had worked on the panther issue and was subsequently fired. Thus, DQA empowered citizens in a novel and, perhaps, unforeseen way.

A lobbyist’s coalition-based legislative strategy can be very different from that of a policy entrepreneur’s low-drag approach. Godwin et al. describe the strategy for passing DQA by stating that the push to establish the law had “no visibility, no competition, no bargaining, and parties and elections were unimportant to [its] passage.”

Ironically, lobbyists who undertake broad, politically-attuned strategies still often yield results which benefit a few, while the narrow, even quieter, approach of the entrepreneur can result in a high-impact tool that can be used by everybody. In the case of the DQA, even the legislators who voted for it have used the law. Among the first Requests for Correction filed under the DQA was a petition to the [Environmental Protection Agency](#) (EPA) [signed](#) by four Senators.

Unlike lobbying undertaken by coalitions with significant financial resources, policy entrepreneurs may not have any funding model at all. Godwin et al. states that “[i]nterviews with individuals who are familiar with the development of the DQA indicate that Tozzi was not paid by any of his clients to develop the amendment.”

Godwin et al. do explain that “Tozzi was in close contact with his clients and solicited their advice concerning how the amendment should be phrased.” They acknowledge, too, that the “DQA has provided substantial work for Tozzi’s lobbying firm.” Thus, the authors raise an interesting question: if Tozzi had been paid for the DQA, with the associated need for external sign-offs on key decisions, would the DQA have been enacted?

Godwin et al.’s book offers insights into why the initiative to create the DQA was undertaken in the first place. Regulatory policies at EPA and the [Food and Drug Administration](#) (FDA) assigned radically different weights to evidence based on who submitted it, rather than on the quality of the data submitted. These asymmetric data policies were biased against industry. Godwin et al. discuss how the FDA’s drug registration process placed far more expansive and expensive data requirements on a

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pharmaceutical firm seeking approval for a substance than on a researcher seeking to prevent the product's approval.

Godwin et al. further explains that FDA was not the only agency weighing data based on the type of submitter rather than the quality of the data submitted. They point to EPA's pesticide registration process as another example of a situation where industry believed that regulatory agencies had a "double standard that punished producers." The authors describe the DQA's impetus by stating that Tozzi "decided to eliminate this perceived double standard."

A new National Academy of Sciences ("NAS") [study](#) confirms the DQA's impact, noting that "all federal agencies are expected to comply" with the Office of Management and Budget's DQA guidelines. Moreover, the NAS recommended that "agencies should, at a minimum, subject all information to a review based on OMB criteria of "objectivity, utility and integrity."

The financial rewards from entrepreneurship can be tremendous. Wealth generation, however, is not the aspiration of many entrepreneurs. Some entrepreneurs, such as Bill Gates, have turned from business to the distinct challenges of social entrepreneurship. Others, such as Mark Zuckerberg, [engage](#) in multiple facets of entrepreneurship simultaneously. Many, many other successful entrepreneurs never pursue wealth at all. As Tozzi explains, for a social entrepreneur "the payoff is in terms of improving the functioning of government – not a hundred-foot yacht."

Bruce Levinson is Senior Vice President – Regulatory Intervention at [The Center for Regulatory Effectiveness](#). He provided assistance in the preparation of the Administrative Law Review article discussed in this post and has been involved in numerous DQA-related activities at the Center for Regulatory Effectiveness.

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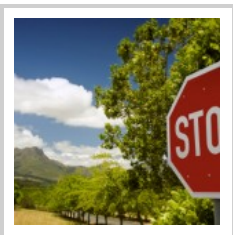
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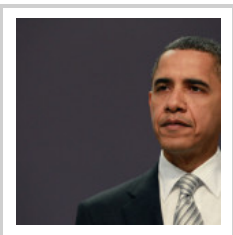
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