

Accomplishment Beyond Dollars

Social, policy, and environmental entrepreneurs have enterprise and initiative, taking an improved planet as their main compensation. Entrepreneurs have succeeded because they have developed techniques that move the ball forward with no personal reward



Jim Tozzi served as a senior regulatory policy official in five consecutive administrations and is a public member of the Administrative Conference of the United States.

Bruce Levinson is senior vice president—regulatory intervention at the Center for Regulatory Effectiveness and the editor of *OIRA Watch*.

We frequently read about the successes of entrepreneurs in the private sector. Their rewards range from sumptuous yachts to palatial homes to, perhaps, a legacy in history books. However, there is another group of entrepreneurs that public administration scholars have been studying for years. We present the results of extensive reviews performed by leading academicians who have identified five individuals whose work fits three entrepreneurial categories in which financial status is not a proxy for success.

Each example illustrates a different application of the entrepreneurial spirit and yet all five cases share some commonalities from which lessons can be drawn. We present a *social entrepreneur* who created networks of social innovators, and another who built the most effective organization for securing patient access to medical marijuana; an international *policy entrepreneur* who established a template for free trade agreements and a domestic policy entrepreneur who overhauled the process and standards for developing federal regulations; and an *environmental entrepreneur*, a former staff member of a congressional committee who created much of America's environmental policy. It is important to note that the recognition of these entrepreneurs is based largely on extensive independent analysis of their accomplishments by National Science Foundation-funded researchers.

An article in the *Washington Post* headlined "The Rise of the Social Entrepreneur," by Melisa Stefan (November 11, 2011), concludes: "An entrepreneur brings

energy, business rigor, intelligence, and resourcefulness to a problem, upsetting the status quo. Social entrepreneurs see a societal issue and apply the same principles."

The article explains:

"The rise of nonprofit collaboration stems from a society-wide sense that social problems need innovative solutions that are not likely to emerge from the government," said Greg Dees, co-founder of the Center for the Advancement of Social Entrepreneurship at Duke University. "We see our government struggling, and that's true around the world," he said. "We need private resources and private resourcefulness." By "private resources," Dees means more than just money. Social entrepreneurship, as a field, focuses more on people and new ideas than traditional philanthropy alone, according to Kriss Deiglmeier, head of Stanford's Center for Social Innovation.

Based on the work of Ashoka Innovators for the Public and on the academic literature, our definition of social entrepreneurship is using innovative activities to create effective responses to social challenges in settings ranging from the neighborhood to the world.

This article defines the term policy entrepreneur consistent with the 1991 Department of Defense-funded research of Nancy Roberts and Paula King, as meaning "the process of introducing innovation — the generation, translation, and implementation of new ideas — into the public sector." Because policy entrepreneurs work to improve government, they often

emerge from the civil service, the backbone of civilization. And no enterprise is stronger than its backbone.

Environmental entrepreneurship we define by the example set by the as yet unparalleled accomplishments of an individual responsible for creating much of our federal environmental policy. The term “environmental entrepreneurship” has been misused by organizations, researchers, and the media to mean everything from green business ventures to the activities of environmental non-profit organizations. By contrast, our example of an environmental entrepreneur is an individual who did not donate large sums of money to the cause nor lead a national or international organization but did single-handedly transform the process by which the environment is regulated.

Social entrepreneurs, persons who use entrepreneurial techniques to meet human needs, provide a powerful demonstration of the global benefits from entrepreneurship. Bill Drayton, a former assistant administrator at EPA who later founded Ashoka — a global organization that identifies and invests in leading social entrepreneurs — exemplifies the best of social entrepreneurship. Jim Tozzi had the good fortune of having a near-weekly breakfast with Bill Drayton during the latter’s tenure at EPA in the Carter administration. Drayton’s work in founding Ashoka was a landmark event in the history of social entrepreneurship. Ashoka invests in social change similar to the way venture capitalists invest in start-up businesses. Drayton is recognized throughout the world as the leading social entrepreneur; he is in a class all his own.

In carrying out the Biblical precept of helping heal the sick, Steph Sherer recognized the human consequences flowing from flawed federal data, specifically, in this case, a Health and Human Services statement denying that cannabis has recognized medical utility. HHS’s dissemination of inaccurate data continues to encroach on patient access to health care information and treatment. Americans for Safe Access, the organization Ms. Sherer founded, is working at every level of government using administrative, judicial, legislative, and educational tools, including at times the Data Quality Act (discussed below), in an ongoing effort to ensure patients can safely obtain physician-prescribed medication. She too is a social entrepreneur.

Robert Dahl’s 1961 book *Who Governs? Democracy and Power in an American City* is an essential text in understanding policy entrepreneurship. Dahl analyzed the diverse multitude of actors in New Ha-

ven, Connecticut, to determine who actually wields power. A 1963 review of *Who Governs?* in the *Canadian Journal of Economics and Political Science* explained that Dahl attempted “to track down various potential sources of direct and indirect political influence: elected leaders, political sub-leaders, economic notables, social notables, voters, and the like.” What Dahl found was that holders “of high social position and/or great wealth wield little behind-the-scenes influence. Voters, meanwhile, have only an indirect impact on the political process, as their interest and range of choice are slight. The number of highly influential citizens is limited to a small group who deliberately concentrate the resources at their disposal on political matters.” In Dahl’s work we can see early academic recognition of the most basic trait common to all three categories of successful entrepreneurs, having an intense focus on process.

The National Science Foundation has been one of the dominant funders of political science research by academia. Included in the NSF program is research directed at the methods used to affect federal policymaking. Several professors concluded that there is a substantial difference between lobbyists and policy entrepreneurs. Based on their literature, we define a lobbyist as someone who conducts a public pursuit of private interests whereas a policy entrepreneur conducts a private pursuit of public interests. We focus on the latter.

As a result of the aforementioned observations, the NSF provided grants that resulted in a publication by Congressional Quarterly entitled *Lobbying and Policy-making — The Private Pursuit of Private Interests*, by Ken Godwin, Scott Ainsworth, and Erik Godwin. The NSF has supported or otherwise recognized many researchers who have contributed to our understanding of the work of entrepreneurs in government. Godwin conducted eight case studies on policy formulation and concluded that the individuals associated with the passage of the North American Free Trade Agreement and the Data Quality Act were the leading examples of successful policy entrepreneurs.

With respect to NAFTA, former Mexican President Carlos Salinas’s 1990 initiative that achieved a comprehensive free trade pact with the United States and Canada is a stunning example of the power of policy entrepreneurship. In examining Salinas’s accomplishments, Godwin emphasizes a core issue: a deep knowledge of the technical and political facets of the policy process is essential to entrepreneurship. An entrepreneur’s in-depth insider knowledge and years of work are vastly more important than merely having a good idea or a creative approach.

In the case of the Mexican president, his American policy experience included obtaining master's and doctoral degrees from Harvard. Although such education may sound more theoretical than practical for a political career, Wallace Sayre, a political scientist at Columbia, notes that the intensity of academic politics is in inverse proportion to the issues at stake. In addition to process knowledge, Godwin emphasizes that Salinas made the wise decision of choosing a powerful interest group, the Business Roundtable, as an ally.

A Congressional Research Service report, "NAFTA at 20," notes that "NAFTA has brought economic and social benefits to the Mexican economy as a whole," even though the benefits have been uneven. The CRS report also contains an observation, recounted below, that makes evident that one positive externality from successful entrepreneurship is that it leads to additional policy successes well beyond the scope of the original endeavor. CRS explained that one legacy of NAFTA "is that it has served as a template or model for the new generation of [free trade agreements] that the United States later negotiated and it also served as a template for certain provisions in multilateral trade negotiations as part of the Uruguay Round" of the World Trade Organization talks.

Almost all examples of successful policy entrepreneurship involve alliances with various vested interests, except one. Godwin analyzed the entrepreneurial process by which the Data Quality Act was enacted [SEE *The Environmental Forum*, September/October 2004]. The act put the White House Office of Management and Budget in charge of setting quality standards for all data disseminated by federal agencies. The law also granted affected persons the specific right to "seek and obtain" correction of data not meeting standards. Godwin describes the DQA as "a radical change in regulatory policymaking" and "one of the most significant regulatory reforms over the past twenty-five years." The law changed how the government evaluates and manages data throughout the collection-analysis-dissemination process. It was drafted and passed without assistance from potentially affected parties. Godwin states that the DQA was "a policy that was invisible to the political parties, to the legislators who passed it, and to the president who signed it into law."

The DQA breaks with traditional models of policymaking — and demonstrates a critical break with lobbying — because a major change was achieved not only without attention and without allies but also without the provision of resources by other parties. Godwin notes that he determined that the entrepre-

neur, Jim Tozzi, "was not paid by any of his clients to develop the amendment." Godwin's research was in keeping with Dahl's findings about great wealth yielding "little behind-the-scenes influence."

Another example of policy entrepreneurship could emerge from a detailed review of various reference works on the evolution of the centralized regulatory review function in OMB [SEE *The Environmental Forum*, May 1982, May 1983, January/February 2012, and the *Administrative Law Review (Special Edition)* 37 (2011)]. The NSF or a comparably capable organization could sponsor research to assess the contribution of the various individuals who participated in the establishment of centralized regulatory review.

Unfortunately, NSF has discontinued support of its political science programs because of congressionally imposed funding criteria that include a statement on preventing the NSF from "wasting federal resources on political science projects." The doors are open for a major foundation or university to fund additional case studies and for the Congress to eliminate this restriction.

In discussing environmental entrepreneurship, a sharp distinction needs to be drawn between the environmental entrepreneur described herein and the plethora of organization founders, functionaries, politicians, pundits, philanthropists, executives, talking heads, and countless other really famous and important people. The environmental policy community should address several questions: One, is it worth dedicating scarce resources to the identification and promotion of environmental entrepreneurs? Thanks to scholars in political science, public administration, and economics there is a substantial amount of literature which provides researchers with tools for assessing whether the identification of environmental entrepreneurs (including their warts and associated financial costs) is a socially beneficial program to pursue. Two, if one or more organizations proceed with identifying additional environmental entrepreneurs and promoting their entrepreneurial attitude and techniques, how does one develop a repository of successful methods and techniques which can be used by future entrepreneurs?

The hallmark and the legacy of entrepreneurs rest on their having fundamentally changed the processes by which future decisions are made. In short, environmental entrepreneurs are measured not just by their immediate accomplishments but also by the accomplishments of their progeny. By being able to enact viral process changes through detailed process knowledge and a long term effort, but with little funding and less recognition, environmental and policy entrepreneurs are potentially a polity's most powerful and least predictable actors.

Recognition of environmental entrepreneurs requires a careful, serious review of the record. By way of analogy, recognition of environmental entrepreneurs should involve a process more akin to that used by the Vatican for verifying saints rather than their process for electing popes. Thus, it is safe to say that individuals whose achievements have not passed rigorous scholarly review are not likely to be environmental entrepreneurs. It is equally safe to say that persons whose claim to fame is primarily through their record of inspiring others or providing vast sums of money are also excluded from being an environmental entrepreneur.

If an organization did decide to initiate a process for recognizing environmental entrepreneurs so as to derive lessons and practices supporting future entrepreneurship, then there would be the need for a formal identification and recognition process. A process implies that there would be one or more institutions to manage a scholarly evaluation of environmental entrepreneurship. In short, there would be the need for organizations to perform rigorous analysis and also an Ashoka-NSF type function of providing “professional support services and connections to a global network across the business and social sectors” for environmental entrepreneurs.

To reiterate, the identification of environmental entrepreneurs would not be an end in itself. Recognizing such entrepreneurs would be worthless if it became some sort of hall of fame and another opportunity for the one percent to celebrate themselves. Rather, the purpose of the process would be to support future environmental accomplishments, unquantifiable yet valuable beyond dollars.

Our example, the Montana-educated child of journalists Leon Billings, came to Washington as a lobbyist for the American Public Power Association. After several different jobs Leon emerged as staff director for Senator Edmund Muskie (D-Maine), who chaired the committee which had jurisdiction over environmental programs. Jim Tozzi had the opportunity to work with Mr. Billings at the initiation of the Clean Water Act’s development. Mr. Tozzi was the head of environmental programs in the Office of Management and Budget and represented the administration during congressional consideration of the statute. From the onset, Mr. Billings was the sole environmental entrepreneur at the table; he developed innovative ideas and realized them by having accumulated vast amounts of political capital through many hours of hard work with elected officials of both parties. In the Billings’ regime there was not a majority and a minority staff; there was one staff — the Senate Public Works staff. Efforts by Tozzi to have minority members oppose committee actions

were often fruitless because Billings had the support of the “minority” staff.

Billings, a non-lawyer, set broad precedents for the establishment of environmental legislation, including detailed, but not lengthy, requirements for the issuance of regulations by the Executive Branch coupled with stringent deadlines which could be enforced by citizen suits. He also instituted a strong oversight program to monitor the activities of the Executive Branch during the implementation of the Clean Air Act and he instituted a series of actions to hold Executive Branch officials accountable for their actions.

Billings knew how to play hardball — he was frequently referred to as Senator Billings. An often told story is about the time several executives from the automobile industry went to see him regarding tailpipe emissions. The executives handed Billings a sheet of paper with the numbers they wanted enacted into law; Billings took the sheet, folded it into a paper airplane, tossed it, at which time it plummeted to the floor. Billings then remarked: “I guess those numbers do not fly.”

Billings did recognize the importance of public and private participation in congressional deliberations. To this end, he and Tozzi would frequent the Tune Inn bar in D.C., a very inexpensive and, to say the least, non-imposing institution, after congressional markups. Soon thereafter the Tune Inn was frequented by lobbyists awaiting the arrival of Billings, many of whom received their payout in the form of yachts but not the passage of landmark environmental legislation.

Billings is a noteworthy environmental entrepreneur because his work on the Clean Air Act led to the passage of the Clean Water Act and set the stage for the passage of numerous environmental statutes in similar fashion in the 1970s [SEE *The Conflict Over Environmental Regulation*, by Frank Manheim].

We draw three conclusions from this review of the literature and our own personal experience. First, environmental entrepreneurs use a combination of in-depth insider’s knowledge and audacity to change the processes by which decisions are made. Second, strict adherence to the NSF-style vetting process will result in the identification of a small but very select group of environmental entrepreneurs. It takes extensive, independent analysis by third parties to identify environmental entrepreneurs and to educate the public on the techniques they have developed. Third, Leon Billings is an environmental entrepreneur whose work has survived more than four decades of judicial, congressional, and Executive Branch review and has had a lasting impact on the quality of the nation’s environment, all of which sets a high bar for the designation of other environmental entrepreneurs in the future. •