

# NISKANEN

C E N T E R  
C O N S P E C T U S



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The Niskanen Center, which launched operations in January 2015, is a nonpartisan 501(c)(3) think tank that works to promote an open society: a social order that is open to political, cultural, and social change; open to free inquiry; open to individual autonomy; open to the poor and marginalized; open to commerce and trade; open to people who may wish to come or go; open to different beliefs and cultures; open to the search for truth; and a government that protects these freedoms while advancing the cause of open societies around the world. The politics of the 21st century increasingly pits defenders of the open society against a new breed of populists animated by a vision of a closed and exclusive national community.

The Niskanen Center works to advance an open society both through active engagement in the war of ideas and direct engagement in the policymaking process. We develop policy proposals, mobilize other groups to support those proposals, promote those ideas to legislative and executive decision-makers, build short- and longer-term coalitions to facilitate joint action, establish strong working relationships with allied legislative- and executive-branch actors, and marshal the most convincing arguments and information in support of our agenda. The Niskanen Center for Public Policy is an affiliated 501(c)(4) organization that engages in even more direct political action to do the same.

This conspectus provides an outline of who we are, what we do, and why we do it.

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*“VISION WITHOUT EXECUTION IS HALLUCINATION”*

*- Thomas Edison*

## WHO WE ARE

We are globalists who share progressives' desire to robustly address economic and social inequality, liberals' commitment to toleration and civil liberties, moderates' embrace of empiricism rather than dogma, conservatives' belief in the wealth-creating power of free markets, and libertarians' skepticism about the ability of technocratic elites to solve complex economic and social problems.<sup>1</sup>

While most policy organizations are comfortable with ideological adjectives such as progressive, liberal, centrist, conservative, and libertarian, we find the left-right dichotomy too constraining. Many of us started out in the libertarian world, but we've come to recognize the need for government action—while remaining wary of technocratic fixes that underestimate the complexities involved in micromanaging social and economic affairs.

Consequently, we believe that a proper appreciation of liberty is one that promotes an open society, a concept taken from Karl Popper's *The Open Society & Its Enemies* (Routledge, 1945). An open society, Popper argued, is one driven by the longing of people “to free themselves and their minds from the tutelage of authority and prejudice.” Correspondingly, such a society “rejects the absolute authority of the merely established and the merely traditional while trying to preserve, to develop, and to establish traditions, old or new,” that foster “standards of freedom, of humaneness, and of rational

criticism.” An open society is thus anchored in the fundamental liberal principles of free speech, individual privacy and choice, the rule of law, a competitive market economy, cosmopolitanism, tolerance, and representative democracy.

A closed society, on the other hand, embraces a fixed social order, if only as an ideal, and justifies that closed order with historical prophecy, utopian visions, and the inevitability of Manichean struggle. Visions of closed societies have spawned the authoritarianism and totalitarianism that have plagued—and continue to threaten—modern civilization.<sup>2</sup>

The Niskanen Center believes that open societies best function with “openness” in as many dimensions as possible. Hence, we embrace a social order that is open to political, cultural, and social change; open to free inquiry; open to individual autonomy; open to the poor and marginalized; open to commerce and trade; open to people who may wish to come or go; open to different beliefs and cultures; and open to the search for truth. While we, like Popper, believe that the political agents of an open society should respond rationally to public problems and concerns, we favor interventions that minimize the necessity for government micro-management and that economize on the information required by state actors.<sup>3</sup>

As an organization heavily staffed by those who have come out of the world of libertarianism, we have long-standing personal ties and credibility on the right. This is critical because

1 Aurelian Craiutu, “Moderation II: Rules for Moderates,” Niskanen Center, October 18, 2017.

2 Karl Popper's defense of the open society and western civilization against challenges from fascists and communists drew support from both the left and right. His arguments, for instance, were championed by libertarian economist F. A. Hayek and, with Hayek and other libertarians, Popper was a founding member of the Mont Pelerin Society. But Popper was nonetheless a pragmatic social democrat who embraced “piecemeal social engineering” (as opposed to utopian social engineering) and rational policy experimentation to address public needs. His ideas have been embraced, not only by Hayek but also by George

Soros, who established the Open Society Foundation to promote Popper's case for an open society worldwide.

3 As noted by Alan Ryan in an introduction to the most recent edition of *The Open Society & Its Enemies*, Popper “had no doubt that the role of experts, such as it was, was to tell us how to achieve what we had a mind to do; it was up to us to decide what it was we wanted to achieve.” Unfortunately, experts' ability to tell us how to achieve what we have a mind to do is sharply limited. See Jeffrey Friedman, “Popper, Weber, and Hayek: The Epistemology and Politics of Ignorance,” *Critical Review* 17:1-2, 2005, pp. i-lviii. Accordingly, we are skeptical of Popper's faith in the scientific process as a reasonable template for how government might best discover effective solutions to economic or social problems.

the messenger is often more important than the message, and few who traffic in our arguments have any credibility with conservatives (the political audience that arguably needs to hear our arguments the most). Our ability to frame our arguments in a compelling fashion to that community, however, does not inhibit our ability to talk to center-right Republicans or center-left Democrats (the moderates of both parties who are most sympathetic to our world view), or even progressives (who sympathize with many of our policy ambitions and positions). Thus, the Niskanen Center is unique in that it can meaningfully engage with a broad range of ideological and political actors—a valuable asset in a world where odd-bedfellow coalitions are increasingly necessary to get anything accomplished.

## OUR THEORY OF POLICY CHANGE

To the extent that it is articulated, the strategy pursued by many think tanks and policy advocates is to rally public opinion around their cause. The hope is that changing mass opinion will, in turn, help elect friendly politicians, who will then enact politically favored policy agendas.<sup>4</sup>

Changing lawmakers in Washington, however, does not necessarily translate into changing public policy.<sup>5</sup> Consider the 2000 elections, which gave Republicans control of the House, the Senate,

and the White House. These conservative, small-government Republicans went on to enact the largest federal intervention in education since 1965 (the No Child Left Behind Act) and the largest expansion of Medicare in history (the Medicare Prescription Drug, Improvement,

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and Modernization Act). Domestic spending, meanwhile, grew faster during the Bush administration than under any president since Lyndon Johnson.

Policy change is not reliably driven by electoral outcomes or public opinion. It is instead a product of intense insider activity to overcome profound status quo biases in the political system—biases that are not easily moved by external political pressure or material resources.<sup>6</sup> A review of the most significant policy-change events over the past 70 years by political scientist Matt Grossmann finds:

*[N]o matter the issue concern, institutionalized entrepreneurs coalescing and compromising within government institutions are the key components of policymaking. I find no issue areas where policy outcomes are primarily a product of public opinion, media coverage, or research trends. Insular policymaking via*

4 Within the political science community, this is referred to as “majoritarian electoral democracy theory.” For an overview of the evidence for this theory, along with the evidence for the main contending theories—“elite theory,” “majoritarian pluralism,” and “biased pluralism”—see Martin Gilens and Benjamin Page, “Testing Theories of American Politics: Elites, Interest Groups, and Average Citizens,” *Perspectives on Politics*, Fall 2014, pp. 564-581.

5 Christopher Achen and Larry Bartels, *Democracy for Realists: Why Elections Do Not Produce Responsive Government* (Princeton University Press, Revised Edition, 2017).

6 Frank Baumgartner, Jeffrey Berry, Marie Hojnacki, David Kimball, and Beth Leech, *Lobbying and Policy Change: Who Wins, Who Loses, and Why* (University of Chicago Press, 2009).

*cooperation among political officials and interest groups is not merely a type of political conflict; it is the typical form of policymaking across the issue spectrum.*<sup>7</sup>

This will no doubt come as a surprise to many, so some explanation is warranted.

Those who believe that public opinion is politically meaningful often confuse the power of “mass opinion” (the percentage of Americans who believe this or that) with the power of passionate voters, a politically potent subset of the general public. It is the latter, not the former, that truly constrains politicians. That’s because the vast majority of Americans do not want to meaningfully participate in the political process, which means that they are hard to mobilize for political purposes.<sup>7</sup> Hence, the much smaller set of passionate citizens—those who are willing to actually act on their beliefs—are attended to by politicians because they are easier to mobilize. These groups, however, have policy preferences that are uncorrelated with public opinion. Politicians cater to those preferences “when the benefit of advocating the minority’s position outweigh the cost of alienating the less interested majority,” as is quite often the case.<sup>8</sup>

Well-organized political sub-constituencies often find themselves in partisan coalitions, an

arrangement that further enhances their power within their party of choice, but reduces it with political actors outside the party. As political scientist David Karol observes, “The bundling of issues evident among politicians is less a straightforward reflection of voters’ values than a contingent result of coalition politics.”<sup>9</sup>

The upshot is that intensely held and mobilized minority opinions often win out in American politics, not majority opinions (a phenomenon that can be readily seen today in the power of the National Rifle Association). That’s one very important reason why winning over mass opinion for one’s cause is often a fruitless endeavor.

There are three reasons for why mass public opinion means little in American politics. First, the vast majority of voters know or care little about what goes on in Washington (much less in their state capitals).<sup>10</sup> Second, what few opinions they hold tend to be inconsistent, weak and unmoored by any underlying ideology.<sup>11</sup> This helps explain why a question about whether the government should censor pornography, for instance, can produce either 80 percent opposition or 65 percent support depending upon how the question is phrased.<sup>12</sup> Third, as political scientist Gabriel Lenz demonstrates empirically (and as surveys during the most recent presidential election

7 John Hibbing and Elizabeth Theiss-Morse, *Stealth Democracy: Americans’ Belief about How Government Should Work* (Cambridge University Press, 2002).

8 Benjamin Bishin, *Tyranny of the Minority: The Subconstituency Theory of American Politics* (Temple University Press, 2010).

9 David Karol, *Party Position Change in American Politics: Coalition Management* (Cambridge University Press, 2009). It should be noted, however, that the coalitions within the Democratic Party are primarily constituted of interest groups with few common denominators. The coalitions within the Republican Party, on the other hand, are primarily ideological and far more homogenous. These differences have profound implications for how each party operates, campaigns, and governs. Matt Grossmann and David Hopkins, *Asymmetric Politics: Ideological Republicans and Group Interest Democrats* (Oxford University Press, 2016).

10 Angus Campbell, Philip Converse, Warren Miller, and Donald Stokes, *The American Voter* (Wiley, 1960), and Ilya Somin, *Democracy and Political Ignorance: Why Smaller Government is Smarter*, 2<sup>nd</sup> Edition (Stanford University Press, 2016).

11 Donald Kinder and Nathan Kalmoe, *Neither Liberal nor Conservative: Ideological Innocence in the American Public* (University of Chicago Press, 2017).

12 Robert Erickson, Norman Luttbeg, and Kent Tedin, *American Public Opinion: Its Origins, Contents, and Impact*, 3<sup>rd</sup> ed. (Macmillan, 1988). Political scientist Martin Gilens cites a few additional examples of the same phenomenon. While 64 percent of Americans in one poll thought the government was spending too little on “assistance to the poor,” only 22 percent thought too little was being spent on “welfare.” In another survey, two in five said the government should “not allow” public speeches against democracy, but only half of that number felt that the government should “forbid” the same. And while 64 percent of Americans in another survey supported a program that would reduce unemployment from 10 percent to 5 percent even if it caused higher inflation, only 46 percent supported the same program when it was described as increasing employment from 90 to 95 percent. Martin Gilens, *Affluence & Influence: Economic Inequality and Political Power in America* (Princeton University Press, 2012).

confirmed<sup>13</sup>), voters readily adopt the positions of favored political leaders (who are typically embraced based on the intentions heuristic<sup>14</sup>), even when it means abandoning previously held

of opportunity that were previously shut.<sup>17</sup>

But while a favorable political terrain is part of the political context that enables productive

patterns of insider cooperation to emerge, it has proven to be neither a sufficient nor even a necessary condition for policy change. In any case, policy advocates can only adapt to these sorts of shifts, since they are well outside their capacity to influence except at the margin or over the very long term.

**THE NISKANEN CENTER RELENTLESSLY FOCUSES ON WASHINGTON INSIDERS (AND WHEN WORKING IN THE STATES, WITH THOSE STATE POLITICAL INSIDERS), THE REAL DRIVERS OF NEAR- AND MEDIUM-TERM POLICY CHANGE.**

positions.<sup>15</sup> One particularly arresting example: Just before President Richard Nixon's surprise announcement of wage and price controls in the summer of 1971, only 37 percent of Republican activists supported such measures. Immediately after Nixon's announcement, however, 82 percent of Republican activists supported them.<sup>16</sup>

Investments in changing the political terrain are not pointless. No matter how disengaged it tends to be, the public does choose presidents and legislators, and these choices have important consequences. The ideological preferences of Congress and the executive make some policy changes easier to execute than others, and establish the boundaries of what is possible. Change in party control also can open windows

Hence, the Niskanen Center relentlessly focuses on Washington insiders (and when working in the states, with those state political insiders), the real drivers of near- and medium-term policy change.<sup>18</sup> These insiders work most effectively through stable but porous governing networks composed of legislators and their staff, presidential appointees, career civil servants, mobilized special interests, and somewhat close-knit, politically well-connected policy specialists: researchers, congressional committee staff, people in planning, evaluation, and budget offices, academics, and interest-group analysts.<sup>19</sup> These insiders determine which reform ideas live and which die, so they are the main audience for our policy work.

13 Ariel Edwards-Levy, "Republicans Like Obama's Ideas Better When They Think They're Donald Trump's," *Huffington Post*, September 1, 2015.

14 Jeffrey Friedman, "The Legitimacy Crisis," Niskanen Center, October 7, 2017.

15 Gabriel Lenz, *Follow the Leader?: How Voters Respond to Politicians' Policies and Performance* (University of Chicago Press, 2012). For a popular summary of the evidence for Lenz's argument, see Brian Resnick, "Trump is a Real-World Political Science Experiment: How Far Will Republicans Follow Their Leader?" *Vox*, October 11, 2017.

16 John Zaller, *The Nature and Origins of Mass Opinion* (Cambridge University Press, 1992).

17 Frank Baumgartner et. al., *Lobbying and Policy Change*, *op. cit.*

18 This is the central claim of "elite theory" in political science. For a textbook summary of elite theory, see Louis Schubert, Thomas Dye, and Harmon Zeigler, *The Irony of Democracy: An Uncommon Introduction to American Politics*, 16<sup>th</sup> ed. (Wadsworth, 2014). A recent empirical test of the various theories of policy change by political scientists Martin Gilens and Benjamin Page (*op. cit.*)—the first empirical analysis of its kind—found strong support for elite theory and little for contending policy change theories.

19 Hugh Heclo, "Issue Networks and the Executive Establishment," in *The New American Political System*, Anthony King, ed. (American Enterprise Institute, 1978), pp. 87-124, Paul Sabatier, "An Advocacy Coalition Framework of Policy Change and the Role of Policy-Oriented Learning Therein," *Policy Sciences* 21, 1988, pp. 129-168, Paul Sabatier and Hank Jenkins-Smith, *Policy Change and Learning: An Advocacy Coalition Approach* (Westview, 1993), and Matt Grossmann, *Artists of the Possible*, *op. cit.*

## CASE STUDY THE “LONG” GREAT SOCIETY

The most successful governing network in recent political history drove what political scientist Matt Grossmann calls “the Long Great Society.” While often attributed to the 1964 Democratic electoral landslide, the flurry of Great Society initiatives actually began in 1961, despite the fact that Republicans gained 22 seats in the House and one in the Senate in the 1960 election. The first Clean Air Act, the Civil Rights Act, the Food Stamp Act, and a major Keynesian tax cut were all passed *before* the 1964 election.

By 1966, public opinion had turned decisively against the Great Society, but this had only a modestly detrimental effect on its implementation. In 1968, the Democrats lost the presidency along with 52 seats in the House and eight in the Senate, yet the Great Society continued to expand, with ambitious new initiatives in environmental, health, labor, education, transportation, and urban policy enacted under the Nixon administration. Only after the election of Jimmy Carter in 1976 did the governing network driving the Great Society finally come apart.

The 16-year run of the Long Great Society illustrates the relative independence of Washington insiders operating through governing networks. The Great Society was *not* a product of external political pressure and was not easily tamed by it. It proved immune to public opinion and electoral defeats for about a decade. Its proponents thrived under two Republican administrations—and it collapsed even after Democratic electoral victories in 1976

gave its political allies the White House, a 61-38 majority in the Senate, and a 292-143 majority in the House.

Historians report that the Long Great Society was made possible by a “dense and eclectic network of reformers with impressive policy expertise, a bottomless agenda of proposals and demands, and ready access to government officials, congressional aides, and journalists.” This joint and sustained policymaking exercise across multiple issue areas was bracketed by less effective efforts by smaller, diffuse, and coreless governing networks isolated to single-issue concerns.<sup>20</sup>

Our aim at the Niskanen Center is not only to operate effectively in the various governing networks of Washington, but to create a robust, long-lasting, bipartisan governing network for the open society, akin to the network that helped produce the Long Great Society.

## THE WAR OF IDEAS

None of the above is to say that the “war of ideas” is unimportant. In fact, we think it is crucial.

Historians and social scientists have thoroughly documented the tremendous power of ideas in political life.<sup>21</sup> As Abraham Lincoln once said, “He who molds public sentiment goes deeper than he who enacts statutes or pronounces decisions.”<sup>22</sup> It is more effective, however, to win the hearts and minds of influential political actors and intellectual elites than to win the hearts and minds of those who are far from the seats of power. That’s because elite opinion has a powerful effect on

20 R. Shep Melnick, “From Tax and Spend to Mandate and Sue: Liberalism After the Great Society,” in *The Great Society and the High Tide of Liberalism*, ed. Sidney Milkis and Jerome Mileur (University of Massachusetts Press, 2005), and Matt Grossmann, “The Long Great Society: Macro Politics, Governing Networks, and American Policy History,” Annual Meeting Paper, American Political Science Association, August, 2011.

21 See, for instance, Peter Hall, “Policy Paradigms, Social Learning, and the State: The Case for Economic Policymaking

in Britain,” *Comparative Politics* 25, April 1993, pp. 275-296, Steven Teles, *The Rise of the Conservative Legal Movement: The Battle for Control of the Law* (Princeton University Press, 2008), Angus Burgin, *The Great Persuasion: Reinventing Free Markets Since the Depression* (Harvard University Press, 2012), and Dani Rodrik, “When Ideas Trump Interests: Preferences, Worldviews, and Policy Innovations,” *Journal of Economic Perspectives* 28, January 2014, pp. 189-208.

22 First of the Lincoln-Douglas Debates, 1858.

both public opinion<sup>23</sup> and the opinions of political actors.<sup>24</sup> As economist John Maynard Keynes famously put it,

*The ideas of economists and political philosophers, when they are right and when they are wrong, are more powerful than is commonly understood. Indeed, the world is ruled by little else. Practical men, who believe themselves to be quite exempt from any intellectual influence, are usually the slaves of some defunct economist. Madmen in authority, who hear voices in the air, are distilling their frenzy from some academic scribbler of a few years back.*<sup>25</sup>

Accordingly, the Niskanen Center vigorously makes its arguments for an open society—both generally and in specific issue and policy arenas—to the intelligent, attentive public, but with a specific emphasis on academic audiences, public intellectuals, and political elites. This focus on elites is particularly important because, as political scientist Joseph Nye observes,

*One of the most effective transmission belts for ideas to travel from the academy to government might be called ‘embedded capital’ in the minds of ‘in and outers’ ... As Henry Kissinger once pointed out, the pressure on time that bears upon policymakers means that they rely on ideas and intellectual capital created before they entered the maelstrom.*<sup>26</sup>

The profound political disequilibrium triggered by the rise of Donald Trump has provided Niskanen with a rare opportunity to participate

in political elites’ sudden re-examination of their fundamental political and ideological assumptions. With the center-left of the Democratic Party on its heels and in need of something beyond the old Clinton-Blair neoliberalism, center-right intellectuals doubting their old faith given how easily it was corrupted by know-nothing populist nationalism and how quickly it was abandoned by its former champions, uncertainty and debate about first principles and ideological priors are reemerging.<sup>27</sup> Accordingly, there is a critical need (and a tremendous opportunity) to reframe and strengthen the case for an open society across the ideological spectrum in both political parties.

The rise of Donald Trump also has revealed the ephemeral nature of the policy consensus within ideological communities, alerting us to a greater possibility of political transformation than has been heretofore appreciated. People once assumed, for instance, that conservative activists were primarily driven by hostility to big government. But conservative activists readily abandoned those commitments for symbolic nationalism and anti-elitism. Donald Trump has shown that you can re-brand a lot of policy positions, which invites creative, policy-oriented Republicans and Democrats to likewise go against orthodoxy. Political elites might not have as much to fear in staking out new, unorthodox policy positions as previously imagined.<sup>28</sup>

23 John Zaller, *The Nature and Origins of Mass Opinion*, *op. cit.*, and the retrospective symposium essays on Zaller’s book appearing in *Critical Review* 24:4, 2012. See also James Druckman and Rune Slothuus, “How Elite Partisan Polarization Affects Public Opinion Formation,” Annual Meeting Paper, American Political Science Association, 2012.

24 Lawrence Jacobs and Benjamin Page, “Who Influences U.S. Foreign Policy?” *American Political Science Review* 99, February 2005.

25 John Maynard Keynes, *The General Theory of Employment, Interest, and Money* (Palgrave Macmillan, 1936), p. 383. For empirical evidence for the influence of idea merchants on public policy, see Daniel Drezner, *The Ideas Industry: How Pessimists, Partisans, and Plutocrats are Transforming the Marketplace of*

*Ideas* (Oxford University Press, 2017), Chapter 1.

26 Joseph Nye, “Bridging the Gap between Theory and Policy,” *Political Psychology* 29:4, 2008, p. 600.

27 Daniel Drezner, *The Ideas Industry*, *op. cit.*

28 Even the most partisan party members will readily abandon ideological positions if party leaders lead the way. Ezra Klein, “For Elites, Politics is Driven by Ideology. For Voters, It’s Not,” *Vox*, November 9, 2017.

## WHY DO POLITICIANS LISTEN TO NISKANEN?

The Niskanen Center is an advocacy-oriented think tank.<sup>29</sup> That's important to keep in mind because not all think tanks are heavily involved in policy advocacy, and not all policy advocacy organizations undertake think tank-like work.<sup>30</sup> An empirical examination of qualitative accounts of policy change in 14 domestic policy arenas in the United States from 1945 to 2004 finds that policy advocacy organizations were an important factor in 33.8 percent of significant policy changes—far more frequently than were business interest groups (19.75 percent of policy changes), academics (10.63 percent of policy changes), professional associations (6.58 percent of policy changes), or even unions (6.2 percent of

policy changes).<sup>31</sup> The most intense and granular study of federal lobbying yet published likewise concluded that “Citizen groups may spend less on lobbying and lobby on fewer issues than business organizations, but when they do lobby, they are more likely to be considered an important actor in the policy dispute.”<sup>32</sup>

Both theory and practice suggest that think tanks that behave with the political aggression of policy advocates “are better able to influence policy and disseminate information among policymakers than are think tanks that rely solely on academic papers, which are less likely to be read by the time-limited policy world.”<sup>33</sup> Most recently, the Affordable Care Act (2010),<sup>34</sup> the U.S. military “surge” strategy in Iraq (2007),<sup>35</sup> the entire architecture of George W. Bush’s foreign policy (2001-2008),<sup>36</sup> the policies and programs to increase domestic security in

29 We favor the definition of “think tank” provided by James McGann: “Organizations that generate policy-oriented research, analysis, and advice on domestic and international issues that enable policymakers and the public to make informed decisions about public policy issues.” James McGann, “Think Tanks and the Transnationalization of Foreign Policy,” *U.S. Foreign Policy Agenda* 7:3, November, 2002, pp. 1-2.

30 As James McGann notes, “By providing expertise and in-depth scholarly research to governments from an independent position, think tanks position themselves separately from advocacy-based organizations that lobby for their beliefs but are not party to direct policy creation.” James McGann, *The Fifth Estate: Think Tanks, Public Policy, and Governance* (Brookings Institution Press, 2016). For an overview of the think tank landscape in both the United States and around the world, see James McGann, “2016 Global Go To Think Tank Index Report,” Think Tanks and Civil Societies Program, University of Pennsylvania, January 26, 2017.

31 Matt Grossmann, “Interest Group Influence on U.S. Policy Change: An Assessment Based on Policy History,” *Interest Groups & Advocacy* 1:2, 2012, pp. 171-192. Grossmann reports that think tanks played a major role in only 1.9 percent of the significant policy changes over that period, but a few caveats are necessary before we make too much of that finding. First, there are far more single-issue advocacy groups than there are think tanks, so that will naturally disadvantage think tanks in accountings such as these. Second, think tanks have increasingly shifted to more active political engagement over time (in essence, behaving like policy advocates), a trend that did not begin to fully accelerate until the past couple of decades. Third, think-tank scholarship often informs the policy agendas and political preferences of policy advocates (and other political actors), thereby exhibiting an indirect influence that is not readily observable. Matt Grossmann, *The Not-So-Special-Interests: Interest Groups, Public Representation, and American Governance* (Stanford University Press, 2012), and James McGann, *The Fifth Estate*, *op cit*.

32 Frank Baumgartner et. al., *Lobbying and Policy Change*, *op. cit.* Liberal policy advocates in particular are considered to be the

dominant nongovernmental actors in Washington. See Jeffrey Berry, *The New Liberalism: The Rising Power of Citizen Groups* (Brookings Institution, 1999).

33 *Ibid.*

34 James Taranto, “ObamaCare’s Heritage,” *Wall Street Journal*, October 19, 2011, Avik Roy, “The Tortuous History of Conservatives and the Individual Mandate,” *Forbes Online*, February 7, 2012, Michael Cooper, “Conservatives Sowed Idea of Health Care Mandate, Only to Spurn It Later,” *New York Times*, February 14, 2012, and Igor Volsky, “6 Years Ago: Heritage Foundation Praised Romneycare for Building ‘Patient-Centered’ Health Care Market,” ThinkProgress, April 12, 2012.

35 Thomas Ricks, *The Gamble: General Petraeus and the American Military Adventure in Iraq* (Penguin Press, 2009), David Petraeus, “The Surge of Ideas,” AEI Online, May 6, 2010, and James McGann, *The Fifth Estate*, *op. cit.* For the underlying strategy promoted by the American Enterprise Institute and subsequently adopted by the U.S. military, see Frederick Kagan, “Choosing Victory: A Plan for Success in Iraq,” Phase I Report, American Enterprise Institute, January 5, 2007, *idem*, “Choosing Victory: A Plan for Success in Iraq,” Phase II Report, April 5, 2007, *idem*, “No Middle Way: The Challenge of Exit Strategies from Iraq,” Phase III Report, September 6, 2007, and *idem*, “Iraq: The Way Ahead,” Phase IV Report, March 24, 2008.

36 Stefan Halper and Jonathan Clarke, *America Alone: The Neo-Conservatives and the Global Order* (Cambridge University Press, 2005), John Micklethwait and Adrian Wooldridge, *The Right Nation: Conservative Power in America* (Penguin Press, 2004), Kubilay Yado Arin, *Think Tanks: The Brain Trust of U.S. Foreign Policy* (Springer Fachmedien Wiesbaden, 2013), and Donald Abelson, “What Were They Thinking? Think Tanks, the Bush Presidency and U.S. Foreign Policy,” in *New Directions in U.S. Foreign Policy*, ed. Inderjeet Parmar, Linda Miller, and Mark Ledwidge (Routledge, 2009).

response to the 9/11 attack (taken from the 9/11 Commission Report in 2004),<sup>37</sup> Bush's 10-year package of tax cuts (2001),<sup>38</sup> the No Child Left Behind Act (2001),<sup>39</sup> and the Welfare Reform Act (1996)<sup>40</sup> were all heavily influenced by think-tank scholarship and advocacy. Broader investigations of the think-tank industry likewise find that think tanks regularly exercise significant impact on policymaking.<sup>41</sup>

Perhaps the clearest evidence of think-tank influence can be seen in the fact that extremely influential political actors often migrate into the think-tank community to better advance their policy agendas.<sup>42</sup> Examples include former White House chief of staff John Podesta, who founded the Center for American Progress (CAP), and Sen. Jim DeMint, who resigned from Congress to head the Heritage Foundation. Sociologist Thomas Medvetz explains why:

*Think tanks, the products of a long-term process of institutional growth and realignment, have become the primary instruments for linking political and intellectual practices in American life. Their proliferation over the last forty years has resulted in the formation of a new institutional subspace located at the crossroads of the academic, political, economic, and media spheres . . . . By occupying a crucial point of juncture in between the worlds of political, intellectual, economic, and media production, think tanks increasingly regulate the circulation of knowledge and personnel among these spheres. As a result, any intellectual figure who wishes to take part in American political debate must increasingly orient his or her production to the rule of this hybrid subspace.*<sup>43</sup>

37 James McGann, *The Fifth Estate*, *op. cit.*

38 *Ibid.*

39 *No Child Left Behind: The Politics and Practice of School Accountability*, ed. Paul Peterson and Martin West (Brookings Institution Press, 2003), Keith Nitta, *The Politics of Structural Education Reform* (Routledge, 2010), Kirk Johnson and Nina Shokraii Rees, "Why a 'Super' Ed-Flex Program Is Needed to Boost Academic Achievement," Backgrounder #1261, Heritage Foundation, March 5, 1999, Nina Shokraii Rees, "Improving Education for Every American Child," in *Priorities for the President*, ed. Stuart Butler and Kim Holmes (Heritage Foundation, 2001), Maris Vinovskis, *From a Nation at Risk to No Child Left Behind: National Education Goals and the Creation of Federal Education Policy* (Teachers College Press, 2009), and *Saving Our Schools*, ed. Kenneth Goodman (RDR Books, 2004).

40 Mary Reintsma, *The Political Economy of Welfare Reform in the United States* (Edward Elgar Publishing, 2007), *The Promise of Welfare Reform: Political Rhetoric and the Reality of Poverty in the 21st Century*, ed. Keith Kilty and Elizabeth Segal (Routledge, 2006), R. Kent Weaver, *Ending Welfare as We Know It* (Brookings Institution Press, 2000), Steven Teles, *Whose Welfare: AFDC and Elite Politics* (University of Kansas Press, Reprint Edition, 1996), and James McGann, *The Fifth Estate*, *op. cit.*

41 James McGann, *The Fifth Estate*, *op. cit.*, *How Think Tanks Shape Social Development Policies*, ed. James McGann, Anna Viden, and Jillian Rafferty (University of Pennsylvania Press, 2014), Kubilay Yado Arin, *Think Tanks*, *op. cit.*, Andrew Selee, *What Should Think Tanks Do? A Strategic Guide to Policy Impact* (Stanford Briefs, 2013), Donald Abelson, *Do Think Tanks Matter? Assessing the Impact of Public Policy Institutes*, 2<sup>nd</sup> ed. (McGill-Queen's University Press, 2009), Andrew Rich, *Think Tanks, Public*

*Policy, and the Politics of Expertise* (Cambridge University Press, 2004), *Think Tank Traditions: Policy Research and the Politics of Ideas*, ed. Diane Stone and Andrew Denham (Manchester University Press, 2004), *Capturing the Political Imagination: Think Tanks and the Policy Process*, ed. Diane Stone (Frank Cass, 1996), Paul Sabatier and Hank Jenkins-Smith, *Policy Change and Learning: An Advocacy Coalition Approach* (Westview, 1993), and James Smith, *The Idea Brokers: Think Tanks and the Rise of the New Policy Elite* (Free Press, 1991).

42 In a 2003 speech discussing his creation of the liberal Center for American Progress, former White House chief of staff John Podesta said, "The rise of the machinery of ideas on the right has been impressive. People have noticed it, and we have talked about it. But we haven't really found the vehicles to compete with what's coming at us." Starting in the 1960s, Podesta said, conservatives "built up institutions with a lot of influence, a lot of ideas. And they generated a lot of money to get out those ideas. It didn't happen by accident. And I think it's had a substantial effect on why we have a conservative party that controls the White House and the Congress and is making substantial efforts to control the judiciary." Matt Bai, "Notion Building," *The New York Times*, October 12, 2003. Bill Clinton used similar arguments to promote the Democratic Leadership Council.

43 Thomas Medvetz, *Think Tanks in America* (University of Chicago Press, 2012).

Policymakers pay attention to—and are consequently influenced by—think tanks that are engaged in issue advocacy for four main reasons:<sup>44</sup>

**1) Think tanks are wellsprings of fresh, attractive, well-vetted reform ideas and policy innovations.**

Politicians value new, attractive policy ideas because they have political utility and many of them are honestly interested in improving public policy.<sup>45</sup> But it takes knowledge, intellect, creativity, and time to produce good policy ideas. “Even the most erudite officials are hard-pressed to think deep thoughts; the daily grind crowds everything out,” notes political scientist Daniel Drezner. “For good or ill, policymakers need the marketplace of ideas to replenish, articulate, and challenge the reasons why they do what they do in world politics.”<sup>46</sup>

Policy advocacy organizations involved in think-tank work are organized, first and foremost, to produce politically attractive ideas, and many of them have done that job so well that politicians frequently outsource policymaking to friendly issue-advocacy organizations.<sup>47</sup>

**2) Think tanks are the main sources of policy-**

**relevant research and scholarly work in Washington.** Staff are busy and overtaxed because Congress is starved of the internal capacity to analyze issues. The problem isn’t that information is scarce. The problem is how to make sense of the avalanche of information that comes at lawmakers

**PERHAPS THE CLEAREST EVIDENCE OF THINK-TANK INFLUENCE CAN BE SEEN IN THE FACT THAT EXTREMELY INFLUENTIAL POLITICAL ACTORS OFTEN MIGRATE INTO THE THINK-TANK COMMUNITY TO BETTER ADVANCE THEIR POLICY AGENDAS.**

and staff from every direction.<sup>48</sup> Policy advocates can thus provide a valuable “legislative subsidy” by educating staff on subjects that they are too busy to do the legwork on themselves.<sup>49</sup> In the course of so doing, policy advocates can import their own worldview in the education process and have a tremendous influence on the views of the educated political actor.<sup>50</sup>

Think tanks are well placed to undertake this work because 1) policy advocates outside of think tanks rarely have the requisite policy expertise for the job, and 2) the professional incentives facing academic scholars (who might otherwise fulfill this role) encourage them to write, first and

44 For empirical data establishing the power of these avenues of influence, see Matt Grossmann, *Interest Group Influence on U.S. Policy Change*, *op. cit.*, Artists of the Possible, *op. cit.*, and Frank Baumgartner et. al., *Lobbying and Policy Change*, *op. cit.*

45 Robert Salisbury and Kenneth Shepsle, “U.S. Congressman as Enterpriser,” *Legislative Studies Quarterly* 6, 1981, pp. 559-576, and Richard Fenno, *Congressmen in Communities* (Little and Brown, 1973).

46 Daniel Drezner, *The Ideas Industry*, *op. cit.*

47 President Reagan, for instance, famously distributed the Heritage Foundation’s *Mandate for Leadership* at his first cabinet meeting in 1981. By the end of the administration’s first year, 60 percent of that book’s 2,000 policy recommendations were being implemented. The Congressional wing of the GOP similarly outsourced to the Heritage Foundation its legislative agenda over the past several decades. Heritage’s recent move away from productive engagement with Washington insiders, however, portends an end to that relationship. The Democratic Leadership

Council played a similar if somewhat less important role in the Democratic Party during the Clinton administration. Regarding Heritage, see in particular Molly Ball, “The Fall of the Heritage Foundation and the Death of Republican Ideas,” *The Atlantic*, September 25, 2013, and Lorelei Kelly, “Kelly: DeMint’s Departure is Just the Beginning,” *Roll Call*, December 18, 2012.

48 Bryan Jones and Frank Baumgartner, *The Politics of Attention: How Government Prioritizes Problems* (University of Chicago Press, 2005).

49 Richard Hall and Alan Deardorff, “Lobbying as Legislative Subsidy,” *American Political Science Review* 100:1, February, 2006, pp. 69-84. See also Anthony Bertelli and Jeffrey Wenger, “Demanding Information: Think Tanks and the U.S. Congress,” *British Journal of Political Science* 39, 2009, p. 250.

50 Richard Smith, “Advocacy, Interpretation, and Influence in the U.S. Congress,” *American Political Science Review* 78, 1984, pp. 44-63.

foremost, for fellow academics in peer-reviewed journals. Policy engagement is a hobby at best for a minority of academics, and even fewer of them have relationships with key political actors in Washington or the media outlets to which these actors pay attention. This is even more true of junior scholars, who are generally doing the most cutting-edge work in academia. Their research is often the most useful in the policy world, but writing for, or engaging with, non-academic audiences can be a career-killing kiss of death for those who lack tenure.<sup>51</sup>

**3) *Policy advocates facilitate the creation of politically useful coalitions that are crucial for policy change.*** Rather than a top-down process directed by party leadership, policymaking is typically a bottom-up exercise that requires a great deal of joint, coordinated effort.<sup>52</sup> This opens space for politically engaged policy advocates because they are adept at coalition-building and are among the most sophisticated, adroit, and motivated policy “salespeople” in Washington. Advocates can somewhat mitigate against rampant partisanship in policy making by developing relationships with legislators and staff, nurturing personal investment in an issue.<sup>53</sup> That’s particularly the case because the current practice of focusing only on one big issue at a time means that there are a lot of Congressional backbenchers and committee members with little to do during long stretches of the calendar. We can work with those neglected members and staff to help build coalitions for less salient policy changes.

Policy advocates are also valuable sources of political information to elected officials and staff. It is surprising how infrequently members of Congress (and their staff) talk to their colleagues. By facilitating communication among offices about what other members are thinking, what reform ideas they’re considering, and how various proposals are being received, policy advocates help solve coordination problems and build the foundations

of useful political coalitions.

**4) *Policy advocates are political barometers for elected officials.*** It is sometimes unclear to politicians whether a prospective policy change will prove saleable to important constituencies. To the extent that issue-advocacy organizations represent the perspective of important constituencies, their attitudes toward proposed policy changes provide useful information about how subsets of passionate, highly engaged voters may react to prospective legislation and regulatory initiatives. Moreover, given that public opinion is driven by elite cues, support from well-respected advocacy organizations assists politicians in mobilizing support or neutralizing opposition to policy changes.

Policy-change case studies strongly suggest that the above four avenues of influence are far more critical than the mobilization of mass constituent pressure, the simple publication of policy reports, organizing public protests, or the mobilization of financial resources for politicians or grassroots advocacy campaigns.<sup>54</sup>

## HOW NISKANEN WORKS

Eight primary considerations inform the Niskanen Center’s advocacy-oriented operations.

**1) *We creatively engage and cooperate with—rather than dictate to—other actors in the governing networks of Washington.*** The generation of proposals and alternatives in the policy world resembles a process of natural selection. Engagement with multiple policy actors means that ideas mutate and recombine while competing with one another.<sup>55</sup> Building coalitions and advancing legislative proposals thus requires compromise. Effective politics is the art of the

51 Daniel Drezner, *The Ideas Industry*, Chapter 3, *op. cit.*

52 Frank Baumgartner et. al., *Lobbying and Policy Change*, *op. cit.*

53 *Ibid.*

54 Matt Grossmann, *Interest Group Influence on U.S. Policy Change*, *op. cit.*, and Frank Baumgartner et. al., *Lobbying and Policy Change*, *op. cit.*

55 John Kingdon, *Agendas, Alternatives, and Public Policies*, 2<sup>nd</sup> ed. (Pearson, 2012).

possible, not exhortation to do the impossible.

**2) We are bipartisan and work with political and policy actors in both the Republican and Democratic parties.** There are two reasons for that. First, latent and active supporters of an open society in various contexts exist in both political

**3) We put a premium on high-quality policy research and analysis.** Unlike most advocacy-oriented think tanks, we invest heavily in gold-standard, academically strong policy work, and labor to minimize partisanship, ideology, and dogmatic thinking. That's because the more expertise and credibility advocates have, the greater their ability to promote good policy reforms and offer the "legislative subsidy" that is so valuable to Members and staff. There is a strong correlation between analytic expertise and influence in the governing networks of Washington.<sup>58</sup>

**IT CAN OFTEN TAKE YEARS OF PRESSURE TO FORCE POLICY CHANGE, AND POLITICAL WINDOWS OF OPPORTUNITY MUST OPEN FOR THIS TO OCCUR.**

parties. Second, it is nearly impossible to execute significant policy change without some degree of bipartisan support.<sup>56</sup> Accordingly, advocates who work on only one side of the aisle have a difficult time moving legislative initiatives.

Contemporary bipartisan coalitions, however, are rarely anchored in "split-the-difference" compromises given the hyper-partisan environment of today's Congress. We instead look to build areas of transpartisan agreement, where ideological actors in both parties can embrace legislative initiatives for their own ideological reasons.<sup>57</sup>

**4) We prioritize changing public policy over defending existing policy.** While there are certainly times when defense is necessary (particularly in the era of Trump), defensive operations are relatively easy to undertake given constraints on the Congressional agenda, profound status quo bias, and the many choke points available for political minorities to frustrate political majorities.<sup>59</sup> Policy change, however, is far more difficult to execute, particularly in the present era of political and ideological polarization.<sup>60</sup> Regardless, we are unlikely to make much progress opening society in the manner we'd like if we are excessively

<sup>56</sup> A recent paper by political scientists James Curry and Frances Lee finds that, when it comes to the key legislative priorities forwarded by Congressional majority parties from 1993-2016 (a total of 197 agenda items over that period), on only 10 occasions (5 percent of the time) did leadership achieve *most* of what it wanted out of legislation without substantial support from the minority party. Only 12 percent of the time did they get *some or most* of what they wanted without substantial bipartisan support. Substantial bipartisan support in this case means the support of the majority of the minority party *plus* the endorsement of at least one elected leader of the opposing party in either chamber. James Curry and Frances Lee, "Non-Party Government: Bipartisan Lawmaking and Theories of Party Power in Congress," Presentation before the 2017 Congress and History Conference, Library of Congress, Washington, D.C., June 15-16, 2017.

<sup>57</sup> Steven Teles, Heather Hurlburt, and Mark Schmitt, "Philanthropy in a Time of Polarization," *Stanford Social Innovation Review*, Summer, 2014.

<sup>58</sup> In their study of lobbying, political scientist Frank Baumgartner and colleagues observe: "The difference we see between the hot

rhetoric of political debate before the public and the mundane language of lobbying is that the audience is different. Lobbyists pitch their arguments to a sophisticated audience: policy makers. Telling the top counsel on a congressional committee that a crisis is looming or that a particular course of action is a great opportunity to stick it to the Democrats on the committee does little to enhance the lobbyist's credibility. Lobbyists want to be "players;" they want to be the ones policy makers call for help or advice. To that end, they want to promote their policy expertise. When they meet with policymakers or other lobbyists within a coalition, they want to show a mastery over the issues. For lobbyists a strong principle of behavior is that 'credibility comes first' ... Lobbyists are pretty dull a lot of the time. They have to be in order to be taken seriously by others who are just as expert on the subject matter as they are." Baumgartner et. al., *Lobbying and Policy Change*, *op. cit.*

<sup>59</sup> *Ibid.*

<sup>60</sup> For strong evidence that the pace of policy change is slowing as a consequence of increased ideological militancy within the GOP, see Matt Grossmann and David Hopkins, *Asymmetric Politics*, *op. cit.*

focused on defending what is now a partially closed society.

**5) *We focus on a few big policy issues rather than a plethora of small ones.*** Given resource constraints, it makes sense for each policy department to concentrate its activities on a handful of discrete initiatives that we think have a reasonable chance of eventual enactment. Even so, we are constantly on the look-out for achievable policy wins which will create a platform for future successes—those, in other words, that are “generative” by either creating coalitions that can be drawn on in the future, or which create examples or proof points that make future victories easier.

**6) *We argue for ambitious policy change.*** Our political ambitions for an open society are great, which means that our policy work must likewise be ambitious or risk falling short of the mark. Fortunately, when policy change occurs, it is much more likely to be significant than modest or incremental.<sup>61</sup> Given the great difficulty associated with changing public policy, political scientist Frank Baumgartner observes that,

*Pressures build, but no change occurs until the pressures are sufficient to overcome the inertia of the status quo. When this threshold is passed, the momentum for change usually takes the policy response beyond a true incrementalist response . . . the political system alternates between underresponding to pressures and then occasionally overresponding as the forces of friction are finally overcome.<sup>62</sup>*

**7) *We are patient, of necessity.*** It can often take years of pressure to force policy change, and political windows of opportunity must open for this to occur. Alas, no one can predict when or how these windows will open. Hence, lobbying is a long-term endeavor requiring

steady and methodical effort. Our task is to constantly add to the pressure for policy change, produce politically attractive reform proposals, build support for them within the governing networks of Washington, and keep an eye out for exploitable political opportunities, many of which might not be obvious to casual observers. This is essentially an exercise in long-term political entrepreneurship. If this work is not attended to when political conditions are unpromising, we will be unprepared when windows of opportunity open and unsuccessful when political conditions become promising.<sup>63</sup>

**8) *We are politically aggressive.*** Like most policy advocates, we are engaged in educating political actors and strive to better inform the policy conversation. We go beyond the work of many, however, by laboring to bring other advocates into our political coalitions, offering concrete comments and suggestions to policymakers regarding proposed regulatory and legislative initiatives, actively lobbying for our ideas (within IRS regulatory boundaries, of course), and financially supporting our legislative allies via our 501(c)(4) operation (the Niskanen Center for Public Policy).

## OUR MAIN POLICY DEPARTMENTS

Our ultimate ambition is to have robust policy departments engaged in every politically topical issue of the day. At present, we have five fully operational policy departments. We initially focused on those issue areas where opportunities for significant policy change were greatest and where orthodox conservative and libertarian ideas have hit an unproductive wall.

61 This is known within the political science community as “punctuated equilibrium theory,” the dominant view of policy change in academia today. See Frank Baumgartner and Bryan Jones, *Agendas and Instability in American Politics* (University of Chicago Press, 1993), and Frank Baumgartner et. al., *Lobbying and Policy Change*, op. cit.

62 Frank Baumgartner et. al., *Lobbying and Policy Change*, op. cit.

63 *Ibid.*, and John Kingdon, *Agendas, Alternatives, and Public Policies*, op. cit.

**Climate Change.** We are convinced that climate change is real, that it is caused by human activity, and that it poses significant risk. We acknowledge that global warming can produce a wide range of possible outcomes—ranging from modest to catastrophic—but we believe that any reasonable risk management exercise points toward rapid decarbonization as the optimal response. Accordingly, we educate policy actors about climate science and directly confront climate skeptics; encourage Republicans to defend regulatory authority to address greenhouse gas emissions (at least, until better policy responses are adopted); initiate legal action to compel responses to climate risks; defend property rights from fossil-fuel infrastructure and eminent-domain claims; and, above all, promote carbon taxation as the best federal response to climate risk, in that it maximizes individuals’ and companies’ ability to use trial and error to efficiently reduce carbon emissions.

**Immigration and Refugees.** We believe that immigration yields positive economic and social benefits to the United States, to the global community, and—most importantly—to immigrants themselves. Our work seeks to advance the freer movement of people with four priorities: protecting vulnerable immigrant populations, relieving labor shortages by liberalized migration, strengthening humanitarian immigration, and energizing U.S. economic growth with foreign entrepreneurs, investors, and workers. We have been particularly focused on promoting a path to citizenship for Dreamers and arguing for reforms to increase the number of refugees resettled in the United States.

**Public Assistance and Welfare.** We maintain that a decent concern for the least fortunate

demands more robust public assistance than has historically been the case. Moreover, an efficient and generous social safety net helps to sustain a dynamic free market by reducing demand for protection against “creative destruction” (whether

***THIS IS ESSENTIALLY AN EXERCISE IN LONG-TERM POLITICAL ENTREPRENEURSHIP. IF THIS WORK IS NOT ATTENDED TO WHEN POLITICAL CONDITIONS ARE UNPROMISING, WE WILL BE UNPREPARED WHEN WINDOWS OF OPPORTUNITY OPEN AND UNSUCCESSFUL WHEN POLITICAL CONDITIONS BECOME PROMISING.***

induced by imports, immigration, automation, economies of scale, or technological innovation); encouraging entrepreneurial risk-taking; and enabling labor market adjustment to trade and technology shocks. Our vision of a free-market welfare state is one where our most vulnerable populations share in the fruits of economic growth, with an emphasis on the effectiveness of cash transfers at reducing poverty. Cash transfers enable people to use the experimental method to attempt to improve their lot. Cash transfers also eschew technocratic pretenses to know the one best way for people to live.

**Technology Regulation.** We support a regulatory environment that fully accounts for the risks and benefits of emerging technologies—a critical wellspring for the productivity gains that are the engines of economic growth. Although we are skeptical of using 20<sup>th</sup>-century rules to govern 21<sup>st</sup>-century innovations, we believe that regulatory agencies can promote legitimacy, trust, and certainty in new technologies while shielding innovation and technological progress from the fear, distrust, and doubt employed by political reactionaries. Thus, we support regulations that promote voluntary standards for autonomous vehicles and the Internet of Things; we educate lawmakers on the need to

refrain from new privacy laws governing artificial intelligence; we champion eliminating the bans on overland supersonic flight and regulatory oversight for genetic-modification technologies; we embrace policies promoting the safe and effective integration of commercial drones into the national airspace; and we thoughtfully engage on a wide range of other technology issues, from commercial space and online free-speech issues, to digital due process and government surveillance.

***Defense and Foreign Policy.*** We argue that American engagement in the world through multilateral political, economic, and military institutions has helped facilitate a more peaceful, stable, and liberal international order. However, the military power required to fulfill this role often tempts American policymakers to use force promiscuously and counterproductively. Accordingly, we educate policymakers and legislators on America's positive role in international politics while cautioning against the promiscuous use of force. We also pursue research and policy proposals on more effective defense spending, defense organizational reform, and the proper relationship between the U.S. military and the society it serves.

## **SECONDARY POLICY DEPARTMENTS**

The Niskanen Center also regularly engages in three additional policy arenas beyond those addressed by our five main policy departments. The main difference is that, for these three policy areas, we lack the resources to fully engage with the political insiders who are the typical audience for our work. When resources allow, we will flesh out these operations and turn them into full-fledged policy departments.

***Fiscal and Monetary Policy.*** We are convinced that maintaining a dynamic, technologically advanced, globally integrated economy requires

the pursuit of two mutually reinforcing macroeconomic policy objectives. The first is a fiscal policy that provides for a robust safety net that buffers the effects of creative destruction, provides public goods in an efficient, market-oriented fashion, and pays for them with a simple and transparent tax system. The second is an independent monetary authority that assumes primary responsibility for stabilizing the economy while aggressively pursuing the goal of maximum employment consistent with long-run price stability. To these ends, we educate policy actors about the ongoing effects of monetary policy and the advantages and disadvantages of policy recommendations by the Federal Reserve Regional Presidents and Governors; encourage policymakers to support the Federal Reserve's dual-mandate and confirm pro-growth candidates to the Board of Governors; promote tax simplification; identify and fight the creep of specialized deductions; conduct, synthesize, and curate research on the effect of globalization and technological trends on the U.S. economy; and encourage policymakers to focus more attention on cutting harmful regulations and improving program efficiency than on cutting social spending.

***Health Care.*** We believe that universal health care is both warranted and achievable in the United States if done on a bipartisan basis. While not beholden to any one model of reform, we are a leading proponent of universal catastrophic coverage as the best means to resolve our seemingly intractable health-care debate. Universal catastrophic coverage, whether provided by Medicare or subsidies in the private market, would automatically insure all Americans for healthcare expenses above a deductible amount (a figure that would vary based on household income), allowing a stable insurance market to sell supplemental coverage for non-catastrophic health expenses, and helping reduce barriers to mobility between states and employers.

*Regulatory Studies.* We recognize the need for clear, effective regulations that correct market failures and protect health, safety, the environment, workers, and consumers. At the same time, we understand that regulatory policy can go badly awry due to agency capture by insiders as well as unintended

nationalist movements on the right and illiberal identity movements on the left. Both of these movements embrace variations of the closed society as a remedy for liberalism's perceived ills. Consequently, we urgently need to rethink and shore up the intellectual defenses of the open society.<sup>64</sup> Accordingly, the Niskanen Center has

established the Open Society Project.

**IF WE ARE TO RESIST THE THREATS TO THE OPEN SOCIETY, WE MUST FIRST UNDERSTAND THEM. MANY OF THOSE ENGAGED IN DEFENDING THE LIBERAL ORDER, HOWEVER, ARE FLAILING UNPERSUASIVELY BECAUSE THEY LACK THIS UNDERSTANDING.**

If we are to resist the threats to the open society, we must first understand them. Many of those engaged in defending the liberal order, however, are flailing unpersuasively because they lack this understanding.

Hence, we explore the

consequences of, and interactions among, the vast array of administrative rules. Following up on the work done by Niskanen Center vice president Brink Lindsey and senior fellow Steven Teles in their recent book, *The Captured Economy* (Oxford University Press, 2017), we focus on analyzing and critiquing two major forms of regulatory dysfunction: regressive rent-seeking, in which powerful insiders twist rules to their own benefit at the expense of everybody else; and “kludgeocracy”—counterproductive regulatory complexity caused by the progressive accretion of rules over time. Kludgeocracy often results when policymakers try to accomplish indirectly through regulation and tax preferences those goals that are more properly pursued through on-budget fiscal transfers.

foundations of the present crisis confronting liberalism, as well as examining the underlying fundamentals of modern politics to better inform the political response. Among other things, we examine the nature and sources of contemporary nationalist populism, the proper boundaries of toleration and mutual respect in democratic politics, the importance of moderation, the growth of ideology, the emergence of the “post-truth” era, how terrorism threatens the liberal order, and the empirical basis of an open society.

## THE OPEN SOCIETY PROJECT

Countries around the world are losing confidence in the postwar liberal order and are increasingly turning to xenophobic populist-

While understanding the threats to the open society—and critically examining the strengths and weaknesses of liberal defenses of the same—are important undertakings, the more immediate challenge is to defend liberal values from attacks coming from the Trump administration. Accordingly, we are also engaged in the immediate, near-term struggle for liberal political and cultural values being challenged by the policy premises and intellectual assertions marshaled by the Trumpists.

We defend the foundations of an open society

64 Will Wilkinson, “Revitalizing Liberalism in the Age of Brexit and Trump,” Niskanen Center, November 30, 2016.

by publishing essays on the Niskanen blog and in influential third-party publications such as *The New York Times* and *The Washington Post*. We supplement that work with legal action to defend rights and liberties under threat by illiberal administrative practices, executive orders, and enforcement activities. As is the case with our policy departments, we prioritize direct engagement with our target audiences. This entails frequent meetings with sympathetic politicians and their senior staff, conferences with like-minded political and policy actors, public presentations and lectures, and media appearances.

To maximize our influence with the public intellectuals and journalists residing in the nation's capital, Niskanen hosts three regular meetings with influential members of those communities:

- *A bimonthly meeting of conservatives who are alarmed by the rise of Trumpism. Here, we trade information and analyses and discuss strategies and tactics to roll back its strength in the GOP. By providing leadership and counsel for “the Republican Party in exile,” Niskanen has helped shape the anti-Trump resistance and laid the groundwork for a post-Trump GOP that is more congenial to the open society.*
- *A monthly dinner bringing together academics, think-tank analysts, and journalists from all points on the political spectrum to explore areas of common interest that would advance the open society. These dinners, which feature a guest speaker and structured discussion, are designed to encourage intellectual engagement and collaboration across partisan and ideological lines.*
- *In conjunction with William Galston of the Brookings Institution (a member of Niskanen’s advisory board), we co-host*

*regular meetings of center-left think tanks and policy experts dedicated to exploring and fashioning a policy agenda for renewed economic dynamism and inclusive prosperity.*

## METRICS FOR SUCCESS

We monitor the success of our policy departments by their progress in building relationships with legislative and executive branch actors. While those relationships manifest themselves in a number of ways which are difficult to track, quantify, and qualify (email exchanges, phone calls, social media interactions, informal encounters in third party meetings, conferences, and social settings, etc.), the number of scheduled face-to-face meetings with influential policy actors is easily quantifiable and correlates well with the overall strength of political relationships. We compliment the “meeting metrics” with a parallel record of the number of times that legislative, executive, and regulatory policy actors reach out to Niskanen staff for assistance in the course of their work: requests for legislative drafts, written and oral testimony, regulatory comments, testimony before congressional committees, briefing materials and briefings before a congressional caucus, and educational meetings with individual Members of Congress.

If these metrics are trending positive, then Niskanen is increasing the pressure for policy change in our direction and exerting important influence in the policy debate.

When it comes to the “war of ideas,” we couple the standard media visibility metrics with a second but arguably more telling metric—Niskanen op-ed and article placements in the most influential elite print and electronic outlets. The editorial gatekeepers at the *The New York Times*, *The Washington Post*, *Wall Street Journal*,

*Financial Times*, *Politico*, etc., are among the best read and best educated thought leaders in America. Earning space in these journals means winning an intellectual competition against the best and brightest public intellectuals in the world, all of whom are competing to be in these pages. If we can pass this test on a regular basis, it serves as a reasonable proxy for our ability to positively influence the elite audiences we're targeting in the war of ideas.

Our ultimate aim is to change public policy. While that might be the most direct measure of institutional and departmental success, it is not a particularly useful metric for Niskanen's performance. There are three reasons for this:

- *Simply because we were engaged in promoting a particular policy change does not necessarily mean that, were that policy change to occur, Niskanen would have played a significant role. Other political actors may have done most or all of the heavy lifting.*
- *There are a multitude of critical political variables outside of our control (e.g., electoral outcomes dictated by underlying economic and political fundamentals,<sup>65</sup> unforeseen changes in the political agenda, political trends triggered by exogenous events, scandals that unexpectedly tarnish or destroy our allies on the Hill, institutional dysfunction in the legislative and executive branches of government), so no matter how capable our staff might be in promoting policy change, we may fall short through no fault of our own.*
- *Policy change often takes years (sometimes decades) of concentrated effort. Useful metrics for institutional success allow us to track how we are doing in the interim.*

*Success or failure in passing legislation is simply too binary and insufficiently granular to serve as a good measure for institutional performance.*

As discussed earlier in this conspectus, the most important thing that we can do to facilitate policy change is to build strong, positive relationships with elected officials, agency regulators and legislative staff—and then to use those relationships to build policy alliances and coalitions to advance our agenda. We can accomplish this regardless of most of the political factors outside of our control and, if we do it well, we will increase the pressure required for policy change and position ourselves to exploit windows of political opportunity when they open.

Most think tanks measure media hits and social media prominence as an indicator of visibility and influence. Measuring output rather than influence is not unreasonable given the impossibility of knowing how readers or listeners may have been influenced by one's arguments, which readers have been influenced (i.e. influential thought leaders or inconsequential members of an echo-chamber?), whether minds have been changed or preexisting beliefs simply reconfirmed, and determining cause-and-effect in broader intellectual and political trends.

While it is certainly true that the omnipresence of an argument is strongly correlated with its ability to move public opinion,<sup>66</sup> we can accomplish far more in that regard by changing the minds of prominent elites and harnessing their voices to supplement our own than we can by directly taking our case to non-elites (where our voices risk being lost within the cacophony of political and policy conversation). Remember, public opinion is a creation of elite opinion, so targeting elites and influencing them has more impact than directing efforts towards non-elite audiences.

65 James Campbell et al., "A Recap of the 2016 Election Forecasts," *PS: Political Science & Politics* 50:2, American Political Science Association, April, 2017, pp. 331-338, and Daniel Drezner, "Why Political Science is Not an Election Casualty," *Washington Post*, November 15, 2016.

66 Jeffrey Friedman, "Beyond Cues and Political Elites: The Forgotten Zaller," *Critical Review* 24:4, 2012, pp. 417-461.

## CONCLUDING THOUGHTS

Policy change is not a product of immaculate conception. It requires not only strong, creative ideas, but also direct and regular engagement with lawmakers and other policy actors, coalition building, sound political strategy, patience, and hard work.

Likewise, the war of ideas is not self-executing. Persuasive arguments must be thoughtful, knowledgeable, honest, interesting, and respectful—while also, when possible, being provocative and contributing new insights and ways of looking at things. And even then, creative engagement and vigorous promotion within the ideas market is necessary before good arguments can get attention and gain traction.

*The Economist* once noted that good think tanks combine “intellectual depth, political influence, and flair for publicity, comfortable surroundings, and a streak of eccentricity.” Those that don’t are too often given to “pedantry, irrelevance, obscurity, poverty, and conventionality.”<sup>67</sup> In only a few short years, the Niskanen Center has become that “good think tank;” an influential political force on Capitol Hill and a powerful voice for an open society in the political and intellectual arena. We invite you to join us.

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<sup>67</sup> “The Good Think-Tank Guide: The Joys of Detached Involvement,” *The Economist*, December 21, 1991–January 3, 1992, p. 49.



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