

A Conversation with Steve Teles on June 12, 2013

Participants

- Steve Teles – Associate Professor of Political Science at John Hopkins University
- Holden Karnofsky – Co-Founder and Co-Executive Director, GiveWell
- Timothy Telleen-Lawton, Research Analyst

Note: This set of notes was compiled by GiveWell as a summary of the conversation.

Immigration

Steve Teles: Within a year or two there will be a bill passed, and that is likely to exhaust Congress's desire to legislate on immigration for about a decade. So it's not worth investing a lot of money on the legislative lobbying side, at least as it's currently defined: along the lines of numbers, regularization of status, internal enforcement.

It will be a very complicated bill, with a lot of responsibility passed on to regulatory agencies. There will be lots of litigating as well, so getting the optimal outcome from the law requires acting at the regulatory rulemaking side through the agencies, the litigation stage, and the actual implementation of the law in practice.

The process will be very long, maybe indefinite. The Clean Air Amendments of the 1970s are still being fought over. So it's worth investing on the litigation and rulemaking side more than the legislative side.

GiveWell: How do you figure out whom to invest in?

Steve Teles: Rulemaking and litigation are woven together. They're both a matter of statutory interpretation, done either by bureaucrats or litigators. It helps to be involved with both rulemaking and litigation, as a common tactic is push on one side to gain leverage on the other side. The rulemaking side means deciding how to turn the law into specific rules according to the statutes, which are implementable by people in the field. This means looking at the courts as well as at Congress, who will make the lives of the rule makers pretty unhappy if they don't like the implementation.

GiveWell: What specific activities can affect this?

Steve Teles: Keeping an eye on what is happening is important. Sometimes the gains from just one or two people paying attention and raising the alarm can be large. Raising alarms in a grassroots fashion can make a difference, and certain people can submit comments directly – comments are more effective if they come from someone known to be a player on the litigation side, since the agencies know that the comments are often a promise to litigate if they don't like the rule.

GiveWell: How does fighting litigation I don't like work? It's necessary to find a specific case of someone being harmed, right?

Steve Teles: Yes, you need standing—it's become more difficult than it was a few decades ago, but in lots of areas that funders care about it's not necessarily particularly difficult, especially because it's not a

constitutional basis you'd be disagreeing on, but rather that you just want a preferred interpretation of the statute in place. You may realize you're facing the same issues across many areas, so you would want infrastructure you could use broadly. For any given issue there is an entire network of interested organizations, so it is important to be able to see the whole network. GiveWell might have an advantage in seeing the gaps between issues because it is less issue-siloed than other organizations.

Let's use an environmental example. Say for example that OSHA decides to regulate cotton dust covered by an OSHA statute. Employers think it isn't covered by the law, and that history shows Congress never intended to regulate cotton dust. There is a question of whether the regulatory agency has this discretion, and this is something that can be challenged.

Another example is financial regulation, an area where the pro-regulatory side has been missing. The businesses – here, investment banks – have much more knowledge of the situation and the potential consequences. If you want regulation to be different, a large part is just showing up so that the regulatory agency isn't only hearing from one side. It's important to let people know about the issues from the beginning, since by the time the legislation is being written it can be too late to influence people's perspectives. This was a problem with getting financial regulation passed.

It's possible to slow things down through litigation – courts can hold up implementation until after litigation has been settled. In practice this means you take up cases against agencies, normally in the DC Circuit court.

GiveWell: So standing doesn't matter in these cases?

Steve Teles: Standing rules can be somewhat inconsistent, although courts have gotten tighter about it starting in the 70s. Richard Stewart has done some writing on this. But it can be possible to bring cases against the regulation without obvious standing. The threat of litigation can be useful in bargaining as well.

Sometimes Congress will pass vague rules, leaving the implementation up to the agencies. This is especially used in cases when they want an unpopular rule. Depending on how the implementation turns out they can hang it on the agency.

Because it's so difficult to pass things today, it's also difficult to adjust previous legislation, making it difficult to go back and clarify laws.

Expanding the zone of conflict is a useful tool in influencing opinions, broadening the scope beyond the regulated industry specifically. Complaining about agencies can be an effective grassroots tool.

GiveWell: What are some resources on this topic?

Steve Teles: Frank Baumgartner would be a great person to read or talk to. Shep Melnick at Boston College knows a lot about the interaction between regulation and the courts. Jeb Barnes at USC is also good on that. Tom Burke at Wellesley writes with Jeb on things like the ADA.

Another thing to know is that organizations are sometimes effectively acting as interpreters of legislation through acting to meet the requirements of the law as they understand it. For example, Barnes and Burke have written about how people that challenge the ADA tend to win, but that popular opinion is that it is a very strict and powerful set of requirements. People in corporations and

universities who have an interest in stronger regulation have an incentive to advise clients that the law is stronger than it is.

GiveWell: On the immigration reform bill, how do we figure out how much capacity is already there and how much room there is for funding? How would we decide how to get involved?

Steve Teles: You should talk to Min Hsu Chen, a professor at CU Boulder, who knows a lot about immigration, law, and civil rights.

It's useful in these cases to do an advocacy map: who's out there working on this, what are they working on, how stable is their funding. Since many of these issues are incredibly technical you often need people who have been doing this for a long time. The reputation of the people is normally the most important thing, and is inherently non-transparent, since everyone has an interest in distorting how influential they are. The goal is to fund someone who has influence, which requires gaining the trust of people who can tell you who really has influence and who doesn't. This makes it important to go deeply into an issue over time. Being a long term funder puts you into a multi-iteration game with people you deal with, decreasing the probability of getting burned.

Back to opportunities on immigration: the regulatory side is the most elite dimension, involving lawyers, regulators, politicians, law review articles, etc. Another side would be immigrant self-organizing, something funders rarely do. Funding tends to do things for immigrants, rather than increase their capacity to organize themselves. They're a population that's tough to organize, being transient and weakly settled, and are a group that politicians are rarely afraid of. The most important thing in politics is fear, and if they had organizational capacity politicians might fear them.

Organizing immigrants might impact employers or the media, eventually affecting people's perception of what the nature of the issue is. Depending on the status of immigrants this could include electoral organizing. Ben Sachs (Harvard) writes about a potential role for organized labor in helping immigrants: casual immigrant workers are at risk of not getting paid or having regulations broken, and modern-style labor organizations can help with these issues. Immigrant rights probably has more of a "funding arbitrage" opportunity than immigration as such.

Immigrants can be organized via worksites or at churches. The immigration bureaucracy is a mess and especially difficult for individuals who aren't organized.

GiveWell: Returning to the advocacy map – how do people normally do this?

Steve Teles: Paid consultants won't necessarily serve you very well – in general, but especially political consultants. It's not clear they know much, and they often have deep economic connections to other people. There's often no substitute for building up your own knowledge and capacity.

GiveWell: So whom could we hire to make an advocacy map, say regarding immigration?

Steve Teles: You ideally want someone who is involved already. In some cases, there won't be much existing advocacy – crime advocacy, for example, is generally at the state and local level, not the national one.

There's not necessarily much of a formula to it. You need to find someone you trust who you can ask which people actually matter and accomplish things. Leveraging your personal network can be very important.

GiveWell: Any thoughts on how to look at the space and decide whether it's crowded? My instinct is to do it comparatively, count the number of groups and amount of funding in an issue.

Steve Teles: It's difficult to differentiate between the qualities of groups – e.g. some might be great but have uneven funding or are always short on money. This is something inside people will know, so it helps if you've sufficiently penetrated the policy network.

GiveWell: We've heard the claim that there aren't many people interested in letting people from the developing world into the US – either in support of it for humanitarian reasons, to improve the US, or for libertarian anti-border reasons.

Steve Teles: Admittedly immigration is not one of the topics I know much about, comparatively speaking. On this question, it's partly a function of funding. It's also the way people think about it – many people think of the humanitarian issue on an individual level, not as a numbers issue, or they think of it as letting family members in rather than letting in people from impoverished countries more broadly. The “trade not aid” argument is the same idea as immigration, but immigration doesn't get discussed in that context generally – maybe it could be.

The most disruptive thing to a political environment is a new issue dimension. It tends to motivate and mobilize a new set of people who realize they have a stake, and it changes what people think the issue is about. So injecting a new issue dimension into immigration may be valuable. This could be accomplished either with a new, special purpose organization or an existing one. A new organization would start out with no branding, which is good and bad: you have neither the cachet nor the baggage of an existing group.

Philanthropists do create new things all the time. The NRDC was basically created by the Ford Foundation. They look for an opportunity that doesn't already exist, find good people and give them some seed capital. These people might be ones who already work in a space but aren't achieving their potential or want a new job. Finding them probably requires being embedded in a space, so that people trust you and tell you things like this.

GiveWell: What about other countries? We would potentially see value in bringing about more open borders in any developed country, but that seems like a difficult field to survey.

Steve Teles: There are comparative immigration policy experts. In fact, the system at the moment is better in the US than many other countries, which are using human capital weighted systems to figure out who to bring in. Funding people in European countries would be very difficult, since we don't know the landscape. The US system is more permeable, whereas the systems of bargaining and deep bureaucracy in European countries make them difficult to influence from an outside perspective.

Some good people to talk to: Antje Ellermann, at the University of British Columbia, who has written about deportation and knows a lot about German policy specifically. She's a humanitarian, less of a nationalist. Peter Skerry of Boston College knows the INS bureaucracy really well. He's more of a restrictionist but would be an interesting person to talk to. He knows something about the European

bureaucracy as well. Rebecca Hamlin at Grinnell is working on a book comparing the immigration policies of the US, Britain, and Australia, looking at immigration processing at a deep regulatory level, and knows the intersection of regulation and courts really well. Many of the people at that intersection are former students of Robert Kagan of Berkeley.

Global Warming

Steve Teles: I recommend Theda Skocpol's report on what went wrong with Waxman-Markey. This space is crowded, but it's crowded with people who have failed, which is relevant. One big mistake the environmental lobby made is that they had an outdated model of how to pass legislation. They thought the key was to work in a bipartisan fashion. They didn't recognize how deeply the politics around this issue had changed and how much global warming opinions matter to identity now.

It might be necessary to sidestep the issue as it is normally thought of to get around the identity people have constructed: rather than taxing carbon, you might try to change road pricing or support geoengineering (although I think the latter is almost certainly a bad idea).

A fair number of evangelicals were interested in global warming regulation, but they got out when things heated up. The extractive industries eventually leaned on their partisan allies and asked them to quiet down on climate change, so the liberal efforts with the evangelicals turned out to be a bust. A "creation-care" approach to get evangelicals to see global warming as a matter of religious obligation could dramatically change the issue in the long term, but previous efforts have been poorly funded and badly executed. It was easy for people in positions of power in the evangelical community to switch their stance back to the orthodox Republican conservative position because they weren't being pressured by their congregations. This was different from prison reform, where lots of people were doing prison ministries and so the congregations saw it as an important issue.

The real opportunity might be to think long term: to change the priority of groups who aren't engaged in the issue over a 10 to 20 year period. You have to organize groups that don't think they have a major stake in the issue.

GiveWell: We keep hearing that since the existing groups have tried and failed that there's room for someone else to come in and do it right, but it doesn't seem clear that they did things wrong that someone else could do better.

Steve Teles: I wouldn't assume that there's no opportunity to do this. There is a lot of path dependence in this community, and they have a strong commitment to a bipartisan approach which locks them into a certain set of actions. Look for opportunities that allow you to do things that others can't do.

GiveWell: What sort of opportunities exist for people who are willing to drop the bipartisan approach? It seems like going after evangelicals is something that those bipartisan efforts would already do.

Steve Teles: Think about it as partisan warfare, so going after evangelicals and disrupting the opponents' coalition could be helpful. And in the long run this could be effective – rather than television ads, maybe try organizing groups at evangelical universities to influence the consensus 15 years from now.

Someone to talk to is Judith (Judy) Layzer at MIT.

GiveWell: What about doing work in other countries?

Steve Teles: You're unlikely to have a very good understanding of, say, the Chinese political system. There are probably plenty of people looking to get money from people like you and it's not clear you would be able to get much done. Overall, activity in other countries would probably not see much result.

Structural Political Reform

Steve Teles: I'd advise you not to get involved with this. In general, many political scientists are skeptical of institutional reform, and are often of the opinion that things like districting don't matter that much and that campaign finance reform is unlikely to be very effective. Even if most political scientists are wrong—it's happened!--there are an enormous number of funders working on this, excited about, spending money on it. In politics, it is my opinion that what largely matters is which interests organize themselves and participate in the process – that matters more than the technical details of the process, which the engaged parties can usually find ways to get around.

If you're worried about polarization, it may make sense to mobilize the people in the middle rather than to try to change the structure. Mostly, people have not figured out how to do this. The old way of organizing politics did this in a way – the Rotary Club, for example, was a social club that had some political involvement, so it was a relatively moderate organization politically since the people were drawn there from different backgrounds for a non-political purpose. Other people were mobilized into politics through material incentives – many people got involved in politics in Chicago because they wanted a job with e.g. the turnpike authority.

GiveWell: What you're saying makes sense – but on the other hand other countries have different political systems and some seem to have smarter policies. We seem to have a micromanaged government in a sense, and structural reforms could possibly encourage a better managerial relationship between constituents and politicians.

Steve Teles: When one considers the issue of political dysfunction more broadly rather than emphasizing the usual campaign finance reform issues, there may be some more promising paths. When people talk about money in politics, they normally mean elections, but that's not necessarily the most relevant point of intervention. The disproportionate money is really in regulation, implementation, and litigation. Attempts to control the amounts of money haven't worked well, so some people have thought about increasing the amount of money – creating check-offs for money that would go to political organizing, or acquiring more citizen dollars for example. I'm not particularly enthusiastic about that but it could work better than controlling the money. Part of the problem is with government regulation. If you could figure out a way to get really high quality people to work in and stay in sensitive regulatory positions (e.g. the SEC), this could really increase the quality of governance. All of this would help to improve the autonomy of our government.

A good person to talk to about this is Dan Carpenter of Harvard, who has written a great book on the FDA, an agency that used to be a model agency. It used to have a huge amount of autonomy from the businesses they were regulating. It actually did the opposite of industry capture, and was putting people from the FDA into businesses instead of vice-versa. This idea of agency capture might be a good one for GiveWell to work in and to talk to Dan about; progress could be made with ideas to improve the quality of regulatory bureaucracies.

GiveWell: Something else I think about in this space is non-regulatory issues like the mortgage interest deduction. Here it's a big issue with high profile debates, whereas it seems like overseas, it just isn't an issue. That seems like a case, potentially, in which our system is more prone to "micromanagement" by constituents.

Steve Teles: They have a parliamentary government, which is less susceptible to focused interest groups. In the US, congressmen are elected separately, whereas a country like Israel uses a party list, so the person who decides if you'll be elected is the person writing that list and not so much your constituents. With the former system, individuals have to raise their own money. The real influence, though, is concentrated interests in your district. So an electoral reform towards a more parliamentary system could be a bigger change than campaign finance reform, in terms of reducing the relative importance of concentrated interest groups.

Sanford "Sandy" Levinson at the University of Texas Law School would be a good person to talk to about this, and has written a good book about changing the constitution. It could be worth stimulating a conversation about possible changes to the structure. I'm not ready to junk separation of powers, but encouraging people to think about more radical institutional changes, that are beyond what can be done now, is an excellent thing for funders to do. It's a classic example of low-probability, long-term, high payoff funding—which ought to be the zone that funders flock to, but generally isn't.

Macroeconomic and Economic Policy

Steve Teles: There is a lot of space for a new player here. Check out the chapter in my book on Law and Economics.

A key point is that economics is a very insulated discipline, self-reproducing and highly defended. An attempt to create an alternative space for challenges to orthodox thinking is the Institute for New Economic Thinking, funded by George Soros. Part of the problem is that a lot of the money for research goes through the NBER which is very much a center of orthodoxy.

Someone to talk to about new economic thinking is Mark Blyth, a political scientist at Brown. Some people are trying to create new thinking outside of the strict profession – in political economy or economic sociology, for example.

The big critics of mainstream orthodoxy are substantially underfunded. This might be a rare area where it might actually be useful to "dump money into" the space, as it would be important to pull lots of people in to add legitimacy.

GiveWell: What points of orthodoxy are you thinking of?

Steve Teles: My issues with the existing orthodoxy are similar to those of Matt Yglesias. For example, the value of counter-cyclical monetary and fiscal policy. But even more I would point to the sources of long-term growth, both in the US and in developing countries, which requires a greater attention to economic history and to the internal character of firms and their interaction with the state than mainstream economics has space for. Also, some of the broader questions about inequality internationally and domestically are not seen as central questions in the field.

You should talk to the Kauffman Foundation, they have some smart people there who have been thinking about innovation. Kauffman basically created the field of the economics of entrepreneurship (there was some writing on it but not what you would call a “field”).

Farm subsidies

Steve Teles: I don’t know a lot about this but I have a couple of points worth sharing.

The anti-farm subsidy side is low on resources. It’s on the periphery of a lot of people’s issues, but at the center of no one’s: environmentalists care about it, and global poverty people care about it, and there are a handful of people working on this at think tanks, but there aren’t really any organizations dedicated to this. Sallie James at Cato is working on this and might be worth talking to.

This is an area where venture funding could be useful. There are a lot of things you need to know on this issue, not just the economics but also the concentrated interests. It’s also a geographic problem. The overwhelming power of farmers turns out to be true across different institutional systems. It holds in France and Japan even more in the U.S. Adam Sheingate wrote a book comparing agricultural politics in the US, Japan, and France. Other countries have more corporatist bargaining, with organizations that have a formal relationship to the state.

The US did pass the Freedom to Farm act in the late 90s, but it didn’t stick. Eric Patashnik’s book *Reforms at Risk* is very good about the durability of policy reforms. In the US the big tax reform in 1986 came unwound relatively quickly, but the deregulation of airlines stuck. Sulfur dioxide trading regulation from the Clean Air Act Amendments of 1990 stuck despite being so bad for the coal producers.

The Freedom to Farm act is more ambiguous. It allowed farmers to produce what they wanted, not particular crops. It was originally going to phase out subsidies, but a big drop in farm prices soon after it passed meant Congress went back and brought back the regulatory regime.

Ways to get regulation to stick include putting interests that are blocking regulation out of business – less efficient airlines were opposed to deregulation and went out of business after it passed – or get players to invest in the new regulatory regime, which airlines did after regulation. It’s important to be in this for the long term, so you have to fund things after the bill passes to help it stick.

Part of the reason Freedom to Farm didn’t stick was that people think of farmers as nice, good salt of the earth people. Farming has become massively more concentrated, but people still don’t think about this issue in the way they think of other industries with concentrated producers. Check out Baumgartner’s and Jones’ *Agendas and Instability in American Politics*. They talk about how the nuclear industry used to have a fantastic policy image, but Three Mile Island changed all that.

The financial industry has had some damage to its policy image, but there hasn’t been much in the way of organizations on the other side to take advantage of that damage.

This is a really good area: there could be a high payoff, it’s not crowded, and there is an expert consensus that the current situation is terrible. You can add ethanol subsidies to this as well. The Green Scissors coalition is an example of a collaboration between groups working in this space, but my sense is what it really needs is a full-time, dedicated organization. The general idea is still a little exotic—very few of my students interested in the environment think that the way to do something good for the

environment is to cut government spending or reduce damaging regulation, but it often is! Getting that idea across is long, slow work, but very powerful if you can invest in the idea over time.

Intellectual Property Reform

Steve Teles: Intellectual property is potentially a good area and underfunded, although it is better funded than it used to be. A student who wrote a paper on the Sonny Bono Copyright Term Extension Act couldn't find any organized opposition to the act. Only when it was challenged at the Supreme Court was Larry Lessig able to get people together, and even then it was sparse. Corporations are hugely invested in the regulatory system.

Talk to Jack Balkin at Yale, who runs the Information Society Project there, and Yochai Benkler at Harvard.

This may be an issue where too much of the damage has already been done.

Advocating against regulations that protect rent-seeking

Steve Teles: This is something I've thought a lot about. Think about the rent-seeking society – not just licensing but also the entire political economy of rent-seeking, including things like consulting, which tries to extract rents not from states but from firms themselves.

Of all the areas you're thinking about, this one might have the most room to run in. It's poorly researched but even more poorly executed, in terms of anyone actually doing things. Licensing is mainly at the state and local level, and people like dentists are massively organized in every region with no one on the other side. In some sense it's even harder than organizing against finance because this area is so decentralized, so to have a national impact you have to organize in each place individually. There are spillovers, though, so if you make progress in one state that can create tipping dynamics in other states.

Real estate agents are an example: title insurance is a cost of thousands of dollars added when buying a house, which in other countries is handled by agencies looking up that you have the title to the house, but in the US you have to pay a large cost for – this is entirely rent-seeking. This is almost all at the state level.

GiveWell: Are there networks to work across states?

Steve Teles: Yes, like with crime many of the tools require working across states. So you would want a layer of people doing research, and to create a network of state-level organizations that work across different fields and areas and share knowledge they learn from their experience.

The Institute for Justice, a libertarian litigating organization, has a book about this, and would be good to talk to. They have an organization across states, but they don't have many other organizations they can work with since not many others do this. Their main instrument is litigation, but there are other important tools you'd want to use. They've done some research but we need a lot more. One thing they've been involved in is litigation against undertakers, who drive up the costs of caskets, etc.

Dean Baker is someone on the left who has been thinking about this, specifically upward redistributing rent-seeking. Part of the problem is that people on the left don't think about this issue too much, not

realizing that it is an issue of inequality. It would be helpful if people had in their mind that this sort of rent-seeking leads to inequality, so that they associate casket prices or dentist organizations with broader issues they are concerned about.

There aren't really any donors in this area so you could have a lot of impact.

Additionally, if you could pull people who could be doing innovation away from rent-seeking activities such as finance/law/consulting, you could generate lots of new work.

No one really gets motivated by inflated casket prices compared to helping impoverished children. And it's hard to know who else would do it. It's similar to the immigration issue – when people think about inequality, they don't often think about how letting people move freely would help that. Similarly, they don't think about undertakers having too much power when worrying about inequality.

It will take an iron stomach to get involved with these issues. These organizations, like realtors, are really well organized.

GiveWell: Do you mean an iron stomach because they'll try to make the funders look bad?

Steve Teles: Yes, and because you might upset people by focusing on issues like this rather than problems which are more obviously bad.

Lastly on this, it really is a vacuum in terms of room for funding. Intellectual property might be another one that does, but I'm not sure, and farming is another one that has a lot of room.

Animal Welfare

GiveWell: I've heard the animal welfare lobbies are well organized, but I'm not sure how true this is, especially on issues like factory farms. Any thoughts about this?

Steve Teles: This is sort of connected to the farm subsidy issue, as far as the public image of farmers could change from small land owners petting sheep to big corporations exploiting their workers and animals.

There was a big discussion in the Jewish community regarding kosher meat certification and whether it should account for the treatment of animals. This sort of thing could lead to more public thinking on this issue, and get people to think more broadly about food production, combining the different issue siloes of subsidy regime, the treatment of animals, the treatment of workers, etc.

Gay Marriage

Steve Teles: By the time you get organized, it might not be an issue anymore.

GiveWell: What about supporting groups that are there now?

Steve Teles: I think there is a lot of money in that area already, a lot of large and pretty sophisticated organizations. Allison Gash, who teaches political science at Oregon, would be good to talk to. She has a book about how gay adoption has gotten ahead of gay marriage in some states.

In general, liberal issues are often badly organized in pretty much all red states. There's very little liberal organization in Mississippi and few funders are trying to build general liberal infrastructure in red states.

GiveWell: But is the argument for that approach that you ought to go for the states where it's easier to have an impact, until you get a tipping point effect in other states?

Steve Teles: Well, you can try to win in every blue state and then do it nationally, which has been the gay marriage approach, but a lot of issues that wouldn't work for. There's no generic infrastructure for some things so you'd have to accomplish it in every state.

Most funders are looking for a quick hit, and not the low probability opportunities of something like changing social perspectives in conservative states. But it's important – if people in somewhere like Montana start to see that no one around them has a liberal, egalitarian perspective, any chance of that growing could eventually be totally squashed.

What issues have we not thought of that matter?

Steve Teles: We haven't talked about trade, although we did talk about intellectual property. One weird thing is that free trade agreements are often giant IP agreements – we force whoever signs to agree to and enforce our IP agreements. Why should India or China be enforcing our IP rules? There is a pro-trade set of people, dominated by business, who want to be able to export products but also to export our IP rules. If you could figure out a way to set up pure free trade agreements without IP that could make a big difference.

Dean Baker complains about this a lot, partly about upward redistributive rent-seeking. And nobody really realizes this, that most of the thousands of pages of free trade agreements isn't about dropping tariffs but is about royalties on Disney products.

GiveWell: Other issues?

Steve Teles: Globally, the labor rights issue is interesting. In our framework we think about using unions to protect labor rights, and it's an interesting question of how to organize workers for self-protection globally, but in a non-rent-seeking way. There are some things that even fairly hard-core labor market people need to recognize can only be done through collective organization (like enforcing the rule of law in the workplace and ensuring reasonably safe working conditions), and helping to organize people at the bottom of the global production process to defend their own rights seems important, and can help promote democracy. I'm not sure who is working on this at the global level. Ben Sachs at Harvard is working on the US equivalent.

Adoption

Steve Teles: Another issue we haven't talked about, that is both international and domestic is adoption. The system is really bad. For example there are lots of people in foster care who should be in permanent homes, and there are lots of people all over the world who could use help. It's similar to the immigration issue, just specifically with kids.

There is a real lack of funding from anyone interested in improving the system. The Dave Thomas Foundation for Adoption is the closest thing I could name, but they don't really fund hard-ball policy research and lobbying, of the kind you'd need for real systemic reform.

It's a dysfunctional government system. This is partly due to risk aversion – every time a kid is badly placed we create a lot of new legislation around it, and internationally countries see it as an insult if lots of their kids are being sent away.

In terms of quality life years, moving someone from the third world to the US is better the earlier you do it. A lot more people might adopt if it were easier, and had a more clear process – currently you might end up waiting indefinitely. It's a totally over-worked, weirdly regulated system. Maybe you could fund policy research to figure out why this is so messed up. There doesn't seem to be doing anyone in economics or public administration doing much research on this, even though it is in some ways like a market. My former student Melissa Bass at Ole Miss looked for funders in this area and couldn't find any.

GiveWell: Are there people that would be good to talk to get more ideas like this, ones that no one is really interested in so you wouldn't see in the news, etc.?

Steve Teles: Mark Kleiman of UCLA Public School of Affairs is very worth talking to. Mike O'Hare of Berkeley's Goldman School of Public Policy is another good one – he has some really interesting thoughts in intellectual property stuff, specifically the creative side, and he's smart on everything.

Criminal Justice

Steve Teles: To me this seems to me to include drug policy.

GiveWell: It seems like issues like the legalization of marijuana aren't really connected to criminal justice reform – the recreational use of drugs or international drug interventions seem like different issues from criminal justice reform.

Steve Teles: They may be normatively different but they're not different in terms of our current system. Another guy to read about this is Peter Reuter of the University of Maryland School of Public Policy/Department of Criminology, and someone else is Angela Hawken at Pepperdine. There's enormous amount of absorptive capacity in this space. Those two and Kleiman could be out doing field work, varying treatments, etc. but there's very little funding. Check out their evaluation of the Hawaii HOPE program.

GiveWell: I'm somewhat skeptical of some work like this – these studies are often expensive, take a long time, and often aren't very convincing.

Steve Teles: This one is a fairly simple treatment, compared with some other randomized controlled trials, so it seems more likely that it could be extrapolated other places. This is part of the reason they could use more funding to try different things in different places. Angela is very aware of that issue that you raised so she would be good to talk to.

As for whether criminal justice and drug policy are linked, I think that we already have a market, for example, in marijuana, and we throw some people in jail for engaging in it. Most policy changes that get called "legalization" are about moving to a regulated market in that area. So, both issues are about market design – the key issue with marijuana isn't just "can we get it legalized?" but "what should the market look like?" so it's better to think about not pulling them apart.

Many people are against what we have now but don't know what they're for. A risk with this thinking is that you don't admit you're creating a new market, and that the one you create doesn't work or collapses. So you need people who are thoughtful about infrastructure and organization.

Those thoughtful people don't have nearly as much organization as the quality of their ideas deserves. Brookings is starting a marijuana project that Mark is involved in, along with Jon Rauch. By the way, his book *Government's End: Why Washington Stopped Working* is worth reading and he's worth talking to.

Another thing to say about this is that crime isn't on the agenda in the Washington think tank community. This is partly because crime is heavily at the state level. You could get a lot out of having someone at each of the major think tanks doing research on this, since no one else is really doing it (unlike e.g. health care, which there's dozens of people there working on).

We know a lot more than we did 15 years ago, when the attitude might have been that nothing works. We know a lot more about the alternatives to prison, as well as what doesn't work.

Drug treatment, for example, doesn't work very well for a large number of people and at scale is probably a huge waste of money, even though that's the direction California is going. The problems are that it is expensive, few people do it well, and if you expand drug treatment you almost inevitably reduce the quality of it. The way to do it would be to have only the people who really need it go through the treatment with a small number of very good people running it—that is, be pretty picky about who you give it to, and try to keep the quality for those who get it as high as possible. We seem to be going in the opposite direction, in large part because the preferences of the provider community are the opposite of what I just described. For reasons that make complete sense, drug treatment people would prefer treating the people who are going to get better on their own – it makes the success rate higher and is generally a more pleasant experience to work with them. The people who really need it often have to go through it multiple times before it has much of an effect.

As for market design, if you did decriminalize marijuana, would you allow factory production or just allow production for use? If we allowed factory production, we'd have a big industry that would encourage people to use it, like the alcohol industry, which probably isn't a good role model. You could have big positive effects by setting this up correctly, but an inundation of a totally new legal drug market could be dangerous. The durability of the effect depends on how you set it up. The global market effects have to be considered – and you might want to talk to Mark Kleiman about this – but if we regularize access to marijuana it would change our relationship with many countries, because we'd end up buying product in large quantities from places like Mexico. So it's also an agricultural issue.

GiveWell: Who's operating in this space?

Florida's an interesting case. There aren't many organizations in Florida at all, but the business organizations were engaged in this. They used to be for mandatory minimums, etc. and flipped to supporting sentencing reform, etc. This is largely because of the expense and wanting lower taxes: it's hard to cut education or to change Medicaid, so they support cutting incarceration spending rather than risk their candidates losing for cutting popular programs.

Conservatives are becoming more for prison reform – as the party has shifted to the right, they start to see prison as another form of government they want to get rid of. This is happening with military

spending as well. So this creates opportunities for liberals to cut spending on things like military and incarceration.

In Florida you get bigger bang for your buck because of the lack of organizations having anything to do with this, unlike California which has well organized groups.

GiveWell: How would you go about doing prison reform?

Steve Teles: National research is one thing – experiments, and also policy analysis with think tanks..

You need a two part structure – a national organization with state groups. You may need to have pretty separate liberal and conservative groups, collaborating only when they need to. By spending too much time intertwined they'll lose credibility with their own parties.

I recommend starting out with places where people have been getting somewhere. Florida might be a possibility. Also, there are so many people incarcerated there that there's a lot of room to improve. The options the state would consider at the moment probably wouldn't be very good – more drug treatments, for example. You might have to help build better functioning parole and probation systems as a substitute for prisons, as a lot of the infrastructure necessary for this doesn't exist in some states.

The HOPE model is something that could work in other places. Mark Kleiman's article The Outpatient Prison in The American Interest talks about this. If you could make this model work it could be a win for everyone – but you have to make it work. Policy triage might be necessary – don't put much effort into helping the people who are doing fine, but be fairly paternalistic with the people who really need it. This is something parole officers can't do at the moment because they have so many people to work with. You'd probably have to build this infrastructure because it's much more paper-pushing-based at the moment, with little monitoring and serious case-work.

It's worth thinking about policy durability – my fear is that someone does it wrong and completely blows it, and common wisdom becomes that this is a bad idea. Or that somewhere they let a bunch of people out of prison and recidivism rates are high. There might only be one chance to do this right. The administration of the case management is the hardest part, so a good place to start would be a state that deals with managing things pretty well. Wisconsin, for example, has a good tradition of administrative competence, and so did well at implementing welfare reforms in large part because they had experience in other complicated matters. Larry Mead's book Government Matters is very nice on this point.

GiveWell: One worry I have is that it's difficult to do things like this effectively if some people are trying to sabotage them, and it seems like this is an area where lots of people would have an interest in reforms not going well.

Steve Teles: Well, let's think about who would be against you. There's the prison-industrial complex. Prison guards have gotten a little less recalcitrant recently because they've realized that we can't keep building prisons. More important is prosecutors. They have deep political incentives for locking people up. DA races are weird, since they don't get a lot of money from national players. But if there was big money behind people running for district attorney places, you might get people who were more open to reform.

But I don't get the impression that there's a big risk of people trying to sabotage experiments in this area – that's certainly a possibility in other matters but it's not so clear there's much incentive for people here.

History of Philanthropy

GiveWell: What is it that philanthropists have tried to do in policy? What's the case they actually made a difference?

Steve Teles: My book discusses the creation of a liberal legal network, which included litigating groups and law school infrastructure. And that was largely created by the Ford Foundation, initially all by themselves. Sanford Jaffe of Rutgers was the guy who did this, creating the field of public interest law which led to things like the ACLU Women's Rights project and the Mexican-American legal defense and education fund. This was effective in part because the conservatives didn't do something similar for a long time, but it is a good example of venture philanthropy that worked. Jaffe would be worth talking to.

A lot of my book is about the Olin Foundation, which was very effective. Jim Plereson is the person who ran it. They worked a lot on policy infrastructure. Jim had a clear ideological mission from Mr. Olin – free market, anti-union, and they didn't really have issue-specific goals. He spent so long there that he had heard lots of arguments, seen lots of projects come and go, and he was able to get people to trust him. And he asked people in his network to tell him about people they knew, and they shared opinions of others that they would not have had they expected them to become more widely available.

And they gave money to institutions rather than projects. For example, they gave a lot of money to AEI and let the president of AEI distribute it internally. Most foundations deal with their grantees as if they're contractors, restricting the use of the money. This makes organizations siloed, taking away some organizational integrity since people aren't dependent on the person at the head of the organization. Everyone works on their own program. AEI, on the other hand, had all the money coming through the top.

So that's a question you'll have to consider – whether you'll want to support particular projects or provide general operating support.

GiveWell: We've written about this in the past, we think in general we prefer general operating support.

Steve Teles: It's complicated – if you're engaging in a particular policy it's hard to give out general operating money to multi-purpose organizations. If a bunch of the issues you're interested in have a lot of overlap, there's an argument for creating a new think tank.

GiveWell: Has anyone gone through and tried to figure out which things worked and which things didn't?

Steve Teles: Joel Fleishman has a book with lots of case studies, which is a good place to start for defining the population of cases, although you'd need to do more work on determining which ones really succeeded because of philanthropic support.

GiveWell: Yeah, I've read that and we have a blog post about it. But there aren't many about policy right?

Steve Teles: There are a few. But most of what foundations do isn't policy.

Let me give you some cases I know of in which there is a strong argument for foundations' making a difference in advocacy.

First, the deregulations of the 1970s. The Ford Foundation was heavily involved. The Brookings Institute was as well, and deregulation was particularly suited for the 70s: the leaders in congress had little control, so everyone was operating as individuals, and the weak parties were good for policy entrepreneurship. Read *The Politics of Deregulation* by Martha Derthick and Paul Quirk, which makes a good argument for why the research on deregulation done by Brookings turned out to be consequential – it wasn't just interests that affected the end policy, the knowledge base also mattered. The problem is that in today's polarized political environment it's hard to put together coalitions like that these days.

Bradley had a lot of success when Mike Joyce was president; Bill Schambra (now at Hudson) was also there. Mike thought of everything as part of something bigger: school choice, welfare reform, and other issues were all ultimately about promoting a more conservative, rightward viewpoint. He had a great intelligence network, and a major strength of his was getting people to open up to him and share their information.

Walton was the only funder of school choice for a while. They were lean, giving away big sums of money with only a few people. Ed Kirby there would be good to talk to. John Walton really believed in school choice, and was in it for the very long term, regardless of what anyone else wanted to do.

The Koch brothers used to be pretty good in past decades, although I'm not thrilled with what they're doing with a lot of their funding nowadays. The Institute for Justice was funded by them in the beginning.

Atlantic Philanthropies had a lot of impact on health care. HCAN had some impact: it got people to show up in potentially crucial moments. It probably wasn't a great idea to try to get everyone behind one particular policy – would have been better to have some people pushing for single-payer, some for managed competition, etc. But they helped get a bill passed, and without their people in the field it might have failed. (of course, it was such a close-run thing that almost anything could be given responsibility for it passing!) In global warming the same thing was done, focusing entirely on cap-and-trade, which backfired when that got a bad name and they couldn't switch to a different option. Sometimes it might be best not to rally everyone around one specific thing. It's hard to get people to push for something they don't really believe in. This is especially the case if people don't understand that policy – cap-and-trade and health care exchanges are both poorly understood. The institutions didn't feel like they could talk about the actual policy mechanism too much. But if you don't, the other side will. So pollsters in this instance aren't helpful for policy advocacy – they can only give you people's binary opinions.

Generally, I'd advise you to be wary of collaboration. You want to avoid the dangers of a hive-mind, and you want to be doing things that other people aren't doing. But you do want to be able to learn from what other people are doing.

The funders I know the most about are conservative funders. They're pretty nimble and opportunistic – when it turned out there were some Democrat state legislators who decided they were in favor of school choice in Wisconsin, the conservatives were able to move quickly to support them, and were able to put together private vouchers to keep people going when school choice was being threatened.

So it's important to have a good system in place to recognize opportunities and get people in place when and where you need them. And on the program officer side, you might want to set a maximum number of days in the office, since you want them out in the field building trust with people – this is impossible over Skype. You need to build relationships with people so they feel like they can trust you. And you have to be involved in a field for a while so people know they can trust you.

On the Carnegie Foundation, the woman to talk to is Ellen Lagemann, who's now at Bard College and used to be the head of the Spencer Foundation. She's written good books on foundations – *The Politics of Knowledge: The Carnegie Corporation, Philanthropy and Public Policy*, and *Private Power for the Public Good: A History of the Carnegie Foundation for the Advancement of Teaching*. Sarah Reckhow of Michigan State is another useful person to talk to, and has a different set of methodological skills like network analysis. Her book *Follow the Money* is about foundations and education and she's done comparisons of foundations of Los Angeles and New York City as well as some interesting network analysis.

Fabio Rojas of Indiana University has a good book on the creation of the African-American Studies field, created by the Ford Foundation. Fabio emphasizes that foundations have a profound legitimation imperative. For them this meant making black studies a prestigious discipline that could be studied at universities. They succeeded but this meant losing some of the more radical elements – foundations generally de-radicalize.

The women's movement is another place the Ford Foundation was involved. There weren't many organizations involved prior to them, and they helped speed the movement from social movement to political infrastructure, but this did lead to elite liberal organizations with little groundswell support.

There's a tendency among philanthropists to support things that are close to a policy outcome that they can actually control, whereas locally based mobilization requires the people to own the policy, which means you have to sacrifice that control.

GiveWell: We've been talking about a lot of higher level things, like creation of fields, that foundations have done. Are there other examples like HCAN? Foundations that, were it not for them, certain laws would be noticeably different?

Steve Teles: Foundations are generally better at the higher level type of work. They're generally better when they're getting behind something that's already going – they recognize it and help get it moving.

Traceability in the involvement of foundations is really difficult. Policy entrepreneurs are almost always funded by foundations. Women's rights in 70s and rights in the workplace are examples of litigation that wouldn't have happened if the Ford Foundation hadn't started the women's law project.

On criminal justice, the Right on Crime stuff only happened because the Texas Public Policy Foundation got money from an individual donor in Texas who really cared about this for his own reasons, then Pew came up with money to keep it moving. This is something that other conservatives came to see as a conservative issue, in part because of the Texas Public Policy Foundation's conservative credentials.

GiveWell: What foundations are doing the best work?

Steve Teles: Kauffman is pretty good. One thing notable about them was that they were both producing knowledge and funding knowledge production simultaneously. Even their general counsel produced

content and did research, which is unusual. Entrepreneurship was the soul of the organization and it was something that was constantly talked about. They're an argument for specialization. If you're specialized, everything anyone learns helps everyone else.

The Smith Richardson Foundation in Westport, CT is really good on research. They funded me. They fund public policy research, domestically and internationally, and do lots of different areas – education, crime, health care. They've tried to position themselves in the center, compared to everyone else positioning themselves on the poles. They do a fair amount of quantitative research but aren't tied to it, and they're willing to do things that they haven't done before, as well as put some money towards feeling out territory. Their program officer on the domestic side, Mark Steinmeyer, is just a really smart, thoughtful guy.

The Health Policy Scholars program of the Robert Wood Johnson Foundation is a great example. They help bring a lot of social scientists into the field by subsidizing their acquisition of policy-specific knowledge. It's hard to predict the exact consequences of that, but the people who've gone through the program have produced some really important research over the years. The Federalist Society is a good example of this – the Society led to huge consequences which weren't planned by the foundation that started it originally. Read chapter 5 of my book about this – this all happens because people are meeting each other at events, which creates a core of infrastructure that drives policy change over the long term.

This gets at the knowledge problem of philanthropy. Influencing public policy is not hydraulic – applying a particular amount of pressure doesn't lead to a proportional outcome. Creating infrastructure that people can use for lots of different ways leads to uncertain outcomes.

Conservatives realized they couldn't do anything to increase the number of conservatives in academia, but they could increase the platform that any ones who got there did have – and that made it easier and more attractive for others to get involved down the line.

People working at think tanks often complain that they spend a lot of time producing metrics, but their funders don't ever read what they're writing – if a foundation is spending all of its time setting requirements for its grantees, no one there will have time to consume the material being produces. This is a complaint I've heard a lot from grantees.

Infrastructure

Steve Teles: Even if you've thought about issues you're in, it doesn't tell you what to cut checks for. The standard is to identify something and give grants to existing organizations. The alternative is one of a couple of things.

One is that if the portfolio of issues that you're interested in is sufficiently distinct then maybe it's worth funding your own organization to do it.

GiveWell: You mean as a think tank?

Steve Teles: Maybe a hybrid organization. There are some that combine C3 and C4 activities, but I'm not sure if it's always a good idea. But that's one option, and it's possible that you'll come up with a slate of issues that would mean a new organization would make sense and donors could get behind that.

GiveWell: We're thinking that we might not be at that point for some time.

Steve Teles: Well, be careful, because it may be that the first thing you do defines you. For example, another option is to create programs at other institutions. But if you create a program at an existing organization, you start to create a certain type of infrastructure somewhere else which makes it hard to do things yourself later. Once you start to create new goals within your own organization, you won't have the same synergy with your previous works that you might have had if they had all been internal the whole time.

A third option is to fund everything inside. Bring in great people and essentially create a think tank inside your organization. You could then spin that whole thing off. At Kauffman, Bob Litan was doing research and cutting checks at the same time. You could bring someone in and use them as a 50% program officer/50% fellow – spending half of their time writing and half of it working as program officer. Part of the advantage of this system is that intellectually, you want to attract ambitious people, and that sort of person would be attracted to the increased impact they could have through an organization.

GiveWell: Something I know a lot of people are excited about is online organizing as a new thing in the political world. SOPA is an example where this tool of grassroots mobilization has been taken up very quickly.

Steve Teles: I think a more interesting example is Uber, which they tried to shut down in DC but the company was able to organize their consumers against the coalition of taxi drivers, which is a classic rent-seeking group. Similarly, food truck consumers should be a nearly impossible group to organize, but there has been resistance when cities have tried to crack down on new food trucks. So I think online organizing is fairly good at getting people involved at a low cost to the individuals.

The real question is can any of these online organizing groups translate people registering online into people doing actual work. Sierra Club has actual chapters. The difficulty with rent-seeking is that no one shows up to occupational licensing meetings other than the dentists. If you could get people to actually show up to things like that you could have a large impact. This is connected to the larger point of the Baumgartner, Berry et. al. book *Lobbying and Policy Change*, which I really admire. Lobbying matters most when there's a lot of mobilization on one side, and more or less nothing on the other. The implication is getting the "nothing" side up to "something" can be pretty transformative. Just having anyone relatively skilled to pay attention and show up can have a big impact on policymakers.

GiveWell: The way I see the case for online organizing so far is that it's largely about getting attention for something – pink slime, Trayvon Martin – so that it gets in the media, and then because these are micro-issues, once they are in the media you've won. And SOPA was a big example of this.

Steve Teles: This is something you should talk to Frank Baumgartner about – he's great at measuring things that seem difficult to measure.

The other thing I would say is that this is effective at expanding the zone of conflict, bringing attention to a previously insulated policy issue. You need an infrastructure of people paying attention who can sound the alarm and bring it to everyone else's attention. This could be a distributed mechanism, with a distributed group of people paying attention to different things.

Political strategies are effective for a limited period of time until someone figures out a counter tactic – this has been true for political tools historically: writing letters, marches on Washington, etc. This is at the

end of my book. There are advantages to being the first mover, but eventually it gets played out. The speed with which one side can ramp something like this up means the other side can figure out how to counter it quickly as well.

The nature of politics is that you have to constantly be making new tactics and also making the old ones obsolete. People in politics get tied to the things they know, so most innovation comes from new entrants rather than old people developing new techniques. That's something you should look for in organizations that you fund: do they show a capacity to come up with new things, or do they just have one tactic?

This is also why it's important to fund an organization rather than a particular cause: you want them to be able to change tactics. This is partly because the techniques are external to the causes, so organizations can be looking for the next issue or political tactic, and they can be finding tools that will be more useful later on. If all of your funding is for particular projects it's hard to be looking ahead, which is why giving general operating support is good. A good executive is always going to be faster than a funder at allocating capital, and if the executive has some flexibility inside the organization there's likely to be more deliberation and innovation.

GiveWell: We haven't talked much about promoting particular candidates. What do you think of the idea of trying to promote members of a party who are more in line with our ideology than the current party's ideology, for example supporting Republicans who are more moderate and open to humanitarian issues than many of the Republicans that are in power today?

Steve Teles: Something worth funding might be some place where people can go to affiliate with similar people, somewhere that people can go and be known to be moderate Republicans. Now, it feels like there aren't any.

I think the bigger problem is that if you're trying to get people at the Congressional level you're already too late. The conservatives have such a strong "farm team", operating at a much more local level. And the "moderate" label is a problem today.

The current dynamic is that people who might go into politics don't, because it seems too conservative to them, so the party gets pushed even farther to the right. You'd have to change things at that level, the entry level. That means supporting, say, candidates for state legislature or even lower, and committing to supporting them in the future as far as they go.

Another approach is to focus on one or two states. It may be the case in some states that the Republican Party is such a shell that a few people who really cared about it could take it back. California wouldn't be good for this, but if a couple of wealthy, dedicated people in somewhere like Connecticut set out to take over the state Republican party they might be able to do this. You might want to talk to Geoff Kabaservice, who wrote about the decline of Republican moderates.

One difference is that when there was a strong Republican moderate faction it wasn't just at the high level – there were lots of local clubs and organizations. So you probably would require organizers in addition to funders in order to influence the party's policies.

GiveWell: Any other closing thoughts or suggestions?

Steve Teles: The Robert Wood Johnson Foundation created something called RWJ Scholars, bringing people who have their PhD in fields like economics to a couple of locations, and spend two years educating them on health policy. This pulls people into a field, which is something you could think about to create more research in a field people aren't very involved in. Grants don't work the same way, since you'll only be giving grants to people who already decided to go into that field. You could then promise these people that after they're up to speed after two years that you'll support their research afterwards. RWJ also has a separate thing to get people with MDs into health policy. These are examples of things that have been pretty good in an infrastructural way. It would be like if Yale Law School had a program on financial regulation, pulling in people from the social sciences – this could very quickly create lots of scholarship and research on many issues surrounding financial regulation.