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# Bootleggers, Baptists, and Political Entrepreneurs

## *Key Players in the Rational Game and Morality Play of Regulatory Politics*

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**M**uch of the academic discussion about rent seeking and interest-group politics focuses on available rents and the groups seeking them. We can enrich those discussions by attending to the political entrepreneurs who assist in identifying, seeking, and allocating the rents. In this article, therefore, we focus on political entrepreneurship in the rent-seeking society. One of the best models of the rent-seeking society pertains to “bootleggers and Baptists,” whose story provides a framework for considering how political entrepreneurs operate in the rent-seeking society. Political entrepreneurship as a class of action obviously plays a role in all political contexts, not only in the bootlegger-and-Baptist framework. To limit the scope of the present inquiry, however, we focus on this framework only.

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Bruce Yandle (1983) developed the bootlegger-and-Baptist model out of his experience as a U.S. regulatory economist. *Bootlegger* and *Baptist* are terms he uses to identify a coalition of seemingly opposed groups who need each other in order to gain the acceptance of a policy proposal. The model is taken from the observation that groups may work toward the same end even though their interests in that end may diverge wildly. Bootleggers benefit from bans on Sunday liquor sales or from designation of an entire county as “dry.” The Baptists provide the moral cover for the bootleggers’ interests. Baptists are opposed to bootlegging, but they are more opposed to legal sales. They provide, in Yandle’s words, “vital and vocal endorsement” for banning alcohol sales (Yandle 1999c, 3). The bootleggers work in less obvious ways to lubricate the political machinery.

The bootlegger-and-Baptist model has been applied profitably to a broad range of issues, including the North American Free Trade Agreement (Reynolds 1993), the Kyoto Protocol to the United Nations Framework Convention on Climate Change (Yandle 1999a, 1999b), tobacco regulation (Yandle et al. 2007), genetically modified food policy (Meins 2003), state liquor monopolies (Benson, Rasmussen, and Zimmerman 2003), and interstate wine shipping (Wiseman and Ellig 2007). The model’s virtue lies in its power to explain the odd alliances that propel regulations. In fact, Yandle suggests that most regulations can be understood as bootlegger-and-Baptist activity, even if those who benefit monetarily operate fully within the law. *Bootlegger*, then, is a term for those who benefit economically, and *Baptist* for those who provide moral cover for the regulations.

In the bootlegger-and-Baptist story, the two groups come together to achieve a common policy goal. The effects of their collective action are well understood and described in what is becoming a large literature. But part of the story is not clear: Just how do these “natural enemies” come together in the first place? It seems unlikely that the local Baptist preacher and the moonshiners meet in someone’s parlor to discuss banning Sunday sales. It is more likely that these parties meet separately with a political entrepreneur who represents them individually or jointly in the political process. As bootlegger-and-Baptist types of political activities move beyond small southern counties, we should expect the arena for political entrepreneurship to expand.

## Characteristics of Bootlegger and Baptist

In a 1999 retrospective on his original bootlegger-and-Baptist article, Yandle identifies several features that form the “essence of the theory.” The first is that “durable social regulation evolves when it is demanded by each of two distinctly different groups. Baptists point to the moral high ground and give vital and vocal endorsement of laudable public benefits promised by a desired regulation.” The Baptists’ critical role in the model is to provide a moral foundation for the desired political action. Bootleggers, according to Yandle, are not as visible in the process

as Baptists, but they are “no less vital.” They “grease the political machinery with some of their expected proceeds. They are simply in it for the money” (1999c, 3).

A second feature is that “bootleggers can rely on Baptists to monitor and enforce the restrictions that benefit bootleggers” (Yandle 1999c, 3). Thus, the moralizing continues, as does the monitoring of legal outlets, possibly with the sponsorship of various churches, while bootleggers continue to enjoy their legally enforced monopoly. Of course, as the bootleggers continue to sell their liquor, the Baptists constantly urge law enforcement to prosecute the lawbreakers.<sup>1</sup>

A third feature of the framework is that although rhetoric is necessary to move a political agenda forward, “neither well-varnished moral promptings nor unvarnished campaign contributions can do the job alone. It takes both” (Yandle 1999c, 7). Because, as Yandle points out, all political action by definition always serves some interest groups, wrapping self-interest in a moral flag is a necessary part of politics. The other necessary parts are the funds and other forms of electoral support required to keep incumbents in office.

The fourth and final feature of the bootlegger-and-Baptist model is that politicians can satisfy everyone in this situation. They make Baptists happy by publicly endorsing Baptist values, all the while receiving necessary campaign contributions from bootleggers. Yandle makes his strongest statement about the bootlegger-and-Baptist model in regard to politicians’ having it both ways: “bootlegger and Baptists,” he writes, “are part of the glue that binds the body politic” (1999, 7)—that is, without cooperation from seemingly incompatible groups, politics would operate in a smaller sphere.

The existence of bootleggers and Baptists across the political spectrum produces opportunities for creative political entrepreneurship. Forming coalitions, exploiting the efforts of naive Baptists or bootleggers, setting agendas, and other activities constitute opportunities for the entrepreneurs, whether they are politicians, wannabe politicians, bureaucrats, or private public-sector entrepreneurs. Yandle and his colleagues (2007) suggest one example of such political entrepreneurship when they propose that “televangelists” might become partners with the bootleggers to transfer even more rents to the bootleggers than can be accomplished in a simple bootlegger-Baptist coalition. Such a televangelist acts for the bootleggers’ specific benefit by providing more bang for their coordinated buck. If the televangelist metaphor is expanded, the Baptists are likely to have their own political entrepreneurs who work actively to improve the outcomes for their groups. Televangelists, however, are only one possible manifestation of political entrepreneurship.

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1. Such prosecution continues today. Popcorn Sutton, a moonshiner whose life was documented in a 2007 documentary shown on the History Channel, was convicted of making “white lightning.” In March 2009, he took his own life rather than go to federal prison. A YouTube clip of the documentary is available at <http://www.youtube.com/watch?v=inbmJy0xJgk&feature=related>.

## Characteristics of Political Entrepreneurs

Political entrepreneurship is generally ignored in interest-group and rent-seeking theory.<sup>2</sup> Dennis Mueller's *Public Choice III* (2003), the definitive summary of the public-choice literature, contains no reference to what might be construed as political entrepreneurship. *Political Science: State of the Discipline* (Katznelson and Milner 2002), the American Political Science Association's decennial review of the previous decade's scholarship in political science, does not discuss political entrepreneurship. Public-choice theory and political science assume that all players in the political arena act strategically, yet neither discipline considers political actors through the lens of entrepreneurship. Politicians, for example, tend to be viewed as mere brokers between competing groups, which ignores the fact that politicians, like private entrepreneurs, have property rights to sell and are alert to discover political profit opportunities.<sup>3</sup>

We use the term *entrepreneur* broadly to mean *homo agens* (the human actor) of Austrian economics, who "possesses the propensity to pursue goals effectively, once ends and means are clearly identified, but also possesses the alertness to identify which ends are to be sought and what means are available" (Boettke 1993, 880). Israel Kirzner, whose work in Austrian economics focuses on entrepreneurship, defines entrepreneurial behavior as "alertness to hitherto unnoticed opportunities" to achieve private outcomes (1973, 39). Randall Holcombe suggests that "political entrepreneurship occurs when an individual acts on a political profit opportunity" (2002, 143). Daniel Sutter argues that entrepreneurs not only discover profit opportunities in the market, but also "discover innovative ways to coordinate individual action for successful collective action" (2002, 202). In line with these descriptions of private and public entrepreneurship, we suggest that political entrepreneurship is *alertness to unnoticed opportunities to achieve desired political outcomes*. In the rent-seeking society, therefore, political entrepreneurship is *alertness to previously unnoticed rent-seeking opportunities*.

The reward for successful entrepreneurship in the private market is profit. In the political market, the rewards (that is, rents) vary. For the elected politician, rewards are outcome related and may include campaign contributions, credit claims, praise, avoidance of criticism, and vote maximization. Appointed officials claim credit or avoid criticism, increase their status, and gain support from politicians and interest groups. Private actors such as lobbyists, consultants, and interest-group staffs gain many of the same rewards—credit, support, status, and money.

By focusing on the quest for such "political" outcomes as the motive that provides incentives to the political entrepreneur, we rely on Harold Lasswell's ([1936]

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2. Notable exceptions are Wagner 1966; Kuhnert 2001; and Benson 2002.

3. Although property rights exist in both spheres, they are more poorly defined in the political sphere than in the market, a distinction that has important implications for the political entrepreneur, as we discuss later.

1990) definition of politics as “who gets what, when, and how.” Although Lasswell wrote before the term *rent seeking* had been coined, his definition in effect makes a statement about that activity. A political outcome can be a particular policy outcome, such as creation of a wilderness area, a mandate of the number and placement of parking stalls for the disabled, or the enforcement of school testing programs. However, political outcomes are broader; they may include such things as an opportunity for a politician to capture new votes, opportunities for a bureaucrat to increase his budget or improve his job security, and a potential way to protect a market position and capture political benefits for an interest-group member.

Private and political entrepreneurs also differ in at least three additional ways. Private entrepreneurship has to do with change—Joseph Schumpeter’s “perennial gale of creative destruction” ([1942] 2008, 84). Political entrepreneurship may pertain to change, but it may also relate to the preservation of the status quo—protecting political privilege, budgets, or status. In markets, consumers may reject change. In politics, rejection of change requires an entrepreneur. Discovering an opportunity to avoid costs and to preserve privilege is as much an entrepreneurial action as seeking benefits. In fact, the original bootlegger-and-Baptist story deals with the preservation of an existing restriction on Sunday beer sales.

A second difference between private and political entrepreneurs, at least within the rent-seeking society, is suggested by the term *rent seeking*. James Buchanan describes rent seeking as “behavior in institutional settings where individual efforts to maximize value generate social waste rather than social surplus” (1980, 4).<sup>4</sup> According to this definition, rent seeking in the political arena is always socially wasteful, which suggests that entrepreneurial discovery of rent-seeking opportunities is always socially wasteful. By contrast, private entrepreneurs who pursue their private interests generate social value.

The third important difference between the private and the political entrepreneur is that the former can act entrepreneurially by merely discovering potential profit opportunities, whereas the latter often also has to implement them. Well-developed property rights in the market allow entrepreneurs to reap the monetary rewards of their discoveries without having to implement any changes physically. They can simply sell the rights to their ideas to more practical-minded professionals. In contrast, in the political context, where well-developed property rights do not exist and clear monetary profit signals are absent, the distinction between the entrepreneur as discoverer of a profit opportunity and the organizer/coordinator of the affected groups is less clear. A political entrepreneur who wants to reap the rewards of his discovery may also have to organize the respective groups to implement his discovery.

Our political entrepreneur is also distinct from the political or policy entrepreneur discussed in the political science literature. Alertness to unnoticed political outcomes differs from the sensitivity of what political scientists call “policy

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4. For an extended discussion of this point, see Tullock 1980.

entrepreneurs.” An early use of this term occurred in the work of John Kingdon, who defined policy entrepreneurs as “advocates for proposals or for the prominence of ideas” (1984, 129). Mark Schneider and Paul Teske later changed the definition and name from *policy entrepreneur* to *political entrepreneur*. Their definition denotes “individuals who change the direction and flow of politics.” This definition, they believe, “transforms the notion of entrepreneurs from the study of heroic figures to the study of a larger class of individuals who help propel political and policy change” (1992, 737). Michael Mintrom, who has coauthored papers with Schneider and Teske, uses the term *policy entrepreneur* and proposes a broader definition that does not require the direction and flow of politics to change. He proposes that policy entrepreneurs are “political actors who promote policy ideas.” Later in the same article, however, he defines policy entrepreneurs as “people who seek to initiate dynamic policy change” (1997, 738, 739).

These definitions differ from our Austrian-inspired definition in at least four ways. First, being an advocate for a proposal does not mean that you are alert to possibilities for making it happen or that you were the entrepreneur who discovered the potential for advocacy. Second, although “individuals who change the direction and flow of politics” may do so because they are alert to unnoticed opportunities, they may also simply be reacting to political pressures, which is not entrepreneurship, but merely responsive action. Third, promoting policy ideas or “dynamic policy change” in an environment where no opportunities exist is not entrepreneurship, but mere advocacy without a clear end, at least by our definition. Fourth, our definition of entrepreneurship includes seeking to preserve the status quo, not simply to change it.

These distinctions between the political entrepreneur in the existing literature and our Austrian-inspired political entrepreneur enable us to emphasize four different types of strategies a political entrepreneur may follow that are rooted in these distinctions, specifically in the understanding that political entrepreneurship consists of discovery of profit opportunities, not simply of a response to changed incentives, as well as in the realization that political entrepreneurs may act to reinforce a profitable status quo rather than to bring about profitable change. The next section describes the coordinating function a political entrepreneur performs. It explicates in more detail four strategies that political entrepreneurs might pursue.

## A Model of Political Entrepreneurship

Every rent-seeking bootlegger needs a Baptist, and Baptists often need bootleggers. Political entrepreneurs are therefore continually alert to opportunities to match bootleggers with Baptists. They may find potential or inactive groups waiting to be activated as well as active, functioning groups that can benefit from a change in direction or from the formation of a new coalition. The potential or inactive groups fit Mancur Olson’s (1965) definition of a latent group: a group waiting to be

organized for a collective purpose. Organizing a latent group requires a great deal of skill but not necessarily the skills required of a political entrepreneur.

Political entrepreneurship centers on the discovery of opportunities for potential profit through coalition building. The political entrepreneur is alert to opportunities for group formation and discovers them, but he is distinct from the political activist or group organizer.

One analogy to the political entrepreneur might be a preacher without a congregation who identifies a new policy gospel (available rents), preaches it until a congregation coalesces around it, and recruits bootleggers to provide the political grease for the policy wheels. The congregation sometimes coalesces rather easily because well-organized, mutually sympathetic Baptists and easily identified bootleggers are waiting, as it were, to have their efforts coordinated. The United States Climate Action Partnership is an example. Political entrepreneurs did not need to create Alcoa, Alstom, Boston Scientific Corporation, Chrysler, Deere & Company, Dow Chemical Company, Duke Energy, DuPont, Environmental Defense Fund, Exelon Corporation, Ford Motor Company, FPL Group, General Electric, General Motors Corporation, Honeywell, Johnson & Johnson, Natural Resources Defense Council, the Nature Conservancy, NRG Energy, PepsiCo, Pew Center on Global Climate Change, PG&E Corporation, PNM Resources, Rio Tinto, Shell, Siemens Corporation, and the World Resources Institute. These organizations already existed. But political entrepreneurship was required for discovering the potential for cooperation between them and bringing them together into a grand coalition by whose actions the environmental groups would accomplish their legislative goals and the industry groups would get legislation and subsidies that give them market advantages.

Organizing groups around a common interest and formally coordinating their efforts composes the traditional story of coalition building. Most political coalitions are transitory—they come together for a common purpose and then disband, largely because only one issue holds them together and in other regards their agendas may conflict. This type of coalition may be represented by the standard mixed-motive game of game theory, in which the two parties are simultaneously partners and opponents. Because the political entrepreneur faces an environment of unclear profit signals and underdeveloped property rights, he must not only discover but also implement any changes from which he hopes to reap a profit. Unlike the market entrepreneur, the political entrepreneur has to get involved in the creation and management of the bootlegger and Baptist groups that he intends to coordinate. Managing a mixed-motive coalition requires excellent organizational and political skills, which may account for the large compensation that some political entrepreneurs receive. However, the entrepreneurial profit, which represents the incentive for the political entrepreneur, is the pure economic profit of potential political benefits minus the costs of such organizing.

Organized groups pursuing independent interests present easier targets for political entrepreneurship than do latent groups. In this case, the groups are already organized, but their actions are uncoordinated. Thus, the entrepreneur can discover

potential for coordination. The groups sometimes have such different purposes outside of the one around which the entrepreneur wishes to coordinate them that the groups may object to the perception that their actions are being coordinated. In these cases, the political entrepreneur explains that he is not asking them to get married, just to have one dance. If dancing is out of the question, the entrepreneur might create invisible coordination, as is most likely the case in the original bootlegger-and-Baptist story. In that story, the political entrepreneur is not the preacher. Instead, he is a backroom dealer who demonstrates the gains from cooperation to the Baptists and bootleggers and who organizes (usually invisibly) their cooperation. Baptists clearly do not want to be either seen with or seen as working in association with bootleggers, yet the bootleggers' cooperation is often necessary. Bootleggers just want to keep their Sunday monopoly. Coordinated yet invisible cooperation accomplishes both ends.

Groups already mobilized but acting independently provide political entrepreneurs with another opportunity—to coordinate their actions. Neither the bootleggers nor the Baptists need to know about the coordination. Each side retains plausible deniability.

An excellent example is Jack Abramoff's coordination with Michael Scanlon in opposition to the Jena Band of Choctaws' being granted a federal license for building a casino in Louisiana. Abramoff, according to the *Washington Post* (Schmidt 2005), represented a rival tribe that already had a casino an hour's drive from the site of the Jena Band's proposed casino. Abramoff organized contributions to members of Congress from the rival tribe and from other tribes with casinos. He utilized an advocacy group founded by the secretary of the interior (the federal agency that grants the casino license) before she took office, and he mobilized evangelical leaders James Dobson and Ralph Reed as Baptists to support his case. Reed received \$4 million to generate antigambling sentiment in Louisiana and Texas through his Committee on Gambling Expansion. Dobson, through his organization Focus on the Family, planned to discuss the issue on his weekly radio show. One of Abramoff's top aides wrote to the secretary of the interior that Louisiana "already has an alarming number of gaming establishments." The political entrepreneurs Abramoff and Scanlon were paid \$32 million over three years for their efforts.<sup>5</sup>

Sometimes no Baptist will cooperate, yet rents may still be gained. In those cases, the political entrepreneur becomes the strategist who aids the bootlegger in taking one of two actions. The first is to free ride on the Baptists' actions—that is, find some portion of the Baptists' moral flag to wrap around the bootlegger so that he receives some of the political rents. Instead of restricting his activities to policies supported by one group for moral reasons and another group for economic reasons, the adroit political entrepreneur can put one group's moral proposals into the same legislative

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5. Abramoff's dealings with the tribes were among the actions for which he was sentenced to federal prison in 2006.



package with the proposals that benefit another (bootlegger) group. Because politics is not completely transparent, bootleggers can publicly claim to support the Baptists' desired outcome when they are really in support of something else. Thus, individual riders that might be considered part of the moral low ground are attached to proposals that take the moral high ground. Today's popular term for such activities is *pork barrel politics*, but these activities are far more pervasive than simple pork barreling. The Omnibus Public Land Management Act of 2009 (Public Law 111-11 2009), for example, was hailed in the press for its massive expansion of wilderness and other forms of preservation, but it contains provisions that benefit narrow economic interests in particular counties and even takes land from the public domain and puts it into the private domain. The narrow interests were hidden by the environmental interests' moralizing. To borrow a phrase from the comedy show *South Park*, the private interests were hidden by the "cloud of smug" emanating from the supposedly public interests.

The second strategy is to claim to be acting for the benefit of a relatively undefined, even latent Baptist group while extracting rents. Claiming to act for the benefit of latent Baptists is exemplified by supporters of biofuels legislation. Political entrepreneurs representing bootlegging farm lobbies in the United States and consumers in the European Union Consumers claim to be acting on behalf of the loosely or poorly organized consumers (Baptists), yet in all likelihood their favored policies drive up the price of corn and provide no environmental benefits but create subsidies, tax breaks, and regulations that require fossil fuels to be blended with biofuels.

## Strategies of Political Entrepreneurship

Political entrepreneurs use a host of strategies to coordinate bootlegger and Baptist groups. In the discussion here, we highlight four general strategies they pursue, recognizing that other strategies may also prove serviceable.

### *Separate Incidence of Costs and Benefits*

Political entrepreneurs operate in an environment that separates cost and benefit considerations. That is, those who bear the costs are often not the same ones who receive the benefits. Divorcing payers from beneficiaries is a time-honored activity among political entrepreneurs. Milton Friedman may have been right when he asserted that TANSTAAFL, "there ain't no such thing as a free lunch" (1962, 16–17), but part of the political entrepreneur's job is to find ways to make others pay for his clients', voters', or cause's lunch. That is, identifying available rents and securing them is part of the political entrepreneur's "discovery" and is essential in eliciting the bootleggers' support to bring about the change the Baptists desire.

Simmons, one of this essay's coauthors, was a small-town mayor and saw such misallocations firsthand. A nearby city of only four thousand people, for example, received a federal road grant for \$4 million. The money came because the city

manager's daughter had served an internship in the U.S. House of Representatives. When spare, unexpected money showed up for road projects, the city manager worked with congressional staff to claim part of that money. The city had already set aside money for a smaller \$1 million road, but city officials were happy to save that money and use the \$4 million in federal funds to build a four-lane road through their city instead. They almost certainly would not have built four lanes if they had to spend their own restricted tax monies when other projects were more pressing, nor would the local taxpayers have increased their taxes to finance the wider road. The four lanes are being built not only because they do not burden local taxpayers, but also because the expenditure of dollars from elsewhere provides a local contractor with additional work. Simmons noted that all of the other mayors in the county were envious of what they called the "lucky money" that came from via the congressional office, and most of them are staying in close touch with congressional offices in hopes of getting lucky money of their own. In fact, the windfall was not "lucky" money at all. It flowed to the city because the city manager and the congressional representative's staff were alert to a new opportunity and the means to take advantage of that opportunity.

Diana Thomas and Michael Thomas (2010) discuss the role Richard Titmuss played in identifying a rationale for intervention in the blood market in the 1970s. Titmuss provided the Baptist rationale for the joint bootlegger efforts of the American Medical Association and the Red Cross. The two organizations cooperated to achieve regulation of liability in cases of post-transfusion hepatitis. Titmuss successfully constructed an argument that identified the beneficiaries of potential regulation and supplied a rationale for imposing the regulation's cost on a diffuse group of unorganized individuals. Armed with Titmuss's arguments against commercial blood and his definition of the group that should bear the regulation's cost, the American Medical Association and the Red Cross brought about regulation in their favor, thereby eliminating commercial blood markets in the United States.

### *Rent Extraction*

The political entrepreneur's engagement in rent seeking suggests another role for him: he announces the intention (his or someone else's) to introduce legislation or regulation that will threaten someone's interests. Fred McChesney (1997) calls this action "rent extraction." He maintains that politicians and bureaucrats extract rent by acting like William Faulkner's "mud farmers," who created muddy roads that trapped vehicles in them and then pulled the vehicles out in exchange for a "contribution." Larry Sabato describes how congressional representatives received generous rewards from the American Medical Association and the American Dental Association for a bill that exempted dentists and physicians from regulation by the Federal Trade Commission. He states that a "favorable vote was worth, on average, nearly \$1,000 for a legislator's campaign kitty, and any cosponsor of the bill was in line for \$1,800 more than went to House members who did not cosponsor the bill" (1984, 134).

Although Sabato does not describe the details of this deal, it seems likely that the initial bill to institute regulation was put in play by a political entrepreneur who expected to benefit from different professional groups' later efforts to be exempted from the law. This political entrepreneur did not act to coordinate the activities of bootleggers and Baptists; instead, he provided the incentive for them to coordinate and pay the rents that he and other politicians collected in exchange for exemption from regulation.

### *Policy Symbolism*

Political entrepreneurs also sometimes employ a policy of symbolism: making grand policy statements whose objectives cannot be achieved. This tactic comes in at least two forms, as Michael Lyons explains: "The first form is grand statement of sentiment, such as 'congressional resolutions that have no legal policy effect,' and the second is decisions that 'legally establish real policy objectives, but which are designed *not* to achieve their objectives'" (1999, 207).

Regulatory law provides many opportunities for policy symbolism. A common tactic is to create grand-sounding, widely supported legislation but then fail to provide funds sufficient to accomplish its objectives, thereby protecting specific groups that might be harmed. In addition, Congress often identifies policy objectives that are completely unrealistic or gives agencies "lengthy lists of actions to take and deadlines to achieve that the agency cannot even begin to accomplish" (Bryner 1987, 207). Political entrepreneurs often know that policies are so strict that they will be unenforced, especially by state and local officials who are fearful of driving away industry and employment. Thus, in anticipation of spotty, easily circumvented enforcement, Congress passes laws, and bureaucrats create policies with the support of those being regulated.

Bruce Yandle (1999a) provides a good example of policy symbolism in an article on the Kyoto Protocol: many firms that were initially part of an anti-Kyoto coalition, the Global Climate Coalition, started leaving the coalition in 1998 and aligned themselves instead with green-activist groups. This departure from their original positions was accompanied by grand gestures of having bowed to public pressure and by acknowledgments of the importance of the fight against climate change. Shell Oil was one of the first major corporations to leave the coalition in June 1998. This seeming change of direction came shortly before the introduction in the Senate of S 2617 in October 1998 as an amendment to the Clean Air Act, which was supposed to provide relief from carbon-emissions reductions for early voluntary relief efforts. Yandle points out that for a firm such as Mobil Oil, which had cut emissions by one million tons by 1998, this type of relief "becomes a potential asset worth \$300 million" (1999a, 32). The policy symbolism in this case was the change in direction performed by many initial opponents of climate-change legislation: as soon as they had discovered a potential way to turn the legislation into a monetary benefit for themselves, they were willing to support it ideologically and aligned themselves with the Baptist green-activist groups.

Most political entrepreneurs know they are in a game of symbolism and work to appease their group's desire to "do something." Coauthor Simmons, for example, worked in the Department of the Interior at the same time that Yandle was at the Federal Trade Commission. He was assigned to be a member of an interagency working group on global issues. At one of the group's sessions, clean-air legislation was discussed, and Simmons asked the Natural Resources Defense Council representative if she were interested in real reform or just the symbolic reform that took place in the previous Clean Air Act amendments.<sup>6</sup> She responded that she had been part of the negotiations over those amendments and that she should not be judged harshly because she "needed to get something passed."

### *Magnifying Threats*

In some cases, political entrepreneurs have a strong incentive to magnify threats to their group(s). By doing so, they keep their group members involved and contributing to the cause. James Q. Wilson concludes that political organizations that rely on threat appeals will find that "their leadership will have a stake in magnifying the threat (whatever the reality) and [in] conducting legislative campaigns that demonize opponents (however great the need for allies)" (1995, xi). This analysis suggests that ideology, inflexibility, and dogmatism are likely to be common traits of political entrepreneurship. Walter Rosenbaum comments that this interpretation fits environmental groups because they "resort to the rhetoric of crisis so habitually that the mother tongue of environmentalism may seem inspired solely by the Apocalypse" (1995, 31).

Besides solidifying group involvement, magnifying a threat can increase public attention and with it the likelihood of obtaining a political majority in favor of legislation that benefits the bootleggers and Baptists. Jack High and Clayton Coppin (1988) discuss a classic case of such threat magnification in their analysis of "Wiley and the whiskey industry." They show that Harvey Washington Wiley, in his efforts to secure for himself the oversight of the Pure Food and Drugs Act being legislated in the first decade of the twentieth century, willfully overstated the risk associated with the consumption of rectified whiskey as compared with the risk associated with straight whiskey. The two products, which are chemically identical, differ only in the amount of poisonous fusel oils they contain. And straight whiskey, contrary to what its name may suggest, contains a much higher concentration of such oils. Despite his documented knowledge of these facts, Wiley initiated a public campaign asserting that "straight whiskey was purer and more healthful than rectified" (1988, 301), thereby aligning straight-whiskey producers and the Women's Christian Temperance Union in his cause. As a political entrepreneur, Wiley discovered the potential profit from this

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6. The best book on the topic is *Clean Coal/Dirty Air, or How the Clean Air Act Became a Multibillion-Dollar Bail-out for High-Sulfur Coal Producers and What Should Be Done about It* (Ackerman and Hassler 1981). It describes how legislation to bail out the dirty-coal industry was wrapped in the rhetoric of clean air and trumpeted by national environmental groups as a significant win for environmental policy.

coordination of interests for the groups involved as well as for himself and thus became the central figure in the campaign for the Pure Food and Drugs Act. Straight-whiskey producers, playing the bootleggers in this legislation, benefited from the elimination of their most significant competition: rectified-whiskey producers. The Baptists of the story, the women's temperance movement, chalked up the legislation's passage as a victory.

## Implications and Conclusions

Yandle maintains that bootleggers and Baptists provide "part of the glue that binds the body politic" (1999c, 7). We have argued that political entrepreneurs are the glue that binds and bootleggers and Baptists are merely the pieces that the entrepreneurial glue holds together. Entrepreneurs are the critical actors in the political sphere because they are alert to and discover political profit opportunities. They act either to bring about change or to maintain the polity's status quo by providing the required incentives for groups to form and by illuminating the benefits different groups' coordination.

Besides bringing groups together, political entrepreneurs expand the policy arena. They facilitate part of that expansion by coordinating the actions of disparate groups whose interests coincide in only one regard. That act of coordination, however, operates like the blue light special at K-Mart: it identifies previously unnoticed opportunities. Thus, political entrepreneurs beget more political entrepreneurs as new opportunity horizons are discovered.<sup>7</sup>

Discovering new opportunity horizons involves determining the best tactics to use given the type of groups the political entrepreneur seeks to coordinate. The entrepreneur must sometimes begin as a preacher without a congregation who identifies a new policy gospel, preaches it until he has a congregation, and then recruits bootleggers who provide the political grease to lubricate the policy wheels. On other occasions, the groups are already organized, and the policy entrepreneur acts to coordinate them and suggest actions, as Abramoff did.

Political entrepreneurs as politicians or bureaucrats can also extract rent for themselves, so interest groups must beware of them. It is probably not sufficient for bootleggers to rely on Baptists to monitor and enforce the regulations that are mutually beneficial. They must watch out for rent extractors (mud farmers) who may threaten to upset the bootlegger/Baptist equilibrium.

Political entrepreneurship is rarely conducive to rational or efficient allocation of scarce resources. This negative consequence does not mean that the individual entrepreneurs are irrational in their choice of language and symbolic activities. Politicians wave the flag and kiss babies because of these actions' tactical value in a course of actions that is at once a rational game and a morality play—which, incidentally, is probably not a bad definition of politics in general.

7. See Coyne, Sobel, and Dove forthcoming for a discussion of the multiplier effect associated with unproductive entrepreneurial activities.

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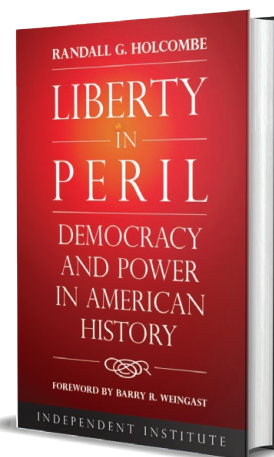
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