THE GEORGE WASHINGTON UNIVERSITY

Regulatory Reform: Tracking the Watchwords of a Movement

By: Dylan Desjardins | January 4, 2022

In brief...

This commentary examines the history of the phrase "regulatory reform," tracking the phrase from the early 20th century to its proliferation during the Ford administration to today.

The phrase "regulatory reform" has been salient in American politics for decades, conveying an ambition to alter and often rein in the actions of the regulatory state. But when did this phrase originate and what contributed to its popularity in policy circles? To begin to answer that question, I looked for early uses of the phrase in academic and policy-centered databases, including ProQuest, Google Scholar, and the National Archives, and reviewed relevant academic literature from over the years.

One of the earliest traceable references to regulatory reform in the United States is a 1932 article from the New York Herald Tribune where the author describes governors of New York and Pennsylvania as "exponents of regulatory reform."¹ The first half of the 20th century saw other scattered references to the term, including in book reviews in 1940 and 1962. But widespread use of the term did not occur until the 1970s. Only one digital record in the National Archives contains the term before 1970. There are 119 records of the term's use by 1975 and 475 records by 1980, many of them records from Congressional and Cabinet meetings in addition to other government documents.

The uptick in use is attributable to its adoption by the Ford administration and other political figures as a term to describe actions to change (and often curb) the exercise of regulatory actions by agencies. Over time, many would use the term regulatory reform in a fashion that essentially <u>equated it with deregulation</u>. Others resisted this interpretation, applying regulatory reform to any restructuring or realignment of the regulatory state. For example, in his "<u>Regulatory Reform: A Confused National Issue</u>," Senator Edward Kennedy argues that airlines should be largely deregulated but also that the FDA should initiate greater regulation under the "regulatory reform" umbrella.

¹ "Liberals in Regulation of Utilities Will Confer." *New York Herald Tribune*. (Feb 22, 1932).

ProQuest Historical Newspapers: New York Tribune / Herald Tribune pg. 9.

During the Ford administration, there was bipartisan support for a regulatory reform agenda. In a <u>1976</u> <u>House Report</u>, the Subcommittee on Oversight and Investigations of the Committee on Interstate and Foreign Commerce reported:

The primary goal in the reform of regulation should be to make regulatory programs function more effectively on behalf of the consuming public... if durable change is to be accomplished, there will have to be fundamental adjustments in the political environment of regulation and new structures for increasing the accountability of agency actions to broad public interests.

A dominant force behind the greater scrutiny toward agency action was the Ford administration's Review Group on Regulatory Reform, but multiple other hearings, testimonies, and reports incorporated the phrase "regulatory reform" into their titles or missions during this time.

During the Carter administration, the executive branch, Congress, and civil society continued to promote "regulatory reform." 1978 saw the American Bar Association Commission on Law and the Economy publish an influential report, authored by then-Harvard Professor Stephen Breyer. It would become a key text in the regulatory reform movement (for more on the efforts of Stephen Breyer, Ted Kennedy, and others to organize deregulatory forces, see <u>Milestones in the Evolution of the Administrative State</u>). According to the <u>Yale Journal on Regulation</u> "by the end of the Carter Administration, a consensus had emerged among many economists and policymakers that economic and social regulation was overly expensive, inflexible, arbitrary, and ineffective."²

The Reagan administration continued to focus on reducing regulatory burdens, but largely replaced the phrase "regulatory reform" with "regulatory relief," which the president used in a <u>1981 speech</u> announcing a Presidential Task Force on Regulatory Relief. Unlike the term regulatory reform, which some interpreted as allowing for more stringent regulation in some circumstances, regulatory relief presumes that regulation is overly burdensome. However, <u>by the end of Reagan's first term</u>, the administration's rhetoric softened, cuts to agency budgets slowed or reversed, and the term "regulatory relief" all but disappeared, with "regulatory reform" once more becoming the default language.

Since then, and to this day, the term "regulatory reform" continues to be used in government initiatives. A <u>piece of legislation</u> that passed in 2018 was <u>described by its associated Committee</u> as "the most significant piece of regulatory reform legislation for community financial institutions in nearly a decade." And the Trump administration issued <u>more than ten presidential documents</u> containing the phrase. However, early missives from Biden have instead used language that <u>emphasizes "modernizing"</u> regulatory reform will continue as a term politicians of all stripes can comfortably use, or whether it will become increasingly associated with only conservative or libertarian influence.

² Fix, M., & Eads, G. C. "The Prospects for Regulatory Reform: The Legacy of Reagan's First Term." (1984). *Yale Journal on Regulation*, 2, 293.