

ABSTRACT

Title of Document: DISSOCIATED CHOICES IN DIRECT
DEMOCRACY: PREFERENCES, POLICY
RESPONSIVENESS AND TRUST IN BALLOT
INITIATIVE ELECTIONS

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This research begins with a simple question: do direct democratic voting systems fulfill their promise of generating more majoritarian policy outcomes? I present a new theory – Dissociated Choice Theory – to examine the way in which democratic institutions, like the citizen initiative, alter the choice set, and therefore alter the expressed preferences of voters. I find evidence of contradictory choice sets among voters about tax and spend policies, and that direct democratic voting systems are likely to induce unconstrained preferences; what I term dissociated choices. I examine the implications of dissociated choices using aggregate state-level data, and both national and state-level survey data. The evidence suggests that direct democratic voting systems are inferior to representative democratic voting systems at delivering policy outcomes that coincide with majority preferences. These outcomes are responsible for declining trust in government, which paradoxically reinforces public support for an institution that produces less optimal policies.

DISSOCIATED CHOICES IN DIRECT DEMOCRACY: PREFERENCES, POLICY
RESPONSIVENESS AND TRUST IN BALLOT INITIATIVE ELECTIONS

By

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Dissertation submitted to the Faculty of the Graduate School of the
University of Maryland, College Park, in partial fulfillment
of the requirements for the degree of
Doctor of Philosophy
2006

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Acknowledgements

There are many people, without whom, completion of this dissertation would not have been possible. First and foremost, I would like to thank my family for their enduring support. My wife Molly has been patient, loving, and understanding throughout this entire endeavor. My parents, Dennis and Susan, and my brother and sister-in-law Ben and Kashana, have provided me with unconditional support and inspiration.

In academia, I have been fortunate to encounter so many brilliant minds and decent people. Jim Gimpel took me under his wing early in my graduate career and has mentored me throughout. My other committee members – Karen Kaufmann, Geoff Layman, Irwin Morris and Stanley Presser have provided me invaluable feedback and advice. Joe Oppenheimer, whose name does not appear on the “official” committee member list solely for bureaucratic reasons, has given feedback at every stage of this project. I also wish to add a special thanks to everyone who participated in the American Politics Workshop at the University of Maryland and at the 2005 *Novus Ordo Seclorum* Liberty Fund conference in 2005.

I would also like to acknowledge the contributions of the Public Policy Institute of California, who supported my research for the 2005-2006 academic year and provided me with the data for chapter 5. Mark Baldassare and Max Neiman have been wonderful colleagues and mentors to me, and I was never short of a critical eye while in San Francisco.

Last, but not least: the obligatory proviso. While I have received much good advice that I have taken to my benefit or ignored to my detriment, I alone am responsible for the arguments and findings presented within this work.

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Chapter 1: Introduction

"[T]he procedure transforms the electorate into a gigantic legislature, lacking, however, some of the criticized features, as well as some of the admitted virtues, of representative assemblies, and able to deal only with a limited number of measures, which may, nevertheless, be of the highest significance."

– V.O. Key, Jr. and Winston W. Crouch (1939, 443) –

This work is about democracy – concurrently about how varying forms of democracy work and what information is required for them to work. Specifically, it questions if non-deliberative forms of direct democracy, such as the initiative process as practiced in the United States, actually produce what they promise to produce: more democratic outcomes. This is an institutional theoretic approach to this topic, similar to rational choice theory. On the one hand, the central concern here is institutional design. However, I assess that institutional performance by examining the behavior of *The American Voter* (Campbell et. al. 1960). Assuming an American voter, apart from a rational voter, carries with it a great deal of complex baggage, including partisanship, issue inattention, ignorance, disinterest and ambivalence. What happens when this voter is faced with repeated single issue considerations? Can we count on them to rise to the challenge of direct democracy and get it right? Are the outcomes of this process “better” than the outcomes from a purely representative system? And, how would one go about evaluating this? These are the guiding questions of this research.

Central to my argument is that an American Voter’s expressed preferences on issues differ markedly when s/he is asked to consider issues singularly than when s/he is asked to consider issues as belonging to a set of potential outcomes whose implications affect other policies. If policies that are majority approved in single-shot elections on single issues actually produce sets of policies that differ from what would be preferred under a different institutional arrangement, a process which *institutionally dissociates*

issues might actually generate worse policy outcomes¹. I argue that direct democracy, as currently practiced in the United States, does dissociate issues and does in turn generate anti-majoritarian policy outcomes. In a bitter sense of irony, this process, in turn, actually induces voters to more negatively evaluate legislators and offer greater support for direct democratic institutions.

1.1 Direct Democracy in the American States

Before developing the argument more fully, there are some definitions and historical facts and figures that are often referred to or serve as premises throughout much of the extant literature on direct democracy. I refer frequently to these definitions and basic facts, although the reader will find many more comprehensive treatments of this subject matter elsewhere in the literature².

Direct democracy was championed by reformers in the Progressive era as an institutional response to combat the ills of the spoils system of government. Reformers were primarily concerned about the role that interest played in policy; how policies, particularly at the state and local level seemed to have more to do with rewards for loyalty and campaign donations than with creating good government. Direct democratic reforms promised a way for the citizens, a majority of whom were disenchanted with the spoils system, to more forcefully advocate their positions. They could do so by directly influencing policy through the initiative, legitimizing policy passed by the legislature

¹ Naturally, defining “better” or “worse” outcomes can be somewhat complex. I define better outcomes as being consistent with majority opinion in trade-off questions. While this is potentially problematic, given that majority opinion about policy issues might render a cycle, empirically this is generally not the case with budgetary issues (see Hansen 1998; Mackie 2003). I develop this discussion more fully in chapter 2.

² See for instance Cronin 1989 or Zimmerman 1999 for historical political perspective. See Waters 2003 for state by state accounts of initiative laws and history of passage through 2001. The National Council of State Legislatures also maintains a database of every initiative and referendum ever appearing on state ballots in searchable format at <http://www.ncsl.org/programs/legman/elect/dbintro.htm>.

through the referendum, and having a more responsive mechanism for deposing public officials from office through the recall. Initiatives and referenda differ in point of origin. Both require a public vote on specific policies, but initiatives originate outside of the legislative process (any citizen of the state can start a petition drive), while a referendum is law written and passed by the legislature, but sent to the people for a popular vote before approval.

These mechanisms, part of a western phenomenon to be sure, were the product of the Populist and Progressive movements, with states in their most nascent stages being the most likely to add these constitutional innovations. Map 1 details initiative usage by state from 1994 to 2004. Historically, North Dakota has used the initiative more than any other state, and is also distinguished as being the first state to adopt the process. In the decade 1994-2004, Oregon led the way with 77 initiatives, while California was 2nd with 61.

[Figure 1.1 about here]

Of central interest to this work will be voting behavior and policy outcomes in initiative elections³. Part of the reason to focus on the initiative process is to that the expected effects of voting behavior and policy should differ markedly from the effects in referendum elections. One of my central contentions is that legislatures are better instruments of producing policy that is responsive to the ideology and opinions of the electorate (chapter 3). Since the referendum is a hybrid process – laws written by legislatures, but approved by citizens – many of the arguments presented apply to the distinctive nature of the initiative process. Furthermore, this is consistent with the way

³ The words initiative and proposition or ballot proposition are synonyms in this work. Often, I use the more general term “direct democracy” when referring specifically to the effects of the initiative process.

that referenda and initiatives have been distinguished in the vast majority of the current literature (for instance see: Magleby 1984; Cronin 1989; Lupia 1992; Lupia 1994; Matsusaka 1995; Gerber 1996; Bowler and Donovan 1998; Gerber 1999; Gerber et. al. 2001; Matsusaka 2004; Smith and Tolbert 2004)

Initiative usage is not the only useful state by state comparison. There are further distinctions, as to the types of laws (statutory or constitutional), signature requirements, and amount of legislative oversight (among others) which expand or restrict the power of the institution. A scale of these items is presented in table 1.1 (Bowler and Donovan 2004). These scales are useful for understanding how easy/hard it is (1) to qualify a ballot measure, and (2) how much leeway the legislature has in altering passed ballot initiative laws. Easier ballot access and insulation should predict greater distinctiveness of initiative laws within states.

[Table 1.1 about here]

One important mechanism of note, captured in table 1.1, is the single subject clause. From the start, a concern regarding direct democratic processes was that initiatives might be too complex for citizens to comprehend. Therefore, states included a legal/judicial check on the process by limiting each initiative to a single subject. While this sounds straightforward, initiatives often involve overlapping subjects, and only the most egregious violations are struck down in court. By definition, some policy considerations intersect multiple policy dimensions. For instance, an initiative might create a program which requires funding, and create a funding mechanism for that program at the same time. It is ambiguous as to whether this policy deals with a single

subject or not. What if the funding mechanism tied to it through the initiative affects the funding of an existing policy?

An example of a violation of the single subject clause that actually was struck was Initiative 695 in Washington State, passed in 1999. I-695 set all car tab fees at \$35 for Washington state vehicles, and also required voter approval for all tax increases. The state Supreme Court struck down the initiative as in violation of the single subject clause because a reasonable voter might approve of car tab decreases without approving the second tax limiting provision.

While determining the dimensionality of “subjects” can be problematic, as a practical matter there is often an incentive for an initiative entrepreneur to not expand the subject list, as I will discuss at greater length in Chapter 2⁴. Regardless, single-subject initiatives rarely encapsulate a single subject, particularly if they deal with budgetary policy. Assume, for instance, that only the first provision on I-695 had been included in the text of the initiative - \$30 car tabs. According to the court’s ruling, this would not have been in violation of Washington’s single subject law. But, vehicle excise fees represent a revenue stream into the state’s general budget. Therefore, decreasing that stream necessarily affects some other policy. The implication of the tax decrease, as to which specific policy will receive cuts, is not known, and more importantly, cannot be known by a voter when voting on I-695. That voters commonly encounter such a choice scenario when they approach the ballot box⁵ is an important piece in understanding behavior in direct democracy elections.

⁴ In chapter 2 I argue that if an individual is more likely to prefer a status quo position when presented with sets of issues rather than sequential unrelated issues, an initiative proponent is best not to activate the trade-offs of their desired policy.

⁵ Or their electronic touch screen voting system.

Another important question of fact is how many initiatives end up on the ballot, and how many of them pass. While map 1 gives a cross-sectional variation for a decade-long period, table 1.2 breaks down initiative usage over time (by decade). Historically, about 40% of initiatives pass, and there has been wide variation in usage by decade. For instance, when initiatives were relatively new tools of policymaking at the height of the Progressive era, use was more widespread, than in the era between 1940 and 1970. Recently, initiative usage has been on the upswing, although the first five years of the current decade suggest that levels will not quite return to the 1990s, where an unprecedented 389 initiatives gained ballot access. Perhaps more unprecedented about the 90s is that half of all initiatives in that decade passed. In fact, since 1990, the passage rate of initiatives has climbed to 50%, even though historically, only about 40% of initiatives have passed. This is an important result for corroborating the findings of chapter 5 – that declining trust in government has made people more likely to support ballot initiatives.

[Table 1.2 about here]

Of particular interest in this research is initiatives that have some sort of budgetary impact. Given the high profile of the most famous initiative – Proposition 13 – passed in California in 1978, this is not surprising. And certainly, that initiative usage seems to have undergone a resurgence since Californians voted to slash their property taxes and create a supermajority legislative vote requirement for future tax increases, lends credence to the importance of this single initiative. No fewer than 25% of initiatives from 1990-2005 have dealt with budgetary matters from tax decreases,

supermajority tax limitations, sin tax increases, expenditure caps and bonds⁶. In the proceeding section, I give anecdotal accounts of the way that budgetary initiatives have affected policy in states.

1.2 The Initiative Process and State Budgets

That tax and spend issues are the most frequent issues addressed in ballot initiatives elections is to be expected. Proposition 13, the tax rollback initiative passed in California in 1978, is usually said to have started the resurgence of direct democracy in the American states. Yet, as a single initiative, Prop. 13 has probably received too much attention; thousands of pages have been written attempting to explain why an overwhelming 65% majority of California voters voted ‘yes’, slashing their property taxes, and requiring that future tax increases meet a more stringent 2/3 majority standard through the legislature.

In a sense, it makes more sense to talk about the ramifications of proposition 13 as a policy innovation or vis-à-vis other initiatives that California voters enacted. A single state’s policy change, as an act of “innovation”, can be a catalyst to similar policy changes in other states (Walker 1969). The case of California is well documented and while both proponents and opponents of Prop. 13 remain firmly entrenched in their positions on that issue, 27 years of policymaking both in and out of California has occurred since that law passed. Since 1978, 10 different states passed significant tax rollbacks via the initiative process, and of the 14 states that have supermajority or voter

⁶ Phillips (2005) lists 137 initiatives taken from the classifications done by the NCSL, between 1990 and 2004. From the previous table, there were approximately 532 total initiatives in that time frame.

approved limits on tax increases at the state level, 10 of those adopted such policies at the ballot box.

The problem with academic studies and punditry that has focused on singular initiatives, on an as-they-happen basis is that they fail to recognize the way in which policies, particularly budgetary policies, are interconnected. Frequently it is asked, did citizens approve of policy x? A majority vote indicates ‘yes’ and is consistent with expressed preferences about policy x – end of story. However, the decision-making rubric, when we take the effects of repeated initiative elections and public opinion polls, do not add up. Are citizens actually thinking about the implications of their vote when they select ‘yes’ or ‘no’? Is the policy set generated more majoritarian? It is not clear whether American voters are expressing preferences in ballot initiative elections that are consistent with *even their own set of preferences*. Citizens might not see rival issues as rival without the proper institutional frame.

Tax and spending initiatives have implications – they affect when, how, and how much funding is available for allocation by legislators throughout the budgeting process. To consider issues in a sequential, one-at-a-time fashion discounts the possibility that certain policy implications come under consideration. To serve as an appetizer to the main course (chapter 2), I provide some anecdotal evidence of sets of policies that have passed in three states. While I am only presenting some stories about the process here, cognitive tradeoffs do not always seem to be present when voters make budgetary choices in ballot initiative elections. Of particular note is the regularity with which initiatives pass which repeal previous initiatives.

1.2.1 California – The Legacy of Proposition 98

The oft-cited case of fiscal irresponsibility when it comes to initiative voting is California. Notable political commentators have referred to the fiscally constrictive way in which voters have approached budgetary issues: decreasing taxes while simultaneously raising spending (Broder 2000; Schrag 1998). While passage of Proposition 13 in California is often credited for the nationwide resurgence of the initiative process, the greatest budgetary restriction that California passed was Proposition 98, an education initiative passed in 1988, which annually occupies no less than 30% of the budget (Matsusaka 2005).

Put succinctly, many have argued that, “The accumulating effects of 25 years of initiatives – from tax limitations of Proposition 13 in 1978, to Proposition 98, the school spending formula passed in 1988, to term limits (1990), to the latter-day ballot-box budgeting that mandates spending on everything from parklands to roads to after-school day care—have so hamstrung both state and local governments that elected legislators, county supervisors and school board members have become the handmaidens, not the leaders, of policymaking in California.” (Schrag 2003).

There remains some question to what extent California has actually been fiscally constrained as commentators have suggested (Matsusaka 2005). However, the events between 2002 and 2005 – from the recall of Gray Davis, election of Arnold Schwarzenegger and the stunning rebuke of his initiative reform package 2 years later (chapter 5) – suggest that there is something rotten in the Golden State, apart from the smog.

While California is the oft-cited case, adopted ballot policies have diffused to other states. Every example regarding the health of direct democracy does not reside in California. While the state is undoubtedly a leader in direct democracy and has the most available data, other states contribute equally to a portrait of this century old direct democratic experiment that might cause observers to question the voters' rationales.

1.2.2 Colorado – TABOR

In 1992, Colorado passed the most stringent tax cutting measure in the country – The Taxpayer's Bill of Rights (TABOR for short). The Colorado TABOR law in practice is a revenue limiting policy. The state government may not collect more revenue than the previous year, with an inflation adjustment; in real dollars, the state's revenue is prevented from increasing in any given year. Any amount of revenue taken in excess of that value is refunded to Colorado taxpayers. Early on, TABOR was hailed a success, in that none of the doom and gloom expectations came to fruition⁷. However, the law did not build in provisions to deal with the nature of the boom and bust cycle. When the state's economy declined after the 90s boom, state incomes and revenues declined and in turn, the cap restriction on state revenue that could be carried over into the next year became increasingly restrictive.

In 2005, conservative Republican Governor Bill Owens, faced with a declining revenue stream, sent two TABOR limitation referenda to state voters remarking that, "Even something as good as TABOR always has unintended consequences... It works very well in a growing economy, but the challenge is you can't adjust for tough times."⁸ In an early November election in 2005, 52% of voters approved Referendum C, which

⁷ See, for instance, "Fiscal Trailblazer" by Michael New in the 11/4/2002 National Review.

⁸ http://www.denverpost.com/search/ci_3018662 (9/11/2005)

repealed TABOR for 5 years, generating \$3.7 billion in revenue for the state. A second initiative that would have provided an additional \$2.7 billion in loan money to pay for roads, schools and other infrastructure improvements (Referendum D), narrowly failed 49%-51%.

Without complicating this issue by assessing whether TABOR has been a “good” or “bad” thing, it is clear that this initiative policy had consequences that voters who approved it had not considered. Certainly, some individuals supported both TABOR and its limited repeal in 2005.

1.2.3 Florida – The Magnetic Levitation System

The initiative process is fairly new to Floridians, comparatively speaking. While the law has been on the books since 1912, it was so prohibitively restrictive that it was not until the law was amended that the first initiative appeared on a statewide ballot in 1976 (Waters 2003, 173). Perhaps due to the 64 years of deprivation or a zeal for democracy, when Floridians vote on initiatives, they almost always support them. From 1976 to 2004, 27 initiatives have appeared on the Florida ballot and 22 of them have passed⁹. Three of the failed initiatives were attempts to legalize some form of gambling in the state.

Outside of the gambling issue, which Floridians are clearly against, the set of successful initiatives are somewhat confounding. In the 2000 general election, voters in Florida did something of note besides return a virtual tie for the office of President – they also passed Amendment 1, the “Florida Transportation Initiative for statewide high speed, monorail, fixed guideway or magnetic levitation system.” What Amendment 1

⁹ Historically, 42% of initiatives have passed. In Florida, 81.5% of initiatives have passed. Apart from legalization of gambling initiatives, Floridians have supported 92% of the initiatives put before them.

amounted to was a large unfunded mandate to link the five central urban areas in Florida together with a monorail system. Just two years later, Florida voters passed two more large unfunded mandates, providing free statewide universal pre-Kindergarten education without tapping into existing education dollars, and putting stringent limits on public school class sizes. In the same election, Floridians overwhelmingly supported the reelection of Governor Jeb Bush, who ardently campaigned against the two education initiatives. Just 6 years earlier in 1996, 70% of Floridians had passed a tax limitation initiative preventing the state from rendering new state taxes or fees without 2/3 support of voters.

In Florida, we see the clearest example of large unfunded spending mandates legislated at the ballot box after revenue limiting provisions had already been built into the state's Constitution via the initiative. In 2004, Governor Bush launched an initiative campaign to repeal the High Speed Monorail Amendment; 64% of voters supported the repeal.

1.3 Outline

In the chapters that follow, I present a theory – Dissociated Choice Theory – that accounts for the sometimes seemingly inconsistent behavior of voters in direct democracy elections. I go on to consider the observable implications of that theory with rigorous empirical tests. I find that:

- Initiatives are legally, but also institutionally restricted from concerning multiple policies at the same time. (Chapter 1)
- Individuals with below average political knowledge tend to be more susceptible to question framing – when asked about individual issues (what I term

dissociated choices or preferences), they tend to respond in fundamentally different ways than when issues are presented as tradeoffs with a budget constraint. These preferences are most likely to be found on tax and spend policy issues. (Chapter 2)

- Initiatives produce *institutionally biased policies* that restrict the budget in multiple directions – increases in social spending and tax decreases. Not only does this make governing more difficult, the policy sets produced in initiative states are not as responsive to citizen demands as policy outcomes in non-initiative states. (Chapter 3)
- Both policy outcomes and frequent participation in the initiative process serve as a constant reminder that government is failing, leading citizens to distrust government officials. (Chapter 4)
- Distrust in government is the fuel that feeds the fire of the initiative process, making individuals more likely to support initiatives. (chapter 5)

Figure 1.1

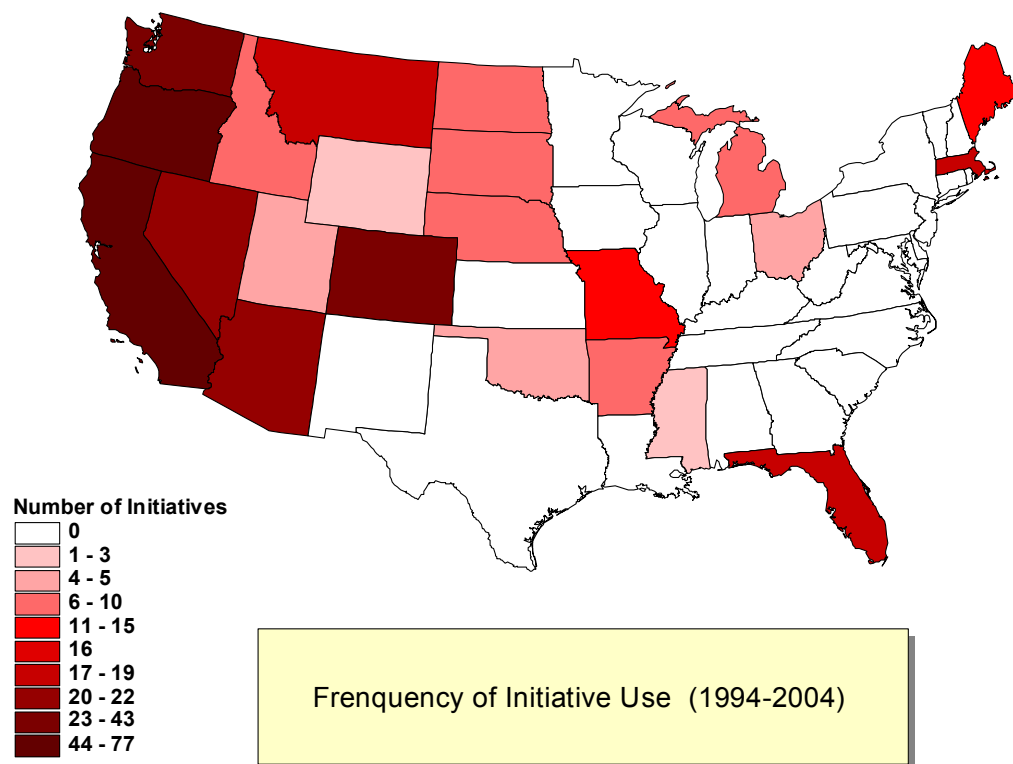


Table 1.1 Qualification Difficulty and Legislative Insulation Indices

Qualification Difficulty Index		Legislative Insulation Index	
Oregon	0	California	1
California	1	Arkansas	2
Colorado	1	Arizona	3
North Dakota	1	Michigan	3
Arkansas	2	North Dakota	3
Ohio	2	Oregon	3
Michigan	2	Colorado	4
South Dakota	2	Idaho	4
Idaho	2	Oklahoma	4
Arizona	3	South Dakota	4
Washington	3	Utah	4
Oklahoma	3	Washington	4
Montana	3	Florida	5
Missouri	3	Illinois	5
Massachusetts	3	Nevada	5
Utah	3	Alaska	6
Nebraska	4	Missouri	6
Maine	4	Montana	6
Nevada	4	Nebraska	6
Florida	4	Ohio	6
Illinois	4	Mississippi	7
Alaska	5	Maine	8
Mississippi	5	Massachusetts	8
Wyoming	6	Wyoming	9

Data are from Bowler and Donovan 2004. Higher scores represent greater qualification difficulty and greater insulation from the legislature, respectively.

Table 1.2 Initiative Usage by Decade, 1901-2005

Decade	Proposed	Passed	Percent
1901-1910	56	25	45%
1911-1920	293	116	40%
1921-1930	172	40	23%
1931-1940	269	106	39%
1941-1950	145	58	40%
1951-1960	114	45	39%
1961-1970	87	37	43%
1971-1980	201	85	42%
1981-1990	271	115	42%
1991-2000	389	189	49%
2001-2005	143	74	52%
Totals	2140	890	42%

Data compiled from <http://www.iandrinstitute.org/> Data for 2001-2005 are estimates only (Cooter and Gilbert 2006).

Chapter 2: Dissociated Choice Theory: Inconsistencies in Voter Preferences and the Design of Democratic Institutions

“The great faith in the initiative and referendum among the Progressives – and the fear of the devices among conservatives – is an example of the great store placed on forms and procedures by Americans. It is true that they constitute machinery which can be used in the public interest, but there must be somebody to operate the machinery before it is of any use.”

---V.O. Key and Winston W. Crouch (1939, 575)---

The central question that guides this research is: what is the proper way to design political institutions to deliver the “best” outcomes? To be sure, there are a number of issues that complicate this matter; notably, defining “best” and dealing with the fact that any institution, besides dictatorship, might degenerate into vote cycles (Arrow 1963). Direct democracy proponents have defined “best” or “better” outcomes as those that are responsive and representative of the will of the people. In this chapter, I lay the theoretical foundations for assessing this claim. As it turns out, cyclic preferences are not a common problem. But, if outcomes are judged by properly representing majority opinion, direct democratic institutions in the United States are potentially counterproductive in that they tend to produce non-majoritarian budgetary policy outcomes.

For over a hundred years, many citizens have had the opportunity to circumvent their elected representatives to create law and policy at the state level. The citizen initiative allows citizens to draft legislation, circulate petitions, and advance the proposed bill to a ballot for an up or down vote of all citizens of a state. The referendum allows the legislature to refer matters under consideration to a public vote. Some form of direct democracy is available in 24 of the 50 states and about half of all cities. The tenor of these reforms was that they were meant to provide a check on out-of-touch state and local governments, overrun with corruption and patronage.

Repeated public opinion polls have demonstrated that the public is quite fond of their populist powers. Citizens who live in states with direct democracy highly approve of the institution. There is even widespread support among the public for a national initiative and referendum system (Matsusaka 2004; Waters 2003; Bowler and Donovan 1998). Some have argued that there are positive externalities to direct democracy, coming in the form of increased knowledge, participation, social capital, and even happiness among citizens with access to direct legislative institutions (Smith and Tolbert 2004; Smith 2002; Frey and Stutzer 2001).

Critics of direct legislation offer a different account. Interest groups use money to gain ballot access and take advantage of uninformed citizens, and the outcomes produced place great restrictions on state government (Broder 2000; Schrag 1998). A bevy of political science research, however, has cast considerable doubt onto these claims. On the one hand, economic interest groups are not successful at passing initiatives, just at preserving the status quo, and legislators, bureaucrats and judges have asymmetric principal-agent post-adoption power to limit the effect of initiatives (Gerber 1999; Gerber et. al. 2001). Furthermore, despite concerns about the low levels of information of the typical voter (Campbell et. al. 1960; Magleby 1984) citizens appear to behave in a rational manner when voting on ballot measures (Bowler and Donovan 1998; Lupia 1992, 1994).

This research departs from these other lines of inquiry of direct democracy by focusing solely on the relationship between voter preferences and how electoral institutions aggregate those preferences to construct a social choice. Here, I present a new theoretic construct to answer this question – the theory of dissociated choice. The

basic premise of the argument is that many citizens respond differently when asked to evaluate tax and spend issues seriatim, rather than as rival policy outcomes. For example, a voter who indicates that s/he favors an increase in social spending may indicate that s/he does not favor the increase if the issue is framed as having undesirable consequences, such as an increased tax burden. I contend that direct legislation, as practiced in the American states, de-contextualizes issues so that many voters will evaluate ballot measures without considering the relevant trade-offs. In a sense then, the initiative can induce different voter responses to different versions of the same question by cueing the voter with the inclusion or exclusion of relevant information, much as alterations in survey instrumentation can induce different answers to a survey question¹⁰. The expected output of such an institution is policy that overestimates the amount of tax conservatism and spending liberalism of an electorate. In the following chapter, I lay out the logic of the dissociated choice theory, and provide rigorous empirical tests of its premises. I find that voters who lack political knowledge are most likely to offer inconsistent preferences when issues are dissociated from context.

2.1 Two Relevant Literatures

To study adequately the interaction of voter preferences with institutional aggregation (or electoral system design), it is necessary to consider two literatures in tandem. On the one hand, any serious discussion of institutional design requires addressing social choice theory. On the other hand, any serious discussion of voter competence requires an understanding of the political behavior tradition in American politics. Dissociated choice theory is fundamentally about how different institutional

¹⁰ For a recent review of this literature, see Schaeffer and Presser (2003).

designs will produce different policy outputs, *because of the internal inconsistency of voter preferences/opinions*. Due in large part to empirical studies of political behavior, there is an expectation about how voters with differing levels of political awareness may respond to different types of institutional design; voters who are politically attuned are more susceptible to have their opinion swayed by cues and frames. In this case, I argue that the institution itself is the framer that systematically biases the opinions of the politically uninformed.

2.1.1 Voter Competence

Are voters well informed enough to correctly express their preferences when voting? Research going back to Lippmann, Key and *The American Voter* suggests that most individuals know very little about politics (Lippmann 1922; Campbell et al. 1960; ; Key 1961; Converse 1962; Converse 1964; Luskin 1990; Page and Shapiro 1992; Zaller 1992; Delli Carpini and Keeter 1995). While it certainly does matter that most voters are not knowledgeable, recent scholarship suggests that a low level of political awareness does not necessarily preclude individuals from behaving in a rational manner¹¹. Several prominent researchers note that the public appears to behave with a collective rationale, with errant votes canceling out other errant votes (Page and Shapiro 1992; Erikson, MacKuen, and Stimson 2002; but see Althaus 2003). And others argue that the simplifying cue of party identification allows even uninformed voters to behave as if they were fully informed (Popkin 1991). Recent examinations have suggested that upwards of

¹¹ Here, and throughout this study, I use a very limited definition of rationality: that citizens can construct well ordered and transitive preferences, and that they select the available preference that is highest on their preference list. No assumptions are made if preference orderings accord with self-interest, symbols, or even masochism. The reason for such a limited definition is that I will demonstrate that many individual voters will internally express preferences that are inconsistent with one another.

70% of the electorate is able to “vote correctly” (i.e. consistent with their own stated policy preferences) in candidate elections (Lau and Redlawsk 1997).

Unlike candidate elections, initiatives and referenda are questions of policy, not of partisan choice (Magleby 1984). This means that the bar of the minimum amount political knowledge necessary to make fully informed choices is higher in direct democratic elections than in partisan candidate elections. In order for us to call an initiative or referendum vote rational, there must be some conception of policy preferences – something not necessary for candidate elections. For a variety of reasons, much of the recent literature suggests that citizens are able to behave as if they had full information, even with relatively low scores on researcher’s political awareness scales¹².

The first way that researchers have argued that voters act rationally while voting on initiatives and referenda with low information is that they respond to alternative, usually partisan, cues (Lupia 1992; Lupia 1994; Gerber and Lupia 1995; Bowler and Donovan 1998). These “cues” might include candidate or interest group endorsements, or even name recognition of the person who wrote the initiative. Cues are transmitted throughout the campaign by way of advertisements, media discussion, and voter education pamphlets prepared by the Secretary of State and party organizations.

The second way in which voters can act rationally requires even less information than the first: voting “no”. Voters tend to be risk averse (Kahneman and Tversky 1984; Quattrone and Tversky 1988); thus requiring a low-cost reference point. In primary elections, this point is the front-runner (Popkin 1991). In direct democracy, this reference point is the status quo. Since a “no” vote usually preserves the status quo, voters can tap into that preference without having any knowledge about the election. Furthermore,

¹² For more on knowledge scales, see Zaller 1992; Delli Carpini and Keeter 1995; and Lupia 2005.

voters do tend to behave in a risk-averse manner; only about 40% of all initiatives actually pass (Bowler and Donovan 1998).

A third argument about the limited-information rationality of initiative voters is that even with small amounts of information from campaigns, voters can make simple self-interest calculations (Bowler and Donovan 1998, 36; Banducci 1998). To be sure, this requires more information than the previous two considerations; however, simply understanding the directionality of the cost or benefit of a ballot proposition can lead voters to make informed decisions. Research suggests that even low information voters can vote in ways that reflects high levels of information. (Lupia 1992; 1994).

Finally, without the constraint of two-candidate races, direct legislation allows informed voters to express more complex ideological orientations that do not square with the orientations of the two major parties (Bowler and Donovan 1998, 39-42; Karp 1998). While not all voters are particularly sophisticated, some are. These voters are sufficiently well informed that they can decipher how their core values fit with the proposition under consideration. Ballot propositions allow these individuals to use ideology and issue-specific policy preferences as a guide. And, in fact, most of the data support the fact that ideology is a good predictor of voter choice in direct democracy elections (Magleby 1984; Bowler and Donovan 1998, 39-41). The prevailing wisdom, then, is that citizens either do not know much about politics and engage in cue taking or they know enough to vote rationally. Either way, their vote on the ballot initiative reflects a rational preference.

The definition of a rational or reasonable action throughout the literature is not overly restrictive. As Bowler and Donovan assert, “That does not mean that all voters, or even most of them, are well informed and in command of narrow factual details about the

policies on which they are casting votes. Rather, we show that they vote in predictable ways, in ways that respond to information demands, and in ways that often are consistent with their ideology and (our conceptions of) their interests,” (1998, 41-2). Lupia asserts that, “If we believe that well-informed voters make the best possible decisions, then the fact that relatively uninformed voters can emulate them suggests that the availability of certain types of information cues allows voters to use their limited resources efficiently while influencing electoral outcomes in ways that they would have if they had taken the time and effort necessary to acquire encyclopedic information,” (1994, 72). The point is made here that citizens with low levels of information will make similar electoral decisions to those with a similar set of political and social characteristics and high levels of knowledge; voters with “encyclopedic” knowledge do not differ in their behavior significantly than those with “non-encyclopedic” knowledge.

It should be noted that the literature does not equate rationality with self-interest. Rather, ideological and symbolic orientations predict much of what scholars have called “rational” behavior: behaving in a way that is consistent with social or political characteristics and consistent with one’s own state preferences.

However, there is evidence of self-interested action in initiative voting when the interest is clear and the reward is large. Sears and Citrin (1983) found that votes on California’s historic property tax rollback initiative, Proposition 13, tended to line up on self-interested lines: homeowners favored the proposition while renters opposed it, with those with the most monetary gain potential being most likely to support passage of the initiative. Further, they found that consistent anti-tax voters did not share the same political and social characteristics or aggregate policy preferences that the bill’s sponsor

(Jarvis) did: “[S]upport for the tax revolt as indexed by preferences on ballot propositions much overestimates support for the more concrete policies it embodied.” People who behaved as consistent anti-tax voters did not necessarily hold the policy preferences that supported such voting behavior. Rather, their votes seemed to line up with some consistent symbolic predispositions towards “taxes,” “waste,” “government,” and “bureaucracy,” as well as an underlying self-interest motivation. This is also consistent with the work of Bowler and Donovan (1998) who found that on a variety of issues, narrow self-interest as well as symbolic predispositions and ideology were significant predictors of behavior on tax initiatives.

2.1.2 Agenda Setting

The great problem of vote aggregation, discovered by Condorcet, Dodgson, Black and proved by Arrow (1963) is immediately relevant to any discussion about aggregating preferences in a democracy. If democratic choices are numerous, as are voters, there is a possibility that any conception of “social choice” or a publicly preferred democratic outcome in society simply does not exist. Despite the words of caution and seeming hopelessness of the voting problem, as presented by Riker (1982), many of the concerns for democracy that social choice theory has presented have simply not come to fruition (Mackie 2003).

In the context of direct democratic elections, the one-shot dichotomous vote choice common to initiatives and referenda assuages the potential cycling problem, since one option will always satisfy a 50 percent plus one majority rule. The formal theoretic construct that has been commonly used to model direct democracy decision-making is the spatial “setter” model (Romer and Rosenthal 1978; Denzau and Mackay 1983; Banks

1990; Rosenthal 1990; Lupia 1992). The basics of the direct democratic setter model are as follows. The game is a one-dimensional democratic decision for voters between the status quo and a point away from the status quo, presumably set by an initiative entrepreneur (i.e. Howard Jarvis, Tim Eyman, etc.). The entrepreneur or agenda-setter wants to place this point as close to his/her ideal point as possible, such that they maximize their own utility. However, they must also consider the potential cost of contesting the election, gathering signatures, etc. The potential benefit must be greater than the cost to even go about putting together a petition. And, the setter must not set the ideal point sufficiently far away from the median voter such that the median voter would approve of the status quo to the proposed alternative.

Lupia (1992) amends the model by considering varying levels of knowledge among respondents. If respondents are uninformed, then the setter sets his/her point at his/her ideal point. However, when uninformed voters have just small pieces of information, Lupia demonstrates formally that the equilibrium gets closer to the status quo. A subsequent empirical study by Lupia (1994) demonstrates that voters with low levels of encyclopedic knowledge who simply knew the preferences of one agenda setter's preferences in a complicated insurance election in California in 1987 (with 5 different ballot measures) behaved almost identically to voters with high levels of encyclopedic knowledge. Only those voters with low levels of political knowledge *and* no awareness of cues had different behavior.

To be sure, there are potentially multidimensional preferences among voters that might lead to a cycle. Institutionally, direct democracy solves the cycling problem by having an institution that selects an outcome. But, about general budgetary issues,

citizens express remarkably meaningful and strongly majoritarian preferences (Hansen 1998). If a Condorcet winner does exist about a certain policy, an efficient democratic institution will select it¹³.

One of central critiques of direct democracy is that the sheer number of the items put before voters will be incomprehensible, even to the most attuned voters. Magleby (1984) argues that a graduate degree is requisite to comprehend the average initiative. But, Lupia (1992; 1994) has elegantly demonstrated that details about the specifics of any given initiative are irrelevant as long as a voter can ascertain a shortcut or cue. By shortcut or cue, Lupia means interest groups, public officials, initiative sponsors, or even acquaintances.

In this work, however, I consider the source of a different agenda-setter: the institutional design of the initiative system. Constitutional limitations on the subject of initiatives usually means that only a single issue can come under consideration at any given time (Waters 2003, 18). This provision, adopted in almost every initiative state not only allows, but guarantees, that initiatives will be voted on seriatim – one issue at a time – even if the consequences are overlapping.

Furthermore, the presence of cues to an uninformed voter is still theoretically problematic. First, we know that lowly informed voters typically display a higher degree of issue ambivalence (Zaller 1992) and less partisan attachment (Campbell et. al. 1960). So, when cues have to do with narrow group interests, like the set of California insurance reform initiatives, it may be clear to an uninformed voter who the “good guys” and “bad

¹³ This is discussed at greater length in section 2.2 and table 2.2. A Condorcet winner is an outcome, that among all possibilities, would be majority preferred to all other outcomes in a pairwise vote. A Condorcet efficient democratic system is one that can select a winner when a cycle exists, but also can select the democratic outcome (or Condorcet winner) when it exists. For a review of Condorcet efficiency, see Mueller 2003, 148-51.

guys” are, from a simple cue. Once you know which measures are supported by the insurance companies (bad) and the consumer advocacy groups (good), it takes very little further knowledge to make an informed decision. But, what about partisan issues, particularly issues that deal explicitly with social spending and taxation? Who are the good guys and who are the bad guys? Democrats? Republicans? Conservatives? Liberals?

When issues are complex, recent experimental research has demonstrated that heuristics aid more politically informed voters in choosing the candidate whose issue preference profile more closely mirrors their own. However, heuristic use by uninformed voters actually decreases the probability that they will “vote correctly.” (Lau and Redlawsk 2001).

Certainly informed voters, whether they have partisan attachments or not, will know which cues to take, and from whom. This is where spending issues become so central. In the aggregate, individuals hold all sorts of preferences for policies that are unattainable. For example, clear majorities of people support social spending increases and tax cuts simultaneously. Sears and Citrin (1983) noted that the typical Proposition 13 voter was not a highly consistent conservative, but rather a voter who preferred lower taxes, more social spending and was frustrated with government. The voter for whom cues may be less meaningful is also the voter for whom the trade-off of a spending or tax initiative is most important. That is, cues may exist, but also might contradict one another. If a single voter has contradictory preferences about an issue, a lack of political awareness, and lack of meaningful partisanship, then the institutional cue (i.e. how much information the voter is given at the ballot box) may be the most meaningful cue. In this

sense, how direct democracy asks questions might induce a voter to change and/or rethink his/her vote.

2.2 Dissociated Choice Theory

The primary question motivating this research is: what happens when you put uninformed voters in a demanding choice environment like voting on a series of policy issues? How will they behave? Will their behavior be rational? Will it be consistent? As noted in the previous sections, much of the recent research suggests that citizens will behave with some minimum standard of “reasonableness.” (Lupia 1992; 1994; Bowler and Donovan 1998; Lupia and McCubbins 1998). These studies demonstrate that less-informed voters behave similarly to more-informed voters who meet a similar voter profile (other than level of political awareness). However, most scholarship has focused on rationality in expressed preferences about a single ballot measure or issue. I depart from previous studies by evaluating a series of voter decisions on tax and spend issues. The reason for this is that previous studies have sought to understand whether preference expression is consistent with some identifiable set of political characteristics. The interest of this study is to see if a voter’s choices are internally consistent; will voters express the same preference about an issue when trade-offs are explicit?

Ballot measures induce what I call dissociated choices: choices that individuals make by considering policies independently and out of their legislative budgetary context. For example, consider the issue of taxation. A hypothetical ballot initiative may ask, “shall the state sales tax be decreased by 1%?” A voter might evaluate the issue in terms of self-interest: is 1% a significant decrease in tax burden? Or, the citizen might evaluate the issue symbolically, given a broader predisposition for or against taxes or

government more generally. Alternatively, a citizen might evaluate the issue in terms of its impact: if this tax cut decreases the budget, what social spending programs will be cut? The point here is only that a citizen is free to make the decision using as much or little of the available information. The question is whether that preference expression is internally consistent for the voter.

To assess internal consistency, contrast a dissociated choice with a trade-off choice. A trade-off choice is a choice that an individual makes where the opportunity cost to the decision at hand is made explicit. In the above example, consider that the 1% tax decrease was earmarked to a specific part of the budget: “shall the state decrease the amount of revenue spent on welfare services by an amount equal to a sales tax decrease of 1%?” Would the same voter answer these questions in the same manner? If not, then the general manner in which ballot questions are asked might generate different preference expression for voters *and* different majority preferred policy outcomes. The trade-off and dissociated choice contexts are frames, which can alter preference expression (Kahneman and Tversky 1984).

The contention of dissociated choice theory is that these two types of choice contexts, dissociated and trade-off, will induce different preferences from many individuals. Further, ballot initiatives frequently dissociate decisions that are part of a larger set of decisions without contextualizing them. If individuals make dissociated choices about a set of issues that differ considerably from their contextualized trade-off preferences, then policy choices from dissociated choices may be a poor reflection of the majority preferences, even if a voter is apparently casting votes consistent with his/her preferences.

A majority of individuals may prefer a spending increase in the abstract, but many might change their preference when the choice is given explicit context. If indeed, different preferences could be expressed simply by changing the choice context, then there is reason to question the validity of attaching the term “the will of the public” to any majority-preferred ballot initiative. Furthermore, this problem is exacerbated if indeed those who would make different decisions in different contexts are individuals with lower levels of political awareness and partisan attachment. For low-information voters, cues may be less meaningful. Individuals also may not possess the political resources or cognitive constraints to make sense of impact statements, given the *Crossfire* nature of voter pamphlets¹⁴. If a voter is unaffiliated to begin with, s/he has little reason to trust one cue-giver over the other and make any prediction about the impact of an initiative, given that the statements often contradict one another.

Consider an example. Assume that we have a society made up of a large number of individuals who make choices in a direct democratic setting, much like the citizen initiative. A policy entrepreneur gathers signatures for a proposed measure and places it on the ballot. Let us assume further that there are only two types of issues – taxation and social spending, and that they are rival. All else held equal, less taxation and more spending are seen by all citizens as a good (i.e. associated with an increase in utility). Now, let us assume that for a third of society, the value of decreasing taxes by a unit is greater than the cost of decreasing social spending associated with that unit. And, for another third, the value of increasing social spending by a unit is greater than the cost of increasing taxes to pay for that unit. The final third of individuals are indifferent between

¹⁴ That is, voter pamphlets usually solicit “pro” and “con” arguments from proponents and opponents of a ballot measure.

taxation and spending; that is, the value of a one unit decrease in taxes for those individuals is equal to the associated social spending decrease required for the tax cut. Therefore, on any given ballot issue, a majority always prefers a costless tax decrease or spending increase. However, the median voter always prefers the status quo.

In such a choice situation, the extent to which dissociated choice contexts are a problem, then, depends on whether the middle third of voters correctly calculate the cost of a tax decrease/spending increase. Whereas, the status quo – not increasing spending or decreasing taxes at the expense of the other – is generally the preference of the median voter, s/he will only express that preference if s/he can calculate the associated cost without being explicitly cued. I contend that this hypothetical situation is in fact, not far from reality. Therefore, the research question of import here is if voters are consistent between their expressed preferences in dissociated and trade-off choices contexts. And, if they are, who are the inconsistent voters? The extent of the problem then, is an empirical question, and I take it and the other propositions of dissociated choice theory up in the following section.

2.3 Hypothesis Testing

The theory of dissociated choice follows from several empirically testable propositions:

- Aggregate majority preferences about social spending outcomes will be pro-spending and anti-tax when questions about these issues are unconstrained, or do not impose the idea of a trade-off on respondents.
- When citizens are asked to evaluate the trade-off between different tax and spending outcomes, a majority will prefer the status quo (e.g. not

increasing taxes to increase social spending, nor decreasing social spending to decrease taxes).

- Respondents who simultaneously prefer lower taxes and higher social spending will be less partisan and less politically aware than voters who prefer either high taxes/high spending or low taxes/low spending.
- Respondents who simultaneously prefer lower taxes and higher social spending are more likely than other voters to have trade-off preferences for the status quo.

Using the 1996 American National Election Study, I present some evidence for the first hypothesis in Table 2.1. Questions in this table are dissociated choice contexts. Voters are asked if they prefer to increase spending, keep spending the same, or decrease spending on a variety of spending items. Majorities prefer to increase spending on schools, child care and crime. More astounding is that in only one policy domain – welfare – does a majority want to decrease government spending¹⁵. In fact, the next highest percentage value, after welfare, for the “decrease spending” category is 12% (for spending on the poor). Concurrently, over 60% of respondents insist that their tax burden is either much more or somewhat more than they should pay. If we calculate an additive index of the social policies presented¹⁶, where values zero and greater are resistant to cuts in spending, 47% of respondents in the sample have simultaneous pro-spending and anti-tax attitudes. If we exclude welfare, that value jumps to 51%.

¹⁵ There is, of course, a long literature on political behavior of welfare opinions that demonstrates that people’s opinions about welfare policy are often tied to their view of the work ethic of African Americans, as well as their trust in government (Gilens 1999; Hetherington 2005).

¹⁶ The scale includes spending questions on: poor people, welfare, social security, the environment, child care, and schools. Each question asked the respondent whether they would like to increase, decrease or keep spending the same on the relevant policy issues. Respondents received one point on the scale for saying “increase,” negative one for saying “decrease,” and zero for saying “keep the same.” The scale ranges from -6 to 6 and scales at $\alpha=.725$.

[Table 2.1 about Here]

The issue is complicated when we consider that when citizens are asked to evaluate policy issues in terms of trade-offs, the majority winner is always the status quo. Across a series of questions, where a citizen evaluates two policy options (e.g. lower taxes at the expense of a decrease in social spending, increased social spending at the expense of an increase in taxation, decreasing the budget deficit by raising taxes, etc.), they make choices that reveal generally consistent, rational, well-ordered individual and majority preferences (Hansen 1998). Over the series of questions, a large majority of respondents do not violate the minimum rationality assumption that their preferences be transitive and in the majority preference, there is a single outcome that defeats all other outcomes in pairwise elections (i.e. a Condorcet winner): the status quo. A summary of these preferences are presented in Table 2.2.

[Table 2.2 about here]

When budget deficits, taxes and spending are considered rival policy alternatives, rather than generate less deficit, lower taxes or higher spending at the expense of another, *large* majorities of individuals prefer to instead, do nothing. Contrast this finding with the finding from Table 1.2: without the constraint of the trade-off question, majorities favor both lower taxes and higher social spending – half the sample has these contradictory preferences.

This difference in aggregate opinion was produced within the context of a single survey, the 1996 American National Election Study, by changing the information presented to individuals in the context of separate questions. Of note are the individuals who have dissociated choices (those choices without the trade-off context) that differ

from their expressed trade-off preferences. Forty-nine percent of voters express strict trade-off preferences for the status quo. From this subset, over half (54%) are individuals who simultaneously preferred lower taxes and higher levels of social spending. It is easy to see, then, how an electoral institution, such as the citizen initiative, might induce dissociated choices. Furthermore, the pool of potentially inconsistent choosers is sufficiently large that there might be policy implications. When citizens are forced to make the hard choices, they willingly oblige. However, without such constraint, they have preferences for having their cake, and eating it too; they do not associate one issue with the other unless forced to.

One important caveat is in order. Not all initiatives, and certainly not all budgetary initiatives, resemble a dissociated choice, as I have defined it. There are frequently bond issues where voters incur debt for the state to get some sort of social spending. It is also not uncommon to see an initiative which creates a funding mechanism through taxation for a social spending program increase. Where the dissociated effect is most likely to appear, is on issues related to repeals or decreases in taxation. Generally, tax issues¹⁷ are asked in a “hot” or “cold” fashion – the language of the law is whether to decrease taxes. They do not generally ask the voter to indicate what budgetary measures will be affected by a tax decrease. And, if it did so, it would probably be ruled unconstitutional as most initiative states have a “single subject” clause which prohibits initiatives from being about more than one issue at a time (see Waters 2003, 18). But from a logical standpoint, an initiative entrepreneur who favored lower taxes, would never want to include such a provision. Not only would the language

¹⁷ Particularly tax decreases. It has become more common to see tax increases attached to some favorable social program. California, for instance, has passed increases in the cigarette tax and tied the revenues toward pre-school programs.

necessarily complicate the issue, confuse voters, and lead to more abstention and no-votes (see Bowler, Donovan, and Tolbert 1998), but it would also force a trade-off on voters. The data in tables 1 and 2 indicate that this would make the likelihood of passage more tenuous.

The theory of dissociated choice, then, is a more general institutional theory about voter choice, with a very clear application to the initiative process. However, the theory is dependent on two empirical questions. The first is how many voters have inconsistent preferences? The answer is potentially as great as 50%. The second question is which preferences will be expressed in ballot initiative elections? Ideally, we could answer this question by observing the reported initiative voting behavior of the citizens in the surveys used here. Unfortunately, insufficient data exists to directly answer that question – the NES does not ask questions on specific initiative voting behavior, and likewise, most statewide surveys do not have the detailed dissociated and trade-off issue opinions expressed in the NES. What can be determined, however, is what leads an individual to hold contradictory tax and spend preferences. Is there a method to this madness?

Previous research indicates that those with low levels of political awareness mirror the behavior individuals with higher levels of political sophistication. That is, voting behavior on initiatives looks very similar among these groups. The problem with this sort of analysis is that less aware people can appear to be voting consistent with their preferences because they hold all sorts of contrary preferences for unattainable ideals.

The voters of interest are those individuals with constrained status quo preferences who express unconstrained opinions for either increased social spending or decreased taxes. In a sense, this voter is casting a vote that makes sense, given a

restricted view of their preference for spending and taxation, respectively. What this theoretical insight suggests, however, is that a voter who prefers lower taxes and votes for a tax cut may be voting *against* his/her interest in preserving the status quo. Likewise, a voter that prefers spending increases and votes for a spending increase may be voting *against* his/her interest.

When a choice constraint is not forced on voters, I hypothesize that *voters with low levels of political awareness are more likely than voters with higher levels of political awareness to hold preferences for both lower levels of taxation and higher levels of government spending*. In other words, there is no method to the madness. Informed voters are more able to have internally consistent expressed preferences, without the constraint of an explicit tradeoff to a policy issue.

To test this hypothesis, I present two models explaining social spending preferences using ordinary least squares (OLS) regression with Huber-White heteroskedastic-consistent robust standard errors. The explanatory variable of interest is opinions about taxation. We should expect that those who favor lower levels of taxation will in turn favor lower levels of social spending. In particular, this should be true for more informed voters. Therefore, in the second model, tax attitudes are interacted with a political knowledge scale¹⁸. The dependent variable is a scale of six social spending

¹⁸ The political awareness scale used is the 5-point interviewer identified scale (Zaller 1992). In the results presented, the scale has been dummied into three categories – very/fairly low information, moderate information, and fairly/very high information. Both the low and high information categories are included and compared to the middle information category. This is done to account for the fact that awareness is non-linearly related attitude consistency (Zaller 1992). The results presented are consistent with a variety of information scales that could be alternatively used. However, the scale here is used because it gives the clearest and simplest interpretation.

issues¹⁹. In table 3, I present the results of both models controlling for political, socioeconomic and demographic characteristics.

Of particular interest is the role that partisanship plays in crystallizing opinions. Since partisan voters tend to follow elites on issue position (Zaller 1992; Carsey and Layman 2002), we should expect that partisans are more likely to associate taxing and spending as rival policy proposals. Therefore, an interaction of partisanship by tax opposition opinions should predict less inconsistent voting. In other words, the effect of tax opposition on attitudes towards spending should be more negative for Democrats and Republicans than for Independents.

Research on the gender gap suggests that women are more likely than men to prefer social spending, so a gender dummy variable is included as a relevant explanation (Kaufmann and Petrocik 1999). Higher age as well as socioeconomic status should predict lower desired spending levels; controls for age, income and education are included in the model.

[Table 2.3 about here]

The OLS model is presented in Table 2.3. The results provide strong support for the information hypothesis, but more limited support for the partisanship hypothesis. Republican partisanship predicts more negative scores on the social spending scale. In the first model, an individual's opinion about their tax burden is a significant predictor of

¹⁹ Same scale from footnote 6. Higher scores reflect a greater propensity for increased spending, and negative scores reflect a tendency to want lower levels of spending. The data are slightly skewed left, and the variable is not a true continuous variable, so the regression model is estimated with robust standard errors to assuage the potential problem of heteroskedasticity. I conducted a principal-components factor analysis of the six spending items. It produced only one factor with an eigenvalue greater than 1, and this factor explained 43% of the total variation in the six items. All six items loaded quite strongly (from .58 to .75) on the single factor. The reliability coefficient (alpha) for the scale is .725. I conducted the regression analysis presented in table 3 with a weighted factor score as the dependent variable and there are no statistical or substantive differences in the results of that analysis when compared to the one used with the additive scale.

how they respond to questions of social policy. Thus, for the overall sample, we observe some evidence of tradeoff opinion formation – preferences based on a realization that lower taxes come at the expense of lower levels of social spending. While the effect is not significantly different when we compare Republicans to Independents, it is significant when we compare Democrats to Independents; Democrats are less likely to connect spending increases and tax cuts together.

In the second model, the tax opinions/political awareness interactions are added to the model. Notice that the coefficient on tax opinions is negative, but no longer statistically significant – this coefficient represents opinions among only those who have moderate levels of political knowledge and are political Independents. Among these voters, having negative opinions about taxation does not seem to act as a constraint for expressing support for social spending programs. In fact, with the knowledge interactions added, at middling levels of political awareness, there are no statistically significant partisan differences in how tax opinions affect spending opinions.

The two interaction coefficients represent the difference in slopes for very/fairly high and very/fairly low informed voters. The significance test on the interaction term for the highly aware indicates that the effect of tax opinions on social spending opinions is statistically different than for moderately informed voters, in the expected direction. That is, highly informed voters' opinions about social spending are constrained by their opinions about taxation. The coefficient on the interaction for less informed respondents is not significant, suggesting that the moderately informed and lowly informed are not statistically different from one another. Both groups tend to possess opinion about social spending which are unconstrained by their opinions about taxation.

Observing the substance of the coefficients for models 1 and 2 together, the variation in social spending attitudes explained by tax opinion is mitigated almost entirely by political knowledge. The propensity to hold contradictory dissociated preferences is more prevalent among those with both moderate and low levels of political awareness, regardless of partisanship. Consistent with dissociated choice theory, those with lower levels of political awareness are also more likely to express potentially contradictory policy preferences.

How meaningful are these inconsistent preferences? Does a dissociated choice look considerably different from an expressed trade-off preference? It is important to assess the extent of the dissociated choice problem. If voters with inconsistent dissociated preferences express status quo trade-off preferences, then the scope of the problem is vast because any ballot measures regarding decreasing taxes or increasing spending which they support are deviations from their preferred policy positions. To determine the extent of this potential problem, I test the hypothesis that *those who express simultaneous preferences for lower levels of taxation and higher levels of social spending will be more likely to have status quo oriented trade-off preferences than other voters.*

I use a logistic regression model to explore this hypothesis. The dependent variable is coded 1 if on tax and spend trade-off questions (from table 2.2), an individual expresses a consistent preference for the status quo. For all other response options, the dependent variable is coded as 0. To be sure, it might be argued that a multinomial logistic regression is more appropriate because the nature of the dependent variable is categorical, not ordinal, and could take on more than 2 values. Respondents might

indicate consistent trade-off preferences for increasing taxes and increasing spending, decreasing taxes and decreasing spending, the status quo, or an irrational set of preferences²⁰. However, the question here is how a person's propensity to defer to the status quo differs from all other expressed trade-off opinions.

To test the hypothesis that anti-tax/pro-spending attitudes predict a support for the status quo, I use an interactive model. While individually, we should expect that a person who expresses anti-tax attitudes or social spending attitudes will be more likely to have an alternative trade-off preference, the interaction of those two attitudes should predict deference to the status quo. In this model, both tax opinions and social spending attitudes are coded to vary between 0 and 1; higher values indicate a preference for lower taxes and higher social spending, respectively. In the model, I include a series of plausible rival explanations for status quo trade-off preferences. Political Independents and ideological moderates ought to be more balanced in their assessments of changing policy, and therefore should be more likely to support preservation of the status quo. Controls are also included for income, education, age, gender, and political awareness. Logit coefficients, standard errors and probability changes, calculated using Long and Freese's SPOST command set²¹, are presented below in Table 2.4.

[Table 2.4 about here]

The key variable in the model is the coefficient on the interaction term. This indicates the unit (log-odds-ratio) change in the slope of taxes on the probability of

²⁰ These preferences are constructed from a series of questions from the 1996 ANES. Irrational preferences are defined as when a respondent simultaneously prefers to increase taxes to increase spending and decrease taxes to decrease spending. As Hansen (1998) notes, the prevalence of "irrational" preferences is quite low (less than 5% of respondents), even when you add additional budgeting categories regarding preferences for increasing/decreasing the budget deficit and military spending.

²¹ www.indiana.edu/~jslsoc/spost.htm

holding a status quo preference, for a one-unit change in social spending opinions (and vice versa: the unit change in the slope of social spending attitudes on the probability of holding a status quo preference, given a one unit change in tax attitudes) . While logit coefficients do not have the same easy interpretation as OLS coefficients, the statistical significance test is meaningful, as are the directionality of the effect and relevant probability changes. The expectations for taxes, spending and their interaction are all in the expected direction and are all hugely significant (for each, the p-value is well below .01). For individuals who express the most anti-social spending attitudes, the effect of supporting tax decreases on the probability of supporting the status quo is negative. Likewise, individuals with the most pro-tax opinions are much less likely to have trade-off preferences for the status quo as their preference for social spending increases. However, the interaction coefficient demonstrates that for a unit increase in anti-tax attitudes, having pro-spending attitudes predicts a greater probability for the status quo.

The magnitude of this interactive effect is quite large. An anti-tax, pro-spending voter is 77% more likely to express trade-off preferences for the status quo than an anti-tax, anti-spending voter or a pro-tax, pro-spending voter. These findings demonstrate that when people express anti-tax and pro-spending sentiments *at the same time*, they are much more likely to have status quo oriented trade-off preferences.

The results from tables 2.3 and 2.4, taken together, tell a compelling story. Preference for both high taxes and spending is most prevalent among the unsophisticated; those who simultaneously prefer the unattainable ideal of American politics – more social spending and lower taxes – have on average lower levels of political knowledge.

Individuals with dissociated choices so construed, however, are the *most* likely to express a deference to the status quo when they are faced with tax-spend trade-off choice context.

2.4 Discussion

The scope of the problem created by different choice contexts (or frames) is potentially vast. The theory presented argues that a dissociated choice – that is a choice made without considering the implications of that choice – is problematic when an individual’s trade-off preference contradicts their single-issue preference. This is most potentially hazardous when a citizen favors low taxes and high social spending, but actually prefers a status quo position when taxes and spending are presented as policy alternatives. This analysis suggests that those individuals who favor taxes and spending simultaneously have a dearth of political knowledge. Likewise, that dearth of political knowledge is highly associated with preferring the status quo to alternative policy formulations. Thus, if the initiative system promotes dissociated choices, as I have argued, then those choices are likely *not* to reflect the actual policy preferences of a large segment of the electorate.

Furthermore, this is not the type of errant behavior where the errors will cancel each other out when all the preferences are aggregated (Page and Shapiro 1992; Erikson, MacKuen and Stimson 2002) – the expected errors are systematic. In macro models, an electorate can be collectively rational if the assumption is met that uninformed votes are randomly distributed; an outcome is no more likely than another outcome to pick up “stupid” votes. The errors are systematic and non random in the case I have presented because almost no one has errant preferences for higher taxes or less social spending; if errant votes are biased, then policy outcomes will be affected. The expected policy

outcomes will be public policymaking that overestimates both the support for cutting taxes and the support for social spending programs. I examine the effects on state policy outcomes in chapter 3.

To be sure, institutionally, there is a greater potential restriction on spending than on taxation. The reason for this is that unfunded programs are more easily “stolen” in the process to seek funding (Gerber et. al 2001). Either that, or the measure’s sponsors will build in a funding mechanism, which would activate trade-off considerations (i.e. am I willing to incur more debt or a new tax for the state to pay for textbooks, smaller classrooms, etc.?) For taxation, however, the questions are almost unabated. The only real question is if the taxation issue is personal or real enough to activate a self-interested response. This is not a foregone conclusion with any given initiative, but there is considerable empirical support for the proposition that if the rewards are large enough, tax initiatives activate self-interested considerations (Sears and Citrin 1983; Bowler and Donovan 1998). Even in the absence of self-interest, though, a citizen might still cast an anti-tax vote because of their negative feelings about government (Sears and Citrin 1983; Neiman and Riposa 1986; Baldassare 2000). Tax initiatives, in particular, are the least likely to carry with them any clear trade-off. When the opportunity costs of a tax cut are not known or even knowable, without an underlying ideological or symbolic reason to support or not support taxes, there is a general tendency toward favoring tax decreases to not favoring them.

The findings presented here suggest that researchers ought to re-conceptualize the notion of rationality and direct democracy. The fact that many citizens hold inconsistent preferences about social spending and taxation questions casts doubt on viewing the

outputs of American direct democracy as “the will of the people.” If institutions promote dissociated preference expression, then it is likely that the policy outputs produced by these institutions reflect the “will” of the institution rather than that of the public.

Table 2.1 Attitudes Towards Social Spending and Taxation

	Social Spending Opinions		
	Increase Spending	Keep the Same	Decrease Spending
Welfare	194 (11.6%)	540 (32.2%)	943 (56.2%)
Social Security	799 (47.1%)	794 (46.8%)	102 (6.0%)
Environment	693 (40.9%)	862 (50.9%)	139 (8.2%)
Schools	1146 (67.6%)	449 (26.5%)	101 (5.9%)
Child Care	865 (51.7%)	629 (37.6%)	179 (10.7%)
The Poor	776 (46.0%)	709 (42.0%)	202 (12.0%)
Crime	1163 (68.3%)	454 (26.7%)	85 (5.0%)

Tax Opinions			
Much More Than Should Pay	Somewhat More Than Should Pay	About Right	Less Than Should Pay
369 (24.5%)	554 (36.7%)	550 (36.5%)	36 (2.4%)

Data from 1996 American National Election Study

Table 2.2 Preference for the Status Quo on Budgetary Trade-off Questions

	Yes	No
Increase budget deficit to increase social spending	615 (41.2%)	878 (58.8%)
Decrease social spending to decrease taxes	390 (25.9%)	1113 (74.1%)
Increase budget deficit to decrease taxes	423 (28.5%)	1062 (71.5%)
Increase taxes to increase social spending	432 (28.8%)	1070 (71.2%)
Decrease social spending to decrease budget deficit	446 (29.9%)	1048 (70.1%)
Increase taxes to cut the budget deficit	321 (21.2%)	1192 (78.8%)

1996 American National Election Study, v961219-21; v961226-28.

Social spending is defined as “domestic programs like Medicare, education and highways”

*Hansen (1998) displays a 4th budgetary policy – defense spending – which I have omitted because of irrelevance to the subject matter of this paper. The finding is important to note, however, as decreasing defense spending is a policy preferred over the status quo.

Table 2.3 OLS Regression Model Explaining Social Spending Attitudes

	<u>Model 1</u>	<u>Model 2</u>
Income	-0.061*** (0.011)	-0.052*** (0.011)
Education	-0.157*** (0.042)	-0.086* (0.046)
Age	-0.251*** (0.046)	-0.205*** (0.047)
Gender	0.272** (0.122)	0.208* (0.123)
Democrat	0.241 (0.337)	0.403 (0.346)
Democrat X Tax Opposition	0.239 (0.177)	0.157 (0.183)
Republican	-1.279*** (0.437)	-1.368*** (0.446)
Republican X Tax Opposition	-0.200 (0.222)	-0.101 (0.225)
Tax Opposition	-0.378*** (0.140)	-0.207 (0.175)
Political Awareness (High)	---	0.421 (0.364)
Political Awareness (Low)	---	0.141 (0.386)
Tax Opposition X High Awareness	---	-0.500*** (0.189)
Tax Opposition X Low Awareness	---	0.195 (0.195)
Constant	4.708*** (0.405)	3.906*** (0.463)
Adjusted R ²	.28	.30

Data are from the 1996 American National Election Study. Coefficients are from OLS regression with Huber-White heteroskedastic-consistent standard errors (in parentheses). The dependent variable is a social spending scale computed from answers to questions about increasing, decreasing or keeping spending the same on 6 policy issues: social security, the environment, schools, child care, the poor, welfare. Scores range from -6 to 6. The variables scale with an alpha score of .725. N=1006 for both models. *p<.10, **p<.05, ***p<.01, 2-tailed tests.

Table 2.4 Logistic Regression Model Predicting Consistent Status Quo Trade-off Preferences

Independent Variables	β	SE	$\Delta P(Y=1)$ Min-Max	$\Delta P(Y=1)$ Standard Deviation
Independent (0,1)	0.251*	0.142	0.063	0.029
Moderate (0,1)	0.120	0.146	0.030	0.014
Income	0.027**	0.012	0.152	0.040
Education	-0.034	0.047	-0.052	-0.014
Age	0.092*	0.051	0.092	0.031
Gender	0.226*	0.133	0.056	0.028
Political Awareness	0.018	0.075	0.018	0.005
Tax Opposition	-2.314***	0.798	-0.366	-0.146
Support Social Spending	-2.416***	0.851	-0.533	-0.127
Tax Opposition * Support Social Spending	4.334***	1.226	0.768	0.210
Constant	0.461	0.682		
Count R^2	0.577			

* $p < .10$, ** $p < .05$, *** $p < .01$, two-tailed tests. The dependent variable is a 0,1 dummy where $y=1$ indicates that citizens have consistent trade-off preferences for the status quo. Consistent trade-off preferences for higher spending, lower taxes and irrational preferences are all captured in the value $y=0$. The coefficients presented in column one are from logistic regression; standard errors are in column 2. Column 3 is the change in predicted probability that $y=1$, varying the given independent variable from its minimum to its maximum value, holding all are variables constant at their mean values. Column 4 is the change in predicted probability that $y=1$, varying the given independent variable from $\frac{1}{2}$ standard deviation below its mean to $\frac{1}{2}$ standard deviation above its mean (or a standard deviation change about the mean), holding all other independent variables constant at their mean values. Entries were computed using SPOST (Long and Freese, www.indiana.edu/~jslsoc/spost.htm)

Chapter 3: Evidence from States: Policy Responsiveness

"[S]o far as I am aware, no one has ever advocated, and no one except its enemies has ever defined democracy to mean, that a majority would or should do anything it felt an impulse to do. Every advocate of democracy of whom I am aware, and every friendly definition of it, includes the idea of restraints on majorities".

---Robert Dahl (1956, 36)---

In the following chapter, I consider an application of dissociated choice theory by testing the implications of the theory on aggregate state policy outputs. A chief concern of proponents of the direct democratic reforms at the turn of the 19th Century was that legislatures were not sufficiently responsive to the will of the public. The initiative, referendum and recall were intended to provide better democratic mechanisms for the people to check the power of their representatives, not a usurpation of the power or responsibilities of legislatures. It was thought (and has been continually argued) that the system allowed for reform through both formal and informal channels. Certainly, citizens were free to pass legislation. But, the mere presence or threat of the use of the initiative would be enough to make unresponsive legislatures cower to the demands of the public (Magleby 1984; Matsusaka 1995; Zimmerman 1999; Gerber 1999; Phillips 2005). That is, even if only used sporadically, the existence of direct democratic institutions would make representative governments *more responsive* to the will of citizens.

Considering the insights of dissociated choice theory, I offer an alternative theoretical perspective to what aggregate policy output in states will look like: states with initiatives are likely to produce aggregate policy outcomes that are less representative of the majority preferences of their citizens than are states without direct democratic mechanisms. I test this using Erikson, Wright and McIver's (1993) updated opinion liberalism scale for states as a predictor of policy, comparing these associations for

initiative and non-initiative states. The results strongly support the expectations of dissociated choice theory.

3.1 Responsiveness

There has been a vibrant debate in the direct democracy literature over the last decade about policy responsiveness and ballot measures. In this section, I provide a thorough review of this literature, focusing especially on the methodological debates that have been at its center. The reason for this is not because I wish to punish the reader by permeating this chapter with Greek symbols and numbers, but rather because there are some serious methodological issues that remain unresolved. I take up the task of resolving these issues in the subsequent section.

Responsiveness is defined as the extent to which policy outputs actually reflect the public opinion of the citizens represented. The basic normative premise here is that at some level, government should give citizens what they want. The most notable contribution in studying policy responsiveness in states was made by Erikson, Wright and McIver (1993). They found that public policy outputs at the state level correspond surprisingly well, given reported low levels of knowledge among the mass public, to a measure of the ideological orientation of the state electorate. If policy responsiveness is simply a measure of how well democratic mechanisms work (i.e. how well ideology of the electorate correlates with policy outputs), it seems logical that direct democratic practices would make policy outputs more responsive. It is, however, a mistake to conflate direct democracy with responsiveness. The initiative and referendum are two practiced methods that are more directly democratic than a representative model. However, claiming that one system is more or less responsive than the other is a

hypothesis, not a statement of fact. Given the large literature on the inattentiveness of the American voter and for reasons described at length in chapter 2, it is not clear that the set of policies produced via ballot initiative will be anything close to a majority preferred set of preferences.

For empirical studies, there are two important and interesting questions that should be asked when attempting to determine how “responsive” states are within the context of initiative and non-initiative states. First, what type of policy is produced by initiatives? And second, is that policy consistent with some understanding of the policy views and ideology of the electorate?

Focusing primarily on the nature of the policy outputs, Matsusaka (1995; 2004) has demonstrated that the existence of initiatives has decreased both levels of taxation as well as levels of spending at the state level. Matsusaka (2004) interprets these declining levels of taxation and spending as policy responsiveness. This line of argumentation is supplemented by two additional findings. First, he demonstrates that early in the era of American direct democracy, the initiative system was used to increase the size of state governments (74-76). Furthermore, opinion evidence about the size of government and desire to decrease taxes suggests that decreased taxation and spending in states from 1970 to 2000 reflected majoritarian policymaking (53-72).

More evidence of responsiveness has been found on a case-by-case basis for some social policies, including parental consent laws for abortion and death penalty (Gerber 1996, 1999). Another commonly cited issue where the majority has clearly resounded loudly via direct democracy is term limits (Matsusaka 2001).

Other aggregate level research, however, suggests that lower absolute values of taxation and spending do not result in more responsive policy (Lascher, Hagen and Rochlin 1996; Camobreco 1998). The method used in these papers elicited a debate between the authors and Matsusaka (Matsusaka 2001; Hagen, Lascher and Camobreco 2001). While there is some amount of tedium in revisiting a point-counterpoint about methodology, the details here are crucial to gaining an understanding of the policy responsiveness debate. In both initial papers (Lascher et. al. 1996; Camobreco 1998), the authors' use the interaction between opinion liberalism and a dummy variable for initiative and non-initiative states to predict various measures of policy liberalism. Both opinion and policy liberalism are measures developed by Erikson, Wright and McIver (1993). Opinion liberalism is computed by aggregating a series of individual-level surveys together to get large N counts for all 50 states on the political ideology question asked continuously throughout the study period in the CBS/New York Times monthly polls²². A score is calculated by subtracting the number of self-identified conservatives in a state, over several surveys and several years, from the number of self-identified liberals. Higher values on the scale indicate more "liberal" states and lower scores indicate more "conservative" states.

By interacting opinion liberalism with a simple dichotomization of initiative and non-initiative states, the authors test whether a hypothesized positive slope would be greater for initiative than for non-initiative states, given by the equation below where G is some measure of government policy (policy liberalism, taxes, spending, etc.), I is a dummy variable for the existence of an initiative or not, P is the measure of ideology of

²² Access to updated versions of these data, 1976-2003, are generously made available by Gerald Wright on his website: <http://mypage.iu.edu/~wright1/>

the state electorate (i.e. opinion liberalism), X is a set of control variables and u is the error term.

$$G_i = \beta_0 + \beta_1 I_i + \beta_2 P_i + \beta_3 (I_i * P_i) + \beta_4 X_i + u_i \quad (1)$$

The authors define responsiveness with due deference to the work of Erikson, Wright and McIver (1993) who find that liberal states tend to adopt more liberal policies. If this is taken as given, *and* it is hypothesized that initiative states are more responsive, then the expectation is that the slope on the interaction term will be positive and statistically significant. The effect of a single unit increase in liberalism will predict greater liberal policy changes in initiative than non-initiative states; or, the null hypothesis tested is that $\beta_2 = \beta_2 + \beta_3$. In each case, the authors find that the slopes are not statistically different for a variety of measures of policy liberalism (Lascher et. al. 1996) or for specific budgetary policies (Camobreco 1998).

There are, however, some fairly noteworthy problems with using this method. The first was discussed by Matsusaka (2001; 2005). Simply put, understanding the placement of the intercept term is as important as the slope for understanding whether higher levels of liberalism generate more or less responsive policy. Since the value on the interaction term slope only indicates the difference in slope between outcomes for category 0 and 1, the predicted values may be different if the intercept placement is significantly different. For this reason, similar slopes with different intercepts might produce wildly different levels of policy liberalism, or, different slopes with different intercepts might introduce ambiguity into the equation (Matsusaka 2001; 2005). Secondly, standard statistical procedures suggest adopting significance tests which minimize the probability of committing a type I error. The standard language used is that

if p is not less than some colloquially accepted value (such as .05), then “there is not sufficient evidence to reject the null hypothesis.” However, this does not indicate that we are certain with any degree of confidence that the null hypothesis is true – only that there is not at least a 95% chance that it is false. Thus, the conclusion that there is no responsiveness is ambiguous at best.

Finally, it is worth noting that one of Matsusaka’s criticisms is unfounded – namely that an interactive model, such as the ones presented in the aforementioned articles, do not control for potentially different intercepts in initiative and non-initiative states (Matsusaka 2001, 1253; Matsusaka 2004, 174). True, their models do not include a fixed effects specification for every state since there is only a single observation for each state. However, the value of β_I is actually the value of the difference in the intercept term for cases where I (the initiative dummy) is equal to either 0 or 1. So for non-initiative states, the intercept from the equation above is $\beta_0 + \beta_I(0) = \beta_0$ and for initiative states, the value of the intercept is $\beta_0 + \beta_I(1)$. In addition, the significance test on β_I indicates whether the intercepts actually are statistically different.

In the analysis that follows, I apply the insights of dissociated choice theory to the responsiveness debate and adopt the model developed by Lascher, Hagen and Rochlin (1996), with a couple of revisions, in order to remove the ambiguity in interpreting the results. But to do this requires further discussion of what the aggregate policy expectations from dissociated choice theory might be.

3.2 Dissociated Choices and Responsiveness

The theory of dissociated choice predicts that the sum total of policy outputs for a state – particularly as it relates to budgeting (the tradeoff between taxes and spending) –

will differ from some objective measure of social choice in states where citizens are allowed to frequently express dissociated preferences. The mechanism that allows them to make such choices is an institution that permits citizens to assess various taxing and spending provisions without an explicit consideration of opportunity costs and tradeoffs. In chapter 2, I demonstrated that a large subset of individuals prefer a directionally biased, unattainable set of preferences for more spending, fewer taxes, and a balanced budget. The survey data suggest that it is possible that if evaluating policies serially, these individuals might choose to increase social spending on favorable programs, and to decrease their tax burden. These uninformed individuals are also the most likely to hold trade-off preferences for the status quo, contradicting their dissociated preferences. The process of legislating through dissociated choices may result in policy that is a poor reflection of what people want. The actions the legislature takes to account for these policy changes (e.g. creating funding mechanisms for unfunded mandates, cutting other program spending in response to a revenue cut, or initiative stealing) may lead to undesirable policy ends. The fact that many individuals appear to choose rationally on a single issue does not say anything about the rationality of their aggregate decision making, if their policy choices are in fact constrained by a budget.

Dissociated choice theory, therefore, predicts that direct democratic institutions will produce a set of policies inferior to a set of policies that individuals could agree were better (i.e. outside the pareto set). It is an open question however, if legislatures actually deliver outcomes that are more consistent with a citizenry's majority preferred trade-off preferences. The work of Erikson et. al. (1993) demonstrates that there is a strong positive relationship between the opinions of the electorate and policy outputs, even in

spite of reported low levels of political awareness of the electorate; policy outputs are positively associated with public opinion, even perhaps when, legislatures could get away with some amount of shirking.

To be sure, there are theoretic justifications that have been offered for why direct democracy would make policy more responsive. Direct democratic institutions, it is argued, make policy more responsive either directly by changing policy or indirectly by the threat of usage if legislators get too far out of lockstep with their constituencies. The relationship between legislators and their constituencies has frequently been described with a principal-agent model (Kau and Rubin 1979, 1993; Kau, Keenan and Rubin 1982; Kalt and Zupan 1984, 1990; Lott 1987). That is, the asymmetry and high probability of incumbent reelection produce slack in the political system that gives legislators the opportunity to enact policies that are closer to their own desires and, implicitly, further away from their constituents' desires. Presumably, the mere presence of direct democratic procedures – policy changes via the initiative and referendum, but also the threat of removal from office via the recall – make legislators march in lockstep with their constituents. This culture of fear creates an expectation that initiative states will be more responsive to the opinions of their citizens than non-initiative states.

However, critiques of the shirking literature have pointed out both flaws in its methodology (Jackson and Kingdon 1992), as well as problems with the framework (Uslaner 1999). The latter study demonstrates that even in the United States Senate, where constituencies are the most heterogeneous, shirking is simply unlikely to occur because legislators share the policy desires of their constituencies. Furthermore, shirking that does occur is usually done because of attempts to appeal to a reelection constituency.

While shirking might create vast inefficiencies, in a more homogeneous legislative framework, like state assembly districts, we should probably expect greater legislator-electorate congruence simply because recruitment occurs in smaller geographic area. Even if individuals do not know who their representatives are, perhaps it is no surprise that Erkison, Wright and McIver (1993) found such high responsiveness at the state level. Furthermore, it may not be possible for initiative states to be more responsive, since the representative legislative model already produces a high degree of responsiveness.

Some of the results in the direct democracy literature already support the theoretical expectations of dissociated choice theory, particularly on the issue of taxation. Matsusaka's impressive data collection and analyses demonstrate that the government size shrunk at a faster rate in initiative states between 1970 and 2000 (1995; 2004). This is consistent with the expectations from dissociated choice theory, particularly if tax initiatives are more resistant to stealing (i.e. being struck down by the legislature or courts). There is still a question, however, of how to interpret these results. It is important to note that citizens in initiative states are no more or less conservative than citizens in non-initiative states. The mean opinion liberalism of non-initiative states is 17.1 and for initiative states is 15.4²³. Therefore, if a significant difference in policy in the states is observed, one of the sets of states is likely more or less responsive to the demands of the public. The question is: which one? In the following section, I attempt to answer that question systematically by providing a solution to the methodological conundrum reported in the previous section.

²³ A difference of means t-test reveals a $t=.7138$ with 46 degrees of freedom; $p=.4790$ for a two-tailed test. Matsusaka (1995) shows a variety of other tests demonstrating that citizens of initiative states are not statistically distinguishable from non-initiative states on a variety of ideology measures.

3.3 Data and Methods

Dissociated choice theory predicts that government policy will be less responsive to public opinion in initiative than non-initiative states, yet, this prediction runs counter to much of the current literature and what people assumed these reforms would produce. After revisiting the critiques of the interactive responsiveness model, I now turn back to it, in hopes of salvaging some interpretation from it. The main reason for using it is that the interactive model does not just simply have intuitive appeal, but theoretical appeal as well. Studies that focus only on the directionality of policy, like those of Matsusaka (1995; 2004) are useful, but in the end, do not solve the problems associated with contradictory voter policy preferences. It is important not to conflate the outputs of direct democracy with the will of public, since public preferences vary considerably when tradeoffs are posed²⁴. I do not suggest, as others have, that there is some insidious plot by political elites that voters have succumbed to (see for instance Broder 2000). Rather, the problem with the ballot initiative system, as practiced in the American states, is systemic. De-contextualized choices can generate vastly different majority preferred policy sets; given this, it is not clear if the conservative policy shift brought about the initiative is a reflection of the satisfaction of some optimally preferred policy outcome by a majority of the public. No amount of distinguishing between the policy outputs of states with and without direct democratic institutions will answer this question. Rather, some sort of model that incorporates an expectation about the relationship between opinion and policy is the only way to explain the observed differences. This suggests the necessity of an

²⁴ The “will of public” may also be a completely meaningless term (Arrow 1963; Riker 1982). However, recent empirical research has suggested the vote cycle problem may not be as serious as posited (Hansen 1998; Mackie 2003).

interactive model where the effects of opinion on policy are compared between initiative and non-initiative states.

Because of the methodological problems discussed, adopting such a model requires more explicit expectations about the slope coefficient of opinion liberalism on policy liberalism. Under a standard regression model, the t-test on the coefficient allows us to determine if we can reject the hypothesis that $\beta=0$. For an interactive model, however, since we are unsure about the actual or appropriate relationship between opinion and policy ought to be (i.e. the level of policy liberalism that corresponds precisely with a given level of opinion liberalism), a significant coefficient on the interaction term only suggests that one line is differently sloped from the other. If both are positively sloped, then it is ambiguous which is closer to the true relationship between opinion and policy. The nature of the problem is clearly demonstrated in Matsusaka (2001) and I have produced an example of the problem in Figure 3.1.

[Figure 3.1 About Here]

Figure 3.1 details two hypothetical relationships between opinion liberalism and policy liberalism. Suppose an interactive initiative model produced estimates of a relationship between opinion liberalism and policy liberalism of G3 (initiative states) and G4 (non-initiative states). Assume that both slopes are significantly different from 0 at the $p<.05$ level, and that they are significantly different from one another. The interpretation of this model according to Lascher et. al (1996) and Camobreco (1998) is that initiative states are more responsive than non-initiative states. The nature of the problem with the interactive model is that the only expectation about the slope coefficient is that it is not 0. What is not known is what the incline of this slope ought to be in a

perfectly responsive model. So, if the policy responsiveness that ought to occur is line G2, then line G3 is more responsive than G4, even though the slope of G4 is greater than the slope on G3. In the example the way I have described it, initiative states (which I assumed as G3) are actually over-responsive and it is non-initiative states (which I assumed as G4), with their more modest slope coefficient, that produce policy that is actually responsive to the public. Therefore, with two positive slopes, and without understanding what a perfectly policy responsive slope ought to be (only that it is positive), it is ambiguous which is more or less policy responsive.

This makes deriving conclusions difficult, but not impossible. While this is problematic, there are three conditions under which conclusions about the nature of the relationships are possible from such a model:

- 1) *Both the slope and intercept for initiative states are not statistically different from non-initiative states.* From equation 1, this means that we cannot reject the hypotheses that $\beta_0 = \beta_0 + \beta_1$ and $\beta_2 = \beta_2 + \beta_3$.
- 2) *For one of the selected groups (initiative or non-initiative states), the slope coefficient is positive and statistically significant and for the other group, the slope coefficient is both statistically different and not distinguishable from 0.* That is, we reject the null hypothesis $\beta_2 = \beta_2 + \beta_3$ but cannot reject the null that either $\beta_2 = 0$ or $\beta_2 + \beta_3 = 0$.
- 3) There exists an *a priori* reason to believe that a significantly larger or smaller slope indicates something theoretically important. In other words, that if we reject the null that $\beta_2 = \beta_2 + \beta_3$, then there is a directional theoretical expectation that a larger slope is closer or further away from the “proper”

unobserved relationship that would indicate “perfect policy responsiveness” between the liberalism/conservatism of opinion and the liberalism/conservatism of policy.

I have already discussed condition 1 in response to Matsusaka (2001). If the slopes are equal, but the intercepts are different, then one group of states is providing more/less policy liberalism at each and every value of opinion liberalism. So while policy liberalism in all states is associated with the same β unit increase for a single unit increase in opinion liberalism, the level of policy liberalism at each and every value of opinion liberalism is different for the two sets of states. Therefore, in order to conclude that no systematic statistical difference exists in policy outputs between initiative and non-initiative states, both the slope and intercept terms must be equal for both sets of states.

Condition 2 is also reasonably straightforward. Since we have a theoretical and empirical expectation from Erikson, Wright and McIver (1993) that has not been objected to in the direct democracy literature, it is safe to assume that there is some positive (yet unknown) relationship between public opinion and policy outputs. If for one group, that relationship did not exist, we would conclude that one set of states is more responsive than the other. The final condition (3) merits a more detailed discussion.

Assume a situation where an interactive model, such as the one described above were calculated and that significance tests reveal that $\beta_2 > 0$, $\beta_2 + \beta_3 > 0$ and that $\beta_2 > \beta_2 + \beta_3$. In plain terms, suppose that the effect of opinion liberalism on some measure of policy liberalism were positive for both initiative and non-initiative states, but that the effect was larger for non-initiative states. Now suppose that the unknown proper

outcome that ought to exist between opinion and policy is actually known and that the effect for initiative states (β_2) is actually closer to the real β than for the non-initiative states ($\beta_2 + \beta_3$). Finally, suppose that intercept coefficient is larger for initiative than non-initiative states (i.e. $\beta_0 < \beta_0 + \beta_1$)²⁵. With this knowledge, what would a researcher conclude? First, these hypothetical results suggest that initiative states are *more responsive* to the demands of citizens than non-initiative states. Further, non-responsiveness is given directionality. That is, initiative states moderate the effects of opinion liberalism on policy liberalism and non-initiative states are overly sensitive to differences in opinion liberalism. That is, in non-initiative states with the most conservative citizens, legislatures over-estimate this conservatism and in states with the most liberal citizens, legislatures over-estimate this liberalism.

Theoretically, the over-responsiveness in this instance would have to be attributed to the ideology and/or partisanship of the members of the legislature. While bureaucratic largesse explanations are possible, such as those offered by Niskanen (1971; 1975), they are also problematic²⁶. For one, the imposition that $\beta_0 < \beta_0 + \beta_1$ suggests that bureaucracies only grow larger in liberal states, not in conservative ones. Further, recent scholarship has suggested that legislative and bureaucratic elites exercise a great deal of discretion in implementing initiated policy (Gerber 1999; Gerber et. al. 2001). Therefore, the most reasonable explanation of why this slope would be steeper under the given

²⁵ Another way to think of this is to refer to figure 3.1. Assume that visually observed differences are statistically significant. The hypothetical I am raising is the one referred to previously – the perfect relationship between opinion liberalism and policy liberalism is assumed to be G2, and initiative states produced G4, while non-initiative states produced G3.

²⁶ The same logic applies to a logroll/pork barrel argument. If a logroll produces a suboptimal level of pork, and the initiative mitigates this effect, then the expectation is that there is a systematic bias to more spending in all states. Under the specification I have offered, this explanation does not make sense since conservative states would offer more conservative policies (i.e. smaller government) in non-initiative than initiative states. The results presented in data section suggest that the actual relationship between opinion and policy liberalism is very similar to this specification.

conditions are that more liberal/conservative states tend to elect more liberal and Democratic/conservative and Republican legislatures, and that these legislatures in turn, enact more extreme policies that reflect their own views. This finding, however, does not square with current empirical realities. The findings from Erikson, Wright and McIver (1993) suggest that party control is not a good predictor of policy liberalism – rather, that public opinion is a much stronger predictor of policy liberalism. Only if the difference in slopes is caused by some mechanism of political elites devilishly crafting policy away from the mainstream is such an explanation reasonable. Given empirical realities, the over-responsiveness argument is not defensible if the true relationship between opinion and policy is unknown. There is, therefore, an empirically and theoretically grounded reason to expect that if $\beta_2 > \beta_2 + \beta_3$, non-initiative states are more policy responsive than initiative states. Alternative explanations for this finding are either nonsensical under these specifications or not empirically justified in the literature. For this reason, I maintain that the use of an interactive model to discern policy responsiveness is not only appropriate, but a better alternative than comparing the directionality of the policy outputs between initiative and non-initiative states.

3.4 Results

I now turn to the data, as well as several different specifications of policy liberalism, to outline the empirical tests that follow from this discussion. The models presented take the form of the general equation 1, with one exception. In order to test for the presence of condition 2, given the directional hypotheses of dissociated choice theory, I code the dummy variable for the existence of the initiative as 0 for initiative states and 1 for non-initiative states. In each model, I use alternative specifications of the dependent

variable – various measures of policy liberalism, some specific and some general – and the same set of independent variables: a dummy variable for existence of the initiative, opinion liberalism, and their interaction, as well as a set of commonly accepted control variables used in the literature (Erikson, Wright and McIver 1993; Lascher, Hagen and Rochlin 1996; Camobreco 1998).

For the dependent variable, I use 7 different model specifications. First, I use three general measures of policy liberalism developed by Bigelow (2004) – policy liberalism, a composite of two separate measures: economic policy liberalism and social policy liberalism²⁷. Second, I use fiscal measures of state taxation and spending similar to those used in Camobreco (1998): state and local taxes per capita, 2000; tax effort 1997; general spending per capita, and a per capita measure of general and total revenue, 2000.

The theory presented in chapter 2 highlights a potential problem – citizens hold conflicted preferences which might lead to aggregate policy choices that are inconsistent with a simple majoritarian conception of democracy. The interactive policy responsiveness model is designed to identify this problem at the aggregate level. Results for the seven specifications discussed are presented in table 3.1. On average, the results support the expectations of dissociated choice theory.

[Table 3.1 About Here]

For the general models – policy liberalism, economic policy liberalism and social policy liberalism – an interesting pattern unfolds. The interaction term is not statistically significant for policy liberalism, suggesting that the slopes are no different. However, the intercept term for non-initiative states is significantly smaller than for initiative states, while the slope coefficients for both sets are significant. For both initiative and non-

²⁷ Coding of these variables is detailed in the appendix.

initiative states, greater opinion liberalism predicts greater policy liberalism. Because the intercept terms differ, however, the results are ambiguous as they relate to the discussion of responsiveness; at each and every value of opinion liberalism, non-initiative states have consistently lower levels of policy liberalism under the model specifications.

While there is some ambiguity in interpreting this result (it appears as though there is no difference between initiative and non-initiative states), splitting the variable into economic and social policy categories clarifies the results. For economic policy liberalism, the interactive coefficient is significant, as is the coefficient on opinion liberalism and on the difference in the intercept term. This relationship is illustrated in figure 3.2a. Higher levels of opinion liberalism predict higher levels of economic policy liberalism, but this effect is steeper for non-initiative states. Also note that the intercepts are significantly different. Therefore, initiative states have more liberal policies for each and every value of opinion liberalism up until a value of about 12 (a value slightly below the mean of opinion liberalism of all states). At values above that level, initiative states have more conservative policies associated with equal levels of opinion liberalism, than non-initiative states.

[Figure 3.2a About Here]

The social policy liberalism model, however, suggests very little difference in the social policies produced by initiative and non-initiative states. Opinion liberalism is associated with social policy liberalism, but both the slope and coefficient estimates are no different for initiative than non-initiative states. This is consistent with the findings of Bowler, Donovan and Tolbert (1998) that while the initiative has led to some social policy changes that might be described as majority tyranny (Gamble 1997), these policies

are reflective of the opinions of citizens of those states, not of some bias in direct democracy to suppress minority groups to a greater extent than legislatures.

The final four model specifications include measures of total state and local taxes per capita 2000, tax effort 1997, and general and total revenue measures for 2000²⁸.

While taxes per capita and the revenue measures are standard, the inclusion of tax effort warrants a more detailed discussion. Tax effort is a measure that allows a comparison of tax rates within states that is dependent upon tax base. Tax effort measures are, “a more appropriate way to compare the relative burden of state and local taxes,” and are calculated considering “what each state would raise if it and its local governments applied national average tax rates to their own tax bases.” (Hovey and Hovey 2004, 173-174).

The revenue models exhibit effects similar to those presented in Camobreco (1998). Opinion liberalism increases general revenue, but there are no significant differences in slope or intercept between initiative and non-initiative states. Therefore, we would conclude cautiously that there is no evidence of more or less policy responsiveness on revenue or social policy.

The differences, however, appear clearly on the tax measures. Opinion liberalism is significantly associated with tax levels in initiative states, but this effect is almost 200% larger in non-initiative states. The intercept term is also significant, suggesting a relationship similar to that observed for the general measure of economic policy liberalism. This effect is illustrated in figure 3.2b. For tax effort, the difference is even more stark. Opinion liberalism is not significantly associated with tax effort for initiative states, but is for non-initiative states. The intercept term for initiative states is

²⁸ Data obtained from *CQ's State Fact Finder 2004*, by Kendra A. Hovey and Harold A. Hovey.

significantly greater than that for non-initiative states. This effect is illustrated in Figure 3.2c. This is a case that clearly meets condition 2 from the previous discussion of interpretation. There exists an a priori expectation that as opinion liberalism increases, so too does policy liberalism. If the effect exists for one set of states, but does not exist (i.e. the slope is 0) for the other set, then the positive slope indicates greater policy responsiveness. For initiative states, a higher level of opinion liberalism does not predict a higher level of tax effort. For non-initiative states, we observe a positive, statistically significant relationship between opinion liberalism and tax effort policy liberalism. These results suggest that initiative states are far less policy responsive than non-initiative states to varying levels of public opinion.

[Figures 3.2b and 3.2c About Here]

Notably, the findings differ from those of Camobreco (1998)²⁹. Why might this be so? The updated data reflects over 10 more years of initiative policymaking. While the tax revolt started in California in 1978, it did not manifest itself in other initiative states until 1990. Oregon, Colorado, Arizona, Oklahoma, Washington, Florida and Nevada all passed major tax limitation initiatives after 1990 (Waters 2003).

²⁹ Camobreco found the coefficient was actually negative for initiative responsiveness without relevant controls for his measure of tax effort, taxes per capita and expenditures per capita. Camobreco notes that, “Performing the analyses without the outlier states requires removing New York from all three models and Wyoming and New Hampshire from models 2 and 3, respectively. The change in significance of the interaction variables is the most noteworthy difference between the two estimations.” (1998, 827). I find this exclusion problematic. Camobreco has no expectations for negative interaction coefficients, and eliminates that by excluding outlier cases in the models. With so few cases, the results are highly sensitive to degrees of freedom. However, the substance of the results do not change much by removing these cases. Further specifications of the model which eliminate some of the consistently insignificant results (using nested models and F-tests) produce results highly consistent with those in table 3.1. Alternative specifications of the model are available from the author upon request.

The coefficients and the associated figures tell a compelling story that largely coincides with the stated expectations of dissociated choice theory³⁰. The results for tax effort are unambiguous. The per capita taxation model (which mirrors the overall economic policy liberalism model) is less clear. The model demonstrates that opinion liberalism is positively related to taxation levels in initiative and non-initiative states, but the slope of that relationship is greater in non-initiative states, and the intercept is lower. Further discussion of these results is in order. The question at hand is if from these results and any priors that we might have, it can be determined what the slope of the relationship between the liberalism of the electorate and level of taxation should look like. The theoretical insights from dissociated choice theory – which predict under-taxation and over-spending – would suggest that initiative states appear to be less responsive to the public.

Recall, however, the discussion of condition 3 in section 3.3. If the interpretation of figures 3.2a and 3.2b were that initiative states are more responsive, then it is has to be the case that non-initiative states are over-responsive. That is, representative governments are producing policies in more liberal states that are too liberal *and* policies in more conservative states that are too conservative. The obvious theoretical explanation for this is that unified partisan governments are more likely to occur in states at the extremes of the opinion liberalism scale, and that partisan governments govern to the left or right of the median voter. Notice, this is not the oft-contended view in the

³⁰ To an extent, this finding partially agrees with Matsusaka (2004). He argues that while the last 30 years have presented an era of conservatism, the history of the initiative reflects that other eras have been more liberal. Therefore, there is no consistent ideological bias. Dissociated choice theory predicts biases that are both liberal and conservative. The data only appear to support the conservative argument for this era, but the argument is not that the direct democracy is inherently conservative – simply that it is inherently conservative on tax issues.

public choice literature that unchecked governments will overspend, create pork through a logroll, or that tend to grow larger and larger without a moderating effect from voters – the view espoused by those who have been critical of the interactive model used here (Matsusaka 2004). Furthermore, party control did not matter as much as opinion liberalism to policy in Erkison, Wright and McIver’s study (1993). The theoretical bases, then, for arguing that the larger slopes for non-initiative states presented in Table 3.1 and Figures 3.2a and 3.2b are not responsiveness, have little justification. Particularly based on the tax effort finding, which is a better inter-state measure for comparing relative tax burden, these results suggest that initiative states are in fact less responsive on tax policy to the opinions of citizens. The results for spending policy, as well as social policy (of which, I admittedly only have one measure), suggest little difference in the behavior of initiative and non-initiative states. However, it should be noted that in both revenue models, the size and directionality of the coefficients are similar to those from the tax models.

3.5 Discussion

In this chapter, I present aggregate level data that bolster dissociated choice theory. Initiative states and non-initiative states have different associations between levels of taxation and the liberalism of the mass public. These differences appear to be linked to the initiative in a way that creates aggregate policy that is less responsive to public opinion. While I offer no normative arguments for or against the reported shrinking size of state governments over the last thirty years in initiative states – a movement sometimes called the “tax revolt,” that is said to have started in California in 1978 with the passage of Proposition 13 – the explanation that the greater rapidity with

which initiative states decreased the size of their governments was a populist movement, is not supported by the evidence.

I also offer some amount of caution in interpreting the results in this study. These results only capture aggregate trends, if any exist. To attempt to explain any single initiative election, such as a failed tax reduction initiative which a majority of citizens opposed, or a passed tax reduction initiative which a majority of individuals favored, whether we consider dissociated or trade-off preferences, is misplaced. The data presented in this chapter do not and cannot explain the dynamics of any single initiative election. Rather, the data suggest that policy outputs in states without direct democracy appear to be closer to the public will than are the policies enacted in states with direct democracy. Ironically, direct democracy appears to provide voters with less, not more, of what they want.

Figure 3.1: Opinion Liberalism on Policy Liberalism

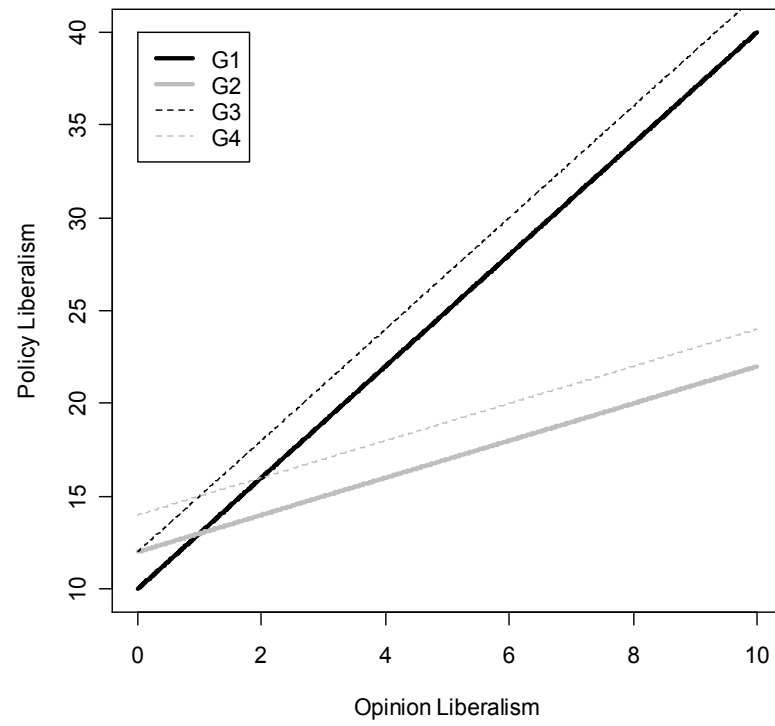


Figure 3.2a

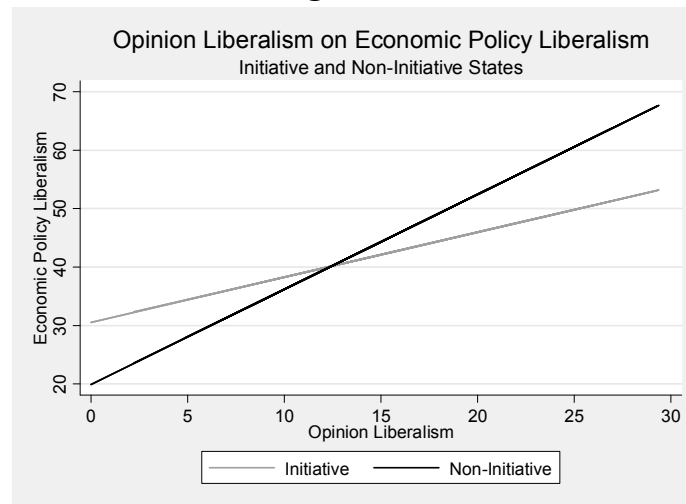


Figure 3.2b

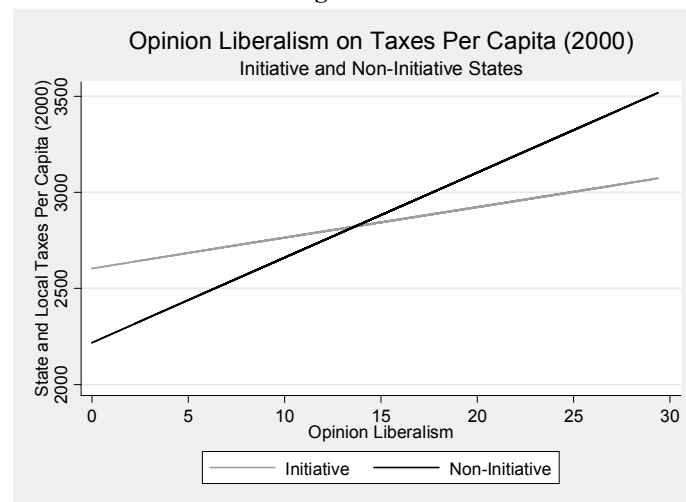


Figure 3.2c

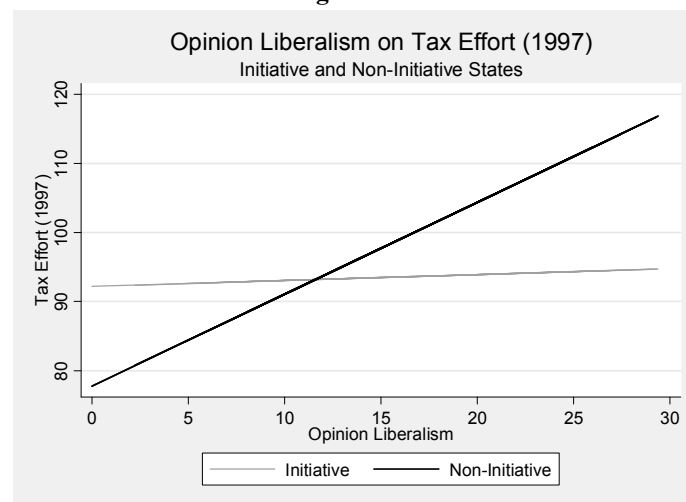


Table 3.1 Initiatives, Opinion Liberalism and State Tax and Education Policy

Independent Variables	Dependent Variable						
	Policy Liberalism	Economic Policy Liberalism	Social Policy Liberalism	State and Local Taxes Per Capita	Tax Effort	General Revenue Per Capita	Total Revenue Per Capita
Opinion Liberalism	.915** (.311)	.768** (.297)	1.061** (.397)	15.906* (9.174)	.085 (.362)	25.738* (15.059)	26.560 (30.188)
Non-Initiative (0,1)	-9.682+ (5.894)	-10.613* (5.479)	-8.750 (7.543)	-387.782* (204.896)	-14.420* (6.352)	-542.124 (390.335)	-830.640 (719.292)
Op. Lib * Non-Initiative	.602 (.388)	.854** (.343)	.349 (.501)	28.358* (15.910)	1.243** (.488)	37.544 (26.043)	47.098 (42.015)
Median Household Income	.0009** (.0003)	.0009** (.0003)	.0009* (.0004)	.040* (.018)	-.0001 (.0006)	.016 (.027)	-.004 (.038)
Percent Over 25 with a High School Degree	.060 (.311)	-.079 (.335)	.199 (.428)	-6.138 (14.230)	.366 (.516)	-43.522 (28.395)	-104.514 (86.777)
Percent Urban	-.113 (.126)	-.078 (.126)	-.149 (.154)	3.191 (7.806)	.025 (.254)	3.747 (10.414)	21.265 (16.222)
Intercept	-7.248 (27.853)	5.534 (29.764)	-20.031 (38.195)	1243.33 (1360.477)	62.105 (48.647)	7664.397** (2538.14)	13868.400* (7651.525)
R ²	.716	.737	.561	.692	.322	.369	.182

Coefficients are un-standardized regression coefficients (robust standard errors are in parentheses). N=48 for all three models – Hawaii and Alaska are removed because insufficient data exist to garner an accurate opinion liberalism score. **p<.01; *p<.05, 1-tailed tests, +p=.054, 1-tailed test.

Appendix

Figure A.3.1: Opinion Liberalism on Tax Effort Scatterplot

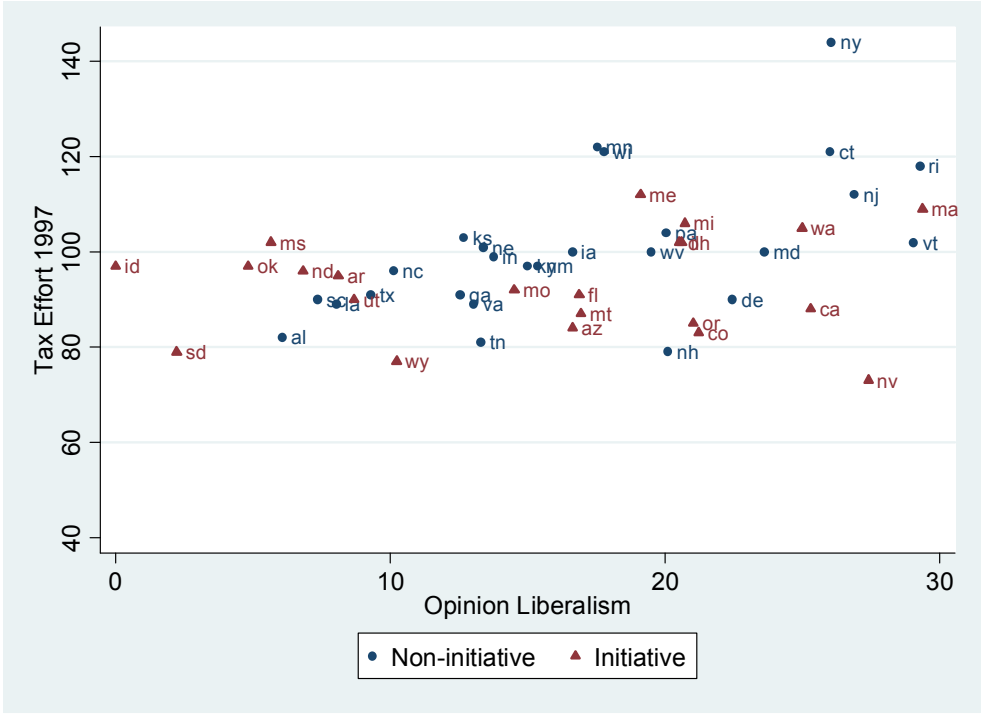
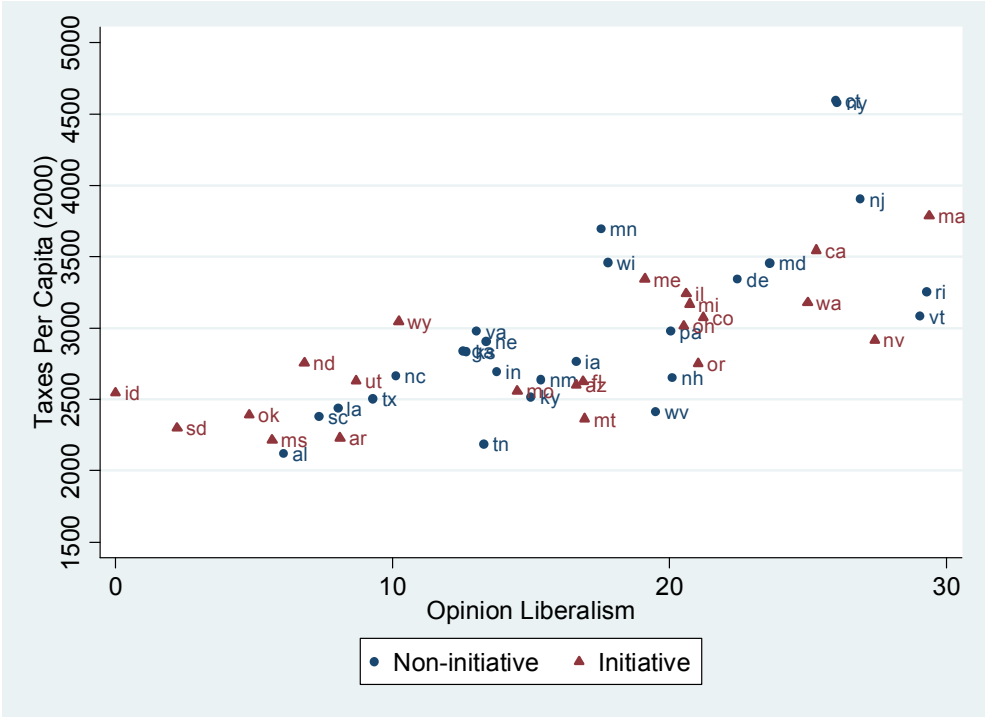


Figure A.3.2: Opinion Liberalism on Taxes Per Capita



Bigelow's Policy Liberalism

Bigelow's policy liberalism scales were constructed as an update to the measures used by Erikson, Wright and McIver (1993). For more information, see Bigelow (2004). The policy liberalism scale is simply an average of each of the policy liberalism scales.

The Economic Policy Measures Used are:

- State and Local Government Salaries 1999 (scaled to 0-100)
- Tax Burden on Wealthy Families 1998 (scaled 0-100)
- State Spending "Needs" 1996 (scaled 0-100)
- Spending Per Pupil 1999 (scaled 0-100)
- Tax Progressivity 1999 (scaled 1-100)
- Average Teacher Salary 1999 (scaled 0-100)
- Average Monthly TANF Cash Assistance per Family 1999(scaled 0-100)
- Economic policy liberalism is an average of these seven measures, each scaled and weighted equally.

The Social Policy Measures Used are:

- States without death penalty (0,1)
- States without three strikes (0,1)
- States with hate crime legislation (0,1)
- States without ex-felon disenfranchisement (0,1)
- Social Policy Omnibus of first 4 items (scaled 0-100)
- Reproductive Rights (scaled 0-100)
- Gun Laws (scaled 0-100)
- Social policy liberalism is computed using an average of the social policy omnibus, reproductive rights and guns laws, each scaled and weighted equally.

Chapter 4: The ‘Miseducation’ of Initiative Voters: Direct Democracy and Trust in Government

To this point, this work has discussed the impact of the institutional design of democracy on policy outcomes. But, what of the externalities of direct democracy? From a participation standpoint, does exposure to initiatives and referenda create an environment that encourages better democratic citizenship? The central hypothesis of this chapter is that while direct democracy may encourage participation and empower citizens to an extent, it also creates an environment that encourages citizens to lose faith in the representative process. Chapter 5 details the consequences of this decline in political trust in greater detail.

4.1 Externalities to Direct Legislation

The Progressive movement in favor of direct legislation was founded on prospects of good government and perceived failings of representative democracy at the state and local level. The belief was that the initiative, referendum and recall would empower citizens in a manner that would make both the inputs and outputs of government fall more closely in line with majority opinion³¹. At the time, reformers had good reason to be upset, given the tightly knit patronage system that had developed across the country. Direct legislation would be able to fill the gaps where legislatures failed to act, and offered recourse against shirking politicians. This would not only directly create better policy, but indirectly create more responsive public officials. But the promise of direct democracy would not end with better policy ends.

³¹ For a detailed review, see Cronin 1989.

Direct democracy also offered the promise of a type of education not available in a book or a classroom – an education in democratic citizenship³². Ballot propositions and referenda would heighten the requisite bar of participation to an extent that would educate and empower citizens. Political science research, both theoretically and empirically, has been extraordinarily supportive of this notion that citizens get a lesson in good participatory civics through exposure to ballot initiatives. This chapter examines the effect of living in a democratic-rich environment on various measures of democratic citizenship, with a particular focus on political trust. I focus on political trust for both practical and theoretical reasons. On the practical side of things, little to no research has directly examined the effect of ballot initiatives on trust. From a theoretic standpoint, there are reasons to believe the effects on trust might be different than for efficacy and participation. Furthermore, recent research has suggested that there are large political implications of declining trust in government (Hetherington 1998; 1999; 2005).

My research demonstrates that while citizens may become more knowledgeable, active and engaged in politics as a result of the ability to vote on issues at the ballot box, their faith in government fades in response to heightened exposure to direct democracy. Furthermore, attempts to replicate previous findings for efficacy turn up null findings, calling into question claims about the effect of a vibrant ballot initiative culture on views about governmental responsiveness.

4.2 Why Trust in Government Matters

Besides being relatively unstudied within the direct democracy literature, it is critical to our understanding of direct democracy as an institution to consider why the

³² For a review of this literature, see Smith and Tolbert (2004, 1-30).

effect of declining political trust is problematic, if it is problematic. While this topic is covered in greater detail in chapter 5, the implications from the literature are sketched out in brief form here.

Historically, the concept of political trust has been studied as an effect – something in decline that itself has some obvious implications. But, studies that attempted to link political trust to declining participation proved unsuccessful; political trust is more commonly linked to current political events and evaluations of public officials (Citrin 1974; Rosenstone and Hansen 1993). Putnam (2000), for example, demonstrates that social trust (or how much you trust others) affects people’s political participation, but not political trust. Uslaner (2001) has an exhaustive data analysis of generalized trust (or social trust in strangers), and he finds very limited support that political trust predicts declining social trust. While this concept of trusting others may be related to the debate about the decline in social capital, or to use the parlance of our times, “those who bowl alone,” it is not clear that political trust has much to do with this.

According to Hetherington, “That Americans have lost faith in the federal government to implement and administer public policy is the key change in American public opinion over the last 40 years.” (2005; 8). That is, while public opinion liberalism/conservatism has not changed markedly, the confidence that citizens once held in government to implement social programs no longer exists. An electorate with similar ideological orientation and preferences over policies will be less likely to support government programs in practice aimed at eradicating social problems if they distrust the implementers (Hetherington 2005). Furthermore, this distrust fuels volatility in the

political system, making distrusters more likely to support non-incumbent candidates, or vote for political outsiders.

Within the most distrusting initiative state, we at least see some *prima facie* evidence of this. California's experience with direct democracy, particularly in the 1990s, and perhaps one could say ever since 1978, has been marked by distrust of government and political volatility. The culmination of this was undoubtedly two very special elections held in California – in 2003 and 2005. In 2003, recently re-elected Democratic Governor Gray Davis was removed from office by the popular vote of California citizens, through a process known as the recall. Despite the list of over 100 candidates vying to replace him, from child actors to porn stars, a clear winner emerged – Republican candidate and famous action movie actor Arnold Schwarzenegger. Governor Schwarzenegger's reign as a bi-partisan terminator would not last long, however, as he moved to pass his reform agenda by circumventing the legislature and calling a special ballot-initiative election for the fall of 2005. Between January and August of 2005, the Governor saw his approval rating drop precipitously, from 60% to below 40% (Baldassare 2005). And on election day, all eight initiatives on the ballot, including the four he had championed as part of his reform package, failed to pass muster with the voters.

Direct democracy in California is marked by volatility and distrust. That this volatility is potentially caused by distrust would follow from Hetherington's work and will be the subject of further analysis in chapter 5. Here, however, I take up the question of whether direct democracy is one of the institutional culprits in explaining declining political trust – a concept which certainly has large and observable political implications.

4.3 Reconsidering the Educative Effects of Initiatives

The theoretic mechanisms by which direct democratic institutions promote participation, efficacy and knowledge are fairly clear. A ballot that explores unbundled policy issues, apart from parties and candidates, is more likely to strike a chord with a disaffected voter (Besley and Coate 2002). Hence, participation is likely to increase. Since voters get to choose positions on issues, rather than candidates, there is also a more direct link between a vote and a policy outcome. Such a process is likely to make a voter believe that their voice is being heard in the political process (i.e. make a voter express greater efficacy). Finally, repeated trips to the ballot box where issues are under consideration are likely to make citizens more politically aware, as voting on issues requires a higher threshold of knowledge than voting for candidates that have easy cues like party identification. Empirical studies have found support for these theoretical expectations, arguing that indeed direct democracy voters are more informed (Smith 2002, Smith and Tolbert 2004), participatory (Smith 2002, Smith and Tolbert 2004) and efficacious (Bowler and Donovan 2002, Smith and Tolbert 2004).

Regarding their findings on efficacy, Smith and Tolbert connect external efficacy to political trust: “[W]e focus exclusively on external efficacy because of its close relationship to political trust.” (2004, 81). Yet, no studies have directly linked initiatives to political trust. Are these two concepts really tapping into the same underlying concept? External efficacy is defined by scholars as how citizens feel that the public is being heard in the political process, using questions that ask citizens if they feel their voices are heard in the political process and by public officials (Craig, Niemi and Silver

1990). Smith and Tolbert (2004, 72-86) go on to equate external efficacy with government responsiveness and public satisfaction with government.

Collapsing external efficacy, political trust and satisfaction with government into a single over-arching concept that is only measured with indicators of external efficacy is potentially problematic for both theoretical and empirical reasons. Theoretically, the easiest way to demonstrate this is with a hypothetical example. Let us assume that a voter who is exposed to ballot measures for the first time feels as though “people like me have a say in what government does,” and that “government officials care about what people like me think.” A fully rational voter may respond in this manner because they feel as though the outputs of government are more in line with their preferences. On the one hand, voters who are more efficacious because of direct democracy may trust government more because they observe a change in governmental behavior related to the indirect power of initiatives. However, a voter exposed to direct democracy may be more efficacious *precisely because they do not trust the government*. Consider a voter who expresses disdain with government and government officials. Initiatives allow this voter to usurp power from government and for voters to express opinions about issues instead of legislators. This process is likely to make this voter feel as though the instrument of policymaking is effective, while concurrently reinforcing their negative feelings about the government officials. It is not clear, therefore, that citizen efficacy and trust are related to one another, or related to direct democracy in the same manner.

From an empirical standpoint, we can test this open question as to whether efficacy, trust and government responsiveness are all tapping into the same underlying measure. To be sure, the literature has treated these concepts as distinct, further

distinguishing efficacy into measures of both internal and external efficacy (Niemi, Craig and Mattei 1991). Factor analysis allows us to assess the dimensionality of a series of measures. Here, I present a simple test of how interrelated various questions which are commonly said to reflect the concept “efficacy” factor with the questions about political trust and government responsiveness. The expectation is that the analysis will produce distinct dimensions for political trust and external efficacy.

Table 4.1 is a presentation of varimax rotated factor loadings from a principal components factor analysis for various standard questions relating to trust, efficacy and responsiveness from a cumulative American National Election Study (ANES) dataset from 1996 to 2004. The rotated factor solution maximizes the differences between the factors while keeping the factors uncorrelated (i.e. the factors are orthogonally rotated). The first factor clearly explains the greatest proportion of the covariance (37%) and has the highest eigenvalue. The second and third factors explain 15% and 12% of the covariance, respectively. While some standard rules might suggest we keep only 2 factors (given that the eigenvalue for the third factor is less than 1), our theoretic instincts mirror the results from the rotated factor solution. Trust in government, responsiveness and efficacy measures seem to be most highly correlated with one another, suggesting at least 2, but likely 3 clear dimensions here³³.

[Table 4.1 about here]

Given that these concepts are both empirically and theoretically different, regardless of the effect of ballot initiatives on efficacy, I hypothesize that frequent exposure to direct democracy erodes political trust. Why? I offer two theoretic

³³ In future models in this chapter, I run models for efficacy and responsiveness with a single variable (as a single concept) and also as different concepts (with separate variables). The results for these models are ostensibly no different from one another and do not change the substantive interpretation of results.

perspectives which would support this hypothesis: (1) dissociated choice theory, (2) the principal agent problem. Government response to initiatives can directly fuel distrust. Citizens may mistakenly make budgetary choices that cause a policy chain reaction for which public officials are not to blame (but are certainly blamed for). However, government also has a gate-keeping power in the process. Bureaucrats retain the power of implementation, legislatures retain the power of the purse, and courts retain the power to determine the constitutionality of laws, creating a classic asymmetrical principal-agent relationship between citizens voting for a law change and the enactment of that law (Gerber et. al. 2001).

Dissociated choice theory argues that citizens may frequently fail to consider the implications of passed tax or spend measures, thereby generating a majority of votes for a policy proposal that is in fact not preferred by a majority of citizens (or voters for that matter) when they are presented with explicit tradeoffs. But the story does not end with dissociated choices and errant votes. Dissociated choices produce errant policy, and that policy must have implications. In general, policies will be no more responsive in initiative than non-initiative states (Lascher et. al. 1996), and on specific measures (particularly those that relate to the budget), I have argued that policy will be less responsive.

Exposure to initiatives, then, can create an adversarial relationship between government and the people they represent. Recent research has suggested that citizens resist taking on a greater participatory role in democratic government; they assess higher costs with greater/more frequent involvement in politics and express a desire for a fair system that requires as little effort possible. While Americans believe in this kind of

“stealth” democracy – that is, citizens are very resistant to becoming more involved in the political process – they still want open processes and visibility in the process (Hibbing and Theiss-Morse 2002). Large scores of individuals care very little about politics, issues and policies, and hence their political behavior and public opinion about politics and candidates is driven by their opinions about process. This is not all that different then Dahl’s conception of slack in the system, with a caveat. Dahl argued that democracy functioned well with uninformed, uninvolved citizens, because when an issue arose, the slack in the political system was easily mobilized to present clear public opinions (Dahl 1963). The major contribution of Hibbing and Theiss-Morse is the conception that citizens have a clear view that such slack exists, and while they do not want to see democratic politics on a daily basis, they want institutions to ensure that its there when they want it to be.

Citizens desires for *Stealth Democracy*, taken with the theory and data analysis presented in chapters 2 and 3 of this study suggest that voters may be exhausted by direct democracy. The concept of “exhaustion” is that direct democracy presumably requires greater interest, involvement, and in some states, more frequent participation in policy affairs (e.g. special elections). If, however, there are not discernable positive effects coming from passed ballot initiatives, then a greater commitment by voters and involvement in the process will cause them to direct blame to those in power. That is, from a simple Downsian formulation, if an act of voting is more costly, but the benefits are greater than the cost, then the act of voting is rational. However, if the expected benefits differ considerably from the observable benefits, the voter is likely to feel some amount of frustration. If policy is no more responsive in initiative than non-initiative

states, or *less responsive* as I have argued is the case with issues of taxation and spending, then higher levels and a greater cost to participation has yielded no better policy ends – the costs to participation have increased, but the benefits have not.

Understanding citizen support for direct democracy, in this context, is somewhat complex. Every poll ever taken has shown that a majority of citizens in all states overwhelmingly support the idea of ballot initiatives and referenda (Waters 2001; Hibbing and Theiss-Morse 2002; Baldassare 2005). This finding seems potentially incompatible given the *Stealth Democracy* framework. To be sure, citizens would certainly favor institutional design which limits a power grab; but, they are also resistant to taking on greater involvement for themselves within the system. Direct democracy certainly achieves the former goal, but does not achieve the latter goal – in fact, it increases the costs of participation *and potentially decreases the benefits*. So why do citizens so overwhelmingly favor direct democratic institutions? While this is still a somewhat open question, some work has suggested that the desire for more direct democratic means to craft policy is driven by a fundamental distrust of government at all levels (Hagen and Lascher 2005). Certainly, the case of California brings evidence to bear on this (Baldassare 2005). That citizens express extreme distrust for state government is a curious finding given that distrust in government has increased markedly in an era where state governments have become increasingly responsive to the will of the public and have been asked to take on greater responsibility (Rosenthal 1998).

While it appears that support for direct democracy (which is monotonic across both initiative and non-initiative states) is driven by a lack of faith in government to perform its duties in a way that allows citizens to be inattentive to politics, it is not clear

exactly why citizens distrust government, and why that trust in government has been waning. To be sure, this is a great debate in political science today, started by Putnam (2000), and still ongoing, about the precipitous decline in social capital over the last half a century. Here, I take up the question of cross-state variation in levels of political trust: what if one of the very institutions which citizens favor because they distrust government actually fuels greater distrust?

Despite the results from empirical models which suggest that certain sets of policies (like taxes) are less responsive in initiative states, there are also certain policies, characterized by their “easy issue” nature on which the public and legislatures have diverged markedly. Voters have resoundingly supported term limit measures in initiative states, as well as fundamental alterations of the partisan primary process. Yet, these types of measures have often been met with considerable resistance by government at all levels. In both cases where major primary reforms were passed (California and Washington), elites at the legislative and judicial level of government undid the provisions passed in initiatives. So, to say that citizens have manufactured the policy which they dislike is only a partial truth. The stealing process that goes on, where initiatives are passed and then altered or invalidated by government, certainly plays a part in generating tension between voters and elected officials – a tension that does not exist in non-initiative states (Gerber 1996; 1999; Gerber et. al. 2001). There are therefore two mechanisms which might contribute to citizen distrust: dissociated choices leading to bad policy outcomes leading in turn to greater distrust, and the stealing process which invalidates passed policy alternatives which were favored by a majority of citizens.

While these two mechanisms for generating citizen opinions about the outputs of the initiative process are different, they both have the same implications with regards to crafting political trust. That is, budgetary policy created by the initiative may generate policy outcomes that are a poor reflection of majoritarian tradeoff preferences about taxing and spending. At the same time, non-budgetary items which are passed may meet considerable within-government intervention upon implementation. Both of these mechanisms would promote greater distrust and disdain between citizens and government officials, while consequently making them feel as though participation on future ballot measures are more important.

4.4 Research Design

4.4.1 Hypotheses

In order to unravel the concepts of trust, efficacy, and government responsiveness, I propose three models with distinct dependent variables. The main variable of interest is to what extent direct democratic culture, institutions and experience predict how citizens evaluate the government – do they trust government, do they feel as though their voice is included in the process, and does government listen to them. The hypotheses I seek to test are:

- 1. Individuals who are frequently exposed to initiatives are less likely to trust government than individuals who are not frequently or never exposed to direct democracy.*

2. *Individuals who are frequently exposed to initiatives are more likely to be externally efficacious than individuals who are not frequently or never exposed to direct democracy.*

3. *Individuals who are frequently exposed to initiatives are more/less likely to view government as responsive.*

The first two hypotheses are clear and directional, based on the theoretic insights presented thus far. However, the results for government responsiveness are somewhat less clear. On the one hand, the initiative stealing process might make citizens in direct democratic states less likely to think government is responsive. Or, citizens may detect both the direct and indirect pressures that the citizen initiative places on lawmakers, and thus think that government is responding to citizens in a more favorable way. Since the results from the factor analysis presented in table 4.1 were somewhat ambiguous as to whether the efficacy and responsiveness questions were actually tapping into multiple theoretic constructs, I will test an additive index of both sets of measures, as well as more specific measures that are constructed from the individual responsiveness and efficacy questions.

4.4.2 Data, Controls and Operationalization

To test these hypotheses, I use a cumulative dataset from the American National Election Study for years 1994-2004. The difficulty in studying initiative effects by state comes from the fact that no ideal study with a critical N and random sample of respondents within states across all 50 states exists. The closest dataset to this ideal is the 1990 Senate Election Study (see Smith 2002 for an example). The limitations of the 1990 SES is that it does not have the breadth of political questions regarding trust,

efficacy and government responsiveness that would make carrying out the proposed test possible. The next best available option then, is to pool NES datasets over multiple years, in order to increase individual state sample sizes. Pooling also gives some other desirable traits, such as larger case numbers among racial and ethnic minorities to test for race/ethnicity effects. For an example of pooling, see Smith and Tolbert (2004).

To operationalize trust, efficacy and government responsiveness, there are a variety of data combination/reduction techniques that range from the simple to the more complex. Unfortunately, using the rotated factor scores from table 4.1 is an undesirable option, since there remains some question about the extent to which responsiveness and efficacy are actually representing the same theoretic construct. Furthermore, questions about responsiveness failed to appear in both the 1994 and 2002 ANES, thus limiting the size of the dataset. Therefore, I proceed by constructing the measures separately.

Trust is constructed by combining a respondent's answers to three questions:

- How much do you trust the national government to do what is right? (never, some of the time, most of the time, almost always)
- Is the federal government run by a few big interests or for the benefit of all?
- Does the federal government waste (a lot, some, not very much) tax money?

The reliability coefficient alpha is .59 for these three questions, suggesting a moderate degree of scalability. Factor analysis suggests that the first two measures are more closely associated than the last. The results presented will use a trust in government measure that is a factor score from an oblique rotated principal components factor analysis³⁴.

³⁴ The factor score is which is highly associated with the first two measures and not with the last. However, additional analyses demonstrate that the results are not sensitive to the combination technique used. An

For efficacy and responsiveness, I present three specifications based on the following four survey questions:

- How much does government pay attention to people? (not much, some, a good deal)
- Do elections make government pay attention to what people think (not much, some, a good deal)
- People like me no say in government (agree, neither agree nor disagree, disagree)
- Government doesn't care what people like me think (agree, neither agree nor disagree, disagree)

The first specification is a linear combination of all four variables, based on a simple principal components analysis. The reliability coefficient, alpha, for the four measures is .69 which suggest a reasonably high degree of scalability. Since the factor analysis results were relatively ambiguous, I present three model specifications – a linear combination of the four variables, as well as a combination of the first two measures, which tap into 'responsiveness', and the second two measures, used in the Smith and Tolbert (2004) study to tap into external efficacy³⁵.

The measurement of initiative context, culture, and exposure – the chief independent variable of interest – has been subject to debate, and a variety of

unrotated principal component score, oblique and orthogonal rotations, as well as an additive index all return substantively and statistically similar results. Additional dependent variable specifications are available from the author upon request.

³⁵ The restricted external efficacy model uses a dependent variable that is the result of the first factor from a principal components analysis where the first factor has an eigenvalue of 1.45 and explains 73% of the covariance among the two variables. For responsiveness, I use an additive index. Among the restricted efficacy and responsiveness models, the individual models are not sensitive to changes in the dependent variable specification, despite the fact that the results from tables 4.3 and 4.4 are different and somewhat surprising. All alternative model specifications are available from the author upon request.

specifications have been used within the literature (Bowler and Donovan 2004; Smith and Tolbert 2004; Smith 2002). For the purpose of this study, I will use a measure of the number of ballot initiatives in the survey year. While the measure is a rough approximation of initiative exposure, and does not say anything about the extent of the campaign, salience of issues, or the degree to which past initiatives have affected perceptions of trust, efficacy and government responsiveness, these measures are all so highly multicollinear that they cancel one another out if multiple measures are included in the same model, and they all return ostensibly similar results.

Since a model that simply predicted trust in government as a function of initiative exposure would be drastically underspecified, I include a series of control variables that are theoretically associated with trust, efficacy and responsiveness. Each model uses the same set of these control variables:

- i. Demographics: age, gender and educational background
- ii. Race/Ethnicity (Black, Asian, Native American, Hispanic): Minority groups are less likely to be efficacious, trusting of government and to view government as responsive (Rosenstone and Hansen 1993).
- iii. Party Identification and Ideology: conservatives and Republicans will be less likely than liberals and Democrats to trust government and view government as responsive. The Ideology measure used is the 5-point (liberal to conservative) likert scale, while party identification is the 7-point (Democrat to Republican likert scale).
- iv. Strength of Party Identification/Ideology: Partisans and ideologues will be more likely than non-partisans and non-ideologues to be efficacious, trusting of

government, and to view government as responsive to people simply because they are less likely to feel that ‘no one’ represents them (Hetherington 1999).

- v. Unified Government: The presence of divided government at the state level should make citizens less likely to trust government as presumably divided government creates more conflict between the executive and legislative branches.
- vi. Economic Evaluations: Citizens with negative retrospective evaluations of the economy will be less efficacious, less trusting of government and less likely to view government as responsive, than those with who evaluate the economy more positively.
- vii. State-level racial diversity and California resident measures: Smith and Tolbert (2004) include state-level racial diversity and a dummy variable if the respondent is a California resident, “to control for overrepresentation of minorities residing in California and acknowledge that the experience of California may bias the results.” (82). Citizens in states with greater racial diversity tend to report feeling less efficacious than citizens in other states (Hill and Leighley 1999). Dummying out California is a bit of a double edged sword. One the one hand, you may have a case bias as Smith and Tolbert argue, but on the other hand, California is perhaps the most interesting test case of the hypotheses presented in this and other work precisely because it is such a large state with such a vibrant direct democracy culture. For this reason, I include the California dummy, but also present results without that variable.

- viii. Year: To control for any effects of higher or lower efficacy, trust and responsiveness scores for each study year, dummy variables are included to control out any potential effects. The comparison year is 1994.

4.5 Results

4.5.1 Trust in Government

The central hypotheses of this chapter is that direct democracy erodes trust in government. Using a multivariate ordinary least squares regression model with Huber-White heteroskedastic consistent standard errors, I test the effect frequency of direct democracy (measured as number of initiatives) on trust in government, controlling for demographics, partisanship, racial diversity, race of respondent, the existence of unified/divided government, retrospective economic evaluations, and dummy variables for year and California residence. The results, presented in table 4.2, are supportive of the expectations from this chapter: more frequent exposure to initiatives makes citizens less likely to trust government.

[Table 4.2 about here]

An individual who resides in a state that has 20 initiatives in a given year (the high end of direct democracy usage), versus a person who resides in a non-direct democracy state scores over 3 percentage points lower on average on the trust-in-government scale. This finding is statistically significant and substantively does not change if we exclude California and its “exceptional” anti-trusting direct democracy culture from the study³⁶. While certainly direct democracy is only a piece of the story of

³⁶ For more on California’s distrusting culture, see Baldassare (2000; 2003; 2005)

why individuals distrust the government, it retains a substantively important effect on trust in government, even when faced with a series of traditional controls. This effect is similar in substance to the effect of direct democracy on turnout (Smith 2002) as well as on efficacy (Smith and Tolbert 2004). In the context of this model, it is similar in impact to the effect of education on trust in government.

The effects of partisanship are not statistically different from zero. However, strong partisans and strong ideologues are much more trusting of government than non-partisans and non-ideologues. Also, self-described liberals are more likely to trust government than self-described moderates or conservatives. This finding is not all-too-surprising given that liberals general favor greater governmental intervention, particularly on economic issues.

The demographic effects are also generally as expected. Less educated individuals are less likely to trust the government. Age and gender, on the other hand, are unrelated to trust. The coefficients for state racial diversity are in the expected direction, but do not retain statistical significance. At the individual level, however, race and ethnicity seem to matter a lot. Blacks are much less likely than whites to trust government, while Asians and Latinos are actually more trusting of government.

Somewhat surprisingly, the presence of unified government at the state-level made citizens less likely to trust their governments. But, as expected, those who evaluated the economy negatively were less likely to express governmental trust. Despite the distrusting California culture, Californians were no more likely than non-Californians to distrust government, when the appropriate controls are considered.

4.5.2 External Efficacy and Government Responsiveness

What, then, do the effects of direct democracy on democratic citizenship look like when we unbundle political trust, external efficacy and government responsiveness? It is completely possible for direct democracy to influence citizen views of governmental trust, efficacy and their view of how responsive the government is in different ways. Here, I test the effect of living in a direct democratic context on a combined measure of external efficacy and responsiveness, as well separate measures of each construct. The results are presented in tables 4.3 and 4.4.

[Table 4.3 about here]

Table 4.3 presents the results for the limited efficacy model, as well as the efficacy/responsiveness omnibus linear combination of all four variables. Of immediate concern is how initiative contexts effect individuals' levels of efficacy in the context of a multivariate model. The results are *not consistent* with the extant literature which says that living in a direct democratic environment enriches the democratic experience and makes people feel as though they are part of the political process (i.e. more externally efficacious). In each case, the substance of the coefficients is small, and the results are not statistically different from zero. I find no result in which living in a democratic-rich environment predicts higher levels of efficacy, either for the restricted or more inclusive measure. The story is somewhat different, however, when the dependent variable is specified only as questions which ask how responsive government is (to 'me' and to 'people').

[Table 4.4 about here]

In table 4.4, I present the results from the full multivariate model on the measure of government responsiveness. Since this measure is simply an additive index with five outcome categories, I include both the results of OLS regression with robust standard errors, as well as ordered probit to demonstrate that model specification does not change the substance or statistical significance of the results. In both cases, living in an environment high in direct democracy predicts that a respondent is less likely to view the government as responsive. The effect for the linear model suggests that citizens living in the most direct democratic rich environments (those that have 20 initiatives in a year) on average evaluate the responsiveness of government 6 percentage points lower than those who get no direct democratic exposure.

The results for control variables is fairly consistent with the previous models, with a few minor exceptions. We do find that the demographics matter more on questions of responsiveness. Older and more educated individuals, as well as women, are more likely to view the government as responsive. Blacks are less likely than whites to view the government as responsive, while Hispanics are more likely than whites to view the government as responsive. Being an ideological moderate and political independent continue to be the most important partisan/ideological factors for determining a respondents view of government responsiveness; strong partisans/ideologues are more likely to view the government as listening to people's needs. Negative retrospective economic evaluations suggest lower governmental responsiveness evaluations. And, somewhat surprisingly, when everything is appropriately controlled for, Californians are actually less likely to view government as unresponsive than other citizens.

4.6 Conclusions

The results presented here are in direct contravention with the extant literature on the effect of living in direct-democratic-rich environments, and the positive effects that this has on democratic citizenship. In fact, citizens in these environments are less trusting of the government and less likely to feel as though government responds to them and others. On the efficacy front, where past literature has found positive effects, I find null results³⁷. These mirror the theoretic expectations presented herein.

Dissociated choice theory predicts that since individuals evaluate the institution of the citizen initiative so highly, participation in this process will foster particular democratic citizenship characteristics – citizens may be more knowledgeable, more involved, more likely to vote, and even potentially more efficacious. But, participation in direct democracy puts citizens in an adversarial relationship with their governments and can create policy that is no better and potentially worse than what would have been constructed without the institution. The promise of direct democracy is the ever elusive “good,” and when citizens are not evaluating their state’s situations as ostensibly better, they are likely to lash out at someone other than themselves.

Participation in government via the ballot initiative does have an educative effect. It leads citizens to alter their view of the political process – namely that public officials are less trustworthy. Hypothetically speaking, an effective instrument of policy change should make these things better – not worse. Direct democracy actually fosters distrust between public officials and the public; this is the first empirical result to suggest that the quality of democratic citizenship in a direct democratic system is not necessarily higher.

³⁷ Since this is the first result of this kind – in the unexpected direction – better survey instrumentation and further tests are likely needed

Theorists have long pined for a stronger and more involved conception of democracy that would fuel political participation and empower citizens to make laws through a careful open dialogue about politics (Barber 1984). The by-product of such a democracy would be informed citizens participating at high rates, and taking the power away from malicious public officials to divert the public interest for their own gain by practicing in rent-seeking and nepotism. The empirics of this study suggest that citizens trust government less and get comparatively worse policy.

Table 4.1 Factor Analysis of Trust and Efficacy Measures in American National Election Study, 1996-2004 Cumulative File

	Trust in Government	Government Responsiveness	External Efficacy
Trust government to do what is right	0.623	0.417	-0.061
Is government run by big interests	0.677	0.293	0.165
Waste in the federal government	0.789	-0.108	0.173
Government pays attention to people	0.185	0.712	0.266
Elections make government pay attention	0.025	0.831	0.183
People like me have a say in what government does	0.041	0.168	0.830
Government pays attention to what people think	0.190	0.187	0.776

Data are from the 1996-2004 American National Election Study. Entries are varimax rotated factor scores. Varimax rotation maximizes the difference between the factors while keeping the factors orthogonal (or uncorrelated) with one another. An oblique rotation (available from author upon request) returns substantively similar results. The eigenvalue returned for the trust in government factor is 2.61 and explains 37% of the covariance matrix; the eigenvalue for Government responsiveness is 1.07 and explains 15% of the covariance; the eigenvalue for external efficacy is .85 and explains 12% of the covariance.

Table 4.2 The Effect of Initiative Exposure on Trust in Government 1994-2004				
Independent Variables	Trust in Government			
	β	SE	β	SE
Total Number of Initiatives	-0.009*	0.004	-0.009**	0.003
Age	0.001	0.001	0.001	0.001
Education	-0.017*	0.008	-0.017*	0.008
Gender	-0.014	0.023	-0.014	0.023
Black (0,1)	-0.148**	0.041	-0.147**	0.041
Asian (0,1)	0.132+	0.081	0.131+	0.081
Native American (0,1)	-0.007	0.067	-0.007	0.067
Hispanic (0,1)	0.213**	0.054	0.214**	0.054
Party Identification (7 point)	0.009	0.007	0.009	0.007
Strength of Party ID	0.090**	0.013	0.089**	0.013
Ideology	0.036**	0.011	0.036**	0.011
Strength of Ideology	-0.055**	0.014	-0.055**	0.014
Economic Evaluation	-0.137**	0.012	-0.137**	0.012
Unified Government (0,1)	-0.056*	0.024	-0.056*	0.024
State Racial Diversity	-0.043	0.109	-0.058	0.092
1996 (0,1)	0.175**	0.033	0.176**	0.033
1998 (0,1)	0.297**	0.036	0.298**	0.036
2000 (0,1)	0.474**	0.045	0.475**	0.044
2002 (0,1)	0.848**	0.039	0.848**	0.039
2004 (0,1)	0.599**	0.039	0.599**	0.039
California Resident (0,1)	-0.017	0.061	---	---
Constant	-0.202*	0.083	-0.199*	0.082
R ²	.0978		.0978	
N	7032		7032	
Notes: Coefficients are from ordinary least squares regression with robust standard errors. External efficacy 1 is a factor score from a principal components factor analysis of questions 6 and 7 from table 4.1. External efficacy 2 is a factor score from questions 4-7 in table 4.1. Using additive indices instead of factor scores does not change the substantive or statistical significance of the coefficients involved. 1994 and 2002 data were unavailable for questions 4 and 5 from table 4.1, and therefore the dummy variables are excluded. 2004 is the omitted category in the third model. +p=.52, one-tailed test				

Table 4.3 The Effect of Initiative Exposure on External Efficacy, 1994-2004

Independent Variables	<i>External Efficacy 1</i>	<i>External Efficacy 1</i>	<i>External Efficacy 2</i>
Total Number of Initiatives	0.002 (0.005)	0.001 (0.004)	-0.003 (0.006)
Age	-0.002** (0.001)	-0.002** (0.001)	0.000 (0.001)
Education	0.163** (0.009)	0.163** (0.009)	0.125** (0.009)
Gender	0.034 (0.026)	0.035 (0.026)	-0.081** (0.029)
Black (0,1)	-0.095* (0.045)	-0.093* (0.045)	-0.055 (0.050)
Asian (0,1)	-0.080 (0.096)	-0.081 (0.096)	-0.019 (0.104)
Native American (0,1)	-0.093 (0.074)	-0.093 (0.074)	-0.050 (0.073)
Hispanic (0,1)	-0.082 (0.056)	-0.080 (0.056)	0.067 (0.056)
Party Identification (7 point)	0.020** (0.008)	0.020** (0.008)	0.006 (0.009)
Strength of Party ID	0.109** (0.014)	0.109** (0.014)	0.108** (0.016)
Ideology	-0.006 (0.012)	-0.006 (0.012)	0.001 (0.014)
Strength of Ideology	0.031* (0.016)	0.031* (0.016)	0.037* (0.018)
Unified Government (0,1)	-0.024 (0.028)	-0.024 (0.028)	-0.083** (0.031)
Economic Evaluation	-0.126** (0.013)	-0.126** (0.013)	-0.149** (0.015)
California Resident (0,1)	-0.036 (0.071)	---	0.042 (0.094)
State Racial Diversity	-0.176 (0.123)	-0.209* (0.106)	-0.019 (0.132)
1996 (0,1)	0.035 (0.039)	0.037 (0.039)	-0.335** (0.039)
1998 (0,1)	0.203** (0.043)	0.204** (0.043)	-0.255** (0.042)
2000 (0,1)	0.413** (0.053)	0.414** (0.053)	-0.033 (0.048)
2002 (0,1)	0.944** (0.044)	0.944** (0.044)	---
2004 (0,1)	0.418** (0.046)	0.418** (0.046)	(excluded category)
Constant	-0.883** (0.097)	-0.876** (0.096)	-0.263* (0.111)
R ²	.1544	.1544	.1103
N	7322	7322	4403

Notes: Coefficients are from OLS regression with robust standard errors. External efficacy 1 is a factor loading from a principal components factor analysis of questions 6 and 7 from table 4.1. External efficacy 2 is a factor loading from questions 4-7 in table 4.1. 1994 and 2002 data were unavailable for questions 4 and 5 from table 4.1, and therefore the dummy variables are excluded. 2004 is the omitted category in the third model.

**Table 4.4 The Effect of Initiative Exposure on Government Responsiveness
1996, 1998, 2000, 2004**

Independent Variables	<i>OLS Model</i>		<i>Ordered Probit Model</i>	
	β	SE	β	SE
Total Number of Initiatives	-0.277 ⁺	0.145	-0.011*	0.005
Age	0.091**	0.023	0.004**	0.001
Education	2.299**	0.248	0.087**	0.009
Gender	-2.628**	0.753	-0.103**	0.029
Black (0,1)	-2.558 ⁺⁺	1.403	-0.090 ⁺⁺	0.048
Asian (0,1)	1.850	2.729	0.080	0.104
Native American (0,1)	0.676	2.139	0.023	0.081
Hispanic (0,1)	2.835 ⁺⁺	1.529	0.112 ⁺⁺	0.060
Party Identification (7 point)	0.116	0.221	0.005	0.008
Strength of Party ID	2.700**	0.415	0.102**	0.016
Ideology	0.144	0.364	0.007	0.013
Strength of Ideology	1.361*	0.454	0.055**	0.017
Unified Government (0,1)	-1.095	0.800	-0.037	0.031
Economic Evaluation	-3.011**	0.379	-0.109**	0.014
California Resident (0,1)	4.005 ⁺⁺	2.254	0.159 ⁺⁺	0.085
State Racial Diversity	-0.645	3.394	-0.025	0.131
1996 (0,1)	-13.995**	1.004	-0.541**	0.039
1998 (0,1)	-13.553**	1.080	-0.526**	0.042
2000 (0,1)	-9.453**	1.213	-0.377**	0.049
Constant	54.631**	2.909	---	---
Cut 1	---	---	-1.225	0.112
Cut 2	---	---	-0.719	0.111
Cut 3	---	---	0.380	0.111
Cut 4	---	---	1.040	0.111
R ^{2~}	.0901		.102	
N	5713		5713	

Notes: ~For the ordered probit model, I report McKelvey-Zavoina R-squared. All p-values reported are 2-tailed tests: +p=.056, ++p<.10, *p<.05, **p<.01. Coefficients for the first model are from ordinary least squares regression with Huber-White heteroskedastic consistent robust standard errors. The dependent variable for both models is a 5 point scale of government responsiveness questions from the ANES Cumulative file ranging from 0 to 100, with 5 outcome categories (higher values mean respondent evaluates the government as more responsive). Responsiveness questions were not asked in 1994 and 2002; 2004 is the omitted year category.

Chapter 5: Getting to ‘Yes’: Distrust in Government and the Alteration of the Status Quo ‘No’

5.1 Political Trust and Initiative Voting

The results of chapter 4 indicate that individuals who are exposed to direct democracy trust their governments less. The extent to which a decline in trust in government has any discernible political implications, however, is open to a certain amount of debate. Those who distrust the government the most might argue that the distrust is well founded – that is, governments have done very little to earn the trust of citizens. And, perhaps those who live in direct democracy states have had the opportunity to view how government can work around public officials. On the other hand, declining confidence in the functioning of government could have serious implications in assessing the health of American democracy. Declining trust could be linked to other positive properties of democratic citizens, as well as discernible voting patterns in elections.

Here, using survey data of voters in California’s 2003 Recall Election and 2005 special “initiative-only” election, I take up the question of how trust affects the way individuals choose in direct democracy elections. The findings suggest that distrusters were both more likely to support reform initiatives and the recall of Governor Gray Davis, even when predictable political, social and demographic characteristics are accounted for. The results have theoretical implications for both the literature on political trust as a motivator of electoral behavior, and the way in voters choose in initiative elections.

The literature on how and why political trust matters to political outcomes has flourished over the last few years. The commonly cited first study of the political relevance of trust – studying trust as an independent variable – found little support for the relevance of political trust to participation. People who distrust government are not more likely to turn out and participate than those who do trust government (Citrin 1974; Rosenstone and Hansen 1993). Theoretically, this makes a great deal of intuitive sense. Dissatisfaction with government differs markedly from the profile of the American voter as possessing no real policy attitudes (Converse 1962; Converse 1964) or being ambivalent on the issues (Zaller 1992). Furthermore, negativity can serve to be a great motivator of political action, rather than inaction (Dahl 1961; Kahneman and Tversky 1974). Where political trust does have implications is in electoral choices made by voters (Scholz and Lubell 1998; Hetherington 1999; 2005). Those who distrust government are more likely to vote against incumbents and favor candidates who seek to restrict the role of the federal government in social programs.

Therefore, findings that talk about declining political trust as a problem, as this study asserts, must either establish that the decline in political trust possesses some normatively negative feature “for trust’s sake” *or* must establish the connection between trust and some discernible electoral behavior³⁸. The strategy for this chapter will be the latter; I examine the link between political trust and support for ballot measures. Support for ballot measures is an important concept to understand, generally, because the ‘no’

³⁸ Here, I am clear to distinguish between political and social trust. The literature about the good things associated with higher social trust is more clearly established (Putnam 1993; Fukayama 1995; Knack and Keefer 1997; Uslaner 2002). Yet the links between social and political trust are weak and inconsistent at best (Uslaner 2002). Clearly, expressing trust for one’s neighbors and trust for one’s government are theoretically, two very distinct things.

vote on initiatives has been identified as having normatively positive properties to the health of direct democracy.

5.2 Declining Trust and Electoral Behavior

Everyone knows that political trust is declining, but only recently have scholars begun to understand the political implications of this decline. Initially, it was thought that since the decline in political trust mirrored the decline in political participation, that the two must be related. Yet studies have repeatedly found that political distrusters are no more or less likely to participate than trusters (Citrin 1974; Rosenstone and Hansen 1993). Perhaps such an expectation was somewhat naïve, given long-held understandings that citizens are likely to become political particularly when they feel that their self-interest is at stake (Dahl 1961, 223-228).

From the literature on the electoral implications of trust, there are two clear expectations from a culture of extreme political distrust: (1) political volatility and (2) a lack of support for government programs which require the trust of the average voter. Political volatility is simply supporting new orders in the political system; voting against incumbents. The policy expectations are in accordance with a theoretical grounding which understands that when the effects or benefits of a program are not individualized and visible, i.e. there is an element of risk and an act of faith involved in supporting a policy, a person must trust the agent delivering the services. That is, for policies which individuals are charged for, but do not benefit from, support for such a program hinges on their trust (Hetherington 2005, 65-8). This is completely consistent with voters' desire for "stealth" democracy; with little involvement, voters want to be assured that the process is fair (Hibbing and Theiss-Morse 2002). Political distrust upsets this order and,

so argues Hetherington, is the chief culprit in the decline in support for social welfare programs over the last 25 years. For the purposes of this study, I am interested in understanding how declining political trust affects the choices that voters make in direct democracy. How might these expected effects translate into a state political system with direct democracy?

On the first point, this expectation is fairly clear – the electoral environment will be more volatile (i.e. anti-status quo) when citizens express distrust in government. In candidate elections, the non-status quo point is usually conceived of as the challenger. Also, third party candidates elicit more votes from those who trust government less (see Hetherington 1999). In ballot initiative voting, locating the status quo point is somewhat more complicated. Without context, a ‘yes’ vote on an initiative is certainly a vote to change current policy, which, by definition, is an alteration of the status quo. However, with political context, the ‘yes’ vote can actually be seen as the status quo point if the initiative sponsor is seen as representing the status quo position. In other words, the expectations change if the Governor is putting forth policy initiatives than if initiatives are coming from groups seen as “outside” of the political process.

Regarding the latter expectation, that policies will seek to restrict social program spending, would have to be considered on an initiative by initiative basis. Yet, a decrease in the overall size of government – one expectation from a culture of governmental distrust – is certainly consistent with empirical realities found in this and other studies (Matsusaka 2004). It would also explain why there was support at the state level for one of the expectations of dissociated choice theory (that initiative states would overestimate

the tax conservatism of the public) but not for the other (that initiative states overestimate the about spending liberalism of the public).

5.3 The significance of voting “no”

The scholarly literature on direct democracy has done much to break down some popular mythologies about direct democracy voters. Paramount of these is that the *prima facie* results do not suggest that direct democracy is a runaway train fueled at its core by an ignorant mass who will support just any policy put before them. The perception that voters will support *any* initiative is a false one. The reason for this is that voters must be convinced to vote yes, but not to vote no³⁹. Historically, only 40% of all ballot initiatives put before voters have passed. Individual level studies have suggested that when voters find that an initiative is too complicated, incomprehensible or vague, the modal response is caution; the status quo position for a large majority of voters is the ‘no’ vote (Bowler and Donovan 1998).

That the generally politically uninformed, non-issue voter can be characterized as careful, rather than irresponsible, is an important claim in understanding what sorts of policies direct democracy produces. The scholarly consensus is that the status quo ‘no’ is normatively a good thing, as it demonstrates that the worst fears of initiative opponents are subsided when we observe actual behavior. Even pro-initiative interest groups point to this fact in defense of the institution⁴⁰. The large number of rejected initiatives lends

³⁹ That said, certain initiatives have more aesthetic appeal to voters than others. Voters are positively predisposed to increasing funds allocated to education and favorable social welfare programs, as well as limiting the powers of government and government officials through spending caps and term limits. Finally, voters also tend to support tax increases that do not effect them (so-called “sin” taxes have been relatively successful).

⁴⁰ For instance, the pro-initiative Initiative and Referendum Institute writes on their website: “The initiative process is not a runaway or out of control process. Since the first statewide initiative appeared on Oregon’s

credibility to initiatives that do pass; if most initiatives fail, then those that do pass must be taken more seriously, as more likely reflecting the policy preferences of the majority.

Beyond the normative properties associated with the ‘no’ vote, status quo oriented voting, particularly on budgetary issues, is consistent with a general policy deference to the status quo expressed in national surveys about budgetary policies (Hansen 1998). That initiative voters defer to the status quo point on 60% of issues, generally, seems to be in line with aggregate expectations.

The problem with this reference point is that we have nothing to compare it with. Is 40% high or low? Its not clear at what point the percentage of initiatives that pass becomes normatively “good” or “bad.” What is implied, however, is at some level, too many approved initiatives appear to be irresponsible and in line with the expectations of initiative opponents, who view the system as creating irresponsible budgetary policy (Schrag 1998) or policies reflective of a tyrannical majority (Gamble 1997)⁴¹. There is great value, therefore, in a *general* understanding of determining the factors that predict not the success and failure of initiatives, but the individual determinants of voting yes⁴².

All else held equal, greater political distrust should create political volatility, making anti-status quo votes more likely. Since the status quo position on initiatives is voting no, distrust should make yes votes more likely when predictable partisan,

ballot in 1904, citizens in the 24 states with the initiative process have placed approximately 2,021 statewide measures on the ballot and have only adopted 836 (41%).”

(<http://www.iandrinstitute.org/Usage.htm>)

⁴¹ It should also be noted that studies of Prospect Theory, on which the status-quo-no is theoretically based, suggest that voters will tend to overvalue potential losses and thus not conform to the expectations of rationality under expected utility theory. Depending on the political climate (good times vs. bad times), this risk aversion might aid a status-quo policy or an anti-status-quo policy (Quattrone and Tversky 1988).

⁴² Another related question is the extent to which no votes would change to yes votes if a relatively uninformed voter were given more information. While this is an interesting and important question, it is not the foremost concern here, given the fact that “no” vote, by their very nature, whether reflecting ignorance or not, do not alter the status quo. The interest throughout this work has been in understanding how the policies made by the initiative have altered the political landscape of states.

ideological, social and demographic characteristics that typically determine political behavior are controlled for.

5.4 Research Design: The Golden State, 2002-2005

In the previous chapter I argued that voters in direct democracy contexts are less likely to trust their governments to do what is right, more likely to see inherent policy problems within the state and more likely view legislators as unresponsive to the desires of the public. My purpose here is to connect declining trust back to the initiative process. How do distrusting voters behave when they are faced with direct democracy voting? If simply participating in direct democracy is fostering an environment that encourages distrust, what are the electoral implications of citizen distrust? To do so, I examine the behavior of voters in two recent California elections – elections that happened in years when voters in other states were having a respite from politics: the 2003 recall of Governor Gray Davis and the Special Election of 2005. These two elections present researchers with an excellent natural experiment to understand the complexion of citizen opinions and behavior in direct democratic elections. The reason for this is that both the 2003 recall election and 2005 special election were direct-democracy-only elections. When citizens went to the polls in 2003 and 2005, the only political cues, advertisements and discourse regarding the campaign had to do with the direct issues at hand.

One of the problems in studying the individual dynamics of political choice in initiative contests is the absence of abundant detailed survey data at the state level in any given election like the type of data scholars have access to for studying national-level electoral trends and behavior. So, in this sense, the selection of California as a case in this study is one of convenience. However, California is also the state which derives the

most national media attention for its initiative politics, and this is not simply because of its size. Its experience with this direct democratic institution over the past two decades has often been at the front of policy innovation. Proposition 13, for instance, was seen as the catalyst of a diffusion of anti-tax initiatives that passed in other states. But also on the issues of primary reform, term limits and affirmative action, policies proposed and adopted in California were followed in subsequent years elsewhere. Finally, California is often noted for its extremely distrustful public and volatile voting behavior (Baldassare 2002; Smith and Tolbert 2004).

The national average of voter trust in the federal government between 1994 and 2004, if you pool all respondents from the American National Election studies, is 38%⁴³. Furthermore, citizens tend to trust their state and local governments more than the national government (Bowler and Donovan 2002)⁴⁴. Yet, in California, the mean for trust in state government is both consistently below the mean average for trust in the federal government. Furthermore, Californians tend to trust the federal government at higher levels than the state government. In November of 2002, 35% of the public trusted the state government to what is right all or most of the time. In October of 2003, 27% of the public trusted state government. And, in November of 2005, only 17% of likely voters responded that they trusted the state government. If trust in government has definitely declined anywhere, it has declined in California (Baldassare et. al 2004; Baldassare 2005).

⁴³ That includes voters who say that they trust the government “all” or “most” of the time do what is right.

⁴⁴ Authors show results of a 1997 Pew survey which indicates that a national sample of approximately 1700 respondents rate the national government very favorably or favorably at 40%, while rating state government at 67% and local government at 71%.

So, what was going on in this 4 year period? In 2002, Governor Gray Davis was re-elected Governor of California, in the most expensive statewide election campaign in the history of the state. Between incumbent and challenger, close to \$100 million was spent on the race, almost doubling the \$58.8 million spent in 1998. Also unprecedented was the decline in turnout – only 51 percent of registered Californians actually turned out to vote (Baldassare et. al 2004). Surveys suggested that voters expressed extreme dissatisfaction with the way that campaigns were being run in California, and extreme distrust of the Government. In late 2003, less than a year after being sworn in to his second term in office, Davis was ousted as Governor of California in an unprecedented recall election. His replacement, Republican body-builder-actor-political-activist Arnold Schwarzenegger, took office promising to reform the government and craft a more fiscally responsible and business-friendly atmosphere in California. After a year of struggling with the Democratic controlled legislature, and with his approval rating topping 60 percent, Governor Schwarzenegger decided to put his reform package to the voters by announcing an historic special ballot-initiative election to be held in November of 2005.

The proposed initiatives sought to (1) reform campaign finance by requiring unions to have authorization before using union dues for political purposes, (2) increasing the time before public school teachers received tenure, (3) creating a non-partisan redistricting panel from a pool of retired judges, and (4) capping spending and allowing the Governor to finalize the budget given a legislative impasse. By the time the smoke had cleared, Schwarzenegger's approval ratings had dropped precipitously and all of his

reform measures, along with four other initiatives on the ballot, failed to win the voters' approval.

Given this series of events, and repeated readings of polls from the Public Policy Institute of California during the time period 2002-2005, it is safe to say that Californian state politics in recent years has been marked by electoral volatility and distrust in state government. Not surprisingly, this distrust in government is bi-partisan. In November of 2005, only 17% of respondents in a poll of likely voters trusted the government always or most of the time to do what's right. Both the Governor and state legislature's approval ratings dipped into the sub-40 abyss, at 39% and 37%, respectively. Finally, the lynchpin of disapproval is that only 14% of the voters approved of the way the Governor and Legislature were working together (Baldassare 2005).

While the popular media account of this is that a distrustful public went to the ballot box in 2005 and expressed their displeasure by voting no, I seek a more nuanced explanation. Specifically, I hypothesize that government distrust will actually be associated with increasing support for the recall and supporting ballot initiatives because distrust fuels anti-status-quo electoral volatility, when the distrust that is associated with current Governmental actors specifically is controlled for.

5.5 Data, Methods, and Results

The central research question of this study is: how does trust in government affect voting behavior in direct democracy elections. To test this, I examine data from two surveys completed in California during an era of exceptional distrust: the 2003 recall of Gray Davis and the 2005 special election. I hypothesize that with appropriate controls,

those respondents who distrust the state government more are more likely to support the recall and to vote yes on initiatives than those who trust government more.

5.5.1 The Recall of Gray Davis

The 2003 California recall gained national media attention as a spectacle to be seen in the practice of direct democracy. Despite repeated media descriptions of the recall as a zoo, there were undoubtedly political reasons that had caused this course of action. The 2002 Gubernatorial election had generated a disaffection and malaise with California politics. The campaign was described as one of “harsh words... that focused on attacks and counterattacks revolving around their (Davis and Simon’s) personal character.” (Baldassare et. al. 2004). And, California had recently been through economic downturn, the so-called “dot-com bust,” and an energy crisis to boot. The much ballyhooed Proposition 13 in 1978 not only reduced property taxes, but also set a 2/3 supermajority requirement on the legislature for passing new taxes. Effectively, this makes raising taxes *even in the presence of unified government* very unlikely. Therefore, the perception and reality permeated Californian politics that revenues would be unable to meet obligations and that the budget was in “crisis.”⁴⁵ In the recall election, 55% of those who turned out, voted to oust Gray Davis as Governor of California and 49% voted to elect Arnold Schwarzenegger⁴⁶ (Baldassare 2005). The central hypothesis of this

⁴⁵ I am not making statement here about the appropriateness of proposition 13. It should be noted that California has passed a number of initiatives, most notably proposition 98 in 1988, that have placed a burden on government spending. Prop. 98 is an education initiative which currently occupies a 30% piece of the California budget. Taken together, proposition 13 and 98 place a large burden on the California budgetary process. Repeated surveys in California show voters cool on tax increase proposals, but also that they feel that spending obligations are not being met, particularly on education. Californian voters are anti-tax and pro-spending, and have deferred any hard choices to legislators, who lack the ability to move in one direction or another. This inaction is rewarded with volatile electoral behavior

⁴⁶ This number is high given that there were 130 candidates. The candidate who placed second in the recall election was Democratic Lieutenant Governor Cruz Bustamante, who secured 31.5% of the vote.

study is that distrust fuels volatility in initiative elections. Using data from a Public Policy Institute of California Survey conducted in October of 2003, I examine to what extent we can distinguish distrust as a motivator of voting for the recall, apart from other plausible rival explanations like the partisan, social, demographic and attitudinal characteristics of voters.

Primary among these alternative expectations is the partisanship and ideology of the electorate. Since the recall was of a Democratic governor, naturally Democrats should be less likely to support the recall than Republicans; controls for party, ideology, and strength of both partisanship and ideology are included in the model. One of the major frames attached to this debate was that Latino voters would be worse off with Davis recalled. Furthermore, Cruz Bustamante, the Lieutenant Governor, was a central campaign figure as he announced his candidacy to replace Davis once it was clear that the recall election would occur. Bustamante as a candidate might have swayed more Latinos to support the recall, but the Lieutenant Governor ran a complicated campaign in which urged voters to vote against the recall, but to support him as the replacement candidate should the recall succeed⁴⁷. Therefore, we would expect Latino voters, even when partisanship, income and education are accounted for, to be less likely to support the recall effort. Controls for age, education, income and gender are also included.

The expectation is that two main effects should drive opposition to the recall, apart from the aforementioned explanations. First, ‘Yes’ votes should be fueled by individuals who are generally satisfied with the recall election: the options on the ballot, the way the election is being conducted and the legitimacy of the institution. A second explanation is that individuals are expressing concern with the state of the state; including

⁴⁷ This may have, in the end, cost him votes (Kaufmann 2003).

their trust in government and general evaluations of where the state is headed. The problems of parsing out explanations is that there exists a great deal of overlap, or multicollinearity, in the potential explanatory variables. Individuals who believe that the recall election is a good idea tend also to believe that the recall ballot is appropriate and to express satisfaction with the choices available on the replacement ballot. Concurrently, individuals who distrust government are also likely to express concern about the direction the state is headed in.

I used a principal components factor analysis to parse out the dimensionality in an attempt to combine these explanations, where appropriate, so as to reduce the level of multicollinearity in the model. The analysis returned two large eigenvalues, greater than 1, where trust and the direction of the state loaded strongly on factor 2 and the evaluations of the recall process loaded strongly on factor 1. I use the factor scores as explanatory variables in predicting support for the 2003 Recall Election. Rotated factor scores are presented in the appendix.

Results from a logistic regression of support for the 2003 Recall of Governor Gray Davis on the explanatory variables just discussed are presented in table 5.1. Overall, the model performs quite well. While measures of fit are always somewhat dubious and difficult to interpret for discrete and limited dependent variable models, the outcomes, nonetheless are remarkably high. Count R^2 , for instance, says that 87% of the values are correctly predicted by the model. Considering that our next best guess would be the mean (53%), this model reduces prediction error by 34%.

[Table 5.1 about here]

Approval of the recall election stands out as the strongest predictor of voting to recall Gray Davis. Those who expressed satisfaction with the institution and the use of the institution, not surprisingly, were far more likely to vote to recall the Governor. A one standard deviation change in the recall approval, around the mean, leads to a 37 percentage point increase in the predicted probability of supporting the recall.

Partisanship also mattered in a big way. The standardized party effect (1 s.d. change in party around the mean) leads to 23 percentage point increase in the probability of supporting the recall. A single standard deviation change in party around the mean means moving from independent-leaning-Democrat to independent-leaning-Republican. Therefore, just between leaners, there is a 23% difference in support for the recall. While most of the social, economic and ethnic variables did not return statistically significant results, the effect for Latinos was significant. Latinos were 8% less likely to support the recall than non-Latino voters.

Despite the significance, both substantive and statistical, of the coefficients for partisanship and recall approval, the trust in government measure retains a great deal of explanatory power. *Even when party and approval of the institution are controlled for, a standard deviation increase in distrust in government around the mean, leads to a 17 percentage point increase in support for the recall.* Those who expressed the greatest distrust in government were 77 percentage points more likely to vote to recall Gray Davis than those who expressed the greatest trust in government. Apart from both partisan and process-oriented explanations, political trust played a large role in determining the fate of Gray Davis. The recall, however, is just one instance where distrust lead to volatile

voting behavior. Let us now consider the implications of trust on the 2005 special election.

5.5.2 The 2005 Special Election

The 2005 California Special Election, at face, appears to refute the claims put forward in this study. Remember that the guiding hypothesis of this chapter is that distrust in government fuels increased general support for direct democracy, inducing more ‘yes’ votes, regardless of the content of the initiatives. But the facts of the case do not really add up here. On the one hand, in 2005, there were unprecedented low levels of political trust; on the other hand, 8 of the 8 proposed initiatives failed in an initiative-only election. If the lowest levels of distrust do not cause initiatives to pass, then does trust really affect initiative voting? This study, however, is not really about predicting when initiatives will fail and pass at the aggregate level. Rather, I am interested how distrusting government affected individuals’ decisions about voting ‘yes’ or ‘no’ on initiatives. While it is possible that government trust had no effect on voting behavior in this election, or in fact that distrust fueled no rather than yes votes, it is also possible that absent distrust in government, the vote margins against propositions 74-77 (Schwarzenegger’s California reform package) would have been even higher. This is an inherently empirical question. Trust is not the only motivator of voting behavior, but it may be one that matters. Examining California under such circumstances should maximize the probability that the alternative hypothesis put forward here will be falsified. In other words, testing the theory with this set of data from this time period, if anything, is a restrictive/conservative test.

Recall the discussion earlier in this chapter about understanding how distrust fuels volatility when the status quo position is viewed as that of those in power in government. To be sure, the general expectation is that distrusting voters should be more likely to vote ‘yes’ on initiatives, insomuch as they view the ‘no’ vote as the status quo point. However, there are times when distrust may be directly caused by or tied to initiative proponents. Certainly, the 2005 special election is an example of such an initiative election. Distrust in government was a bi-partisan phenomenon in the survey results: 17.7% of Republicans and 19.1% of Democrats responded that they trusted the government in Sacramento “most of the time” or “just about always” to do what it right. Therefore, at least some of this distrust in government is associated with Governor Schwarzenegger and would predict that a voter who distrusts government is less likely to support these initiatives. Concurrently, some of this distrust in government is likely caused by disapproval with the Democratic legislature, and therefore should predict ‘yes’ votes. Luckily, we have multivariate analysis on our side. I test the effects of trust on voting for ballot propositions using data from a post-election survey of likely voters in the 2005 California special election.

The complexity of the survey questionnaire presented in PPIC’s post-election study allows for the parsing out of various partisan, process and policy explanations for yes and no voting in this election. In the analysis that follows, I present results of the effect of trust in government on vote choice for 4 initiatives, while controlling for an individual’s partisanship and ideology, view of the Governor, view of the Legislature and view of the special election. Also, controls for economic evaluations and a set of

demographic and socio-economic variables are included. The explanatory variables included are (in greater detail):

- Trust in Government: Standard scale computed from a linear combination of responses to questions on how much survey respondents trust the government in Sacramento to do what is right, if government is run by a few big interests or for the benefit of all, and if there is considerable waste in government. The principal components factor analysis returned only a single eigenvalue greater than 1 (1.61) which explained 54% of the co-variation. The coefficient of reliability, alpha, is .574, and in no models do the results using the factor score differ from that of an additive index⁴⁸. Higher levels of trust in government should predict a lower probability of voting for initiatives.
- Governor Schwarzenegger's approval rating: Dichotomous (0,1) variable where 1 is approve and 0 is disapprove. Those who approve of the Governor should be more likely to vote yes on the propositions than those who disapprove. Given the high profile of the Governor, and that the initiatives were the only part of this election, it is likely that many decisions will be determined by the evaluation of the source cue (Mondak et. al. 2004; Lupia 1992; Lupia 1994).
- Legislature approval rating: Dichotomous (0,1) variable where 1 is approve and 0 is disapprove. Those who approve of the Democratic legislature should be more likely to vote no on the propositions than those who disapprove.
- Special Election Good/Bad Idea: Dichotomous (0,1) variable where values are the special election was a good (1) or bad (0) idea. Those who feel the special

⁴⁸ Alternative results are available from the author upon request.

election was a good idea will be more likely to vote 'yes' than those who feel the special election was a bad idea.

- Economic Evaluation: Dichotomous (0,1) variable for the prospective economic evaluation of the California economy as (1) bad or (0) good. Those who evaluate the economy positively should be more likely to take a status quo position, and therefore to vote no on the reform initiatives.
- Party and Ideology: 7-point party identification and 5-point ideology variables. More Republican/conservative voters should be more likely to vote yes than more Democratic/liberal voters. And, controlling for partisan and ideological directionality, more Independent/moderate voters should be more likely to vote 'yes' on the initiatives.
- Attention to the campaign: 4-point scale of how closely individuals followed the news of the recall election. Those that paid more attention to the campaign should be more likely to vote against the measures given the large sums of campaign money spent. This logic comes from the initiative literature which has shown that it is easier to buy no votes than yes votes (Bowler, Donovan and Tolbert 1998).
- Demographic controls: controls for age, rent/own status, education, income, years at residence, as well as race/ethnic dummies for Blacks, Latinos, Asians and Immigrants are included.

To test the hypothesis that distrust in government promotes 'yes' votes, I run an ordered logit model of the effect of trust in government on voting yes. The dependent variable in additive scale of indicated vote choice of each survey respondent 'yes' (1) or

‘no’ (0) on propositions 74, 75, 76 and 77; the highest possible score is 4, indicating the voter supported all 4 initiatives, while a score of 0 indicates that the voter did not support any of the measures.

Proposition 74 sought to increase the time in which a public school teacher is employed before they are tenured from 2 to 5 years. Proposition 75 sought to require unions to get explicit permission from union members before using dues for political purposes. Proposition 76 sought to cap spending and would give the Governor authority to pass an emergency budget if the Legislature and Governor were at an impasse. Proposition 77 sought to revise how California does redistricting by allocating the power of redistricting to a non-partisan panel of retired judges. Proposition 74 received 45% of the vote, Proposition 75 received 47% of the vote, Proposition 76 received 38% of the vote and Proposition 77 received 40% of the vote⁴⁹.

There is some question about the appropriate way to model this. In a theoretic sense, an additive scale of yes votes is a count of incidences of some sort of political action. This suggests that a count model of some sort might be appropriate. However, the data in this instance are not distributed as a count: 0 (49.8%), 1 (10.0%), 2 (5.7%), 3 (5.7%), 4 (28.8%). And this makes sense, given that the critical assumption of independence in count models is violated; that an observed event does not change the probability of a subsequent event (Long 1997; 219-220). In this case, this in effect the assumption that voting yes on one initiative is not associated with voting yes on another. The modal response greater than zero of four suggests that if a voter supports a single initiative, then s/he is likely to support all four. Given the ordered, categorical natures of

⁴⁹ California Secretary of State. (<http://vote2005.ss.ca.gov/Returns/prop/00.htm>). Accessed 1/29/06.

the dependent variable then, I run an ordered logistic regression model. The results are presented in table 5.2⁵⁰.

[Table 5.2 about here]

The model as a whole, performs quite well. Both the McKelvey-Zavoina and Count R^2 are considerably high; the proportional reduction in error is 37 percentage points. The model performed very near to expectations. Trust in government, the main independent variable of interest, is statistically significant. The average changes reported are the average change of moving along the ordered scale of the dependent variable for the indicated changes in the independent variable, holding constant all other variables at their mean. A single standard deviation change in trust in government around its mean, then, is synonymous with a 1.5% average change across the five categories of the dependent variables; or, a 6% standardized change from no support for the reform package to complete support. The most distrusting was on average, 8% more likely to approve of an additional initiative moving across the scale than his/her more trusting counterpart; a trusting voter is 32% less likely to approve of all initiatives than the most distrustful voter. The substance of these coefficients is remarkably large, particularly when the large effects of the controls are accounted for.

From the alternative model specification (presented in the appendix), we find that the average standardized change of political trust on voting ‘yes’ on any given initiative was approximately 5 percentage points. This margin, in any of these models, is considerable; in a competitive initiative election with a less visible cue-giver or one with higher approval ratings, the margin generated by levels of political trust may be the tipping point in support of an initiative. Trust in government does appear to have an

⁵⁰ The logistic regression results for each individual initiative are presented in appendix tables A5.3-A5.6.

independent effect on initiative voting choices, apart from partisanship, ideology, evaluations of cue-givers, evaluations of the institutions of direct democracy and various socio-economic, demographic and racial/ethnic characteristics.

Not surprisingly, source cues are the most important factor in this election. A voter's view of Governor Arnold Schwarzenegger was the strongest predictor of whether or not a voter supported his reform initiatives; the average probability change across the 5 categories of the dependent variable is 23% if a respondent approves of the governor.

Approving of the legislature is also statistically significant, but the effect is substantively smaller: those who approve of the legislature had an average probability decrease of supporting another initiative of 6.9%. Outside of source cue explanations, there is also considerable support for a process-oriented explanation of initiative voting – that citizens who approve of the direct democratic process are more likely to vote yes on initiatives. Citizens who approved of the special election had an average probability increase of 16% across the dependent variable. Partisanship and ideology, as expected, also were substantively and statistically important.

Two other variables in this model carry substantive importance – both those citizens who reported following election news to a lesser extent and those with lower levels of education were also more likely to vote yes. The substance of these results is somewhat large – both are approximately equal in size to the effect for trust in government. Since one of the concerns of this project is what role information plays in political behavior, both of these effects paint a very different picture than the low-knowledge, careful, status-quo-no initiative voter. To be sure, the data did not permit

adding a political knowledge control. However, these effects do point to a negative information effect.

5.5.3 Support for the Initiative Process

A final point of interest in this dialogue on how trust in government affects voting behavior in initiative elections is how citizens evaluate the institution of direct democracy. It is no overstatement to say that in every poll ever taken on direct democracy, a majority of citizens believe that the initiative process is a good thing. In the 2005 California special election, despite having just gone through a very negative experience with direct democracy, a plurality (48%) believed that the public makes better policies through the initiative process than the legislatures makes. Those who believed the legislature makes better policies was 30%, while 22% believed there is no discernable difference. In table 5.3, I present an ordered logit model predicting individual's disposition to the institution of direct democracy. The independent variables used are the same as those from the previous set of models, but are relevant for slightly different reasons. In order to determine how trust affects views of the initiative process, it is necessary to control for the election-specific reasons that may have determined respondents' views.

[Table 5.3 about here]

The Governor's approval rating, once again, jumps out as a strong predictor of favoring the initiative process. Since this initiative election was centered around the Governor's proposals, and those proposals failed, those who approved of the Governor were critical of the way citizens make choices on ballot initiatives – those who approve of Governor Schwarzenegger were 19% less likely to view the initiative process as

making better policy than those who disapprove. Consequently, we see an opposite effect for the legislature. When these election-specific explanations are controlled for, the picture for trust and process-oriented views become clear. Those who approved of holding the special election were more 10 percentage points more likely to view policies made by the initiative process as better. And, those who trust government the most were 25 percentage points less likely to view the policies made by the initiative as better than those who trust government the least (the standardized effect is 5%). This is the largest substantive effect in the model. There were no observable partisan or ideological explanations for how citizens evaluate the policy made by the initiative process. This is not surprising given historical liberal antipathy with the process for crafting more conservative policy (particularly by cutting taxes on proposition 13 in 1978), but the specific context of this election was a defeat for conservatives. Finally, the results suggest that older and more educated individuals are less likely to view the ballot initiative process as crafting better policy than their younger and less educated counterparts.

5.6 Discussion

The results of this chapter demonstrate that individuals who distrust government are generally more supportive of direct democracy in principle, but also more likely to support any given initiative, when political, ideological, socio-economic, demographic and election specific contextual factors are controlled for. That this result holds up in the face of an initiative election which was an abysmal failure, with initiatives sponsored by an unpopular governor, is remarkable. The historic fact that only 40% of all initiatives pass is held up in both the scholarly and advocacy communities as a benchmark number

reflecting a careful, considerate electorate. While 40% might be aesthetically appealing, because of some normative property of it being “less than half,” the number is hollow in that there is no reasonable comparison group. Forty percent of initiatives might overestimate the actual policy preferences of the electorate, and it could underestimate it. That trust in government, differentiated from political explanations, induces more yes votes, is in effect, a vote for punishing government for their perceived failings. The irony, of course, is that initiative electorates tend to trust their governments less simply because they are continually presented with alternatives meant to point out the failings of their government.

One point that probably deserves some clarification and discussion is data selection. The data for this work come from a time when volatile voting behavior is associated with conservative political movement. I am in no way suggesting that conservative policies are the only ones which a misinformed, or frustrated voter will support. The point of this chapter is to clarify how political distrust, which I have argued is an artifact of constantly being asked to participate at the ballot box, affects the way people then choose in direct democracy elections. The expectation is that across a broad array of policy issues or elections, out-candidates and non-status quo votes will be fueled by citizen distrust. The approach here has been to observe specific initiative contexts with a general theory and see if the result holds up. In the two instances presented here – the 2003 Gubernatorial recall and 2005 special election – I find evidence of this expectation.

In this sense, direct democracy is a self-fulfilling prophecy. Dahl wrote that homo civicus would be forced to participate when his/her direct self-interest was at stake.

The initiative system is constantly in the ear of voters telling them that their system is broken, and can only be fixed by citizen intervention.

Table 5.1 Logit Model of the Effect of Trust in Government on Support for the 2003 California Recall Election (All Voters)

Independent Variables	β	SE	Probability Change (Std. Dev.)
Favor the Recall	1.730**	0.120	0.371
Distrust Government	0.775**	0.099	0.170
Party (7 point)	0.483**	0.060	0.229
Strength of Party ID	0.240*	0.102	0.054
Ideology (5 point)	0.251**	0.093	0.064
Strength of Ideology	0.137	0.135	0.022
Latino	-0.853**	0.244	-0.077
Women	-0.046	0.187	-0.005
Education	-0.068	0.097	-0.018
Income	0.020	0.066	0.008
Age	-0.010	0.067	-0.003
Constant	-2.547**	0.657	
McKelvey-Zavoina Pseudo R ²	.711		
Count R ²	.868		
N	1196		

Notes: Data is from a 2003 pre-election survey of California voters completed in October of 2003. Coefficients are from logistic regression. **p<.01; *p<.05, two-tailed tests. Probability change estimates are for the area one half standard deviation below the mean to one half standard deviation above the mean (or a 1 s.d. change around the mean). These estimates are computed using the prchange command from Scott Long's SPOST package (Long and Freese 2003, 99-102).

Table 5.2 Ordered Logit Model the Effect of Trust in Government on Voting Yes on Initiatives 74-77, California Special Election 2005

Independent Variables	β	SE	Avg. Prob. Change (min-max)	Avg. Prob. Change (1 s.d.)
Trust in Government	-0.161*	0.098	0.079	0.015
Approve of Governor	2.647***	0.250	0.231	---
Approve of Legislature	-0.747***	0.236	0.069	---
Approve of Special Election	1.654***	0.206	0.156	---
Women	-0.398**	0.181	0.038	---
Propsective Economic Evaluation	-0.143	0.189	0.014	---
Follow News on Recall	-0.313***	0.111	0.088	0.023
Party Identification	0.313***	0.045	0.173	0.074
Strength of Party ID	0.073	0.108	0.021	0.006
Ideology	0.306***	0.098	0.114	0.035
Strength of Ideology	-0.187	0.132	0.036	0.014
Age	-0.014	0.077	0.007	0.002
Rent home	0.019	0.258	0.002	---
Education	-0.183**	0.093	0.071	0.019
Black	-0.309	0.301	0.029	---
Latino	-0.791***	0.300	0.074	---
Asian	-0.649	0.423	0.062	---
Immigrant	-0.108	0.297	0.010	---
Income	0.045	0.067	0.026	0.008
Years at Residence	-0.042	0.204	0.004	---
Cut1	-2.250	1.152		
Cut2	-1.175	1.142		
Cut3	-0.238	1.150		
Cut4	0.563	1.156		
McKelvey-Zavoina R ²	.728			
Count R ²	.770			
N	881			

Notes: Data from the 2005 Public Policy Institute of California Statewide Survey, 11/05. Coefficients are from ordered logit analysis. *p<.10, **p<.05, ***p<.01, 2-tailed tests. Probability changes displayed are the average probability change of respondent answering that the initiative system makes better policy, varying the independent variables by a standard deviation about the mean and from their minimum to maximum value.

**Table 5.3 Ordered Logit Model the Effect of Trust in Government on
Evaluation of the Initiative Process**

Independent Variables	β	SE	Prob Change (min-max)	Prob. Change (1 s.d.)
Trust in Government	-0.150***	0.054	-0.247	-0.047
Approve of Governor	-0.780***	0.182	-0.192	---
Approve of Legislature	0.353**	0.161	0.087	---
Approve of Special Election	0.386**	0.166	0.096	---
Women	0.094	0.125	0.023	---
Propsective Economic Evaluation	-0.024	0.131	-0.006	---
Follow News on Recall	-0.025	0.079	-0.018	-0.005
Party Identification	-0.011	0.034	-0.016	-0.006
Strength of Party ID	-0.041	0.074	-0.031	-0.009
Ideology	0.005	0.067	0.005	0.001
Strength of Ideology	-0.012	0.085	-0.006	-0.002
Age	-0.133**	0.052	-0.163	-0.045
Rent home	0.215	0.176	0.053	---
Education	-0.116*	0.063	-0.115	-0.031
Black	0.182	0.255	0.045	---
Latino	-0.265	0.188	-0.066	---
Asian	0.037	0.316	0.009	---
Immigrant	0.210	0.207	0.052	---
Income	-0.061	0.042	-0.091	-0.026
Years at Residence	-0.045	0.149	-0.011	---
Cut1	-2.707	0.805		
Cut2	-2.000	0.803		
McKelvey-Zavoina R ²	.084			
Count R ²	.542			
N	1079			

Notes: Data from the 2005 Public Policy Institute of California Statewide Survey, 11/05.
Coefficients are from ordered probit. *p<.10, **p<.05, ***p<.01. Probability changes displayed are the probability of respondent answering that the initiative system makes better policy, varying the independent variables by a standard deviation about the mean and from their minimum to maximum value.

Appendix Tables

Table A.5.1 Factor Analysis of Trust, State of the state, and recall approval Measures, October 2003 PPIC Statewide Survey

	Recall Approval	Trust in Government
Trust State Government to do what is right	0.007	0.794
State is headed in the right direction	-0.155	0.754
The recall election is a good idea	0.671	-0.164
The recall ballot is appropriate	0.793	-0.169
Satisfied with choices on the recall ballot	0.726	0.129

Data are from the 2003 Public Policy Institute of California Statewide Survey. Entries are varimax rotated factor scores. Varimax rotation maximizes the difference between the factors while keeping the factors orthogonal (or uncorrelated) with one another. The eigenvalue returned for the recall approval factor is 1.63 and explains 33% of the covariance. The eigenvalue for the trust in government factor is 1.27 and explains 25% of the covariance matrix.

Table A.5.2 Logit Model of the Effect of Trust in Government on Support for the 2003 California Recall Election (Likely Voters)

Independent Variables	β	SE	Probability Change (Std. Dev.)
Oppose the Recall	-1.957**	0.182	-0.384
Distrust Government	0.739**	0.154	0.136
Party (7 point)	0.556**	0.085	0.248
Strength of Party ID	0.145	0.145	0.030
Ideology (5 point)	0.352*	0.149	0.081
Strength of Ideology	0.202	0.206	0.029
Latino	-0.249	0.414	-0.015
Women	0.052	0.271	0.005
Education	-0.187	0.142	-0.039
Income	0.010	0.091	0.003
Age	-0.017	0.101	-0.005
Constant	-2.627*	1.056	
McKelvey-Zavoina Pseudo R ²	.769		
Count R ²	.885		
N	722		

Notes: Data is from a 2003 pre-election survey of California voters in October of 2003 before the recall election – likely voters only. Coefficients are from logistic regression. Probability change estimates are for the area one half standard deviation below the mean to one half standard deviation above the mean (or a 1 sd change around the mean). These estimates are computed using the prchange command from Scott Long's SPOST package (Long and Freese 2003, 99-102).

Table A.5.3 Logit Models of the Effect of Trust in Government on Support for Proposition 74, 2005

Independent Variables	Model 1			Model 2		
	β	SE	Probability Change	β	SE	Probability Change
Trust in Government	-0.208*	0.122	-0.050	-0.238**	0.118	-0.057
Governor Approval Rating (0,1)	2.212***	0.245	0.501	2.821***	0.224	0.607
Legislature Approval Rating (0,1)	-0.192	0.266	-0.046	-0.293	0.260	-0.070
Approve of Special Election (0,1)	1.365***	0.232	0.326	---	---	---
Women (0,1)	-0.061	0.214	-0.015	-0.132	0.207	-0.032
Economic Evaluation (0,1)	-0.125	0.226	-0.030	-0.136	0.218	-0.033
Follows Recall News	-0.046	0.132	-0.009	-0.051	0.126	-0.010
Party Identification (7 point)	0.307***	0.050	0.181	0.316***	0.049	0.187
Strength of Party ID	-0.071	0.122	-0.015	-0.057	0.118	-0.012
Ideology (5 point)	0.279**	0.113	0.080	0.313***	0.107	0.090
Strength of Ideology	-0.047	0.152	-0.008	-0.025	0.145	-0.005
Age	0.102	0.088	0.034	0.035	0.085	0.011
Renter (0,1)	0.334	0.286	0.082	0.230	0.277	0.057
Education	-0.266**	0.110	-0.069	-0.336***	0.106	-0.087
Black (0,1)	-0.603	0.431	-0.138	-0.561	0.426	-0.129
Latino (0,1)	-0.233	0.317	-0.056	-0.235	0.305	-0.056
Asian (0,1)	0.434	0.494	0.108	0.300	0.488	0.074
Immigrant (0,1)	-0.509	0.350	-0.118	-0.341	0.335	-0.081
Income	0.122*	0.074	0.052	0.133*	0.071	0.057
Years in Residence (0,1)	-0.412	0.252	-0.101	-0.423	0.246	-0.104
Constant	0.546	1.290		-1.601	1.189	
McKelvey-Zavoina R ²	.657			.632		
Count R ²	.875			.871		
N	989			1006		

*p<.10, **p<.05, ***p<.01, 2-tailed tests. Coefficients are from logistic regression. Probability changes are from one standard deviation of the independent variable around the mean for all non-dummy variables; dichotomous variable probability changes are the change between category 0 and category 1. Data are from the Public Policy Institute of California's Post-Election Statewide Survey, November 2005.

Table A.5.4 Logit Models of the Effect of Trust in Government on Support for Proposition 75, 2005

Independent Variables	Model 1			Model 2		
	β	SE	Probability Change	β	SE	Probability Change
Trust in Government	-0.190 ⁺	0.128	-0.042	-0.197 ⁺⁺	0.121	-0.044
Governor Approval Rating (0,1)	2.237***	0.244	0.488	2.901***	0.222	0.607
Legislature Approval Rating (0,1)	-0.280	0.293	-0.062	-0.463*	0.281	-0.101
Approve of Special Election (0,1)	1.660***	0.235	0.374	---	---	---
Women (0,1)	0.006	0.223	0.001	-0.068	0.214	-0.016
Economic Evaluation (0,1)	-0.194	0.234	-0.044	-0.219	0.223	-0.050
Follows Recall News	0.001	0.138	0.000	-0.008	0.130	-0.001
Party Identification (7 point)	0.295***	0.053	0.163	0.302***	0.050	0.169
Strength of Party ID	0.069	0.129	0.013	0.081	0.124	0.015
Ideology (5 point)	0.249**	0.121	0.066	0.314***	0.114	0.084
Strength of Ideology	-0.109	0.162	-0.018	-0.062	0.152	-0.011
Age	0.047	0.094	0.014	-0.046	0.089	-0.014
Renter (0,1)	-0.071	0.309	-0.016	-0.137	0.294	-0.031
Education	-0.009	0.112	-0.002	-0.112	0.107	-0.027
Black (0,1)	-0.104	0.433	-0.023	-0.106	0.424	-0.024
Latino (0,1)	-0.370	0.334	-0.080	-0.445	0.320	-0.096
Asian (0,1)	-0.192	0.538	-0.042	-0.297	0.515	-0.065
Immigrant (0,1)	-0.271	0.364	-0.059	-0.062	0.341	-0.014
Income	-0.036	0.076	-0.014	-0.012	0.072	-0.005
Years in Residence (0,1)	0.081	0.265	0.018	0.042	0.252	0.010
Constant	-0.158	1.339		-2.717**	1.228	
McKelvey-Zavoina R ²	.663			.627		
Count R ²	.883			.874		
N	984			1000		

*p<.10, **p<.05, ***p<.01, 2-tailed tests, ⁺p=.069, 1-tailed test, ⁺⁺p=.052, 1 tailed test. Coefficients are from logistic regression. Probability changes are from one standard deviation of the independent variable around the mean for all non-dummy variables; dichotomous variable probability changes are the change between category 0 and category 1. Data are from the Public Policy Institute of California's Post-Election Statewide Survey, November 2005.

Table A.5.5 Logit Models of the Effect of Trust in Government on Support for Proposition 76, 2005

Independent Variables	Model 1			Model 2		
	β	SE	Probability Change	β	SE	Probability Change
Trust in Government	-0.274*	0.142	-0.059	-0.299**	0.135	-0.064
Governor Approval Rating (0,1)	2.650***	0.281	0.553	3.265***	0.262	0.651
Legislature Approval Rating (0,1)	-0.918***	0.337	-0.178	-1.042***	0.324	-0.200
Approve of Special Election (0,1)	1.530***	0.256	0.337	---	---	---
Women (0,1)	-0.441*	0.242	-0.095	-0.465**	0.233	-0.101
Economic Evaluation (0,1)	-0.349	0.256	-0.077	-0.330	0.246	-0.073
Follows Recall News	-0.477***	0.152	-0.080	-0.449***	0.142	-0.076
Party Identification (7 point)	0.253***	0.057	0.134	0.260***	0.055	0.139
Strength of Party ID	0.165	0.140	0.030	0.172	0.136	0.031
Ideology (5 point)	0.367***	0.135	0.094	0.440***	0.129	0.113
Strength of Ideology	-0.150	0.176	-0.024	-0.102	0.168	-0.017
Age	0.142	0.101	0.041	0.045	0.096	0.013
Renter (0,1)	0.386	0.330	0.087	0.258	0.315	0.058
Education	-0.438***	0.126	-0.101	-0.509***	0.121	-0.117
Black (0,1)	-0.277	0.461	-0.057	-0.286	0.454	-0.059
Latino (0,1)	-0.742**	0.363	-0.144	-0.778**	0.351	-0.151
Asian (0,1)	0.360	0.556	0.082	0.110	0.544	0.024
Immigrant (0,1)	-0.225	0.402	-0.047	-0.094	0.383	-0.020
Income	0.092	0.083	0.035	0.101	0.079	0.039
Years in Residence (0,1)	-0.252	0.283	-0.056	-0.326	0.274	-0.073
Constant	0.920	1.444		-1.425	1.311	
McKelvey-Zavoina R ²		.727			.703	
Count R ²		.905			.899	
N		948			964	

*p<.10, **p<.05, ***p<.01, 2-tailed tests. Coefficients are from logistic regression. Probability changes are from one standard deviation of the independent variable around the mean for all non-dummy variables; dichotomous variable probability changes are the change between category 0 and category 1. Data are from the Public Policy Institute of California's Post-Election Statewide Survey, November 2005.

Table A.5.6 Logit Models of the Effect of Trust in Government on Support for Proposition 77, 2005

Independent Variables	Model 1			Model 2		
	β	SE	Probability Change	β	SE	Probability Change
Trust in Government	-0.101	0.119	-0.023	-0.158 ⁺	0.115	-0.036
Governor Approval Rating (0,1)	1.860***	0.251	0.414	2.537***	0.224	0.544
Legislature Approval Rating (0,1)	-0.818***	0.286	-0.170	-0.830***	0.277	-0.174
Approve of Special Election (0,1)	1.382***	0.237	0.280	---	---	---
Women (0,1)	-0.523**	0.211	-0.118	-0.563***	0.206	-0.128
Economic Evaluation (0,1)	-0.148	0.220	-0.034	-0.203	0.214	-0.047
Follows Recall News	-0.333**	0.136	-0.057	-0.299**	0.132	-0.052
Party Identification (7 point)	0.203***	0.052	0.113	0.219***	0.050	0.123
Strength of Party ID	-0.055	0.125	-0.010	-0.044	0.121	-0.008
Ideology (5 point)	0.245**	0.117	0.065	0.290***	0.112	0.078
Strength of Ideology	-0.006	0.152	-0.001	0.036	0.146	0.006
Age	0.008	0.091	0.003	-0.029	0.088	-0.009
Renter (0,1)	-0.348	0.303	-0.076	-0.333	0.293	-0.074
Education	-0.026	0.107	-0.006	-0.084	0.104	-0.020
Black (0,1)	-0.548	0.436	-0.114	-0.514	0.430	-0.109
Latino (0,1)	-0.970***	0.331	-0.193	-0.915***	0.322	-0.185
Asian (0,1)	-1.592***	0.558	-0.259	-1.582***	0.543	-0.262
Immigrant (0,1)	0.176	0.357	0.041	0.272	0.342	0.064
Income	0.069	0.072	0.027	0.093	0.069	0.037
Years in Residence (0,1)	-0.131	0.254	-0.030	-0.156	0.245	-0.036
Constant	1.184	1.309		-1.410	1.203	
McKelvey-Zavoina R ²	.627			.606		
Count R ²	.865			.862		
N	947			963		

*p<.10, **p<.05, ***p<.01, 2-tailed tests, +p=.084, 1 tailed test. Coefficients are from logistic regression. Probability changes are from one standard deviation of the independent variable around the mean for all non-dummy variables; dichotomous variable probability changes are the change between category 0 and category 1. Data are from the Public Policy Institute of California's Post-Election Statewide Survey, November 2005.

Chapter 6: Direct Democracy in the 21st Century

“[I]t is hard to avoid some extremely pessimistic conclusions about the feasibility of democracy in the modern world, for it is impossible to reconcile traditional concepts of what ought to happen in a democracy with the fact that an amazingly large number of people do not seem to know very much about what is going on. The significance of this kind of popular ignorance depends on what we think democracy is...

The tendency of the literature of politics is to place a tremendous premium on the role of the interested and to treat indifference as a mortal sin, but the reluctance of the public to press its opinions on the government concerning a great multitude of issues is really not as bad a thing as we may have been led to think; it is a mark of reasonableness and common sense. The public is far too sensible to attempt to play the preposterous role assigned to it by theorists. We have tended to undervalue this attitude because we have labored under an illusion about democracy.

We become cynical about democracy because the public does not act the way the simplistic definition of democracy says that it should act, or we try to whip the public into doing things it does not want to do, is unable to do, and has to much sense to do. The crisis here is not a crisis in democracy, but a crisis in theory.”

---E. E. Schattschneider, The Semisovereign People---

6.1 In Review

Advocates of direct democracy principally presume that frequent elections are insufficient checks for the “people” on government; that popular sovereignty is not achieved through a representative model of governance. In the preceding chapters, I have sought to bring this presumption into question by presenting both an original theoretical perspective and a series of empirical tests. This research demonstrates that (1) the institutional design of asking policy questions can bias the outcome, and (2) this is based on an understanding of the low-information American voter. From this, several implications follow: states with direct democracy will overestimate the tax conservatism and spending liberalism of the public, citizens will distrust government officials more, and distrusting citizens will in turn support more frequent use of the very processes which have delivered less desirable outcomes. Direct democracy produces less majoritarian tax and spend policy, but citizens blame public officials for these ostensibly worse policy outcomes. This, in turn, makes citizens more likely to support continued use of the institution.

6.2 Implications

The knee-jerk conclusion that might be mistakenly taken away from this work is that the public is explicitly uninformed, not knowledgeable and implicitly stupid, weak, and not cut out for this democratic experiment. This conclusion, however, does not reflect a careful review of this work. As Schattschneider suggested, in words far more eloquent than I can provide, the extent to which we understand or misunderstand mass ignorance has everything to do with what we understand democracy to be. If Schattschneider erred in his defense of public ignorance, as well as his defense of representative democracy, it was in recognizing only that how political scientists and philosophers define *democracy* was of central importance. What I have argued is that the extent to which citizen ignorance is mistakenly viewed as a cause of a democratic crisis is not due solely to a theoretic misunderstanding about what popular governance means, but also in comparing and contrasting very different forms of republican and democratic processes which tend to get lumped into an overly inclusive “democracy” category. While research that discusses how, institutionally and socially, citizens can be more involved and informed in politics and why it matters, is important, there is also use in treating political ignorance as static, and comparing the outputs of the institutions on some objective criteria.

This is, of course, the *modus operandi* of the rational choice framework, with one notable exception. Rationality, in this sense, cannot be defined as pursuit of self-interest, as knowledge of politics pre-supposes that one can actually follow their self-interest. In discussing the role of uncertainty in his framework, Downs noted that, “man can be knowledgeable without being informed, or informed without being knowledgeable, but

he cannot interpret information without contextual knowledge.” (1957, 79) While it may be perfectly rational for citizens to be bereft of any knowledge about politics (i.e. rational ignorance), it does not give us modeling leverage in understanding an institution, such as the citizen initiative, to assume these actors behave rationally, or as if they had full information. The reason for this is that citizens can have seemingly inconsistent preference sets. For instance, many voters react differently when issues are dissociated from their trade-offs or presented as strict trade-offs; this can fundamentally alter the majority preferred preference set. In this work, I do not assess this preference inconsistency normatively; rather it is “what is” (chapter 2), and not lamented as a deficiency. The focus, instead, is on how democratic institutions are designed; how institutional design, by its very nature, acts as a source of contextual knowledge about politics. Presenting issues that require revenue from a budget is something that can or cannot be built into the process of decision-making. Without constraint, however, I show that voters will express opinions for having their cake and eating it too. This is the operating assumption for the theory, not an assessment of how “good” or “bad” democratic citizens are performing their supposed duties. The question is, what types of democracy are appropriate for this type of actor?

Theoretically, this approach can explain multiple, seemingly contradictory findings in the literature. On the one hand, studies regarding specific issues like parental consent on abortion and term limits found that direct democracy states were more responsive to the policy preferences of their constituencies than non-initiative states (Gerber 1996, 1999). Despite debate about their methods (Matsusaka 2001; 2004), the findings of Lascher, Hagen and Rochlin (1996) and Camobreco (1998) demonstrate that

we do not observe greater policy responsiveness in initiative states at the state level in the aggregate or on more specific budgetary issues. Even if we take the harshest critique on these issues offered as fact, the most the literature can offer is that initiatives have made fiscal policy more conservative from 1970 to 2000 (Matsusaka 2004). It is a complete leap of faith to believe that the public actually objectively prefers states of the world created by passing ballot initiatives *simply because they passed*.

Dissociated choice theory is not only a theoretically important method of inquiry, but a practical one as well. For one, getting into the “oughts” of political behavior is a steep slippery slope that I have attempted to avoid. How much information about politics ought citizens have? I cannot say. That is not to say that some form of scientific inquiry about how citizens can choose correctly would not be appropriate – in fact, I think the recent development of the voting correctly framework lends itself to the initiative literature (Lau and Redlawsk 1997; 2001). However, I can say that given the current level of information, the focus of which has been the central discussion of democracy even before the famous Michigan study in 1960, certain institutions will allow citizens to reveal their preferences more accurately. Practically, it is easier to talk about reforming institutions than citizens. I take up the task of suggesting institutional reforms in section 6.3.

6.3 The Feasibility of Initiative Reform

The central finding from this research is that what Americans know about politics is more consistent with a representative form of government, if the goal is to most accurately represent the policy preferences of the electorate. However, the fact remains that citizens like direct democracy, even if they do not always agree with the decisions

that are made. Any constitutional reforms of states that have direct democratic institutions would have to be approved by a direct vote of citizens. Therefore, as long as majorities support the initiative process, as an institution, it will be an enduring and important feature of state politics for years to come⁵¹.

This is not to say, however, that positive reform is not possible. Some of the most compelling recent research in political behavior has shown that citizens really have countervailing preferences when it comes to democratic government. They are resistant from taking on a greater participatory role that adds additional costs to participation in the way of time and effort. Yet, they have a desire for transparent institutions (Hibbing and Theiss-Morse 2001; 2002). Hence, citizens support direct democracy in practice more so than in principle. That is, as I demonstrate in chapter 5 (table 5.3), people like the idea of direct democracy as an institutional check on elected officials precisely because they distrust public officials (see also Hagen and Lascher 2005). This should not be conflated with an inherent desire to take on a greater role in politics because it warms their democratic souls. Citizens institutionally evaluate ballot initiatives as linked with short term forces (what types of initiatives are coming up) and feelings about public officials. Their views of the operation of the current system, however, are anything but utopian.

Recent polls have suggested that a majority of citizens faced with repeated ballot initiative elections feel as though ballot initiatives are too confusing, that too much money is spent on the process, and that they would support substantial reforms of the process (Baldassare 2005). The question remains: what types of reforms would make

⁵¹ There is even support in national surveys for a national initiative and referendum system (Waters 2003; <http://www.iandrinstitute.org>)

direct democratic policy outcomes more majoritarian? What reforms would curb the problem of dissociated choice-making? I present my suggestions below.

6.3.1 Indirect Direct Democracy

Any introductory chapter on direct democracy usually makes a quick distinction between two types of initiatives – direct and indirect initiatives – and then dismisses the distinction. The reason for the dismissal is that, for the most part, only one of these types of initiatives actually ‘works’ in practice: the direct initiative. Direct initiatives are what are basically understood as “initiatives”; a citizen proposes a law, gathers signatures to qualify that proposition for ballot access and if successful, the measure goes to a popular vote, completing the complete circumvention of the legislature. The indirect initiative, which is available in a different and smaller set of states and has been used very infrequently, gives the legislature a voice in the initiative system⁵². Once a citizen gathers petition signatures, the law is presented to the legislature, who has the choice of reviewing whether or not to enact the law. If it is enacted, then it becomes law. If it is not enacted, then it goes to the voters. In each case of the indirect initiative, the legislature has been afforded immense post-activation discretion. That is, the legislature can alter, change, and amend indirect initiatives shortly after enactment (Silva 2000). This has, in practice, lead groups to shy away from this direct democratic institution in favor of the direct initiative, where available.

In principle, however, indirect initiatives overcome one of the major shortcomings of direct initiatives: they provide the possibility for negotiation and discussion which is afforded to them through the legislative process. In practice, they have been deficient

⁵² Alaska, California, Maine, Massachusetts, Michigan, Mississippi, Nevada, Ohio, Utah, Washington and Wyoming have or have had some form of the indirect initiative (Silva 2000).

because of their specific legal construction, particularly given that the legislature has immense steering power. That initiatives might be able to go through a discussion/conversation period between proponents and legislators affords the possibilities of overcoming potential policy consequences of the initiatives.

6.3.2 Budgetary Impact Statements

Central to dissociated choice theory is that the many citizens have inconsistent dissociated and trade-off preferences about the same policy issues. For instance, a typical response is for a citizen to favor tax cuts and spending increases, but to prefer the status quo position (altering neither) when the issues are presented as rival. Institutionally, a system which presents issues one-at-a-time will encourage dissociated choice-making, or choice-making inconsistent with a voter's own preferences. This can substantially bias the majority opinion and affect policy outcomes.

The flaw here is an institutional one, in that voters do have perfectly rational⁵³ preferences when presented with a trade-off policy frame. Therefore, institutionalizing a trade-off frame would potentially overcome dissociated choice problems. Figuring out the budgetary impact of an initiative can be as much of a subjective as objective enterprise, to be sure, but in recent years, the state of California has added budgetary impact statements to the text of initiatives. While it would be impossible to list the complete set of effects, what can be said is how much revenue a spending increase initiative might occupy or how much revenue a tax increase or decrease might affect the general revenue stream.

⁵³ Recall here, as throughout, I am using the word rationality only insofar as citizens can order their preferences and that these preferences are transitive. No assumptions are made about what motivates preference formation.

6.3.3 Limitations of Reform

While reform might move policy outcomes in the right direction, the central finding of this work remains: representative democracy has performed better than a direct/representative hybrid model of government at producing majoritarian policy outcomes. The paradox of this is that this has made citizens more receptive to direct democratic procedures, not less.

6.4 The Next 100 Years

We are now over 100 years into this statewide direct democratic experiment. Citizens in about half of the country have been able to fundamentally alter the public policies of their state by voting on ballot measures. And, they have done so on a wide variety of issues from taxation and spending, to social policies to term limits to assisted suicide. In recent times, ballot initiatives have been credited with affecting the outcome of a Presidential election (Tolbert, Smith and Donovan 2004; Kousser and McCubbins 2005). They have also fundamentally altered the way that states take in revenue (Matusaka 2004) and have succeeded in term limiting state legislatures across the country. For better or worse, political scientists need to understand that the use of direct democracy by groups, governors, and political parties is on the rise. Hopefully, this research adds to that understanding with an innovative perspective.

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