

THE IMPACTS OF DIRECT DEMOCRACY ON GOVERNANCE:
A 50 STATE COMPARISON

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THE IMPACTS OF DIRECT DEMOCRACY ON GOVERNANCE:
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A Thesis

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Abstract
of
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Direct democracy is praised by some commentators and scholars as an effective form of government that is closer to the average citizen, increases voter awareness and as a result increases the trust placed on the government. Others cast doubt on these claims while raising other concerns such as takeover by special interests groups and its inability to mobilize citizens that are less likely to vote. Nonetheless, direct democracy is continuing to spread all over the world. so continued study is well justified. This thesis seeks to answer an important research question regarding the use of the initiative process: “Does the initiative process affect the performance of state governments within the United States?” For comparison purposes, the paper investigates states that allow for the initiative process and states that provide only a representative democracy.

I built on an a rare empirical study of the governance question by Dalton (2008). I updated his work with more recent data from the Pew Center for the States and also added additional variables that were previously not included in his analysis. As a result of existing controversy in the literature regarding the best way to represent the initiative process, I applied three models in my thesis. The first model used only the continuous

variable that measures the number of initiatives passed between 1960 and 2008, the second model used only the dichotomous measure of whether or not a state has an initiative process and employs a third model that includes both a dichotomous measure and the continuous variable. The three multiple regression models are designed to account for the Government Performance Project grades each state received for 2008.

The results of my regression analysis generally suggest that the initiative process results in lower state performance grades, consistent with Dalton's (2008) analysis. These findings have policy implications for state governments' capacity to implement and manage government services effectively, as well as for possible reforms of the state ballot initiative process.

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Chapter 1

INTRODUCTION

The initiative, created by the California Progressives in the first decade of the 20th Century . . . [has] become not an alternative, but the very essence of major policy-making in California.—Peter Schrag

A popular government, without popular information, or the means of acquiring it, is but a prologue to a farce or a tragedy; or, perhaps both. . . .[A] people who mean to be their own governors must arm themselves with the power knowledge gives.—James Madison

The Progressive Era in the United States developed during a period of economic depression, corruption by political machines, exploitation of child labor, dangerous factory conditions, and what some have termed the ills of industrialization. It appeared that many of the elected representatives and party bosses at the time were in cozy relationships with big business such as the Southern Pacific Railroad. Controlling an estimated 85 percent of the railroads in California, the Southern Pacific Railroad monopolized the State's economy and entrenched itself in all levels of government by generating dependence on the Company's monetary payouts (Center for Governmental Studies, 2008, p. 36). Mounting public criticism over the power of big business coupled with the proliferation of affordable newspapers and magazines led to investigative journalism such as Jacob Riis' (1890) "*How the Other Half Lives*" and Upton Sinclair's (1906) *The Jungle* aimed at exposing the existing societal problems. The muckraking journalists' exposure of the existing social conditions and corruption worked in

collaboration with the progressives' push for legislative, political, social, economic, and moral reforms.

By 1906, states such as California began prosecuting officials for bribery and corruption, which gave the Progressive movement the momentum necessary for sweeping changes to the political system (Center for Governmental Studies, 2008, p. 39). Political reforms such as the initiative process, the referendum, and the recall were enacted in response to the corruption and power of the political machine and the spoils system. The Progressives were extremely successful and much of the changes enacted during the progressive era remain in place today.

Despite the optimism of the Progressives about direct democracy's ability to neutralize special interests, increase voter turnout, and reduce alienation, the impact of the ballot initiatives remain controversial and academic findings about its benefits are decidedly mixed. Some scholars such as Tolbert and Bowen (2008) have found that ballot initiatives tend to enhance citizens' interest and sense of political efficacy. By contrast, Dyck and Lascher (2008) found either no connection or diminished political efficacy for the low informed, non-voters, and non-whites as the number of ballot measures increased. The impact of direct democracy on governance itself has been little studied.

This thesis seeks to answer a research question regarding the use of the initiative process: "Does the initiative process affect the performance of state governments within the U.S.?" The main analysis will compare states that allow for the initiative process and

Table 1.1 California Initiatives by Subject 1912 to 2008

Subject	1912-1919	1920s	1930s	1940s	1950s	1960s	1970s	1980s	1990s	2000-2008	Total	% of Total
Government & Political Process ¹	7	7	9	1	1	2	3	12	11	14	67	21%
Revenue, Taxation & Bonds	6	10	4	2	3	1	5	9	10	10	60	19%
Business & Labor Regulations ²	6	2	6	6	2	2	2	7	10	3	46	15%
Health, Welfare & Housing ³	2	7	6	5	2	0	1	7	10	6	46	15%
Public Morality ⁴	9	6	7	3	1	1	3	2	1	2	35	11%
Environment & Land Use ⁵	0	1	0	0	0	0	4	4	8	1	18	6%
Civil Liberties & Civil Rights ⁶	0	1	0	1	0	3	1	3	3	2	14	4%
Education	0	1	1	1	1	0	1	1	5	5	16	5%
Criminal Justice ⁷	0	0	2	0	0	0	2	1	3	5	13	4%
Total	30	35	35	19	10	9	22	46	61	48	315	—
% of Total	10%	11%	11%	6%	3%	3%	7%	15%	19%	15%	—	100%

¹ Includes voting, government regulation and administration, compensation for public officials and civil service, political reform and local government.

² Includes insurance industry regulation, tort reform, regulation of attorney’s fees and minimum wage, farm animal confinement.

³ Includes veterans’ benefits, rent control, smoking regulations and parental notification.

⁴ Includes liquor, gaming, the lottery, obscenity, marijuana legalization, gun control and nuclear weapons freeze.

⁵ Includes nuclear power and alternative energy.

⁶ Includes definition of marriage, affirmative action, immigrant rights.

⁷ Includes sentence enhancements, sex offender residency restrictions, restrictions on damage awards to felons.

Source: Center for Governmental Studies data analysis and UC Hastings College of the Law California Ballot Propositions Database.

states that provide only for a representative democracy. The dependent variable is the 2008 grades each U.S. state received from the Pew Center on the States. The key explanatory variables are the number of initiatives passed in each state and the presence of the initiative process

The Ballot Initiative Process Today

The California experience with direct democracy has been widely studied due to the state's frequent use and highly sophisticated and organized campaigns. California's experience with the initiative process also underscores the possibility that ballot initiatives might have an adverse impact on governance (see Table 1.1). Californians have voted on 329 ballot initiatives since 1911, the year direct democracy was adopted, and has spent millions on initiative campaigns (see Figure 1). As show in Figure 1, more money was spent on initiative campaigns held in California in 2004, 2005, 2006, and 2008 than all of the other initiative states combined for the same years.

One of the widely emphasized examples of direct democracy is Proposition 13, passed in California in 1978. Proposition 13 placed limits on property taxes and required two-thirds vote by the legislature to increase taxes and approve new special local taxes. Although Proposition 13 is a California initiative, the proposition received an enormous amount of publicity throughout the U.S. and generated a national tax revolt. Proposition 13 set the precedent for ballot box budgeting, the process in which citizens directly or indirectly makes decisions on portions of the state budget by popular vote. Yet thirty years after the passage of Proposition 13, in the midst of a global economic crisis, and

huge state deficits, many are questioning whether the initiative process impedes government performance. *The Economist* (2009) magazine linked California's fiscal crisis to the initiative and referendum process and the problems associated with the

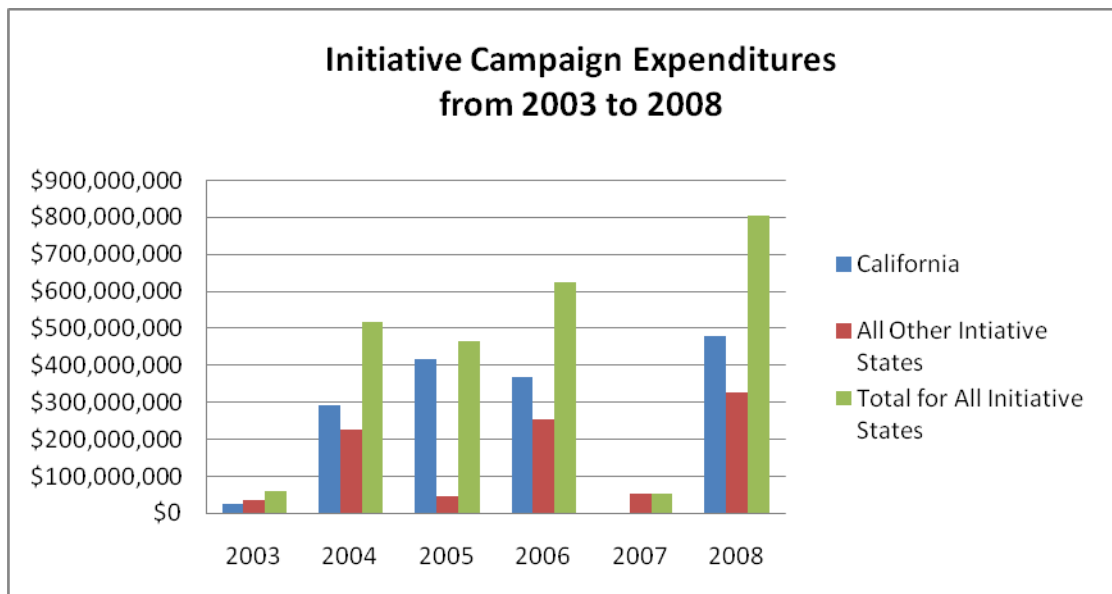


Figure 1 Initiative Spending Levels from 2003 to 2008

Source: National Institute on Money in State Politics

process such as the inability of legislatures to override successful initiatives, the lack of a sunset clause for initiatives that passed, and its wide and irresponsible use. Passage of Proposition 13 shifted the tax revenue source for California from property tax dependent to the more volatile income tax. The use of ballot box budgeting has limited legislators discretion on how to best spend existing revenues and ways to obtain additional revenues during a fiscal crisis.

Literature on direct democracy has only intensified the debate and created more questions about its effects on society. Many scholars praise this form of government for bringing government closer to the average citizens and increasing voter awareness and increasing trust in government. The critics have questioned such claims while also expressing concern about the takeover of direct democracy by special interests and its inability to mobilize those citizens less likely to vote. Despite the unresolved ongoing debate, direct democracy, according to Matsusaka (2005), is spreading all over the world and currently 10 countries in Europe allow for the initiative process. The spread of the initiative process is due to the communication revolution made possible by the relatively (low) cost of information exchange through newspapers, television, and now the internet (Matsusaka, 2005, p.186). Despite the criticisms of direct democracy, states have only continued to include the initiative process and no state that allows for the initiative process has done away with this form of direct democracy. It is precisely direct democracy's spread and wide use, which justifies further examination and analysis of its implications on policy, citizenship, and governance.

The Initiative Process and the 50 U.S. States

Direct democracy is defined as the process where citizens make and enact legislation outside of the representative legislature. The referendum, recall, initiative process, and town hall meetings are all forms of direct democracy. Citizens have the ability to repeal a law enacted by the legislature through a referendum and/or remove elected officials from office through a recall election. In contrast, town hall meetings are

informal public meetings used primarily to send and receive information without much voting occurring. The initiative process allows citizens to propose new laws or constitutional amendment by petition and eventually subject to popular vote. This thesis will only focus on the initiative process. Currently 24 U.S. states, the District of Columbia, and many local governments allow for the initiative process (see Figure 2).



Figure 2 States with the Initiative Process or Referendum

Source: Ballot Initiative Strategy Center.

The rules governing the initiative process and the frequency in which the process is utilized vary widely across the 24 U.S. states that provide for this form of direct democracy. An initial distinction is whether states provide for a direct and indirect initiative process, or both (see Table 1.2). The direct initiative process allows proponents

Table 1.2 Ballot Initiative Rules and Vote Summary

Year of Adoption	State	Type of Initiative Process Available		Signature Requirement (Generally in Percent of Last Statewide Vote)		Initiatives Voted on from Year of Adoption to 2008	Percent Adopted	Initiatives voted on from 1998 to 2008	Percent Adopted
		Statue	Constitutional Amendment	Statue	Constitutional Amendment				
1959	Alaska	Yes (I)	No	10%	NA	45	49%	21	43%
1910	Arizona	Yes (D)	Yes (D)	10%	15%	171	42%	31	48%
1911	Arkansas	Yes (D)	Yes (D)	8%	10%	120	43%	7	57%
1911	California	Yes (D)	Yes (D)	5%	8%	329	34%	74	35%
1910	Colorado	Yes (D)	Yes (D)	5%	5%	209	35%	43	33%
1968	Florida	No	Yes (D)	NA	8%	29	83%	14	100%
1912	Idaho	Yes (D)	No	10%	NA	28	50%	4	50%
1970	Illinois	No	Yes (D)	NA	8%	1	100%	0	NA
1908	Maine	Yes (I)	No	10%	NA	48	44%	14	29%
1918	Massachusetts	Yes (I)	Yes (I)	3+5%	3% ^a	69	49%	16	44%
1908	Michigan	Yes (I)	Yes (D)	8% (I)	10% (D)	72	37%	11	45%
1992	Mississippi	No	Yes (I)	NA	12%	2	0%	1	0%
1908	Missouri	Yes (D)	Yes (D)	5%	8%	78	41%	14	57%
1906	Montana	Yes (D)	In 1972 (D)	5%	10%	74	55%	14	79%
1912	Nebraska	Yes (D)	Yes (D)	7%	10%	46	39%	11	45%
1904	Nevada	Yes (I)	Yes (D)	10% (I)	10% (D)	54	63%	19	68%
1914	North Dakota	Yes (D)	Yes (D)	[2%] ^c	[4%] ^c	178	46%	11	64%
1912	Ohio	Yes (I)	Yes (D)	3+3% (I)	10% (D)	76	25%	12	25%
1907	Oklahoma	Yes (D)	Yes (D)	8%	15%	84	46%	3	33%
1902	Oregon	Yes (D)	Yes (D)	6%	8%	351	34%	58	31%
1898	South Dakota	Yes (D)	In 1972 (D)	5%	10%	63	30%	19	26%
1900	Utah ^b	Yes (I)(D)	No	5+5% (I)(D)	NA	20	20%	4	50%
1912	Washington	Yes (I)(D)	No	8% (I)(D)	NA	156	50%	34	65%
1968	Wyoming	Yes (I)	No	15%	NA	6	50%	0	NA

I = Indirect D = Direct

■ States with the highest Initiative use

■ States with the lowest Initiative use

^a Must receive at least 25 percent of the votes of the legislature in two separate annual sessions to be submitted to the people. ^b 10 percent of the last

statewide vote is required for a direct initiative. ^c Percent of resident population. Source: Lawmaking by Initiative and Initiative & Referendum Institute

to bring the qualifying ballot measures to the public for a vote. Measures that qualify in indirect initiative states are first submitted to the legislatures for review and vote prior to the general public. If the measure is adopted by the legislature, the measure is no longer submitted to the public (Dubois & Feeney, 1998, p.27). The 24 states also have differing rules regarding use of the initiative process to change statutes and constitutional amendments. Fifteen of the states allow use of the initiative on both statutes and constitutional amendments, six states allow its use only for statutes, and three states allow the process to only be used for constitutional amendments (Dubious & Feeney, 1998, p. 27).

The first step in qualifying a measure for the ballot is the signature requirement. Signature gathering is used to filter out unpopular and frivolous measures. This requirement also varies widely across states and the percentage may also vary for measures which seek to change statute or a state's constitution. Fifteen states' signature requirements for statutes are based upon the percentage of those casting ballots in the last gubernatorial election. Other states use different calculations: Alaska, Nevada, and Wyoming use the percentage of people who voted in the last election, Oklahoma's percentage is based on the highest vote count of a statewide official, Colorado uses the percentage of votes for the Secretary of State, and North Dakota calculates the percentage based on the total population. The signature requirements for states that allow for constitutional amendments are as follow: 12 states use the percentage of the last gubernatorial election, Colorado uses the vote cast for the Secretary of State, Florida

calculates the percentage from the last presidential election, Nevada uses the percentage of votes from the last general election, Oklahoma uses the percentage of votes from the highest statewide official, and North Dakota uses the percentage of total residential population (Dubious & Feeney, 1998,p. 33, 35). Once the signature requirements are met in states that have an indirect initiative process the measures are considered by the legislature within a set time period.

Before proponents begin the signature gathering stage, some states require a pre-election administrative review. The purpose of the review is to ensure the correct statutory language, correct format, the text of the initiative is included, and for some states a list of sponsors. In about half of the states, the attorney general or another state official provides a title and summary (Dubious & Feeney, 1998, p. 37). Once the signatures are gathered the same official usually completes the post review in the pre-signature phase. The post-signature review is for verification and counting to ensure the measures qualify.

The reviews completed by most states usually verify formatting and signature requirements rather than assessing the measures for content or legality. However, Massachusetts, Nebraska, Alaska, Arkansas, Missouri, Oregon, and Utah review proposed ballot measures with more depth and scrutiny (Dubious & Feeney, 1998, p. 39-40).

In addition to pre-election administrative reviews, most states require pre-election legislative and judicial reviews. Prior to election the legislature in indirect initiative

states will review a ballot measure as part of their consideration process and only California formally requires legislative review of ballot measures in the direct initiative states (Dubious & Feeney, 1998, p. 42). Although legislative review has been a requirement since 1980, the California legislature has virtually no power to change proposed initiatives and the hearings generate little public attention. While judicial review prior to election does occur in most states, most courts have opted not to comment on constitutionality issues until after an election (Dubious & Feeney, 1998, p. 45).

Although 24 U.S. states provide for direct democracy, the absence of uniform rules across the states has led to differences on how widely the initiative process is used. As shown in Table 1.2, from 1998 to 2008, Wyoming and Illinois did not vote on an initiative, Mississippi voted on one, Oklahoma voted on three, and Utah voted on four initiatives. The majority of initiatives are passed in Arizona, California, Colorado, North Dakota, Oregon, and Washington from the year of adoption to 2008. From 1998 to 2008, the highest users of the initiative process are California (74), Oregon (58), Colorado (43), Washington (34), and Arizona (31). All five of these states are direct initiative states with the exception of Washington, a direct and indirect initiative state. Excluding Arizona, all of the states have the lowest signature requirements of the direct initiative states. The ease of getting an initiative on the ballot has contributed to its wide use coupled with the sophistication of the initiative industry in the state.

Overview of Thesis

The following chapters will explore the relationships between direct democracy and governance. Chapter Two presents a literature review summarizing prior academic studies related to direct democracy. Chapter Three provides details on the data and the data source used in the regression model and an overview of the methodology used in this analysis, which will include the expected causal relationships, a description of the dependent, and independent variables, and the expected influence of each variable. Chapter Four provides the results of the regression analyses along with the possible errors in the analysis and the steps to remediate and reduce the errors. Chapter Five, the conclusion, will address the implications of the findings on direct democracy and governance and offer suggestions for future research.

Chapter 2

LITERATURE REVIEW

Although direct democracy has been in existence since the early 1900s, literature and academic articles examining this new form of democracy were scarce even up to the mid 1980s. What followed was an explosion of academic literature examining direct democracy and its impact on traditional institutions and the general population. Research focused mainly on the policy impacts of direct democracy and the secondary effects on citizenship such as its contribution to voter turnout, trust, efficacy, and overall knowledge of politics. Only recently has a little research shifted focus to direct democracy and its impact on governance at a time when taxpayers are demanding more accountability and transparency from government.

The following literature review summarizes current and ongoing research that examines direct democracy and its impact on traditional institutions and society. The literature review is divided into three sections, representative of the three shifts in direct democracy research: 1) direct democracy and policy, 2) direct democracy and secondary effects, and now moving into 3) direct democracy and governance. Most of the research on direct democracy fits within one of the three broadly designated sections.

Direct Democracy and Policy

The proponents have argued that direct democracy works because of its access to everyday citizens and that the initiative process does in fact affect public policies. The

effects are believed to be both direct by allowing the public to propose and make laws and indirect by altering the very institution officials operate. One way to examine the impact of direct democracy is simply to determine if public policy is different in direct democracy states, controlling for other variables.

Bowler and Donovan (2004) did so, using five regression models to evaluate the impact of the ballot initiative process. The five models use a different measure of the extent of the direct democracy process in each state. The five regression models are: 1) initiative and referenda process as a dummy variable, 2) dummy variable for just initiative states, 3) legislative insulation index, 4) qualification difficulty index, and 5) average annual state use of initiatives (Bowler and Donovan, 2004, p. 352). The dependent variables are abortion policy, campaign finance policy, attitudes toward government and politics, and the harshness of state term limits. In terms of abortion policy, the authors found the initiative variable were not statistically significant in models 1-3, the initiative variable in model 4 is positive and statistically significant, and the initiative variable is statistically significant for model 5 (Bowler and Donovan, 2004, p. 353). When testing the models on campaign finance policy the authors found the initiative variable for models 1-2 were not consistently statistically significant, initiative variable for models 3-4 influenced the strength of state campaign finance policy, and the initiative variable for model 5 was the most consistent in predicting effects of direct democracy on policy (Bowler and Donovan, 20004, p. 355). The initiative variable for models 3, 4, and 5 were statistically significant for internal and external political efficacy

while the dummy initiative variable utilized in model 1-2 are more likely to show no effect on political efficacy (Bowler and Donovan, 2004, p. 355). The dummy initiative variable in models 1-2 was not used to assess the harshness of term limits. The authors found that state term limits policies were less harsh in states where the legislators were more insulated; however, when Louisiana (non-initiative state) was removed from the dataset the initiative variable for this model was not statistically significant (Bowler and Donovan, 2004, p. 357). Term limits are less harsh in states where the initiative is more difficult to qualify and remain statistically significant even when Louisiana was removed from the dataset. States with high frequency of initiative use produced harsher term limits (Bowler and Donovan, 2004, p. 357). In general, the authors found that the impact of the initiative process would be greater in states where it is easier to place a measure on the ballot, easier to bypass the legislature, and is more frequently used (Bowler and Donovan, 2004, p. 359).

Advocates of direct democracy also claim that policies that are eventually created through this process are better since they more closely resemble the preferences of the average voters. This view relies simply on public opinion as the only criteria to judge good policies from bad policies. Even the criteria of using public opinion to measure the effects of public policy are debatable.

Lascher, Hagen, & Rochlin (1996) conducted a series of regression analyses that drew upon data that measured average policy opinions on electorates and state policy variables to determine if the initiative process did in fact reflect public opinion. The

authors used OLS regression to estimate the effects on the dependent variables policy outcome and public opinion against the presence or absence of the initiative process. Specifically, the dependent variable for policy outcomes include Aid to Families with Dependent Children (AFDC), consumer policy, criminal justice policy, education expenses, years since Equal Rights Amendment (ERA) passage, gambling, Medicaid, tax progressivity, and a composite overall measure of policy liberalism that reflects the more specific choices in the mentioned dependent variables. Public opinion liberalism was based on an aggregation of public opinion polls over many years, drawing on the influential use of these measures in Erikson, Wright, and McIver (1993). Socioeconomic control variables such as income were applied as well as an interaction variable to assess the strength of the connection based on the existence of the initiative process (Lascher et al., 1996, p. 769). The authors did not find supporting evidence that policies created through the initiative process better resembled public opinion or were more responsive than policies enacted in the legislature.

Matusaka (2001) questioned Lascher et al.'s (1996) findings, stating the methodology used to conduct the study was inherently flawed. Matusaka (2001) stated that in order to properly evaluate state policies against resident preferences, the empirical relation between a government policy and the corresponding public opinion must be compared to the relation between the policy desired by the public and the corresponding public opinion (p. 1252). Matusaka concluded by stating that there is no reliable method to determine which democratic institution is better able to meet constituent demands

without knowing exactly how public opinion transforms into the resident's desired policies (Matsusaka, 2001, p. 1254). Hagen, Lascher, and Camobreco (2001) stood by their original research explaining that the model used in the study was well suited for the test and is similar to models proposed in other studies (p. 1258). The authors further state that the null hypothesis is testable under the theory that specific policy "preferences are a linear function of ideology" (Hagen et al., 2001, p. 1260).

Monogan, Gray, & Lowery's (2009) study to assess the impact of initiatives on the general state policy liberalism for 1980, and 2000, further support Lascher et al.'s (1996) findings that the initiative process does not generally increase policy congruence (p. 305). The first model replicated the data for 1980, from Erikson, Wright, and McIver's (EWM) (1993) book *Statehouse Democracy* and included the eight issues, which liberals and conservatives disagreed. The variable liberalism of the state legislature is an indirect weighing of the party elite ideology scores by the strength of the political parties. The data for 2000 was from Gray et al. (2004) and five current policies, that liberals and conservatives disagreed upon—gun control, abortion, welfare, right-to-work laws, and tax structure progressivity (Monogan et al., 2009, p. 310). Legislative liberalism for 2000, was derived from Berry, Ringquist, Fording, & Hanson's (1998) measure of government ideology which itself was "based on the governor's party, vote shares in congressional elections, roll-call voting of the congressional delegation, and party division in the state legislatures" (Monogan et al., 2009, p. 311). The second model, utilized a modified version of EWM's which included a measure for the

composition of organized interests in the states by Gray, Lowery, Fellowes, and McAtee's. The authors test their hypothesis using models with and without the control variable for organized interest and the correspondence between opinion and policy. Overall, the authors found that the relationship between opinion and policy liberalism was not altered by the existence of the initiative process or its intensity of use indicating that the initiative process has little effect on policy direction (Monogan et al., 2009, p. 319).

Primo (2010) has found that policies created through the initiative process may not reflect public opinion. Primo used an OLS regression analysis to assess the impact of the initiative process on local government spending. The dependent variable in this study is the log of total local spending per capita. Primo's data set included about 600 of the largest U.S. cities with a population over 25,000 to compare cities with and without the initiative process. Overall, most voters prefer to limit government and are opposed to additional taxation. Proposition 13, passed in California during the 1970s set limits on property taxes and required a two-thirds vote by the legislature to increase taxes and to approve new special local taxes paving the way for a national tax revolt. Despite voter's reluctance to increase taxes and government spending, Primo found that the state and local initiative process have a positive impact on spending in cities. Primo ran three different regressions in this study to assess the effects of the initiative process on local government spending. The first regression did not take into account signature requirements necessary to qualify a measure on the ballot. The presence of the local

initiative lowers spending by 20 percent when the statewide initiative process is not permitted (Primo, 2010, p. 19). The second regression table takes into account signature requirements. The author found that cities within states that do not offer the initiative process local spending is higher when signature requirements are low; therefore, the high signature requirements is a barrier to higher local spending (Primo, 2010, p. 21). The last regression analysis included only low signature requirement cities with the initiative process. The author found that local spending was lower by 10 percent when the signature requirements were lower (Primo, 2010, p. 22). When the ballot qualification is low in local initiatives there is a positive impact on spending. The reason for the increase spending in local governments is due to the constraint on state spending by the initiative process (Primo, 2010, p. 22). State officials faced with limited revenue will then shift spending to local governments via unfunded mandates. In addition, the existence of the initiative process allows interest groups to seek increase spending for particularistic benefits.

Public policies that do reflect the public opinion may not be better policies, depending on which criteria are used to evaluate the superiority of public policies. Haider-Markel, Querze, and Lindaman (2007) evaluated the use of direct democracy to create policies that affect minority rights, specifically the issue of gay rights. Haider-Markel et al. extended and added additional variables to Donovan and Bowler's (1998) article on direct democracy and minority rights. The authors extended the data beyond Donovan and Bowler's 1996 data and added two additional variables, the percentage of

the population that were Protestant fundamentalists and percentage of households with same-sex partners; both are predictors of voting patterns (Haider-Markel et al., 2007, p. 308). The study uses a logit regression with the pro-gay civil rights dependent variable coded as 1 for protecting gay civil rights and 0 otherwise (Haider-Markel et al., 2007, p. 308). The authors found that between the years “1972-2005, 71 percent of the 143 local and state initiatives resulted in losses for minority rights” and 90 percent of these measures that were placed on the ballot address issues of fundamental rights (Haider-Markel et al., 2007, p. 312). Minority rights are better protected in a representative democracy than in direct democracies, especially when the issue is about limiting the rights of the gay and lesbian minorities.

Direct Democracy and Secondary Effects

More recently, scholars have been examining the secondary effects of the state ballot initiative process, i.e., the impact of direct democracy on people's attitudes and behavior not directly related to public policy choices. Secondary effects could include measures of voter turnout, political knowledge of issues during an election, public opinions, and the ability of the direct democracy process to mobilize or enhance participation. In examining the connection between ballot initiatives, information salience, and voter turnout, Tolbert and Bowen (2008) used the Pew survey after the midterm election that contained the number of initiatives on the 2002 ballots and the amount of money spent on ballot initiatives. In this study, the authors used an instrumental variable regression, a two-stage estimation procedure (Tolbert and Bowen,

2008, p.42). The measure of interest in elections is coded as a 4-point ordinal variable and the higher the number the more interest in the election. The authors found that in midterm elections when there are more ballot initiatives there is more general interest in the election. The authors also found correlation between public interest in elections with the availability of information associated with the amount of expenditures on ballot initiatives. To test whether low education voters were also affected by the use of initiatives, the authors used the two interaction variables—education with the number of ballot initiatives in the state and the amount of money spent on initiative campaigning in the state. The authors found that the first interaction, education and number of ballot initiatives is not statistically significant; however, the second interaction was significant enough to conclude that the low education voters showed more interest in midterm elections with an increase in expenditure (Tolbert and Bowen, 2008, p. 43). Specifically, the authors found that when total spending increased by one standard deviation above the mean it resulted in a 7 percent increase in interest by low educated individuals; however, individuals with some college dropped to a 5 percent increase in interest and individuals with a bachelors showed only a 3 percent increase in interest (Tolbert and Bowen, 2008, p. 45). The authors also conclude that the interest created by the initiative process would then translate into higher voter turnout and increased political participation by the general public.

Dyck and Lascher's (2008) article examine the initiative process against the claims of political efficacy. In the article, the authors distinguish between internal and

external efficacy. Internal efficacy is defined as an individual's view of their capabilities in the democratic process and external efficacy as an individual's assessment of their influence in the political process. The authors used three data sets for the study that included the American National Election Study, the General Social Survey, and the Pew Trust in Government Study. Dyck and Lascher did not find support that the initiative process enhances political efficacy. In terms of external efficacy, voters who were more exposed to the initiatives were not less efficacious than voters who were less exposed. In terms of internal efficacy, the authors found that non-voters and the less informed were less efficacious as the use of ballot measures increased. This article illustrates the complexities of efficacy and the initiative process counter to the broad claims of increased efficacy from other articles. The data show that the initiative process has the potential to increase efficacy for moderately informed voters, has no effect on a portion of the population, and actually decreases efficacy for low informed, non-voters, and non-whites.

Dyck (2009) found that the initiative process breeds an environment of distrust in government by its citizens. The author used the 1997 PEW study of approximately 800 respondents and the 2004 National Annenberg Election Survey (NAES), which asked more than 3,500 respondents a question about state trust in government (Dyck, 2009, p. 547). The study used an ordered logit regression with six alternative specifications while the main dependent variable is the 4-point Likert-type scale questioning the respondent's confidence in the elected officials of their state. The base model, Model 1, does not

include some control variables and generated a cumulative marginal effect of 11 percentage points; specifically, respondents exposed to the highest frequency of initiative use are about 11 percentage points more likely to choose “no confidence” (Dyck, 2009, p. 550). Model 2 replaced the average initiative variable with a dummy variable for the existence of the initiative process, which did not perform as well as Model 1 but was still statistically significant. For Model 3, both the average initiative variable and the dummy initiative variable were included but did not statistically improve upon the first model. Model 4 included both initiative variables and legislative professionalism but results indicated multicollinearity issues with all three measures. Model 5 used the average initiative variable with legislative professionalism and indicated distrust. Model 5 also showed that citizens in states with professional legislatures were more distrusting of government. The external efficacy variable was included in Model 6, which again showed distrust in government in direct democracy institutions (Dyck, 2009, p. 554). Overall, the results indicate that as initiative use increases the levels of trust in government decreases. The author then tested the interactive effects in all six models with mixed results although the results for low-information voters were the most robust reinforcing the notion that the ballot initiative process produces more distrust in government (Dyck, 2009, p. 557).

Direct Democracy and Governance

Direct democracy and governance is a fairly new area of study with limited research conducted. This new direction has arrived at a time when taxpayers are

demanding more accountability and transparency from their government. The focus of this new area of research is to gain a better understanding of direct democracy and the type of governance that result.

The first article by Knack (2002) considers the relationship of government performance with social capital. Although this article does not directly relate to the initiative process, there is still valuable information in understanding how certain variables relate to government performance. The six social capital variables are volunteering, census response, social trust, informal socializing, club meetings, and good government members (Knack, 2002). Knack used data from the Government Performance Project (1999) produced by the Maxwell School of Citizenship and Public Affairs at Syracuse University, the Current Population Survey from the Census Bureau, and a data set collected by Market Facts a commercial polling firm. The dependent variable is the grades each state received from the government performance project from the Maxwell School of Citizenship. The author also uses a different social capital indicator for the six regression models. The author found a correlation between social capital and government performance; however, some variables were more important to better government performance than others were. The key social capital variables are volunteering, social trust, and census response that are an indicator of reciprocity and broader social concern of the individuals. The author found that a seven percentage point increase in the number of persons volunteering related to a one-point increase in a state's grade, for example the state's grade would move from a B- to a B. In addition, a seven or

eight percentage increase in census response or social trust is associated with a one-point rise in a state's grade (Knack, 2002, p. 778). The variable with less significance to government performance is general civic engagement such as club meetings. Lastly, for membership in good government groups a two percent increase in membership is associated with nearly a one-point increase in a state's grade (Knack, 2002, p. 780).

Although designed as a safety valve to political corruption, direct democracy has morphed into something extremely different in the past century, especially in frequent initiative use states such as California. Most scholars mark the change beginning with Proposition 13. During the late 1970s, California's state and local governments had budget surpluses while property taxes increased dramatically causing homeowners, especially senior citizens on fixed incomes, to lose their homes because of their inability to pay the tax. Many of the white voters who settled in California after the war saw their way of life in jeopardy as apartments and condominiums encroached on their open space, minorities filled their neighborhoods and schools, and the threat of losing their homes as the result high property taxes because of rising home values. Howard Jarvis saw opportunity in the public's outcry and anger at government and pushed forward Proposition 13 to limit property taxes. Jarvis was against government in general and all taxes calling it "grand felony theft," and in essence wanted to shrink government by cutting off its funding (Schrag, 2004, p.131).

The political environment in the 1970s ushered in a new era of ballot box budgeting changing the political landscape. The signature collectors shifted from

volunteers to professional signature gathers making ten to twenty cents per signature. What began as a grassroots check on power changed into a lucrative industry with spending in frequent-use states such as California at \$477.7 million for 2008 (National Institute on Money in State Politics). Since the passage of Proposition 13, a total of 22 initiatives have been passed that have significant impacts to state and local finances. Proposition 4 limit spending by state and local entities to prior year spending levels and Proposition 98 establishes funding guarantee for K-12 education and community colleges, resulting in a 40 percent allocation of general fund dollars to K-12 education (LAO, 2009, p.4). Other initiatives with state and local fiscal implications include Proposition 218 that limit local government's authority to implement charges, fees, or taxes that are property related and Proposition 1A inhibit the state's authority to reduce local revenues. These types of initiatives tie the hands of the legislators and restrict their ability to make fiscal decisions or manage during a fiscal crisis by shifting, reducing, and acquiring additional revenues.

The bottom line is that the modern initiative process disconnects spending and revenue decisions. According to *The Economist* (2011) magazine, in the last two decades more than 100 initiatives—with a two thirds passage rate—appeared on California ballots “promised something for nothing” by cutting a tax or expanding a service (p.11).

Partisan rigidity is another unintended consequence of the initiative process. Proposition 140, the legislative term limits initiative—six years in the assembly and eight years in the senate—passed in 1990 hoping to alter the types of legislators that were sent

to Sacramento. Legislators' short career path give little incentive to "compromise in the short term in order to build longer-term working relationships" (Gamage, 2009, p.57; The Economist, 2011). Term limits cause frequent turnover in membership and diminish policy expertise and professionalism creating a situation where lobbyists and staffers know more about the legislative process than the members themselves do. These examples of California initiatives clearly make a case for direct democracy's (negative) potential to affect governance; however, its effects were not tested until Dalton (2008).

The article by Dalton (2008) is the only one found which provided a systematic, empirical analysis of the relationship between direct democracy and governance. The article compares states with the initiative process with states that do not allow for the initiative process. Dalton used government performance data and tax policy data from the Government Performance Project (1999 & 2001) from the Maxwell School of Citizenship and education data were gathered from the National Center for Public Policy and Higher Education. The dependent variables are the government performance grades each state received, education policy, and tax policy (Dalton, 2008, p. 165). The key explanatory variable, initiative process, is measured by the number of approved initiatives in statewide elections from 1960-1998 rather than as a dichotomous variable. The author found weak negative relationships between government performance, education policy, tax policy, and direct democracy (Dalton, 2008, 165). When controlling for social and political composition of the state and accounting for the active use of the initiative process there was a clear pattern of lower performance in all three

areas. However, when using a bivariate analysis the author found some positive correlations between the initiative process and certain aspects of education policy and tax policy.

Key Findings from the Literature

As previously mentioned, there is a significant gap regarding the available research on the effects of direct democracy and governance. Although there has been a boom in empirical literature over the past 20 years about the state ballot initiative process, most of the literature reviewed in this thesis did not assess the impact of the initiative process on government performance. The existing literature focus almost exclusively on policy impacts and secondary effects of ballot measures and much of the literature has normative implications. Only fairly recently has researchers began to examine the impact of direct democracy on governance. Table 2.1 provides a brief summary of the literature and the key findings on the initiative process and its effects on policy, secondary effects, and governance.

The effects of the initiative process remain unclear and inconclusive; however, there is still important information to be learned from the articles. Bowler and Donovan (2004) and Dalton (2008) questioned using simply a dummy variable to measure the initiative process due to the vast differences in direct democracy implementation from each state. Dyck and Lascher (2008) did not find evidence suggesting the significance between using a dichotomous or continuous measurement of the initiative variable.

Table 2.1 Does the Initiative Process Make Things Better or Worse?
Summary of Key Findings about Initiative Effects

	Positive Effects	Null Effects	Negative Effects
Policy	<ul style="list-style-type: none"> • Bowler and Donovan [abortion policy: models 4 & 5, campaign finance: models 3-5, internal and external efficacy: models 3-5] • Matsusaka [question Hagen et al.'s findings] 	<ul style="list-style-type: none"> • Lascher et al. [AFDC, consumer policy, criminal justice policy, education expenses, years since ERA passage, gambling, Medicaid, tax progressivity, policy liberalism] • Monogan et al. [general state policy liberalism controlling for and without organized interest] 	<ul style="list-style-type: none"> • Bowler and Donovan [term limits more harsh in states where legislators are more insulated and easier to place initiatives on the ballot] • Primo [local government spending] • Haider-Markel [minority rights: specifically limitation of gay and lesbian rights]
Secondary	<ul style="list-style-type: none"> • Tolbert & Bowen [interest in midterm elections from general public & low-educated voters] • Dyck and Lascher [moderately informed voters] 	<ul style="list-style-type: none"> • Dyck and Lascher [external efficacy] 	<ul style="list-style-type: none"> • Dyck and Lascher [decrease internal efficacy for low informed, non voters, non whites] • Dyck [trust in government]
Governance	<ul style="list-style-type: none"> • Dalton [bivariate: certain aspects of education policy] 		<ul style="list-style-type: none"> • Dalton [bivariate: weak correlation between certain aspects of management of state government, education policy, tax policy] • Dalton [multivariate: management of state government, education policy, tax policy]

Knack's article highlighted the effects of social capital on government performance. There were general concerns with polarization from both Knack and Dalton and its effects on government performance. Knack directly measured racial homogeneity because it is generally accepted that the more homogenous the group the less polarized the demands from government.

Governance, defined as the management of societal problems and affairs through the use of authority and institutional resources, is especially relevant in the modern era as communities become more diverse and as residents gain sophistication in their demands for government services. Dalton's work provides important groundwork for research on direct democracy and governance. Although this is a single study and based on only a few years of data, it suggests there may be reasons to be concerned that heavy use of ballot measures would lead to substandard and ineffective governance. These findings and the general lack of research in this area underscores the need for further study.

My thesis aims to provide the essential further study on direct democracy and governance. In order to develop a robust model, this regression analysis includes the findings from prior research. This regression replicates Dalton's (2008) data with more recent data from the Pew Center for the States and includes additional variables such as individual charitable contribution, state expenditure and debt, education, and racial homogeneity, and citizen and state ideology that were not used by Dalton. This regression also measures the initiative process as both a dummy variable and by the

frequency of its use. I anticipate that my thesis will provide additional insights and the necessary assessment on the initiative process and its effects on governance.

Chapter 3

DATA AND METHODOLOGY

This section provides information on the data and the methods used for this study. The chapter provides a description of the dependent variables and the explanatory variables. It also offers a detailed description and the reasoning of the regression model applied in this thesis and the anticipated relationship between the dependent variables and the explanatory variables.

Data

As stressed previously, prior studies on the initiative process focused mainly on public policies or secondary effects. The present study, like the one by Dalton (2008), is interested in the effects of direct democracy on government performance. I obtained the original data used by Dalton (2008), and then begin the analysis by replicating then modifying his model with more recent data from the Pew Center for the States and additional variables that were previously not included. This paper focuses on data available for the year 2008; however, if no data exists for 2008, the closest year with data available is used.

The main dependent variables in this regression are the grades each state received from the Government Performance Project (GPP) for 2008. The government performance project is the only study in the nation that has measured the performance of each state in the country. The 2008 report aimed at evaluating the overall capacity of

Table 3.1 Government Performance Grades for Each State

States	1999	2001	2005	2008	States	1999	2001	2005	2008
Alabama	1.00	1.75	1.75	2.25	Montana	2.75	2.25	2.25	2.25
Alaska	2.00	2.00	2.25	2.00	Nebraska	3.00	2.75	3.00	3.00
Arizona	2.00	2.25	3.00	2.75	Nevada	2.25	2.00	2.75	2.25
Arkansas	1.75	2.00	2.25	2.00	New Hampshire	2.25	2.00	2.00	1.25
California	1.75	2.25	1.75	2.00	New Jersey	2.75	2.75	2.75	2.00
Colorado	2.25	2.25	2.25	2.25	New Mexico	1.75	2.25	2.25	2.75
Connecticut	1.75	2.00	2.25	2.75	New York	1.75	2.25	2.75	2.75
Delaware	3.00	3.25	3.25	3.25	North Carolina	2.75	3.00	2.25	2.75
Florida	2.25	2.75	2.75	2.75	North Dakota	3.00	2.75	2.75	2.75
Georgia	2.25	2.75	3.00	3.25	Ohio	3.00	3.00	3.00	2.75
Hawaii	1.75	2.00	2.00	2.25	Oklahoma	2.00	2.00	2.25	2.25
Idaho	2.00	2.75	2.75	2.75	Oregon	2.75	2.25	2.25	2.25
Illinois	2.75	3.00	2.25	2.00	Pennsylvania	3.00	3.25	3.00	2.75
Indiana	2.25	2.75	2.25	3.00	Rhode Island	1.75	2.00	2.25	1.75
Iowa	3.00	3.25	3.00	3.00	South Carolina	3.00	3.25	3.00	2.75
Kansas	2.75	3.00	3.00	2.75	South Dakota	2.75	2.25	2.75	2.25
Kentucky	3.00	3.25	3.25	2.75	Tennessee	2.75	2.75	2.25	2.75
Louisiana	2.75	2.75	3.00	3.00	Texas	3.00	3.00	3.00	3.25
Maine	2.00	2.75	2.75	2.00	Utah	3.75	3.75	3.75	3.75
Maryland	3.00	3.25	3.00	3.00	Vermont	2.75	2.75	3.00	2.75
Massachusetts	2.75	2.25	2.25	2.00	Virginia	3.75	3.25	3.75	3.75
Michigan	3.25	3.75	3.25	3.25	Washington	3.75	3.75	3.25	3.75
Minnesota	3.00	3.00	3.25	2.75	West Virginia	2.25	2.00	2.25	2.25
Mississippi	2.25	2.25	2.25	2.25	Wisconsin	3.00	2.75	2.75	2.75
Missouri	3.75	3.25	3.00	3.25	Wyoming	2.00	2.00	2.00	2.75

The table entries are the average scores state received based on the measures of performance (5 measures for 1999 and 2001, 4 measures for 2005 and 2008). The scale ranges from A = 4.00 and F = 0.00. The 2008 state grade is comparable to 2005.

Source: Government Performance Project 2005, 2008 and Dalton (2008)

state governments to produce results is the fourth iteration that began in 1999 (see Table 3.1). The grades are presented in an A to F grading format; with an A grade equaling 4.00 and an F grade equaling 0.00. Plus and minus grades are included as +.25 and -.25. The report concentrated on four key areas of public management that are necessary for achieving policy goals:

- *Information* assess the state on broad areas which include (1) active focus on making future policy and data collection to support policy direction, (2) appropriate data on the relationship of costs and performance and is used to make resource allocation decisions, (3) appropriate information required for management to make decisions, (4) appropriate data available to assess actual policy and program performance, and (5) availability of program to the public and the public's ability to provide input to officials.
- *Infrastructure* assess the state on broad areas which include (1) systematic and regular assessment of infrastructure needs and transparency in project selection, (2) effective and comprehensive monitoring process of infrastructure projects, (3) the utilization of recognized engineering practices for infrastructure maintenance, (4) comprehensive management of its infrastructure, and (5) effective intergovernmental and interstate coordination networks.
- *Fiscal* assessment include (1) use of long-term perspective on budget decisions, (2) inclusive, transparent, and easy to follow budget process, (3) structural balance between revenue and expenditures, (4) efficient procurement activities

supported by effective internal controls, and (5) utilization of systematic assessments of financial operations and management.

- *Human capital* assess the state on broad areas which include (1) the regularity of human capital needs assessments, (2) the state acquires the employees it needs, (3) ability to retain a skilled workforce, (4) availability of workforce development, and (5) effective management of workforce performance programs.

The GPP report is a collaborative effort among Pew staff, academics, and journalists. Roughly 12,000 sources of information ranging from surveys, written documents, and interviews were compiled in order to obtain a comprehensive view of the performance of each state. The data for the GPP report were obtained from government reports, the states' websites, web based surveys of public officials as requested by Pew Center staff, and journalists at *Governing* magazine and the Pew Center of the States conducted interviews. Pew Center staff performed additional research on two state agencies—corrections and the agency responsible for child protective services—in order to evaluate agency level performance that was eventually factored into the overall score of each criteria. Grades were agreed upon collaboratively with the original team of researchers that collected the data. More weight was given to states that were able to produce tangible results rather than simply possessing plans, proposals, and data (Pew Center of the States, 2008). The grade received by each state in the 2008 report is the most comparable to the Pew 2005 report since the same grading criteria was utilized.

Table 3.2 Variable Labels, Descriptions, and Data Sources

Variable Label	Description	Source
Dependent Variable		
Government Performance Project Grades 2008	A=4.00, A- =3.75, B+ = 3.25 B = 3.00, B- = 2.75, C+ = 2.25, C = 2.00, C- = 1.75, D+ = 1.25, D = 1.00, D- = 0.75, F=0.00	Pew Center on the States Report
State Expenditure 2007	State expenditure as a percentage of income	Census Bureau
State Debt 2007	State debt as a percentage of income	Census Bureau
Independent Variables		
Initiatives passed between 1960-98	Scale	Initiative and Referendum Institute
Initiative	Dummy Variable 1 = initiative state	Dalton, 2008
Government Ideology	Ideology of State government; 0 to 100 scale with 0 being the most conservative and 100 the most liberal	Revised Berry et al. 1998
Rural/ Urban Composition	Percent Rural	Dalton, 2008
Voting Age Population 2008	Percent of the population eligible to vote	Census Bureau
Per Capita Personal Income 2008	Scale	Census Bureau
Individual Charitable Contributions 2007	Scale	Census Bureau
Citizen Ideology 2008	Citizen Ideology; 0 to 100 scale with 0 being the most conservative and 100 the most liberal	Revised Berry et al. 1998
College Graduate or Higher 2008	Percentage of population 25 years and older with a Bachelors degree or more	Census Bureau
Non-Hispanic Whites 2008	Percentage of total population	Census Bureau

Two additional dependent variables –percentage of state expenditure and percentage of state debt—are included in this analysis in order to further elaborate on the basic models (discussed later in this chapter). The 2007 total expenditure, debt, and revenue for each state were acquired from the U.S. Census Bureau in order to transform the totals into a percentage. The total expenditures were divided by the total revenue for each state then multiplied by 100 to obtain the percentage. The same process was used to find the percentage of debt for each state.

The data for the other variables were acquired from multiple sources (see Table 3.2). The U.S. Census provided data for the variables–2008 per capita income in current dollars, 2007 individual charitable contributions, 2008 percent of college graduate or higher, and 2008 percent of non-Hispanic White. The U.S. Census Bureau also provided the percentage of the population under 18 years of age and to compute the 2008 voting age population percentage I subtracted the percentage of the population under 18 by 100.

The citizen ideology indicator variable data are the revised 1960-2008 citizen ideology series from the original Berry et al. (1998) article. The state government ideology indicator variable data is also a revised version of Berry et al. (1998). For both variables zero is represented as the most conservative and 100 the most liberal. Citizen ideology for each state is obtained by using the interest group rating to identify the ideological positions of members of congress. Then the authors measure citizen ideology per district by estimating the ideology scores of the incumbent for that district, the challenger to the incumbent, and election results. The unweighted average for the state as

a whole is calculated by using the citizen ideology score each district received (Berry et al. 1998, p. 331). Government ideology specifically measure the conservatism/ liberalism of the group actually in control of state government by aggregating the scores based on the ideology of the governor and the major party distributions in each house of the state legislature taking into consideration the distribution of power of policy makers (Berry et al., 1998, p. 332). There is an expected relationship between the citizen ideology and the government ideology variables; for example Massachusetts has a fairly liberal citizenry and state legislature while the population and legislature in Alabama are both conservative. However, Berry et al (1998) have also illustrated the divergent ideology trends between the state legislature and its residents in states such a Ohio (p. 334). Berry et al. (1998) describe in extensive detail how these two variables are constructed and both measures are widely used in political science. For a full description of how the variables were derived see Berry et al. (1998).

The rural/ urban composition of the state and the initiative/ non-initiative state variable are obtained from Dalton (2008). The data for the number of initiatives passed from 1960 to 2008 were obtained from the Initiative and Referendum Institute which provided a historical listing of all ballot measures that were voted on since the process was first allowed in the state and the approval rate for each year.

Theoretical Model

The sample for this study is the 50 states in the U.S. Although it is better to utilize a larger sample in the research design because the number of observations

ultimately affects the degrees of freedom and the strength of the analysis, this study seeks to compare the performance of state governments that allow for the initiative process against states that do not allow for the initiative process.

There are several possible ways to empirically represent the initiative process in order to model its effects on governance. Bowler and Donovan (2004) as well as Dalton (2008) questioned using simply a dummy initiative variable because of the vast differences in implementation, rules governing the process, and the frequency of use by state. However, Dyck and Lascher (2008) found no evidence suggesting the significance over using a dummy (dichotomous) initiative variable as opposed to a continuous initiative variable that measures the number of initiatives passed between 1960 and 2008. A third model would include both the dichotomous and continuous initiative variable. Including both measures of the initiative process in one model is beneficial because the dichotomous measure captures what Lascher et al.(1996) has described as the “gun behind the door” effect or the threat of initiatives while the continuous variable assess whether the presence or the frequency of ballot initiative use that ultimately impact governance. The three models are selected based on existing theory and to avoid predetermination of results or bias by selecting just one model. The expression used to explore the correlation between state government performance and the initiative process is a function of inputs with the following specifications (expected effects are in parentheses):

Model 1

Government Performance = f [Initiative Process, State's political composition, State Demographics, Populace Demographics] where:

Government Performance = f [2008 state government performance grade for each of the 50 U.S. states]

Initiative Process = f [number of initiatives passed between 1960-2008 (-)]

State's political composition = f [government ideology (-)]

State demographics = f [rural/urban composition of each state (?), percent of the voting age population (?)]

Populace demographics = f [per capita income (+), individual charitable contribution (+), citizen ideology (+), college graduate or higher in percent (+), non-Hispanic White (+)]

Model 2

Government Performance = f [Initiative Process, State's political composition, State Demographics, Populace Demographics] where:

Government Performance = f [2008 state government performance grade for each of the 50 U.S. states]

Initiative Process = f [initiative state or not (-)]

State's political composition = f [government ideology (-)]

State demographics = f [rural/urban composition of each state (?), percent of the voting age population (?)]

Populace demographics = f [per capita income (+), individual charitable contribution (+), citizen ideology (+), college graduate or higher in percent (+), non-Hispanic White (+)]

Model 3

Government Performance = f [Initiative Process, State's political composition, State Demographics, Populace Demographics] where:

Government Performance = f [2008 state government performance grade for each of the 50 U.S. states]

Initiative Process = f [number of initiatives passed between 1960-2008 (-), initiative state or not (-)]

State's political composition = f [government ideology (-)]

State demographics = f [rural/urban composition of each state (?), percent of the voting age population (?)]

Populace demographics = f [per capita income (+), individual charitable contribution (+), citizen ideology (+), college graduate or higher in percent (+), non-Hispanic White (+)]

The dependent variables, percentage of state expenditure and percentage of state debt, will replace the government performance grade in the three basic models above to further test the impact of the initiative process on governance. The strongest theoretical

basis for analysis is the government performance grades the two additional dependent variables elaborate on the three basic models.

Rationale for Anticipated Effects

The specific contributing factors within the broad general causes that may have an effect on the government performance grade of each state are detailed below. The expected direction of the effects is indicated in parentheses in the above functional equation, where a “+” sign represents a positive effect, a “-” sign represents a negative effect, and a “?” sign indicates that the expected effect of the explanatory variable on the dependent variable is unknown.

Initiative Process

The number of initiatives passed between 1960- 2009 is assumed to have a negative effect since the initiative process limits control and discretion of the elected officials, create rigidities in state statues and constitutions, as well disconnect spending and revenue. The dummy variable for whether the state has an initiative process or not is also expected to be negative for the same reasons.

State's political composition

The government ideology variable assumes that Liberals support a strong government while Conservatives are critical of government and prefer to limit the reach of government. The effect of his variable is unknown.

State Demographics

The rural/urban variable is expected to affect government performance since urban states present more of a challenge to state governments due to polarization. The effect of the rural/urban variable is expected to be negative.

Population size is also expected to affect government performance since size could provide some economies of scale; however, populous states are prone to have a wide range of interests competing for attention. The population variable is the percentage of the state's population over 18 and includes citizens and noncitizens. The relationship between the voting age populations of each state and government performance is unknown for reasons stated above.

Populace Demographics

The variable per capita income of a state is expected to have a positive influence on government performance since higher-income citizens may be more effective in demanding better government.

The comprehensive social capital of a state, as demonstrated by Knack (2002), is assumed to have a positive effect since social capital maintain civic resources, standard models, and skills that facilitate good government. Since there is no current social capital variable, the individual charitable contribution data is utilized. Individual charitable contribution is reflective of general reciprocity and civic cooperation with an expected positive correlation to government performance.

The citizen ideology of the state assumes that liberals support a strong government while conservatives are critical of government and prefer to limit the reach of government. This effect of this variable is unknown.

The education variable is a measure of the percentage of college graduate or higher in a state. The education variable is expected to produce a positive effect because better educated workforce provides a larger pool of talented individuals and they possess skills necessary for successful public policy implementation.

Heterogeneity is also an important factor since the more homogenous the group the less polarization and less conflicting policy demands from government. The heterogeneity variable is measured by the percentage of non-Hispanic Whites in the state and the variable is expected to be positive.

Chapter 4

RESULTS

Although direct democracy can be traced back to ancient Greece, the United States, as a representative democracy, did not formally adopt various forms of direct democracy until the late 1800s. A mechanism originally envisioned as a safety valve to defuse the power of big business when necessary has transformed over the last century into a regular part of the political process for certain states. The five most frequent-use states have voted on 240 initiatives from 1998 to 2008. Residents in a frequent initiative use state such as California have made decisions that touch on almost every aspect of life by voting on measures such as property taxes, education funding, the death penalty, tribal gaming, term limits, prison sentences (three strikes), affirmative action, bilingual education, same sex marriage, marijuana legalization, the confinement of farm animals, and much more. The initiative process has the potential for negative impacts on governance by building in rigidities in state constitutions, disconnecting spending and revenue, and constraining the ability of state legislatures to make fiscal decisions. The initiatives process has the potential to affect governance yet its effects have not been studied until Dalton (2008).

Table 4.1 Descriptive Statistics, *N=50 States*

Variable Label	Mean	Standard Deviation	Minimum Value	Maximum Value
Dependent Variable				
Government Performance Project Grades	2.63	0.53	1.25	3.75
State Expenditure	87.05	4.71	75.44	96.86
State Debt	34.10	17.64	7.87	97.05
Independent Variables				
Initiatives Passed Between 1960-98	11.28	17.39	0.00	75.00
Initiative	0.48	0.51	0.00	1.00
Government Ideology	63.58	28.25	7.88	98.13
Rural/Urban Composition	31.83	14.68	7.40	67.90
Voting Age Population	75.83	1.86	68.81	79.29
Per Capita Personal Income	39076.80	5765.08	30383.00	56245.00
Individual Charitable Contributions	3767.92	4539.65	220.00	24548.00
Citizen Ideology	61.34	17.55	25.24	91.85
College Graduate or Higher	26.94	4.76	17.10	38.10
Non-Hispanic Whites	72.92	15.18	25.09	95.06

As mentioned in Chapter Two, there are significant research gaps regarding the initiative process and its effects on governance. This thesis explores the effects of the initiative process on governance by comparing both initiative and non-initiative states. As a result of existing controversy in the literature regarding the best way to represent the initiative process, I applied three models in my thesis. The first model in my thesis uses only the continuous variable that measures the number of initiatives passed between 1960

and 2008, the second model uses only the dichotomous measure of whether or not a state has an initiative process and employs a third model that includes both a dichotomous measure and the continuous variable. The three multiple regression models are designed to account for the Government Performance Project grades each state received for 2008. Table 4.1 lists the descriptive statistics of the variables used in the regression models.

Key Findings

Table 4.2 indicates that when political composition of the state and populace demographics are controlled, the initiative variables show a consistent negative impact on governance, regardless of which way direct democracy is measured. The statistical significance of the initiative coefficient depends on the particular specification. The continuous initiative variable, in Model 1, is negatively correlated to government performance although this is not statistically significant. A negative relationship exists between the initiative variable in Model 2 and government performance and is statistically significant at the .05 level. When both initiative variables were include for Model 3 the dummy initiative variable show a negative relationship while the continuous initiative variable show an extremely small positive impact to government performance. It should be noted that both initiative variables are not statistically significant for Model 3.

Table 4.2 Regression Models of State Government Performance

Independent Variables	Model 1	Model 2	Model 3
	<i>DV= Government Performance</i>		
Constant	11.013 (4.628)	12.290 (4.540)	12.340 (4.658)
Initiatives Passed Between 1960-08	-.007 (.005)	/	.000 (.007)
Initiative	/	-.322** (.153)	-.333 (.231)
Government Ideology	-.004 (.003)	-.005 (.003)	-.005 (.004)
Rural/Urban Composition	-.007 (.008)	-.008 (.008)	-.008 (.008)
Voting Age Population	-.112 (.068)	-.128* (.066)	-.129* (.068)
Per Capita Personal Income	-2.176E-5 (.000)	-1.704E-5 (.000)	-1.671E-5 (.000)
Individual Charitable Contributions	1.214E-5 (.000)	5.444E-6 (.000)	5.000E-6 (.000)
Citizen Ideology	.010 (.007)	.010 (.007)	.010 (.007)
College Graduate or Higher	.010 (.027)	.003 (.026)	0.002 (.027)
Non-Hispanic Whites	.008 (.007)	.010 (.007)	.010 (.007)
N	50	50	50
R Square	.239	.278	.278

*significant at the 90% level

** significant at the 95% level

The coefficient of the initiative variable for model 2 is $-.322$ indicating that, other things equal, the government performance grade lowers by $.322$ units, roughly one third of a grade with the presence of the initiative process on a grading scale of 0.00 (F) to 4.00 (A). Absence the initiative process, the grade movement for the five frequent-use states are as follows: California would move from a C (2.00) to a little higher than a C+ (2.25), Oregon and Colorado would move from a C+ to just below an B-, Arizona would move from a B- to a little higher than B, and Washington would move from an A- to an A. In states that use the initiative process with less frequency the grades would move as follows: for Illinois the move is from C to a little higher than a C+, Mississippi and Oklahoma the move is from C+ to just below an B-, Wyoming would move from a B- to a little higher than B, and Utah would move from an A- to an A. The grade discrepancy for all initiative states is significant.

The results of the dichotomous initiative variable in model 2 produced statistically significant results exemplifying Lascher et al.'s "gun behind the door effect" indicating that the presence of the process is more significant and important than some authors speculated. Bowler and Donovan (2004) and Dalton (2008) concluded that a continuous initiative variable is more robust because it accounts for the differences in implementation and the rules governing its use; however, this variable does not capture the presence and threat of the initiative process. Legislatures may proactively implement laws to prevent the public from placing a measure on the ballot and to head off more restrictive public policies. An example is the self imposed term limits by Utah's

legislature to avoid stricter limits and was subsequently repealed in 2003. Perhaps even more importantly is that while most initiatives are benign in terms of impacts on government performance, the presence of the initiative process increases a state's chance to approve an initiative that severely impedes governance; states without the initiative process may avoid this threat. After all, ballot measures such as Proposition 13 do not come around too often.

Other variables with a significant impact on government performance include the voting age population. There appears to be a negative relationship between population size and government performance, counter to the results of Dalton (2008). Population size would increase the diversity of residents and the diversity of industry creating conflicting demands on government. Other variables with an apparent positive impact on government performance, although not statistically significant, include education, non-Hispanic White (homogeneity), and individual charitable contribution (social capital) that is consistent with the results of Knack (2002). Interestingly, the citizen ideology variable, although not significant, produced a positive impact on governance indicating that a liberal citizenry is correlated with better government performance, all else equal.

Multicollinearity

An assumption of the regression analysis is that the independent variables are not a linear function of another or multicollinear. The standard errors may be inflated if multicollinearity is present. It is difficult to find a regression equation with no multicollinearity among the independent variables; therefore, multicollinearity is

measured by the degree in which it is present. One of the methods used to detect the severity of multicollinearity is to examine the simple correlation coefficients between the explanatory variables. It is generally accepted that high correlation coefficients in absolute values of greater than 0.80 is an indication of severe multicollinearity (Studenmund, 2006, p. 257). Please see Appendix A for the values of the correlation coefficients. The second method for detecting multicollinearity is the Variance Inflation Factor (VIF) which examines the extent one independent variable can be explained by the other explanatory variables. The VIF shows how much the variance of an estimated coefficient has increased due to multicollinearity and a VIF greater than 5 is an indication of severe multicollinearity (Studenmund, 2006, p. 258).

As shown in Appendix A, there are no correlation coefficients greater than 0.80. The regression results pass the first method of multicollinearity detection. No variable possesses a VIF greater than 5, suggesting that multicollinearity is not an issue in all three models. The highest VIFs for Model 1, 2, and 3 is the per capita personal income variable at 3.213, 3.135, and 3.292 for all three dependent variables. However, collinearity between the dichotomous and continuous measures of the initiative process may explain why neither coefficient is significant when both variables are included in the same model.

State Expenditure and State Debt as Dependent Variables

The primary object of my thesis remains to examine the impacts of the initiative process on government performance which is also the main model Dalton (2008) tested.

In addition to the main focus, I also looked at the impacts of the initiative process on state expenditure and state debt. As explained in Chapter 3, all three models remain the same with the dependent variable government performance changed to state expenditure then state debt.

There appears to be a consistent negative relationship between state expenditure and the initiative process; however, the relationship was only statistically significant in Models 1 and 2. Although it appears that the initiative process constrains state spending what is unclear is if the expenditures are subsequently shifted to local governments via unfunded mandates as shown in Primo (2010). Population size as well as education contributed to increase state expenditures.

The initiative process is not statistically significant in terms of state debt. There is a positive relationship between education and state debt. The individual charitable contribution negatively impacts state debt. The regression results for state expenditure and state debt are presented in Appendix B.

Summary of Findings

Although the initiative variable is only statistically significant in the model with only the dichotomous initiative variable, the apparent relationship is negative for all models. The negative relationship found in Model 2 produced relatively substantial changes to each state's government performance grade for both frequent and non-frequent users of the initiative. This has policy implications that affect government's capacity to implement and manage government services effectively. The next chapter

provides more in depth discussion of policy implications related to these empirical findings.

Chapter 5

CONCLUSION

The Progressive movement reshaped the political landscape of many states by introducing the initiative process, one of the various forms of direct democracy. The initiative process was designed as a safety valve to protect residents from corruption and the infiltration of big business in government, but has become a regular part of the political process for certain states. The impacts of the imitative process remain controversial in academia and findings about its benefits are decidedly mixed. Tolbert and Bowen (1998) have found that ballot initiatives tend to enhance citizens' interest and sense of political efficacy; however, Dyck and Lascher (2008) found either no connection or diminished political efficacy for the low informed, non-voters, and non-whites as the number of ballot measures increased. The impact of the initiative process on governance has not been studied until Dalton (2008). Dalton's article provides important groundwork and his research suggested reasons to be concerned that heavy use of ballot measures could lead to lower government performance. These findings and the general lack of research in this area underscores the need for further study, prompting the motivation for this thesis project.

The results of my regression analysis are consistent with the existing body of research on direct democracy. The regression analysis for this study examined the effects of direct democracy on government performance. The thesis compared states that have

the initiative process to states that do not allow for the initiative process, and also considered the impact of the extent of initiative use. The results of the regression generally suggest that the initiative process results in lower state performance grades which are consistent with Dalton's (2008) analysis. The number of times initiatives have appeared on a state's ballot was not statistically significant although the sign was in the expected negative direction. However, the statistical significance of the dichotomous variable (measuring the presence or absence of the initiative process) highlights Lascher et al.'s (1996) "gun behind the door" effect on government performance. The population size variable is also negatively related to government performance. Population size increases the diversity of residents and industry resulting in conflicting demands on government. Beyond the ethnic diversity of a populous state such as California's residents, the state has 9-10 regional economies such as the agricultural economy in the San Joaquin Valley, biotechnology in San Diego, and technology in Silicon Valley. Each of these economies require different resources, differing education levels of their workers, and different types of investments from government to encourage and develop these regions in order to thrive in an increasingly global economy. These regional economies are all competing for the limited land and monetary resources of the state.

Policy Implications

Data from frequent-use states such as California also underscore the initiative process' negative potential to affect government performance. California is currently facing critical fiscal and budgetary challenges. Although these challenges have existed

for many years, it has recently become a prominent public policy issue due to the weak national and global economy after the housing market collapse sending the economy on a free fall. The problem is further heightened by California's high unemployment and foreclosure rate. California's fiscal crisis is rooted in the institutional, political, demographic, and public finance choices the state as a whole has made over the past couple of decades.

California's institutions and the decisions made regarding these institutions by elected officials and the general voters have led to the current budget crisis. The roots of California's fiscal crisis identified by *The Economist Magazine* (2009) include the initiative and referenda process, the inability of legislatures to override successful initiatives, the lack of a sunset clause, and its wide and irresponsible use. The use of ballot box budgeting has limited legislators discretion on how best to spend existing revenues and ways to obtain new revenues during a fiscal crisis.

In addition, public policy problems concerning social policy are not simply process issues. Social issues of race, discrimination, immigration, welfare, and sexual orientation are deeply rooted in ideology and theology. These issues invoke emotional reactions and are extremely complex which can be easily manipulated by politicians, big business, or the dominate group. As shown by Haider-Markel et al. (2007), minority rights were better protected in a representative democracy, especially if the issue were about limiting gay and lesbian rights. While it may make sense for public involvement

when determining tax expenditures, leaving central questions of social policy up to popular vote may prove devastating to traditionally under-represented groups.

Ripe for Change

A 2006 survey by the Center for Governmental Studies (2008) found that although 45 percent of respondents were somewhat satisfied and 37 percent of respondents not satisfied with the initiative process at all, 80 percent of the respondents believed in the idea of the initiative process and the ability of voters to make decisions on proposed laws (p. 348). In light of the fact that no U.S. State that has adopted direct democracy has terminated it and the increase rate of adoption among other countries, the initiative process is almost surely here to stay. Given popular support of the initiative process and the results of my analysis and Dalton's (2008) regarding its impact on government performance, reform would be the best course of action.

Many scholars and researchers have proposed various changes to improve the initiative process. California's fiscal predicament gives urgency to reform, inducing individuals and groups to work on possible changes. The proposals for change are vast; however, I will only address the reforms that are pertinent to government performance. The unintended consequences of the initiative process discussed earlier in my thesis highlight the built in rigidities, constraint of legislatures to make fiscal decisions, and disconnect between spending and revenue decisions.

One reform possibility is the requirement of the sunset clause. A sunset clause requires passed initiatives to expire after a specified amount of time unless they are

reauthorized by citizens or the legislature (The Economist, 2011). A sunset clause allows voters to reevaluate a law's benefits and disadvantages after implementation. This would protect citizens from any unintended consequences of the law that was not evident prior to implementation.

Another possible solution would require a supermajority of the electorate to pass a proposition that mandates future supermajority votes. This would prevent a simple majority to "authorize a mere 34 percent of Californians to block any special tax increase" even if a majority—but less than two-thirds—is in favor of the increase (Center for Governmental Studies, 2008, p. 351).

Establishing the connections between spending and revenue is another reform possibility (The Economist, 2011, Dubois and Feeney, 1998). Unlike California and Mississippi, many states place limits on appropriations made through the initiative process. However, Mississippi requires the text of the initiative to include the amount and source of revenue necessary for implementation and the programs targeted for reduction or elimination if the initiative is seeking to reduce revenue or reallocate funds (Dubois and Feeney, 1998, p. 83). This proposal would require initiatives to indicate how much implementation would cost, whether the money would come from a new tax or by cutting an existing program, essentially identifying tradeoffs. Traditionally, citizens are given public policy issues to decide on without understanding either the economic, social, or environmental costs. Forcing citizens to confront tradeoffs would alleviate some governance issues. The change would force citizens voting on the

initiative to decide if they rather increase taxes for the new program or if they want to see cuts to an existing program.

Future Research

The purpose of my thesis is to examine and understand the relationship between the initiative process and the performance of government. Given the results of the study, direct democracy should be continued to be evaluated and studied due to the importance of government performance and the increasing utilization of direct democracy. My thesis added further support to Dalton's (2008) findings by updating the data and including additional variables. My analysis also highlighted the consistent positive impacts on government performance from variables such as education, homogeneity, social capital, and a liberal citizen ideology. The results from this study and Dalton (2008) have shown more democracy may not be the answer to an effective democratic society.

In addition, my thesis provided an opportunity to investigate the impacts of the initiative process on state expenditure and debt. The initiative process produced a consistently negative relationship to state expenditure but not statistically significant for state debt. The regression models for state expenditure and state debt are not the focus of my main story—government performance—but the results suggest other promising lines of research. Future research would utilize additional economic variables that impact expenditure and debt.

My thesis analyzed aggregated government performance grades, which are an important, but not exhaustive measure of sound governance. Future research should

focus on specific policy areas such as health care, education, and public works and the implementation strategies. Another possibility is to include other dependent variables that could be influenced by direct democracy, such as bond rating or a balanced budget, and a social capital variable aligned with Knack (2002). Another approach would use a qualitative comparative analysis (Ragin 1987) since a regression model for the 50 states have limited statistical power.

Conclusion

Given the consistent negative results of the initiative process, the more important question is whether this is truly the best arena to create public policies. The initiative process was originally envisioned as another check on government and to neutralize special interests' hold on government. However, for certain states direct democracy has become a regular part of major policy making. Citizens are asked to make public policies that affect the state for generations and some of the lasting effects are felt by people that never had the chance to voice their opinion or cast their vote. A generation of people ready to purchase homes was not even born when California passed Proposition 13 yet the fiscal impacts of property tax and super majority requirement to pass a budget or increase a tax shape their lives in real ways. This process may perpetuate distrust in government, which makes negotiation, collaboration, and compromise more difficult. There are minimal checks and balances like those built in the U.S. and state constitutions. It is important to realize that all democratic ideologies and processes, vacillate in and out of the attention of the American public based on dynamics of the culture. Public policy

problems evolve and change over time reflecting the tastes and preferences of society at that particular juncture and what may have been important to a state at that time may prove crippling for future generations.

APPENDIX A

Correlation Matrix

	Government Performance Project Grades	Initiatives passed between 1960-08	Initiative	Government Ideology	Rural/Urban Composition	State Expenditure
Government Performance Project Grades	1	-.137	-.144	-.296*	-.088	.127
Initiatives passed between 1960-08	-.137	1	.680**	.021	-.263	-.387**
Initiative	-.144	.680**	1	-.223	-.111	-.496**
Government Ideology	-.296*	.021	-.223	1	-.024	.092
Rural/Urban Composition	-.088	-.263	-.111	-.024	1	-.062
State Expenditure	.127	-.387**	-.496**	.092	-.062	1
State Debt	-.420**	-.085	-.139	.438**	-.057	.159
Voting Age Population	-.336*	-.039	-.223	.573**	.294*	.097
Per Capita Personal Income	-.146	.061	-.084	.353*	-.496**	-.043
Individual Charitable Contributions	.079	.286*	-.007	-.058	-.480**	.019
Citizen Ideology	-.138	.045	-.220	.632**	-.024	.069
College Graduate or Higher	-.031	.118	-.102	.355*	-.448**	.128
Non-Hispanic Whites	-.022	-.078	.120	.071	.591**	-.104

* Correlation is significant at the 0.05 level (2-tailed).

** Correlation is significant at the 0.01 level (2-tailed).

Correlation Matrix (Cont.)

	State Debt	Voting Age Population	Per Capita Personal Income	Individual Charitable Contributions	Citizen Ideology	College Graduate or Higher	Non-Hispanic Whites
Government Performance Project Grades	-.420**	-.336*	-.146	.079	-.138	-.031	-.022
Initiatives passed between 1960-08	-.085	-.039	.061	.286*	.045	.118	-.078
Initiative	-.139	-.223	-.084	-.007	-.220	-.102	.120
Government Ideology	.438**	.573**	.353*	-.058	.632**	.355*	.071
Rural/Urban Composition	-.057	.294*	-.496**	-.480**	-.024	-.448**	.591**
State Expenditure	.159	.097	-.043	.019	.069	.128	-.104
State Debt	1	.476**	.450**	-.171	.560**	.515**	.159
Voting Age Population	.476**	1	.271	-.135	.694**	.187	.327*
Per Capita Personal Income	.450**	.271	1	.262	.411**	.773**	-.135
Individual Charitable Contributions	.171	-.135	.262	1	.073	.228	-.454**
Citizen Ideology	.560**	.694**	.411**	.073	1	.468**	.042
College Graduate or Higher	.515**	.187	.773**	.228	.468**	1	-.075
Non-Hispanic Whites	.159	.327*	-.135	-.454**	.042	-.075	1

* Correlation is significant at the 0.05 level (2-tailed). ** Correlation is significant at the 0.01 level (2-tailed).

APPENDIX B

Regression Models of State Expenditure and State Debt

Independent Variables	Model 1	Model 2	Model 3	Model 1	Model 2	Model 3
	<i>DV = State Expenditure</i>			<i>DV=State Debt</i>		
Constant	24.846 (38.339)	44.857 (38.199)	36.888 (38.388)	-150.683 (125.525)	-146.401 (127.071)	-163.694 (129.252)
Initiatives passed between1960-08	- .135*** (.037)	/	-.071 (.055)	-.084 (.123)	/	-.153 (.184)
Initiative	/	-4.840*** (1.286)	-3.020 (1.903)	/	-.686 (4.279)	3.263 (6.407)
Government Ideology	.009 (.029)	-.005 (.029)	.001 (.029)	.003 (.095)	6.868E-5 (.096)	.012 (.097)
Rural/Urban Composition	-.094 (.069)	-.099 (.068)	-.106 (.068)	-.129 (.225)	-.101 (.227)	-.117 (.228)
Voting Age Population	1.030* (.561)	.761 (.557)	.875 (.559)	1.733 (1.837)	1.655 (1.853)	1.901 (1.884)
Per Capita Personal Income	.000*** (.000)	.000** (.000)	.000** (.000)	.000 (.001)	.000 (.001)	.000 (.001)
Individual Charitable Contributions	.000 (.000)	-3.528E-5 (.000)	3.553E-5 (.000)	-.001* (.001)	-.001** (.001)	.000 (.001)
Citizen Ideology	-.058 (.059)	-.058 (.058)	-.057 (.058)	.268 (.193)	.267 (1.94)	.267 (.194)
College Graduate or Higher	.531** (.221)	.405* (.220)	.458** (.222)	1.234* (.724)	1.198 (.731)	1.312* (.747)
Non-Hispanic Whites	-.031 (.055)	-.001 (.056)	-.008 (.056)	.071 (.179)	.060 (1.186)	.046 (.188)
N	50	50	50	50	50	50
R Square	.350	.364	.390	.503	.498	.507

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