Measuring The Effects of Direct Democracy on State Policy and Politics

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Abstract

We assess the current state of research testing for effects of direct democracy on state policy and politics. We compare theories about effects of ballot initiatives to several measures used to operationalize them, and develop measures of the initiative process that better account for variation in how the institution is structured in each state. Existing theory is used to assess the validity of these measures. We also replicate several studies using different measures of direct democracy, and demonstrate that results of hypothesis tests are often contingent on how institutions of are measured. Our results demonstrate that commonly used dummy variable measures suffer validity problems, and hypothesis tests using such measures may under-estimate the initiative's effects on state policy.

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Overview

State politics scholars have long been interested in how political institutions affect state policy. Traditionally, comparative studies focused on isolating the relative impact of state political institutions (Key 1949), socio-economic features (Dye 1966), political culture (Elazar 1972, Lowery and Sigleman 1982), public opinion and ideology (Wright et al 1987), composition of the electorate (Hill and Leighley 1992), and the like. Decades of research have identified various institutional features as potentially relevant in affecting policy, including state party systems and partisan competition (Garand 1985). Other studies give attention to the effects of state institutions on political behavior (Hill and Leighley 1996,1999).

This paper assess the current state of research testing for effects of direct democracy on state policy and politics, and attempts to improve our understanding of variation in state-level provisions for direct democracy. We compare theories about the effects of direct democracy to several measures used to operationalize them. Existing theory is used to assess the validity of various measures of state-level direct democracy. We then replicate several studies using different measures of direct democracy, and demonstrate that results are often contingent on how institutions of direct democracy are measured. Our results demonstrate that commonly used measures of direct democracy suffer validity problems, and hypothesis tests using such measures can under-estimate effects on policy.

Theoretical expectations about the effects of direct democracy

Economists (Romer and Rosenthal 1979, Matsusaka 1995) and political scientists (Gerber 1996; Gerber and Hug 2001) have noted the potential for institutions of direct democracy to affect state politics and policy. Theories about the effects of direct democracy propose direct and indirect effects.

At the level of direct effects, citizen-drafted ballot initiatives allow groups outside the legislature an additional point of access for passing legislation they want, thereby creating a different policy mix between initiative and non-initiative states. Donovan and Neiman (1992) contend that local zoning policies shaped by citizen initiatives are more restrictive than those drafted by local councils because of this More importantly, voters may approve initiatives sponsored by non-legislative actors seeking to alter institutional rules that define how future legislators govern (Tolbert 1998). These "governance policy" could have long-term effects on state fiscal policies (Donovan and Bowler 1998). A separate body of theory proposes that direct democracy, in the form of the citizen's initiative process, also affects how citizens behave. Drawing on the work of participatory democratic theorists (e.g. Pateman 1970; Barber 1984), Bowler and Donovan (2002), Smith (2001, 2002), and Tolbert et al (2001) claim that use of initiative alters the political context that citizens reside in. Frequent use may initiatives stimulate greater discussion of policy issues, lead citizens to seek out more political information, and increase voter mobilization. Others note initiatives are expected to affect policy indirectly, by making policy better reflect mass preferences (Gerber 1999; Matsusaka 2002; Lascher et al 1996).

But how should we model the impact of the initiative process? We can break this question down into two components, one concerning the role of state opinion on public policy; the other the measurement of the initiative process as an institution. In this paper we focus on the second of these components – the role of the initiative process as an institution. We leave to others the considerable problems associated with establishing appropriate measures of state opinion. As a series of scholars have shown (Wright et al 1987; Norrander, 2000, 2001; Brace et al 2002; Berry et al 1998) that establishing valid measures of state-level public opinion is a far from trivial matter: survey evidence is often hard to find, available for only a few of the states or, when it does exist, may well be only tangentially related to specific policies. Thanks to the work of these scholars this gap in our knowledge is gradually being filled. Here, our discussion turns to a different problem: assuming we have appropriate measures of state public opinion how should we represent the initiative process itself?

The paper that follows has two main sections. In the first we discuss different ways in which the initiative process could be represented and outline an argument in favor of measures that takes into account the considerable variety in the way the process is implemented. In the second section, we compare our measures with others, replicating several findings along the way, in order to show whether our alternative is worth pursuing.

The process or processes of direct democracy?

We suggest there are several ways to represent how ballot initiatives affect state politics: each carries with it unique implications for the substantive interpretation of how

we expect the initiative process to work. We can illustrate four ways in which we may model the effects of initiatives with the following regression equations:

(1) State Policy =
$$\alpha + \beta_1$$
 Dummy + β_2 State opinion ++ ϵ

- (2) State Policy = $\alpha + \beta_1$ Dummy* State opinion + β_2 State Opinion ++ ε
- (3) State Policy = $\alpha + \beta_1$ Variety of direct democracy +.....+ ε
- (4) State Policy = $\alpha + \beta_1$ Variety of direct democracy *State opinion + β_2 State Opinion +.....+ ϵ

In the first equation the initiative process (or direct democracy more generally) is included as a separate dummy variable (1= initiative state, 0=not), with effects of public opinion and the initiative process operating independently of each other. In the second this dummy is interacted with a measure of state public opinion. The third and forth equations – approaches we advocate below – take account of variation in the actual institution itself.

The literature to date encompasses examples of all these approaches. One early debate considered the way in which equation (2) is an improvement over (1). Simply including a dichotomous measure of the process itself without measures of state opinions for policy – as in (1) fails to capture how initiatives condition the effect of opinions on policy. Even if parameters from (1) are significant, their interpretation relies on the researcher imputing preferences to voters in those states. For some policies this may be more of a problem than others. It may be reasonable to suppose that certain policies are so at odds with the interests of legislators that direct democracy will not affect how legislators respond to opinion about those policies. Thus, policies that limit the role of elected officials (e.g. term limits) may be associated with policy-making via

the initiative process per se, rather than via how initiatives affect legislative response to opinion. In such a case, models capturing the process of direct democracy without measures of opinion might not do too much violence assumptions behind equations (2) and (4).

Even leaving aside general voter hostility towards elected officials it is, after all, quite unlikely that legislatures will vote term or tax and expenditure limits upon themselves. Such limits should, then, be correlated directly with the presence of the initiative. Yet with substantive policy choices and controversial moral issues it is far from clear that we can assume that the initiative *itself* will be associated positively of negatively with a policy. It makes much more sense, as Matsusaka argues (2001), to take note of the fact that the initiative process translates voter preferences into outcomes (see the debate between Matsusaka 2001 and Hagan et al 2001). Matsusaka argues therefore that we need to see what voters want the initiative process to produce and, hence, adopt an interactive approach like the one seen in (2). Assuming we can solve the problem of acquiring a measure of state public opinion, approach (2) is generally preferable to (1) in estimating the likely impact of the initiative process.

Although version (2) is an improvement over (1), measuring the initiative process as a dummy variable implies a substantive interpretation of it as something whose simple presence or absence transforms public policy. This is a representation entirely consistent with the idea of the initiative process as being important because it operates upon legislators both directly – by putting policies into direct effect – and indirectly by "threatening" legislatures with the need to be more beholden to popular preferences. In one popular phrase this use of the dummy variable sees direct democracy as a "gun

behind the door" (see e.g. Lascher et al 1996) where the simple presence of the process, and not just its actual use, is sufficient to bring recalcitrant legislators to heel.

A substantial body of empirical work has developed that supports theoretical arguments about the *indirect* effects of initiatives on policy – with the process shown to cause state legislatures to adopt abortion, death penalty, spending, and gay rights policies closer to the median voter's preferences (Gerber 1996, 1999; Gerber and Hug 2001; Matsusaka 1995; Arceneaux 2002). Others find *direct* effects of initiatives on state "governance" policies such as the adoption of term limits, tax limitations, and campaign finance regulations (Tolbert 1998; Pippen et al 2002). Additional studies, however, have also found that initiatives have no effects on state fiscal policies (Lascher et al 1996; Camobreco 1998; Hagen et al 2001).

Matsusaka (2002) suggests that differences in results across studies may be an artifact of model specification.¹ He argues that states with initiatives have policies closer to what voters prefer than states that do not have initiatives. Effects of initiatives are thus expected to be indirect, and proper measure of public preferences for specific policies must be included in models to capture such effects. Matsusaka notes that some existing studies failed to use interactive terms representing the effect of policy-specific opinions being magnified by opportunities for launching ballot initiatives.

Although many analysts treat the initiative process as one that is essentially similar across states that permit it, there is, in fact, a great deal of variation in the implementation of the process across the US. All states have nearly identical versions of

¹ The issue, for Matsusaka, is how well empirical models reflect a proper theory of the effects of initiatives on policy. A strict reading of the theory of indirect effects would suggest that models estimate:

⁽Policy_i - Voter opinion_i)_{Initiative states} < (Policy_i - Voter opinion_i)_{Non initiative states}

the separation of legislative and executive powers, all have rather similar versions of a two-party system wedded to plurality elections, 49 of 50 have bicameral legislatures, and so forth. Yet only 24 states have any sort of provisions allowing laws to be drafted outside the legislature and placed on the ballot by popular petition, with three additional states (Kentucky, Maryland and New Mexico) allowing popular referendum. From this perspective, a dummy variable reflecting the presence of absence or the initiative process (or the initiative and referendum process) may seem like a valid way of capturing the effects of this institution.

Yet variation in rules for initiatives determine how (or if) initiatives affect state politics. In terms of the theory we use here, sometimes the threat of the initiative is more credible than others. Differences in this are institutional, hence, our measures of the institution of the initiative process should take that into account. How, then, does the initiative process vary across the states? Here we argue it varies in two important dimensions: in terms of how easy/difficult it is for voters to use and how easy/hard it is for the legislature to amend or undo outcomes produced by the initiative.

Ease of use

Although the process follows a very similar basic procedure across the states – titling, qualification, vote – there are critical differences in the actual implementation. Some states, for example, have higher signature requirements than others and/or require that the signatures be gathered from specific geographic locations – which increases qualification expenses. Others may limit the period of time allotted for collecting signatures. The relevant theory proposing *direct* effects of initiatives suggests that states

having more initiatives appearing on their ballots would experience greater effects of initiatives. This follows from the assumption that initiatives shape policy or politics by producing substantive policies that are different from those that would otherwise emerge from a legislature. The theory of indirect effects assumes legislators respond to potential initiatives. Clearly, however, a state where it is more difficult to qualify for the ballot has more difficult environment for initiative proponents to affect policy directly or indirectly. This alone means initiatives figure differently in each state's political system. That is to say, states like California and Oregon, where initiatives are a regular part of the political landscape, should not be treated like Illinois, Mississippi, and Wyoming; where rules nominally grant the option for using initiatives but decades pass before any measure is ever qualified.

Insulation from the legislature

The interaction between the initiative process and the legislature has received less attention than qualification rules (though see Gerber 1995). There is substantial variation in the scope state legislatures have to sidestep or avoid initiatives that voters approve. To use an example from overseas, if the initiative were simply advisory and non-binding – as in New Zealand – any initiative may have a muted impact. MPs in that country can simply ignore the proposal altogether (Mulgan 1997) or adopt a piece of legislation that looks to be in line with popular sentiment in principle but, in practice, might be underfunded or hedged with restrictions. Similarly, the indirect initiative in the US (where proposals have to be submitted to the legislature first) allows legislators to respond in a

similar manner. More likely, perhaps, some state legislatures are able to adopt amend voter approved initiatives substantially after popular attention has moved on.

Of more direct relevance to the initiative process is the availability of a whole series of legislative responses. One obvious legislative response is the ability of the legislature to amend the proposal. Some states, notably California, have initiatives that may only be amended by other initiative; other states allow the legislature to amend any voter approved initiative immediately, by simple majority vote. Others simply limit the scope of the original initiative by, for example, not allowing initiatives on budgetary matters or by restricting the proposal to a "single subject." Some states have all of these limits on the initiative.

All of these procedures limit the scope of the initiative and insulates the legislature from the initiative's effects by giving legislators the power to ignore, amend or undo the original proposal. Without these procedural tools legislatures could face a situation where initiatives can be on any topic of the voters' choosing and, once passed, be subject to amendment only by another initiative.

We propose two new measures of the initiative process that portray institutional variation in provisions for initiatives along two continuums. One index reflects formal provisions that increase the difficulty of qualifying measures for the ballot, the second reflects how initiatives may (or may not) constrain how legislatures behave. Our index of qualification difficulty ranges from zero (no difficulty) to six (most difficult). Our second index reflects how well a state legislature might be insulated from the effects of initiatives that voters approve. This index ranges from zero (the legislature has little insulation from the effects of voter-approved initiatives), to nine. The appendix describes

how each index was constructed.² With these measures, we may consider the actual procedures across the states in terms of two dimensions - the ease of use for initiative proponents and the degree to which legislatures are insulated from the process.

In Table 1 demonstrate variation in these measures across the initiative states. The listing of states in Table 1 has some face validity given the fact that California and Oregon top each list, respectively. These states are often portrayed as the poster children of direct democracy run amok (Shrag 1999; Broder 2000). In contrast, states at the bottom include places where initiatives are rare (Mississippi, Wyoming), and Massachusetts, where the legislature is know to effectively ignore voter-approved measures (Waters 2002).

Table 1 about here

We can go further and use this information to provide a rough 2x2 typology of the initiative process across the states. A state may have a qualification process that is relatively easy or one that is relatively hard: similarly a state may have a legislative process that is fairly well insulated from what voters approve, while other states allow legislatures little discretion when dealing with voter approved measures. States are classified in a 2x2 typology, according to these dimensions, in Table 2.

Table 2 about here

As simple as this typology is, it allows us to make a number of observations. First, we can note that there are distinct differences in the kinds of initiative processes that exist in the US. One way of illustrating the construct validity (Carmines and Zeller 1979) of

² Coding of states on each index is quite straight-forward, apart from Florida. The index of legislative insulation includes items, among other things, measures of how the legislature may respond to statutory initiatives. Florida has no statutory initiatives. Alternative codings of Florida do not affect results discussed in this paper.

our measures is to examine the relative frequency of initiatives appearing on the ballot (correcting for how long the process has been in use in a given state). We should expect to see that states in which the procedures for qualification are easiest and where the legislature is least insulated from the content of initiatives should see more proposals, on average per year, than states where the process is harder to use and initiatives are easier to amend. Table 3 illustrates that this is, in fact, the case. Proponents appear to respond to incentives that these institutional rules create, using the process more where not only where it is easier, but where legislators have less ability to affect what they do via initiative.

Table 3 about here

If we return to the idea of the initiative threat as the "gun behind the door," then we may well have two different sorts of threats. Since the patterns are not geographically neat and tidy we term them the Populist version – in which the procedural framework allows popular sovereignty in direct expression (easy to qualify / less legislative insulation) and a more Progressive version in which popular sovereignty is harder to express and subject to amendment by elected elites (harder to qualify / more legislative input). Clearly, for Populist states the "gun behind the door" is loaded and ready to go, and it has been fired many times before. In Progressive states the gun more closely resembles a water pistol. The threat of initiative might ring hollow where qualification is nearly impossible, and where the legislature can easily undo anything voters approve (e.g., Mississippi). Conversely, where initiatives are easier to qualify and legislatures have less ability to alter their content (e.g., Oregon), the threat is more credible. It seems reasonable to suppose, then, that the credibility of the threat and, in fact, the impact of the

process as a whole is more likely to be strongly felt in states with Populist versions of the initiative than places with Progressive versions. In terms of our original discussion, then this variety suggests we should adopt models of the form of (3) and preferably (4) above, rather than of the kind seen in (1) and (2)

Comparing measures of the initiative process

Simple correlations between various measures are given in Table 4. What we see (and can in fact see from the raw data in Table 2) is that there is a relationship between the two dimensions we identify. States that implement a process where initiatives are relatively easy to qualify tend also to have a process where initiatives have a wider scope and the legislature has less insulation from the effects of initiatives that voter approve. States that have a process that is hard to use also tend to limit the scope of what voters may approve. This combination of being hard to use and easy to amend is especially a feature of later introductions of the process. What we have termed Populist implementations are among the earliest examples of direct democracy, later adopters favored a more Progressive model. One final, and intriguing, possibility is that initiatives are, in fact, more likely to pass under the Progressive model in that they have a slightly higher pass rate.³

Table 4 about here

This pattern is understandable from several different perspectives. Having more proposals on the ballot generates voter fatigue and a tendency among voters to say "NO" (Bowler Donovan and Happ:1992; Bowler and Donovan 1998). If proposals are too easy

 $^{^3}$ This pattern appears only after excluding the special cases of Illinois and Mississippi, both of which (in the period covered by the data) had just one initiative proposal. One passed and one failed giving success rates of 100% and 0%.

to get on the ballot this may also be a sign that they lack popular support. Again California presents a limiting case. It is often argued that 'anyone with a million dollars can get something on the ballot' (a million dollars being a rough estimate of the qualification costs relying on paid signature gatherers). This is, in fact, quite close to being the case and, during the boom years of the 1990's several dot com millionaires with a bee in their bonnet expressed their interest in politics via the initiative process.

Nevertheless, as has been repeatedly demonstrated most notably by Gerber (1999; see also Donovan et al 1998) in order to pass, proposals have to have a broad basis of support. In states with higher qualification thresholds proposals going through the process may have – everything else being equal – broader bases of support from the outset and hence more likely to pass. Nevertheless they may still be very limited in their impact simply because certain topics are off limits or legislatures may readily amend any proposal. Furthermore, knowing that any outcome may be readily amended, legislators are probably less likely to vigorously oppose proposals in Progressive states than Populist ones.

In sum, it is a mistake to see the initiative as being largely the same process in Mississippi as in Oregon. Perhaps less obvious, the initiative process in Nebraska differs from that in the Dakotas. The theoretical point is that the institutional differences mean that the process is more open to initiative proponents (and thus voters), and a more credible threat to the legislature, in some states than in others. The conditions which make the initiative a direct threat are the likelihood of its use and its openness to amendment. The consequence of this theoretical point for measurement is that a simple dummy variable is an inadequate representation of these complexities.

As a practical matter it is typically hard to find data from all states on state policies let alone data on state opinion from all 50. The N's for many cross-state analyses thus necessarily drop. Adding in multiple measures of state initiative process will, then, chew up valuable degrees of freedom with already limited sample sizes and introduce considerable multi-collinearity.⁴ We argue that reasonable representations of the process would use measures such as our indices, or a measure of the average frequency of initiative use. As we saw above these measures are strongly correlated with each other. One way of illustrating the value of this approach is to compare models of state politics that model the initiative process in terms of either (3) or (4) above across a range of different policy areas.

Alternative specifications of the initiative process' effect: testing the measures

In this section, we assess how several measures of the initiative process affect the results of hypothesis tests from models estimating the effect of initiatives on state policy and politics. We do this by replicating estimations from three published studies; one that estimated the direct effect of initiatives on the adoption of state campaign finance laws (Pippen et al 2002), one that estimated the indirect effect of initiatives (mediating public opinion) on the restrictiveness of state abortion laws (Arceneaux 2002), and one that estimated the direct effects of initiatives on citizens' attitudes about government (Bowler and Donovan 2002). Each study was replicated using five different measures of a state's initiative process: a dummy variable where 1 = a direct democracy state (initiative or popular referendum) and zero = otherwise; a dummy variable representing just initiative

⁴ Aside from inter-correlations between the initiative states all non- initiative states in the sample will always be scored the same . For example, if we wish to code the presence or absence of a single subject rule or not by a simple (0,1) dummy variable, all non-initiative states will be scored the same (0).

states (1 = state has initiatives, 0 = non-initiative state), average annual state use of initiatives, our index of legislative insulation from initiatives, and our index of qualification difficulty.⁵ We also use these measures to estimate variation in the "harshness" (Chadha and Bernstein 1996) of state term limit laws.

Given the discussion above, we contend that the dummy variable method fails to capture the full range of variation in state rules for the initiative process, and thus fails to capture the potential effects that initiatives might have on state policies and politics. If theories about the effects of initiatives are correct, we expect that the dummy variable – with its attenuated variation - will under-estimate the size of any effects. Conversely, if dummy variables are significant predictors of effects while valid ordinal-level and interval-level measures fail to predict effects of initiatives, then claims of empirical support for the theories would be weakened.

The model specification, measurements and data used to estimate abortion policies, campaign finance policies and political attitudes are identical to those used in the original published studies – with the only exceptions being the use of different measures of the state's initiative process. Readers may refer to those articles for full details of the other models and measure used.

1) Estimating restrictiveness of state abortion policy

In Table 5 we replicate Arceneaux's (2002) study of the restrictiveness of state abortion policies to examine how different measures of state initiatives affect our decisions when testing hypotheses. Arceneaux found that abortion policy was more reflective of state opinions about abortion in direct democracy states. We replicated this

⁵ Non-initiative states are give scores of 10 on each index. We obtained similar substantive results when we reversed the order of each index, and coded non-initiative states as zero on each.

result using his coding and data (not reported here). His model, however, is of the form of (2) above. Given the coding of the variables the expectation is that the coefficient for the interaction of state abortion opinion with the initiative process will be negative. This is interpreted as showing that states with the initiative push state policy towards voter opinions.

Table 5 about here

As we see from Table 5, a model that relies on a dummy variable in an interaction with state opinion (equation 2 above) is out-performed by models that express the relationship in the form of (4). Table 5 lists five different versions of the model, with the relevant parameters for the interactions between the five different measures of the initiative process in bold face. In column 1 we re-estimate Arceneaux's model and treated *all* initiative and referendum states in the data set equally, where 1 = any state with initiative and popular referendum, and = 0 for other states.⁶ Using this specification, we find that the interaction between direct democracy and state opinion has no effect on policy. In column 2 we re-estimate using another dummy variable to reflect direct democracy, but code only initiative states as $1.^7$ Again, this model shows no effect of initiative use in a state (the annual average from adoption to 1998) in the interactive term with state opinion. Using this measure of direct democracy, we do find significant (interactive) effects of initiatives state policy.

⁶ Arceneaux tested for the effects of direct democracy, and coded states with popular referendum or initiative as 1 on his direct democracy dummy variable. He coded some states where initiatives are rarely used as 0, however. Our data are coded differently, so that all initiative, including FL, IL, and MS, are represented in dichotomous measures of direct democracy.

⁷ i.e. not counting the referendum processes of Kentucky and Maryland. New Mexico is not in the data set.

Columns 4 and 5 use our measures of qualification difficulty and insulation, respectively, in the interaction terms representing how initiatives effect policy. Given variable coding (our measure of difficulty is larger the more difficult the measure) we are likely to see a positive sign attached to this parameter if states with a less difficult initiative process are more likely to have policy pushed more towards voter opinion. Indeed the parameter we do see is positive and statistically significant (column 5). Our measure of how well the legislature is insulated from the effects of initiative (column 4), however, is not significant

2) Estimating state campaign finance policy

We conducted similar replications of published studies estimating changes in state campaign finance policy using models in the form of (3) above. Our estimates, again, used identical models and data but substituted various measures of a state's imitative process to assess how different measures affect hypothesis tests. The results are reported in Table 6, along with a summary of our re-estimations of Arceneaux's abortion policy data. For the sake of parsimony, Table 6 reports only the relevant coefficients for the effects of various measures of initiatives, and the "p" value of their associated t-ratio. Coefficients for various control models are omitted, and are available from the authors. Table 7 summarizes the fit of the various multivariate models used to generate the estimates of the initiative process reported in Table 6.

Tables 6 and 7 about here

Pippen et al (2002) found that states with frequent initiative use (annual average) adopted more regulations on campaign finances. These results are replicated in the final

columns of Table 6. We find, however, that a dummy variable representing states with initiatives and referendums, and a dummy variable representing initiative states only, each are less consistent in showing effects of initiatives on campaign finance reform. Our measures of legislative insulation and qualification difficulty do demonstrated that variation in rules for using the initiative process are in fact associated with various measures of state campaign finance policies. Table 7 illustrates that models using dummy variables also tend to explain less variance in campaign finance policies than other measures.

3) Estimating attitudes towards government and politics

Table 6 also reports similar estimates replicating Bowler and Donovan's study (2002) of the initiative process's effects on citizen attitudes about politics. Bowler and Donovan found that frequency of annual initiative use was associated with higher levels of internal and external efficacy. Again, we replicate these findings, with the relevant coefficient for use of initiatives reported in the last column of Table 6. We find once again that measures of variation in institutional design (initiative qualification difficulty and legislative insulation) tend show significant effects on various measures of political efficacy, while dummy variables representing the process tend to show no effects. Table 7 illustrates that dummy variables often explain slightly less variation in these attitudes than other measures of actual use of initiatives, and measures of variation in provisions for initiative use, tend to have greater predictive validity than dummy variable measures of direct democracy.

4) Estimating harshness of state term limits

Another way to assess the relative validity of these measures is to examine how (or if) they can explain policy variation within initiative states. Dummy variable measures, by definition, are not capable of doing this, as they cannot capture institutional variation across direct democracy states. We do this two ways. First, we estimated models of restrictiveness of state abortion policies similar to those in Table 5, limiting the cases to the 18 states in the data set with the initiative process. We find (not reported here) that frequency of use remains significant (albeit p = .10). With fewer control variables, the coefficient for frequency of initiative use is significant at p < .05.

Second, we examine variation in state term limit laws. Tolbert (1998) notes that term limits tend to have been adopted in initiative states almost exclusively. Thus, of the 21 states to adopt term limits by 1996, all but one (Louisiana) was an initiative state. Term limits, then, are often the direct result of initiatives granting non-legislative actors influence over the public agenda. Dummy variables reflecting the presence or absence of initiatives thus perform well in estimating adoption of this policy across the 50 states, however this tells us little about how variation in institutional rules affect variation in policy.

Table 8 about here

Chadha and Bernstein (1996) demonstrate there is meaningful variance in the "harshness" of state term limit policies.⁸ If initiatives provide non-legislative actors the ability to affect policy directly, we expect that term limits will be more harsh in states where the process is more freewheeling – that is, where initiatives are easier to qualify

⁸ The harshness measure reflects how quickly limits set in, how long legislators may serve, and how long they must sit out before seeking office again.

and where the legislature has less discretion over measures that voters approve. We test this by estimating Chadha and Bernstein's harshness measures with our measures of variation in the initiative process (controlling for a state's level of legislative professionalism).

Table 8 reports bi-variate models estimating harshness with our measures across the 21 states with term limits, and the 20 term limits states that allow initiatives. We also report results controlling for legislative professionalism.⁹ The results demonstrate that variation in state rules for the initiative have significant effects on state term limit policies even within only those states adopting term limits. Where legislators have more discretion over voter-approved measures, limits are less harsh (although this effect only holds when Louisiana is in the data set). Where initiatives are used more frequently, term limits are more severe. Where initiatives are harder to qualify, term limits are also less harsh – the qualification index, moreover, explains the most variation in term limit harshness of all our indicators of variation in initiatives process. In fact, our simple models using qualification difficulty explain 11% more variance in harshness than Chadha and Bernstein's (1996) published results.

Discussion and Conclusion

Lengthy discussion of the relative merits of a dummy variable versus a more continuous measure of the initiative process may strike some as a narrowly technical debate over measurement. Yet, as we have argued, it is a debate that contains within in

⁹ In the 21 state estimations, Louisiana is coded "10" on the legislative insulation and qualification difficulty measures. Professionalism is a 3 item index reflecting professional, hybrid, and citizen legislatures taken from Hamm and Moncreif (1999).

important theoretical and substantive implications for the study of the institution of direct democracy and its impact on state policy.

Modeling the initiative process as a simple (present/absent) dummy variable is a mistake since it lumps together states that make active and repeated use of the process and those that do not. This means a dummy variable makes a false distinction between states that do not have the initiative and those that have it in principle, but barely in practice (e.g. Mississippi, Wyoming, Illinois). Modeling the process with simple dummy variables probably increases the risk of making Type II errors – leading to claims that there is no relationship between initiatives and policy, where one may in fact exist. Plainly, across a wide range of policy areas, and across a range of attitudinal areas, our results and replications show that the initiative process does have an impact in the states. Critics and defenders of the process alike are right, then, in arguing that the process does make for different kinds of policy.

Second, and following on from the first point, our measures show that the impact of the initiative process varies as a result of how institutions of direct democracy are designed. The initiative process has greater impact where it is easier to use, where it can circumvent the legislative process, and perhaps most of all, where it is used the most. Although this may sound trite, it does underscore that there is not just one initiative process; rather, there are several. The degree of difficulty of using the process and the degree that the rest of the political system is insulation from initiative measures varies quite widely. These differences in implementation mean that the institution may operate quite differently in different states and, hence, exist as more of a threat to legislature in some states than in others. One consequence of our measurement approach is that we

provide a means to examine variation in policy *within* initiative states and not just *between* them. We do, in fact, see such variation. Our measures therefore allow us to more clearly identify the institutional features of the initiative process that make it a more or a less credible threat to the legislature, even when we consider the likely indirect effects of the initiative process.

Clearly, it is possible to disagree with specific aspects of our measures of the initiative process presented above. Experts in the process in the various states are likely to point to subtle differences in implementation not captured by our indices, and coding states differently may even shift the categorization of states within our own typology.¹⁰ We do not, therefore, pretend that this is the last word on how to measure the initiative process as an institution. Nevertheless, the empirical sections of the paper suggest that we have developed measures of the variety of institutions of direct democracy that are valid and meaningful and that do shed light on the relationship between institutions and public policy.

Both critics and defenders of the initiative process thus need to be a little more careful of the dangers of over-generalization: not all initiative processes are the same and some may not be worth fighting for or against. More broadly still, when we make claims to the effect that "institutions matter" by arguing, for example that variations in institutions should produce variations in public policy we do need to be careful in defining what those institutions are.

¹⁰Changing the cut-off points used to create the typology in Tables 2 and 3, however, produce the same results in terms of frequency of use across categories.

	0 1.0		Legislative
	Qualification	1	Insulation
State	Difficulty	State	Index
Oregon	0	California	1
California	1	Arkansas	2
Colorado	1	Arizona	3
North Dakota	1	Michigan	3
Arkansas	2	North Dakota	3
Ohio	2	Oregon	3
Michigan	2	Colorado	4
South Dakota	2	Idaho	4
Idaho	2	Oklahoma	4
Utah	2	South Dakota	4
Arizona	3	Utah	4
Washington	3	Washington	4
Oklahoma	3	Illinois	5
Montana	3	Nevada	5
Missouri	3	Alaska	6
Massachusetts	3	Florida	6
Nebraska	4	Missouri	6
Maine	4	Montana	6
Nevada	4	Nebraska	6
Florida	4	Ohio	6
Illinois	4	Mississippi	7
Alaska	5	Maine	8
Mississippi	5	Massachusetts	8
Wyoming	6	Wyoming	9

Table 1: Measures of Formal Provisions for Statewide Ballot Initiatives

Qualification Difficulty measure Higher scores equal more difficulty

Measure of legislative insulation Higher scores reflect that the legislature has greater ability to affect initiatives and is more insulated from their effects

Legislative	Qualification Difficulty		
Insulation	Easier to qualify		
Legislature less	AR, CA, CO, ID	AZ, OK, WA, UT	12
insulated from	MI, OR, ND, SD,		
initiatives			
Legislature more	OH	AK, FL, IL, MA,	12
insulated from		ME, MO, MT, MS	
initiatives		NE, NV, WY	
Total	9	15	24

 Table 2:
 Classification of States in Terms of Formal Rules for Initiative Use

Table 3 Frequency of Initiative Use, by Categories of Formal Rules

Legislative	Qualificatio	Total	
Insulation	Easier to qualify	Harder to qualify	
Legislature less			12
insulated from	1.58	1.04	
initiatives			
Legislature more			12
insulated from	0.72	0.46	
initiatives			
Total	9	15	24

Note: Main cell entries are average number of initiatives per year since adoption of initiative process in state, averaged across groups of states listed in Table 2.

	Index of	Index of	Year state	Average	Percent of
	legislative	qualification	adopted	number	initiatives
	insulation	difficulty	rules for	init. per	pass (ex IL,
			initiative	year	MS)
Index of					
legislative	1.0				
insulation					
Index of					
qualification	.74	1.0			
difficulty	(.00)				
Year state					
adopted rules for	.46	.66	1.0		
initiative	(.01)	(.00)			
Average number					
init. Per year	61	72	34	1.0	
	(.00)	(.00)	(.06)		
Percent of			, , , , , , , , , , , , , , , , , , ,		
initiatives that	.21	.39	.49	18	1.0
pass (ex IL, MS)	(.17)	(.04)	(.01)	(.21)	
Percent of					
initiatives that	.03	.17	.19	15	1.0
pass (all init	(.45)	(.20)	(.19)	(.24)	
states)					

Table 4: Correlations among Measures of State Provisions for Direct Democracy

Note: Probability of r in parentheses. Twenty-four cases in each cell, except where IL and MS excluded (where n = 22).

	(1)	(2)	(3)	(4)	(5)
State opinion on abortion	-45.654***	-50.232***	-33.847***	-38.787***	-60.248***
State ideology	(3.20) 1.664*** (3.34)	(3.81) 1.538*** (2.99)	(2.77) 1.648*** (3.60)	(2.84) 1.807*** (3.43)	(5.31) 1.289*** (2.75)
Fundamentalist	-0.475	(2.55) -0.505 (1.31)	0.024	-0.205	-0.656* (1.79)
Female legislators	-1.452**	-1.452** (2.36)	-1.796** (2.69)	-1.609*** (2.84)	-1.681** (2.69)
Divided govt	0.991*	(1.68)	1.074**	1.289* (1.99)	0.964*
Ideology * referendum	-1.792* (1.92)	(1.00)	(2:07)	(1.77)	(1.71)
Abortion opinion *referendum	-5.020				
Referendum dummy	(0.27) 7.700 (0.10)				
Ideology * frequency	(0.10)		-1.133		
Abortion opinion * frequency			(1.31) - 15.959 *		
Frequency			(1.84) 61.518 (1.63)		
Ideology * difficulty			()		-0.564** (2.17)
Abortion op* difficulty					6.760 *** (2.80)
Difficulty					-27.847** (2.73)
Ideology * insulation				-0.255 (1.48)	(2.70)
Abortion *insulation				-2.433 (0.94)	
Insulation				7.837	
Ideology * initiative		-1.727 (1.66)		(011 0)	
Abortion * initiative		-0.898 (0.05)			
Initiative dummy		-6.804 (0.09)			
Constant	249.404*** (4.13)	264.128*** (4.68)	200.284*** (4.03)	219.523*** (3.80)	305.017*** (6.45)
Observations R-squared	40 0.72	40 0.71	40 0.75	40 0.74	40 0.72

 Table 5: State Opinion and Abortion Policy: Five measures of the initiative process

Source: Arceneaux (2002); Table 1. Weighted OLS results. Robust t statistics in parentheses * significant at 10%; ** significant at 5%; *** significant at 1%

Tables 6 in separate file

Tables 7 in separate file

	Bivariate results						
	All Term Ltd States			T Ltd. States w/ Initiative			
Legislative insulation	-0.18*			-0.01			
Qualification difficulty	-0.26 **			-0.28 ^			
Average annual use			0.54 *			0.41 ^	
Legislative Professionalism							
R2	0.17	0.36	0.15	0.04	0.13	0.10	
Number of	21	21	21	20	20	20	
states	Controlling for Leg. Professionalism						
Legislative insulation	<i>All T</i> -0.17 ^	erm Ltd Sto	ates	<i>T Ltd. S</i> -0.01	States w/ Ii	nitiative	
Qualification difficulty		-0.29 **	k		-0.25		
Average annual use			0.59*			0.37	
Legislative Professionalism	0.18	0.01	0.01		0.12	0.11	
R2	0.10	0.32	0.11	0.01	0.09	0.05	
Number of states	21	21	21	20	20	20	

Table 8: Estimates of Harshness of State Term Limit Policies

** = p < .01; * = p < .05; ^ = p < .10 (all 2-tail)

Appendix: Description of measures in Table 1

Qualification Difficulty measure:

Higher scores equal more difficulty. Points are added to the index if: 1) only statutes or only constitutional measures are allowed, 2) if the length of the qualifying period is limited, 3) if geographic distribution of signatures are required, 4) the proportion of voters signatures that are required for qualification is between 7% to 10%; 5) if the proportion of voters signatures that are required for qualification exceeds 10%; and 6) if there are substantive limits on the subject matter of initiatives.

Sources: Magleby (1984); National Conference of State Legislatures (2000, 2002).

Measure of legislative insulation:

Higher scores reflect that the legislature has greater ability to affect initiatives and is more insulated from their effects. Points are added to the index if: 1) The state has a single-subject rule, 2) if there are limits on the substance of initiatives, 3) if there are limits on fiscal initiatives, 4) if the legislature can amend or repeal initiative statutes, 5) if the legislature can repeal initiative statutes without a waiting period, 6) if the legislature can repeal initiative statutes without a supermajority, 7) if the state has no constitutional initiatives, 8) if the state has direct and indirect initiatives, 9) if the state has indirect initiatives only.

Sources: National Conference of State Legislatures (2002); Gerber (1995).

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