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# Taking The Initiative: Exploring The Influence Of Citizen Legislating On Good Goverance In The American States

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TAKING THE INITIATIVE: EXPLORING THE INFLUENCE OF CITIZEN
LEGISLATING ON GOOD GOVERNANCE IN THE AMERICAN STATES

by

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**ABSTRACT**

The citizen legislator is both a controversial and recurring phenomenon of interest in political science research. A longstanding concern for the discipline has been whether or not involvement of the public in the lawmaking process is an asset or a liability to quality governance. This study explores the desirability of citizen legislating in the American states. A four dimensional index is created that includes empirical indicators of "substantive" and "procedural" governance. These indicators include voter turnout, fiscal health, the ideological distance between government and the citizenry, and the diversity of a state's interest group system. The total number of initiatives and popular referendums that appear biennially within each of the fifty states is employed as the key explanatory variable to capture the degree of citizen legislating that is occurring in the states between 1980 and 2000. A random-effects generalized least squares regression reveals that higher ballot measure counts are statistically and substantively associated with better quality governance, indicating that citizen legislation is a quality input into the political system. Key control variables such as divided government, interparty competition, citizen ideological extremism, state legislative term limits, and legislative professionalism also tell particularly poignant stories about the road to good governance.

This thesis is dedicated in honor of my father. Thank you for introducing me to government and for your unwavering support of higher education.

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*"It is the power of the public which bears the name sovereignty, and sovereignty cannot be alienated. Legislative power belongs to the people, and can only belong to it alone. Be yourselves the authors of laws which are to fashion your happiness!"*

*- Jean Jacques Rousseau, On Social Contract*

## I. INTRODUCTION

Who should govern? The issue of rule has found its way into the core of ancient as well as modern political theory in addition to the frequent spotlight it is afforded in contemporary research. Implicit in the question of who governs is the sought after end game: Good governance. Good governance is not immediately definable. Rather, for the purpose of analysis, it may be more readily identifiable by its symptoms than its theoretical essence. Governance itself is a process, not a simple policy output that is readily quantified. Political theory, however, instructs that the system of governance will fall under two dimensions. These dimensions give rise to empirical indicators.

Specifically, a synthesis of ancient and modern conceptions of good governance necessitates both "substance" and "procedure" (Rousseau [1762] 1988; Plato [360 B.C.E.] 1997; Habermas 1998; Dahl 2005; Rawls 2005). The "substantive" component of good governance includes tangible policy or electoral outcomes and is the focal point of Plato ([360 B.C.E.] 1997) and John Rawls (2005). Through the state of a union (its policies and their consequences), one is afforded a look at the substance of governance. In contrast, the "procedural" aspect asserts that governance is made good through the process of citizen inclusion (Rousseau [1762] 1988; Habermas 1998). That is, efficacy and inclusive participation lend legitimacy and thus goodness to the state of governance Through the degree of political inclusiveness that is granted to a citizenry we are offered a glance into the procedural component.

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As the question of governance is ultimately a question of rule, the succeeding inquiry is: Under whose rule can good governance best be attained? The roles of the executive as enforcer and judiciary as arbitrator have achieved near unanimous agreement in contemporary political thought (Rousseau [1762] 1988; Habermas 1998; Rawls 2005). The role of the legislative branch, whose duties are most closely associated with active rule, remains in question.

There are two theoretical ideal-types offered as the "best" means of attaining quality legislation, and by extension good governance: 1) legislation by knowledgeable elites (Plato [360 B.C.E.] 1997; Burke [1770] 1999) or 2) citizen legislators (Rousseau [1762] 1988). Because the fusion of ancient and modern conceptions of proper governance necessitates the attainment of both substance and procedure, legislation by knowledgeable elites loses initial credibility; as it ranks demonstrably lower on the procedural component of good governance. This is due to less immediate public inclusiveness in the legislative process.

In contrast, citizen legislating is the very definition of legislative inclusiveness. Thus citizen legislating helps to beget the procedural component of good governance. Conflicting evidence abounds, however, as to whether citizen rule is associated with positive or beneficial "substance" (Bone and Benedict 1975; Lascher, Hagan, and Rochlin 1996; Donovan and Bowler 1998b; Camobreco 1998; Tolbert 1998; Campbell 2001; Tolbert et al. 2003; Matsusaka 2008). In fact, this is among the most prevalent criticisms of citizen legislating. It is argued that the public is, on average, ill informed and unprepared to make good public policy choices (Cupps 1977; Plato [360 B.C.E.] 1997; Cronin 1989; Donovan and Bowler 1998b; Ellis 2001). Consequently, this study aims to

explore a longstanding quandary: What relationship exists between citizen legislating and good governance?

Beyond the obvious theoretical considerations, investigating the effects of citizen initiated legislation is of central importance to contemporary political science. Over the years, numerous studies have questioned the importance of, and identified the lack of, citizen education and citizen political knowledge (Lau and Redlawsk 1997; Rosenstone and Hansen 2003). More specifically, how much education and knowledge is necessary in order to "vote correctly" (Lau and Redlawsk 1997)? Scholars have investigated which background characteristics make people more or less likely to vote or demonstrate high levels of political understanding (Brady, Verba, and Schlozman 1995; Rosenstone and Hansen 2003). Some have gone so far as to try and predict what a "fully informed voter" might look like in terms of preferred policy choices (Althaus 1998). Furthermore, research has explored the differences between "easy" and "hard" issue voters and the respective implications for elections and policy outcomes (Carmines and Stimson 1980).

On some level, these inquiries are questions over the proper role that the citizenry should play in order to attain a better governing process. That is, even among much of the literature that appears to be unrelated to the question of "who should govern," there is an implicit consideration of citizen participation and the relationship it has with quality governance. The notion of good governance is a near-universal and international concern, as evidenced by the recent efforts of the World Bank to quantify the construct; primarily as an informational beacon for international relations and business transactions.[1]

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[1] Notably, the World Bank also adheres to the theoretical conception of governance as being both substantive and procedural. Through survey data, it employs estimates of the "soundness" of a country's policies (substantive) and the means by which elected officials enter into and exit from office (procedural). However, it is important to note that the World Bank's Governance index is not particularly appropriate in

The question arises; how best to operationalize citizen legislating? In the 50 American states, citizens legislate through the initiative and popular referendum. In their most common form, initiatives are citizen-proposed amendments to a state constitution. However, the initiative process may also be used to propose new statutes. In essence, initiatives are ballot measures that propose entirely *new* pieces of law and fall outside of the traditional legislative, executive, and judicial branches of government (Initiative and Referendum Institute 2007). A popular referendum, on the other hand, refers to the means by which citizens may propose amendments to or reject an *existing* statute within a state (Zimmerman 2001).[2]

A third form of citizen political involvement come in the form of the legislative amendment. Legislative amendments are allowed in all 50 states and allow a state's legislature to propose constitutional or statutory reform that is placed before voters on a statewide ballot in much the same manner as initiatives. This third type of citizen involvement, however, is a type of direct legislation that is not initiated by citizens and consequently it is not citizen legislating in the strictest sense. Political elites may employ this process to create a façade of citizen involvement when the true goal may be to use direct legislation as a means of passing the buck onto the public for potentially risky public policy decisions that they themselves fear being held accountable for (Gross 2004). Alternatively, legislators may only propose amendments that have enough support

the study of direct legislation. First, even from a comparative perspective, direct legislation is primarily a sub-national phenomenon. World Bank index values vary only by country. Thus, many influences of citizen legislation would be lost, and the levels of analysis mismatched. Second, World Bank data does not begin until 1996. Much of the good that can be garnered from a time-series analysis is lost. For these reasons, I develop a wholly new measure of quality governance, one that is more suited to the study of direct legislation. World Bank Governance data is available at: http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,menuPK:232599~pagePK:64133170~piPK:64133498~theSitePK:239419,00.htm.
[2] See John Zimmerman (2001) for a detailed account of how the contemporary popular referendum evolved from a more primitive town-hall based protest vote against extant legislative statutes.

in the public to pass, essentially reducing the process to a means of legitimizing a policy platform (Gerber et al. 2001; Gross 2004). Hence the legislative amendment should not necessarily be categorized with the other more purist forms of citizen legislative involvement. The focus should be on citizen initiated legislation, and in the end, only initiatives and popular referendums that reach a statewide ballot will be included in the empirical component of this analysis. Arguably, such measures are proffered by sufficient public support in the meeting of ballot access signature requirements and may wield agenda-setting influence regardless of passage rates (Gerber 1999).[3]

There is a near perfect split in the number of American states which allow some combination of the initiative and popular referendum; effectively serving as an innate comparative laboratory. Moreover, the 27 states that allow citizen initiated legislation vary extensively in their use of these forms of direct democracy. Figure 1 demonstrates this variation, which is credited to a number of institutional factors including the required signature thresholds for ballot access, single-subject rules, as well as caps placed on the number of initiatives and referendums that can appear on a ballot each year.

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[3] Elisabath Gerber (1999) calls this potential power of agenda-setting the "threat of initiative".
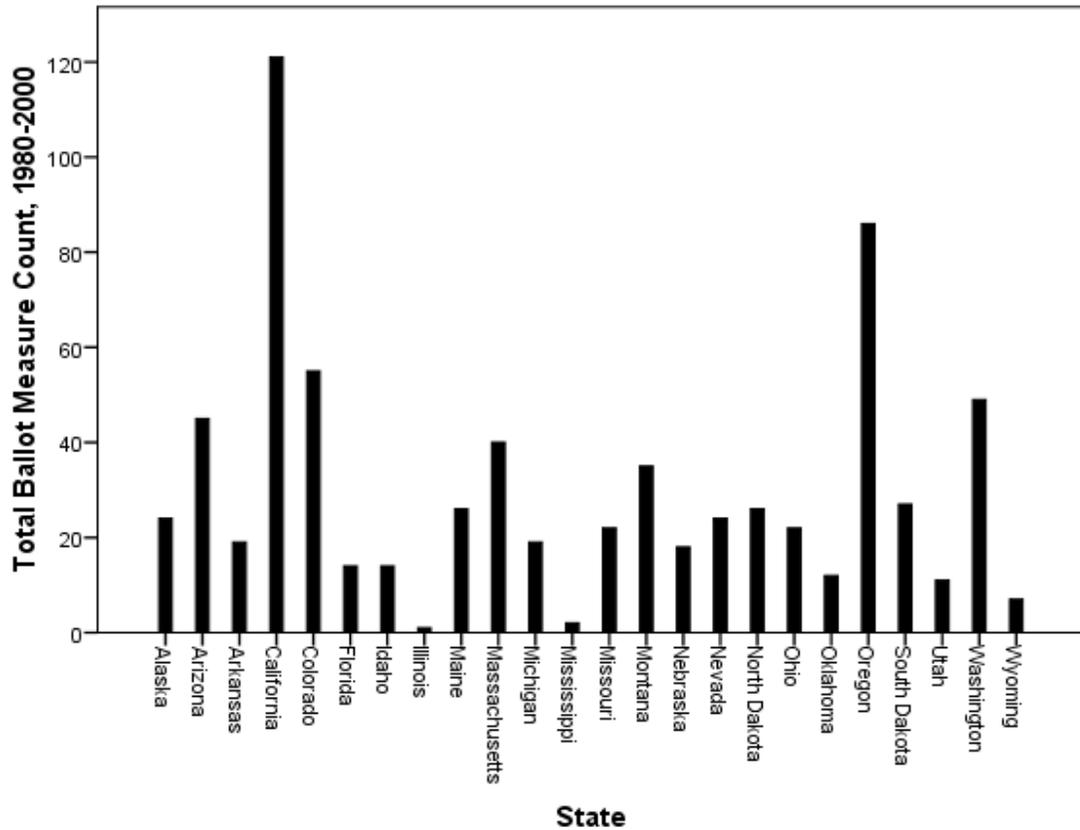
**Figure 1: Total Initiative and Popular Referendum Use by State**

Ultimately, the influences of citizen legislating will be evaluated against four indicators; each pointing to some part of contemporary good governance. The key explanatory variable will be a state's biennial ballot measure count. With this measure of citizen legislating in hand, this study sets out to investigate the relationship between direct democracy and indicators of substantive and procedural good governance. The indicators include; 1) voter turnout measured as the percent of a state's voting-eligible population that turns out to vote (see McDonald and Popkin 2001); 2) state fiscal health measures as the level of a state's annual year-end reserves (see Eckl 2007; Initiative and Referendum Institute 2007); 3) greater diversity in interest representation approximated

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by the percent of total registered interest groups within each state that can be classified as citizen groups (see Gray and Lowery 1996; Boehmke 2005a); 4) and last, the ideological distance between the government and its electorate (see Berry et al. 1998) with lower values indicating better quality governance. In the end, these four measures are combined to form the State Good Governance Index (SGGI).[4]

In accordance with systems theory, citizen legislation serves as one of many potential inputs that enter the political system. Subsequently, the system engenders both institutional and policy outputs which influence the political environment; the environment cyclically proceeds to mold a new slate of inputs (Easton 1971). The question at hand becomes does citizen legislation serves as a "quality demand" (Easton 1971). That is, does direct democracy play a noticeable role in the big picture of quality "substantive" and "procedural" governance? Moreover, what are some of the tangible implications of *demos kratos*? And broadly, what does this mean for good governance? Building on existing literature, and employing this study's findings in further inquiry, it may become possible to systematically develop answers to longstanding questions concerning the desirability of citizen legislating.

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[4] The methodology underlying the SGGI is detailed in the Research Design.

# II. LITERATURE REVIEW

Extant research suggests that citizen legislation has noticeable effects on both the state and society (Matsusaka 1995; Camobreco 1998; Gerber 1996a; 1996b; 1999; Braunstein 2004; Boehmke 2005a).[5] The literature covers a myriad of research questions spanning from the influence of ballot measures on voter turnout (Smith 2001) and citizen political knowledge (Smith 2002; Smith and Tolbert 2007; 2006; 2004) to its impact upon state budgets (Cronin 1989; Matsusaka 1992; 1995; 2008; Clingermayer and Wood 1995; Thatcher 2008) and government responsiveness to public opinion (Gerber 1996b; Hagen, Lascher, and Camobreco 2001). The norm is to examine citizen legislating piecemeal, testing its influence on specific topics such as state spending, voter turnout, citizen political efficacy, and the likelihood of certain public policies, such as Indian gaming laws, being implemented within the states. Given the sheer volume of research on citizen legislation it is not difficult to encounter contradictory findings.[6] Indeed, conflicting evidence pervades on the fundamental issue of the desirability of citizen legislating. Most importantly, for this research, there has been little success settling this debate. Nor, is there a concerted effort to tie direct legislation to a holistic theoretical construct such as good governance.

Prior work has varied in its conceptualization of direct legislation (*see* Banducci 1998; Gerber 1999; Boehmke 2002; 2005a; 2005b). Most frequently, scholars have investigated its effects as a specific institutional arrangement that exists in some of the

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[5] For the purposes of this study, the terms "direct legislation" and "citizen legislation" will be used interchangeably. Additionally, each term references the citizen initiative or popular referendum in the 50 American states unless otherwise noted.

[6] For an example of such contradictory findings, see the sub-topic literature concerning the relationship between direct legislation and government responsiveness to public opinion (Matsusaka 1992; 1995; Lascher, Hagen, and Rochlin 1996; Hagen, Lascher, and Camobreco 2001).

American states but not in others. The institutional consideration is usually operationalized as a dichotomous variable, which denotes whether or not the initiative process is available in a state (Tatalovich 1995; Donovan and Bowler 1998a; Schildkraut 2001; Lupia and Matsusaka 2004; Boehmke 2005a). Moreover, a majority of studies have limited the operational scope of citizen legislating to include only initiatives (Gerber 1996b; Banducci 1998; Cain and Miller 2001; Boehmke et al. 2006); at the expense of popular referendums which are an alternative form of citizen policy making (Initiative and Referendum Institute 2008).[7]

Studies to date that have investigated citizen legislating cluster under two general theoretical orientations. First, there are inquiries which question the legitimacy of direct legislation from the vantage points of a resource bias (where the campaign that expends the most resources wins the ballot race)[8], democratic norms (such as deliberation and accountability),[9] and the public's ability or competency to make public policy decisions.[10] In the second instance, scholars have focused on discerning the tangible influences of the initiative process on the citizenry (Smith 2001a; 2002; Alexander 2002; Tolbert, McNeal, and Smith 2003; Braunstein 2004; Boehmke 2005a; 2005b), government (Matsusaka 1995; Lascher, Hagen, and Rochlin 1996; Donovan and Bowler 1998b; Garrett 1999; Gerber 1999; 2001; Alexander 2002), and public policy (Bone and Benedict 1975; Tatalovich 1995; Cain and Miller 2001; Schildkraut 2001; Boehmke and Witmer 2004; Matsusaka 2005; 2008); that is, what are its observable accomplishments

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[7] Of the 27 states that allow some form of direct legislation, only two (Florida and Mississippi) do not currently have the popular referendum process available.

[8] Cupps 1977; Cronin 1989; Schmidt 1989; Hadwiger 1992; Gerber 1999; Alexander 2002; Ellis 2002; Braunstein 2004; Lupia and Matsusaka 2004.

[9] Jones 1938; Magelby 1984; Warren 1993; Donovan and Bowler 1998b; Ellis 2001, 133, Gerber et al. 2001; Natelson 2001; Smith 2002.

[10] Lupia 1994; Lupia and McCubbins 1998; Donovan and Bowler 1998b; Lupia 2001; Lupia and Johnston 2001; Lupia and Matsusaka 2004.

within the context of government and society? Many of these research questions are predated by studies which question the fundamental worth of citizen legislating.

## The Legitimacy of Direct Legislation

The legitimacy of citizen legislating have been questioned because of an alleged "resource bias" (Gerber 1999, Ch. 1). The resource bias suggests that money plays a prominent role in determining which ballot measures pass and are thus implemented as public policies (Owens and Wade 1986; Hadwiger 1992; Gerber 1999; Nicholson 2003). Specifically, the resource bias holds that due to the dearth of citizen political knowledge, initiative votes can be bought (Camobreco 1998; Cain and Miller 2001; Ellis 2002). All measures must have a sponsoring committee or group (Braunstein 2004), and the resource bias argues that the side which expends the most resources, primarily money, will win the ballot measure campaign (Gerber 1999, Ch. 1; Alexander 2002). At its core, the resource bias is rooted in the Populist Paradox which references the recurring concern that direct legislation is controlled by deep-pocketed special interests (Gerber 1999).[11] Ultimately, the theory is rooted in fundamental suspicion of the citizen legislator, positing that both ballot access and electoral success can be bought through advertisement and attractive ballot measure titling (Price 1975; Lund 1998; Ellis 2001, 150)

This purported bias has served as the primary foundation for critics of direct democracy in the states who assert that citizen legislation, by its very nature, cannot work in the interests of good governance. The resource bias offers a potentially fatal blow to

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[11] This is noted as a paradox given the history of ballot measures in the states; they have traditionally been credited as a "progressive" phenomenon that emerged as a public reaction to the perceived infiltration of state governments by exclusive economic groups in the early 1900's (Schmidt 1989; Alexander 2002; Braunstein 2004).

advocates of the citizen legislator. If votes and thus policy outcomes are bought and sold to the highest bidder, this bodes ill for quality governance. At its core, the theory asserts that the legitimacy of citizen legislating is compromised by special interests.

Investigations of the resource bias are rooted in case studies of salient initiatives in states that have historically kept quality financial records. Within such works, a number of observed ballot measure campaigns have been won by the side that expended the most resources, specifically the most money (Cronin 1989, 215). However, a methodological criticism should be noted. There are likely significant unit effects present that go uncorrected by the very nature of these research designs. States such as Colorado and California are noted for detailed financial record keeping, over a considerable length of time, for ballot measure campaigns. Thus, these cases are the ones employed to test the resource bias. However, states which employ sufficient financial record keeping are likely to differ significantly from those states that keep less fastidious records. Moreover, initiatives featured in case studies also tend to be highly salient (Gerber et al. 2001; Ellis 2001; 2002) and there is little reason to believe that the most salient initiative cases are representative of all direct legislation. Consequently, the generalizability of such case study driven conclusions is limited.[12]

Furthermore, researchers examine polling results from both the General Social Survey (GSS) and the American National Elections Studies (ANES) to gauge public sentiment on specific ballot measures and direct democracy, more generally.  Ellis (2002) finds that while the public consistently expresses skepticism towards the government and

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[12] In a study of the initiative and referendum laws in the states, Richard Ellis (2002) reports a fundraising "asymmetry" between candidate campaigns and ballot measure drives (45). While stringent financial reporting laws currently limit the amount of money legally donated to political candidates, there are virtually no such caps on what individuals or interested groups may donate to an initiative or referendum committee (Ellis 2002, 44-7).

politicians, the same distrust is not applied to the "will of the people" (125). Citizen

initiatives and popular referendums are viewed as an extension of the public's political

acumen (Ellis 2002, 125). Subsequently, the electorate may not approach ballot measures

with the same discrimination reserved for government sponsored legislation or political

candidates (124-5). Conceivably, this may exacerbate the problem of the resource bias. If

the public does in fact approach direct legislation with less caution and less suspicion,

this may further public susceptibility to advertising, manipulative initiative or referendum

titling, and attractive summaries that appear on the ballot (Gerber 1999; Ellis 2002).

Attempts to discredit the resource bias have centered on falsifying its primary

tenet; that deep-pocketed economic interests have captured the process. Research,

however, has found that citizen groups have historically had better luck in placing

initiatives on the ballot than have economic groups. Moreover, citizen groups are also

more successful in passing their sponsored ballot measures (Gerber 1996a; Gerber 1999;

Braunstein 2004).[13] This has been credited to the excess personnel resources typically

wielded by such groups (Baumgartner and Leech 1998; Alexander 2002).[14] That is, the

power of citizen groups appears to be a function of their ability to mobilize the public

(Gerber 1999; Braunstein 2004). Since the proliferation of these organizations in the

1970's, scholars propose that money may be weighted less heavily in today's ballot

measure campaigns than it has in decades past (Braunstein 2004).

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[13] A "citizen" group references a non-professional organization that is affiliated with either a particular ideology, government, or policy goal (Alexander 2002); whereas the term "economic" denotes either trade groups, businesses, or a professional associations, each of which is concerned with a specific economic or financial end (Gerber 1999; Alexander 2002).

[14] Furthermore, scholars have acknowledged that only a minority of the economic groups within a state actually possess the monetary resources needed to wage a successful campaign and would in fact have a resource bias (Gerber 1999).

Not only do citizen groups tend to be more adept at mobilizing public support for a measure, but such groups also differ from economic groups in the types of measures they place on the ballot (Alexander 2002; Braunstein 2004). Citizen groups tend to sponsor "inclusive" measures (Gerber 1999; Alexander 2002; Braunstein 2004). An inclusive initiative or popular referendum implies that there is potential for the entire statewide constituency to be affected by the proposed legislation (Gerber 1996a; 1999).[15] This is contrasted with "exclusive" measures which impact only specific industries or organizations within the state.[16] Scholars note that inclusive measures are significantly associated with citizen group sponsorship whereas exclusive measures tend to be the mark of economic interest groups (Gerber 1996a; Gerber 1999; Braunstein 2004). If most ballot measures are inclusive in scope, this would provide some preliminary evidence that citizen legislation may be positively associated with the quality of governance within the states.

Moreover, the influence of direct legislation is not limited to instances when the measures pass. That is, the threat of an initiative may stimulate greater governmental responsiveness to citizen demands for public policy (Gerber 1996a). Through a national survey of registered lobbying organizations (both economic and citizen groups), Elisabeth Gerber (1996a; 1999) finds that interest groups may care less about winning a ballot measure campaign than they do about influencing the state agenda by raising public awareness. Gerber's findings appear to undermine the applicability of the resource

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[15] For instance, initiatives centering on state class-size reduction or English as the official state language qualify as inclusive measures.
[16] An example of an exclusive measure would include Florida's infamous Amendment 10, the "pregnant pig" amendment, which prohibited the "mistreatment" of pregnant pigs by confinement to the small cages used as holding pens for the animals. It is noteworthy that exclusive initiatives or referendums tend to have lower passage rates, on average, than inclusive ballot items (Gerber 1999; Braunstein 2004).

bias argument. First, citizen legislating appears to be dominated by non-economic groups. And when government is perceived to be unresponsive, citizen groups mobilize to threaten sponsorship of direct legislation on the matter (Gerber 1999). The very threat of a ballot measure may be sufficient to engender preemptive responsiveness from the government, specifically state legislatures (Gerber 1999). With the advent of greater data availability and survey methods, scholars are discovering that citizen legislation does appear to be citizen controlled, and money may play a much less "nefarious" role than critics have historically alleged (Gerber 1999; Lupia and Matsusaka 2004, 463).

While many criticisms of direct legislation center on a quantifiable resource bias, more qualitative considerations have been made as well. Several scholars have charged that the initiative and referendum are in violation of multiple democratic norms (Donovan and Bowler 1998b; Cain and Miller 2001). One criticism is that ballot measures are drafted in isolation and not subjected to the mediating influences of public debate or compromise (Cain and Miller 2001; Alexander 2002). It is noted that while direct legislation is most commonly initiated by citizen groups, it is not uncommon for the sponsoring group to disband following the passage or rejection of a ballot measure (Boehmke 2002; 2005a). This, in turn, creates another concern; namely who will be held accountable or bear responsibility for the impact of any policy change that may have occurred. Citizens, after all, cannot be voted out of office.

Moreover, ballot measures lack official partisan identification. It is alleged that when combined with abstruse summary wording, the dearth of voting cues or heuristics may befuddle voters. Critics charge that the public must frequently rely upon one-sided campaign messages to extrapolate meaning from ballot summaries. Notably, only a

handful of states require even partial feasibility studies before measures are placed on the

ballot (Donovan and Bowler 1998b; Alexander 2002; Initiative and Referendum Institute

2008). Thus, more often than not, the typical ballot summary reads more like an enticing

advertisement than a serious policy elaboration with both advantages and drawbacks

noted (Alexander 2002). In general, critics suggest little emphasis is placed upon

democratic discourse or dialogue, and this is perceived as troublesome for democratic

norm adherence (Donovan and Bowler 1998b; Cain and Miller 2001; Alexander 2002).

According to critics, direct legislation which is often championed as a means of

imposing government accountability may, itself, lack accountability.  It is implied that

citizen legislators inherently lack the capacity to effectively rule, are not held

accountable, and that the result is bad public policy (Cain and Miller 2001). In fact, by

violating democratic values of public disclosure and openness, scholars have charged that

direct legislation is ultimately a roadblock towards achieving good governance (Donovan

and Bowler 1998b; Cain and Miller 2001).  However, recent empirical research suggests

otherwise (Lupia 1994; Lupia and McCubbins 1998; Lupia and Matsusaka 2004).

The counter argument is that because an initiative or referendum does not have

official political party support or a traditional voting heuristic this does not mean that the

public is incapable of making meaningful associations (Lupia 1994; 2001). All ballot

measures require a group's sponsorship. And most citizen groups have recognizable

agendas and ideologies (Gerber 1999; Lupia and Matsusaka 2004). This vein of research

suggests that voters are in fact able to employ decision-making heuristics on ballot

measures based upon evaluations of the sponsoring and opposing committees (Lupia and

McCubbins 1998; Lupia 2001; Lupia and Johnston 2001; Lupia and Matsusaka 2004,

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468-9). Thus, the public may not be as wildly incompetent on deciding public policy matters as critics initially charge.

## The Effects of Direct Legislation

While many studies have inquired as to whether or not citizen legislation has been compromised by a resource bias or is inconsistent with democratic principles a host of additional research has opted to explore the observable effects of the initiative process. Indeed, the bulk of initiative and referendum literature inquires as to what effects direct legislation has upon the state and society. For instance, strong connections have been uncovered between the initiative process and voter turnout, citizen political knowledge, and interest group membership (Smith 2001; Smith and Tolbert 2004; Boehmke 2005).

Research suggests the presence of a citizen initiative or popular referendum on a ballot may boost voter turnout by nearly four percentage points during midterm elections (Gerber 1999; Smith 2001; Tolbert, McNeal, and Smith 2003). Moreover, exposure to these ballot measures over time appears to lend itself to higher overall levels of political knowledge within the state citizenry (Smith 2002). Participating in direct legislation also appears to allow the public to gain valuable civic skills (Smith 2002; Smith and Tolbert 2004).[17] Specifically, research finds that in states where there is at least one ballot measure present during each election cycle, the average citizen political knowledge levels tend to be higher than in states with lower or no initiative use (Smith 2002). Average citizen political knowledge also tends to expand modestly through exposure to direct legislation over time (Gerber 1999; Smith 2001; 2002; Tolbert, McNeal, and Smith

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[17] Higher political knowledge is defined in the literature as the ability to correctly answer factual questions about American government and current political issues. Commonly, the notion has been operationalized by the American National Election Studies (ANES).

2003). Such findings are textbook arguments for the way in which citizen legislating is perfect consistent with democratic norms. This indicates that in addition to the obvious shaping of the policy landscape, citizen legislating appears to play a role in encouraging democratic participation (Tolbert, McNeal, and Smith 2003).

An equally important finding related to direct legislation is the influence it holds over the number of citizen groups in a state (Boehmke 2002; 2005). Figure 2 outlines the percent increase in the number of interest groups due to the adoption of the initiative process in the states. The interest group population that is most readily transformed by the presence of direct legislation is the state's citizen group population (Boehmke 2005). Specifically, states in which the initiative option is available have, on average, 45% more citizen groups than non-initiative states (Boehmke 2005, 148).
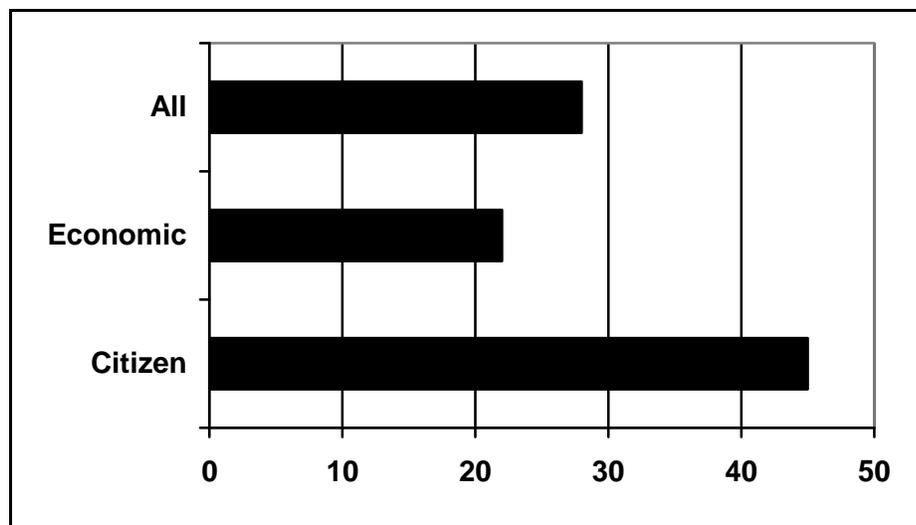


**Figure 2: Percent Increase in Interest Groups Due to the Initiative Process: 27 States**
*Source: Frederick Boehmke (2005, 70)*

Notably, as the number of citizen groups rise as a percentage of a state's total interest group population, a state may be said to have a more diverse interest group system (Boehmke 2005). Interest group diversity has been operationalized as the percent of active lobbying associations within a state that can be classified as citizen groups (Gray and Lowery 1996; Boehmke 2005). In each of the 50 states, economic groups have always outnumbered citizen groups (Gray and Lowery 1994; 1996). In states with the highest numbers of citizen groups, historically (California, New York, and Illinois), the percent of total interest groups that are citizen associations has never been higher than 45%.[18] Given the baseline disparity of economic to citizen associations, the presence of direct legislation may assist in balancing a state's mix of interest groups.

Interestingly, the initiative process itself does not lend itself to higher overall state interest group populations (Boehmke 2002). This occurs because the initiative process does not increase the number of active economic groups within a state. Rather, the influence of the process appears to be focused entirely upon citizen groups. In particular, the number of citizen groups can and does fluctuate in response to the count of ballot measures in a state (Gerber 1999; Alexander 2002; Boehmke 2002; 2005).

Fortunately, these expectations lend support to treating a state's annual ballot measure count as an explanatory variable in attempts to explain citizen group populations and to counter potential endogeneity issues. Someone might suggest that more interest groups equals more citizen initatives, but Frederick Boehmke (2005) establishes that the primary direction of causality is from direct democracy as an institution to more citizen groups. The initiative process itself engenders greater citizen group density within a state

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[18] The state in which 45% of its interest group population is made up of citizen groups is California.

(Boehmke 2002). Moreover, the associated growth in economic groups is dwarfed by the expansion of citizen associations (see Figure 2).

A state's ballot measure count may influence its citizen group population through the spurring of democratic competition (Gerber 1999; Braunstein 2004; Boehmke 2005, 142). Countermeasures are employed as a reaction to original ballot items. Thus, it would appear that the existence of certain measures engender additional citizen group formation in order to advocate and sponsor opposing pieces of direct legislation. The very act of citizen legislating appears to expand the scope of conflict and broaden the interested public (Boehmke 2005).

It is noteworthy that the initiative process originated and was employed in select states nearly a century before the proliferation of citizen groups in the 1970's. Specifically, the more rural Western states were among the first to adopt and employ the process. Thus, at least initially, a state's ballot measure count was largely unrelated to the number and diversity of interest group populations (Initiative and Referendum Institute 2007). The ballot measures themselves appear to be a product of populism and citizen efficacy rather than interest group density in the states (Gerber 1999).

In addition to discernable influences on the citizenry, direct legislation also appears to exert pressure on state government. Research on governmental responsiveness finds the mere threat of an initiative effects state legislative behavior (Garrett 1999; Gerber 1999; Gerber 2001; Alexander 2002). The legislative agenda will often shift to accommodate the potential ballot measure. A comparable piece of related legislation will be taken up by the state legislature while the initiative or referendum is circulating

through the signature acquisition phase.[19] Consequently, higher ballot measure counts appear to be associated with noticeable changes in legislative agendas. Advocates argue that this agenda shift is evidence of greater governmental responsiveness to the public, a healthy by-product of direct democracy in the form of citizen legislating.

Moreover, there is evidence that both economic and citizen interest groups may employ this threat of initiative or referendum to gain the government's attention for their cause (Gerber 1996b; Nicholson 2005). The threat alone increases issue salience and it is precisely because of this "gun behind the door" that ballot measure counts are employed as a key explanatory variable in much research, rather than the number of ballot measures passed (Lascher, Hagan, and Rochlin 1996, 760). Direct legislation appears to exert influence on the state of governance regardless of whether its associated policies make it into law.

Notably however, there is little consensus on whether the initiative process is associated with greater public opinion-government policy congruence (Lascher, Hagen, and Rochlin 1996; Matsusaka 2004). For instance, in California, the government's action in the revision of the state's tax policy during the 1990s and industry regulation is not mirrored by public support for the policies (Donovan and Bowler 1998b). Such opinion-policy incongruence persists despite California having one of the strongest traditions of direct legislation (Camobreco 1998; Hagen, Lascher, and Camobreco 2001). In the end, while findings suggest that ballot measures induce a "responsive shift" in government

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[19] Is has also been noted that lobbying groups may employ the threat of an initiative (outside strategy) to acquire more inside access to state legislators (Boehmke 2005, 138-40, 142).

policy, it is not entirely clear if this shift moves policy into greater alignment with public

opinion (Lascher, Hagen, and Rochlin 1996; Hagen, Lascher, and Camobreco 2001).[20]

Indeed, critics of direct democracy charge that citizen legislation does not solidify the

public opinion-public policy connection (Lascher, Hagen, and Rochlin 1996; Camobreco

1998, 828).  However, some of these same researchers argue ballot measures may serve

as valid "points in time" gauges of public sentiment on a specific policy (Lascher, Hagen,

and Rochlin 1996, 772). While direct legislation does not necessarily engender opinion-

policy congruence, it may be a useful tool to observe cross-sections of the political and

policy climate over many years.

It should be noted that state policy is a dynamic creature. Policies shed and

accumulate popular support over time and through public deliberation. Public policy is

contextually dependent (Sharp 1999). Consequently, exploring the influences of citizen

legislating upon the state of governance may require a dependent variable that is less

situation-specific than "popular support" (or lack thereof) for a particular public policy at

a single point in time. Consequently, this study advocates a methodological revision to

the existing opinion-policy congruence model. Specifically, ideology is proposed as a

more appropriate dependent variable when modeling the governance process. Ideology

does not limit itself to specific public policies or context; ideological dispositions tend to

be stable and coherent across time (Converse 1964, 206-8). Ideology, on the traditional

left-right continuum, allows for greater validity and continuity in exploring the potential

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[20] This issue is termed by John G. Matsusaka (2004) as the question "of the many or the few." (3).
Matsusaka finds evidence that passing ballot items are generally in congruence with majority public
opinion. Moreover, scholars note that there appears to be sizable opinion-policy congruence on proposed
initiatives that are symbolic in content. Such measures tend to have few substantive or technical
implications (Carmines and Stimson, 1980; Gerber 1999; Hagen, Lascher, and Camobreco 2001).

associations between citizen legislating and governmental responsiveness, a substantive facet of good governance.[21]

Regarding government policy outputs, there is strong evidence that extensive use of the initiative process is associated with a reduction in the size and centralization of state government, as well as less financial redistribution of state wealth (Matsusaka 1995, 2004). And, it should come as no surprise that extensive use of direct legislation purportedly complicates state budgeting processes and taxation methods (Donovan and Bowler 1998b).

While ballot measures interact with representative democracy in ways that might "partially remedy one [governmental] defect" such as a lack of "responsiveness," it may exacerbate rival problems in the state government such as budget balancing (Donovan and Bowler 1998b, 271). States that frequently employ the initiative, for instance, are less likely to employ progressive taxation (in which the wealthiest citizens pay greater proportions of their annual income in state taxes than do those who are less well-to-do).[22] Consequently, the more disadvantaged citizens pay a disproportionate share of the funding for public services in less progressive tax systems, which occur disproportionately in states with high use of citizen initiatives (Matsusaka 1995; Lascher, Hagen, and Rochlin 1996; Donovan and Bowler 1998b, 259). Thus, it seems that passing or even proposing ballot measures may serve as effective mandates to state government

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[21] Specifically, this research uses the ideology of a state citizenry and the ideology of a state government to calculate the dependent variable "ideological distance" that will serve as a measure of elite/mass policy congruence (*see* Berry et al. 1998). The ideological distance calculation will be detailed in the research design section.

[22] "High-use" states are outlined by the Initiative and Referendum Institute (2007). Notably, states with the initiative are also associated with a decentralization of spending (Matsusaka 2004, 3). That is, state governments in initiative states appear to pass the buck to local governments significantly more than noninitiative states (Matsusaka 1995; 2004; 2008). However, this phenomenon has yet to be systematically tied to the actual usage of the initiative process.

regarding desired public policy. As a result, balanced budgets may be displaced in favor

of financing costly ballot measure policies. Donovan and Bowler (1998b) note that:

> Contrary to what Progressive advocates might have expected, [the initiative
> process] does not necessarily cause more "responsible" budgeting in the long
> run… By frequently presenting voters with only part of the fiscal equation
> (cutting taxes, maybe borrowing, but rarely spending choices or raising new
> revenue), direct democracy places the state legislature in a position where it might
> be extremely difficult for them to write a budget (264).

Paradoxically however, there is also evidence to suggest that greater initiative usage is

associated with lower government spending at the state level across the board (Matsusaka

1995). While the initiative process, both directly (through passage) and indirectly

(through "threat"), is related to costly public policy implementation that may impede

financial responsibility, direct legislation is also associated with the imposition of debt

limitation provisions and spending caps which may aid state fiscal health (Matsusaka

1995; 2008; Gerber 1998; 1999; Initiative and Referendum Institute 2007).[23]

This study will attempt to discern the underlying influences of direct legislation

upon state fiscal health and financial responsibility; one possible substantive indicator of

good governance. Here, the study diverges from extant research by operationalizing fiscal

health by year-end reserves instead of general state revenues and expenditures. Year-end

reserves are calculated by taking the total monetary amount remaining in a state's coffers

at the end of each fiscal year, including rainy day funds, and then dividing by the state's

total expenditures. Ultimately, this renders a state's year-end reserves as a percentage of

its total expenditures to control for the significant unit effects between states in budget

size as well as the occurrence of random natural disasters across the regions. It will be

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[23] Studies indicate that initiative use within states is related to less redistribution of state wealth (Matsusaka 1995, 620).

argued that larger year-end reserves are positive indicators of substantive good governance.

Still other research on direct legislation focuses on how it shapes specific public policies (Bone and Benedict 1975; Boehmke and Witmer 2004; Matsusaka 2008). For instance, when the initiative process is available within a state, there is a greater likelihood that the state will adopt English-only laws, Indian gaming amendments, legislative term limits, capital punishment, and gay marriage bans (Tatalovich 1995; Cain and Miller 2001; Schildkraut 2001; Boehmke 2005; Boehmke et al. 2006).[24] Nearly all of these policies in the American states have their origins in citizen legislation, and each is frequently seen as controversial. Such initiative-policy connections invoke the recurrent question of how desirable citizen legislating truly, especially when one considers the process is associated with socially and politically intolerant public policy views (Wenzel, Donovan, and Bowler 1998; Yi 2008). Indeed, legislating through initiative does appear to have produced measures that adversely affect minority groups such as limited-English proficiency residents as well as the gay and lesbian populations within states (Magelby 1984; Tatalovich 1995; Tolbert and Hero 1998; Schildkraut 2001).

Critics have linked political intolerance (Tatalovich 1995; Schildkraut 2001) and fiscal irresponsibility (Donovan and Bowler 1998b) to the presence of the initiative process in states. Implicit within these studies is the question of how desirable citizen legislating truly is for overall quality governance. To date, few efforts have been made to tie citizen legislation in any systematic way to the quality of governance as a whole, opting instead, to point out specific ways that it has been either effective or ineffective in

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[24] It is important to note that the likelihood of these policy adoptions is also easily tied to overall state citizen ideology (Boehmke 2005).

specific circumstances and often in specific states. This research will attempt to rectify the lack of a macro-level approach o the desirability of citizen legislating. [25]

**Literature Conclusions**

Ultimately, there exists a maddening list of potential implications stemming from the initiative and popular referendum literature. However, a single theoretical question does run throughout much of the literature: Is citizen legislating ultimately helpful or harmful to governance? Contemporary direct democracy was established to combat legislative collusion. The initiative was a rallying cry for better governance. To some extent, it still is today.[26] But is citizen legislating associated with indicators of good governance in any systematic way? Extant literature leaves us with conflicting findings that lack a holistic approach to test this longstanding query of political science.

Furthermore, interpreting the existent findings depends upon how the question of good governance is framed, in what context the concepts are operationalized, and which methodology is employed. For instance, initiatives and referendums are at times framed as "good" because they are associated with higher voter turnout and citizen political knowledge (Smith 2001; Tolbert, McNeal, and Smith 2003). However, they may also be "bad" as theory suggests that direct legislation may discourage long term fiscal responsibility and violate democratic norms (Cupps 1977; Donovan and Bowler 1998b). Ballot measures are beneficial because they appear to encourage legislative

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[25] A notable exception is the work by Russell J. Dalton (2004) who employed state education spending as a surrogate measure for good governance.

[26] A state's annual ballot measure count and the average passage rate of the measures have been employed in past research as aggregate level surrogates for public distrust of state government (Matsusaka 1992; Braunstein 2004). It has traditionally been held that higher levels of initiative or referendum usage may be indicative of low trust in government (Banducci 1998; Ellis 2002; Braunstein 2004).

responsiveness (Gerber 1999). However, the measures may also warrant skepticism because it is uncertain whether or not it is the true policy preferences of the general public (Lascher, Hagen, and Rochlin 1996).

Many studies have established an understanding of the initiative's operational mechanics; when ballot measures appear, when they pass, and what determines the passage rates of the measures (Banducci 1998; Gerber 1999; Alexander 2002; Braunstein 2004). Work has also established how the availability of the initiative process influences specific state policies and government spending patterns (Matsusaka 2005) However, a preponderance of the explanatory models have been restricted in focus, limiting direct legislation to a singular topic or treating it as a stationary institution. Commonly, the construct is operationalized by a dummy variable that denotes whether or not the initiative process is available in a state (Tatalovich 1995; Wenzel, Donovan, and Bowler 1998; Zadovny 2000; Boehmke 2005).

In contrast, this study conceptualizes the initiative and popular referendum as a *dynamic* arm of citizen legislating. It is proposed that its influence over governance extends beyond what the traditional binary variable can capture. Simply because the process is available within a state does not guarantee usage. States such as Illinois, Mississippi, and Wyoming all allow for the citizen initiative. The process, however, is almost never employed in these states. Thus, despite the institutional presence of direct legislation, a state may be void of any actual citizen legislating.

This study attempts to frame the interplay of direct democracy with political reality in terms of governance; specifically, good governance. Building upon relevant literature, the effort is made to move beyond the specifics and to envisage a bigger

picture. That is, there is a sense that research has seemingly lost the forest for the trees.

Consequently, a more holistic vantage point with which to view direct legislation is

sought. This study constructs an additive index gauging the degree of "good governance"

that is present within each state during a given year and compliments this with a measure

of the actual frequency of the usage of citizen legislating.[27] In the end, it is hoped the

results of this study will firmly establish a first step towards a more comprehensive

understanding of this elemental and recurring question in political science; the question

of the citizen legislator. What implications are in store for good governance when the

public is emboldened through direct democracy?

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[27] Additionally, it is intended to provide a test of conclusions drawn within the initiative literature. For instance, the link between initiative usage and voter turnout is reexamined (Smith 2001).

# III. RESEARCH DESIGN

The empirical component of this research has significant obstacles to maneuver. Not the least of which is the creation of a "good governance" index. It will also be necessary to operationalize the degree of citizen legislating that is present within each state. As noted earlier, this study will use a state's annual ballot measure count to this end. Previous work which has dealt with "good governance" as the dependent variable has employed one dimensional surrogate measures such as state education spending (Dalton 2004) or voter turnout (Smith 2001). However, the idea of good governance is not particular simple and would likely benefit from something more than a one dimensional surrogate. This study attempts to achieve a multi-dimensional indicator of quality governance. Then, in order to gauge the influence of citizen legislation on good governance, the proposed index will be scrutinized by legislative, institutional, ideological, and demographic considerations or variables.[28]

## Dependent Variable – Good Governance

Through the construction of an additive index gauging the effects of a state's ballot measure count upon "good governance," this research attempts to acquire a more holistic understanding of direct democracy. Political theory instructs that contemporary conceptions of "good governance" must include both substantive and procedural facets (Rousseau [1762] 1988; Plato [360 B.C.E.] 1997; Habermas 1998; Dahl 2005; Rawls 2005). Consequent to this, the research will expound an index that is multi-dimensional, containing four component parts.

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[28] It should be noted that while the degree of citizen legislating that is present within a state at the aggregate level may qualify as an institutional facet, it is handled as a dynamic legislative mechanism for the purposes of this study.

Two of these factors are intended to capture the substantive side of governance: fiscal health as operationalized by annual state year-end reserves and, second, the ideological distance between a state's government and its citizenry. Year-end reserves reflect the total budgetary surplus within each state expressed as a percentage of total annual expenditures. This allows control for variation in state legislative professionalism, economic downturns, and natural disasters which may also impact a state's fiscal health (Eckl 2007; Thatcher 2008). On average, greater year-end reserves are substantive indicators of good governance at work. Ideological distance between a state government and its citizenry captures the degree of substantive representation, or rather a lack thereof that is present in the aggregate. This variable is operationalized by subtracting a state's annual citizen ideology score from its annual government ideology score and taking the absolute value of this number (Berry et al. 1998). Originally, state and citizen ideology scores range from 0, perfect ideological conservatism, to 1, perfect liberalism.[29] Good governance is reflected in low ideological distance, indicating that representative democracy remains representative (Habermas 1998).

The remaining two components of governance embody its procedural dimension. Procedure references the degree of public inclusiveness that the governing system allows. Voter turnout is the first procedural consideration. Total voter turnout is calculated for even year elections by taking a state's voting eligible population and dividing by total votes cast for the highest office (McDonald and Popkin 2001). States with higher voter turnout signify greater procedural governance. The remaining component is state interest group diversity. A diverse interest group population may

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[29] Data for ideology scores, including the most recent updates, are available on Richard Fording's homepage at: http://www.uky.edu/%7Erford/Home_files/page0002.htm.

entail greater public inclusiveness in the representative process (Gray and Lowery 1996; Boehmke 2002). Virginia Gray and David Lowery's data on state interest group populations are employed in calculating interest group diversity. Specifically, the variable is operationalized as the percentage of a state's total active interest groups which are classified as citizen groups, as opposed to economic groups (Gray and Lowery 1996; Gerber 1999). Citizen groups are inherently diverse. For instance, citizen groups may be environmental, governance, law and order, social services, or moral values related (Berry 1993; Gray and Lowery 1994; 1996; Baumgartner and Leech 1998; Braunstein 2004). In contrast, economic groups are almost always financial in nature (Walker 1991; Gerber 1999; Alexander 2002; Braunstein 2004). Furthermore, citizen groups have historically comprised a minority of the active lobbying organizations in the states. Even among states with diverse lobbying associations, citizen groups have never comprised more than 45% of any state interest group system.[30] Thus, as citizen groups comprise a higher percentage of a state's interest group system, there appears to be a more even split between citizen and economic interests within a state (Gray and Lowery 1996; Baumgartner and Leech 1998; Boehmke 2005).

Good governance should promote a diverse slate of interest representation and expand the scope of conflict (Schattschneider 1960; Habermas 1998). Interest group diversity, however, is also indirectly linked to good governance by engendering a more involved and informed citizenry (Boehmke 2005), as group membership is associated with greater political knowledge and efficacy (Lowery and Gray 1993; Donovan and Bowler 1998; Putnam 2000).

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[30] This state is California.

Notably, this study does not use citizen group density as an indicator of good governance within the states. Higher citizen group head counts do not necessarily spell better governance (Putnam 2000). Citizen associations have at times advocated radical ideologies and promoted social or political intolerance (Walker 1991; Putnam 2000; Zavodny 2000; Schildkraut 2001). Thus, higher numbers of citizen groups do not entail genuine procedural legitimacy. Rather, it is the diversity of a state's interest group system employed as a procedural indicator of governance.

Table 1 reports the bivariate correlations between each of the four SGGI components. As expected, no significant associations or dependencies between any of the four variables emerge. As theory asserts that governance is multi-dimensional, it would be problematic if the index parts were highly correlated with one another (Rousseau 1988 [1762]; Warren 1993; Habermas 1998; Rawls 2005). If high inter-item correlations were present, this would indicate that the four components tap only a single dimension. In such a case, the empirical model would offer little elucidation as the holistic desirability of citizen legislation.

**Table 1: Bivariate Correlations, SGGI Components**

|  | Voter Turnout | Year-end Reserves (YER) | Int. Gr. Diversity | Ideol. Distance |
|---|---|---|---|---|
| Voter Turnout | - | 0.08 | 0.21 | -0.10 |
| YER | - | - | 0.15 | -0.01 |
| Int. Group Diversity | - | - | - | -0.15 |
| Ideol. Distance | - | - | - | - |

Once the four components of the index are assembled, biennial rankings are calculated by state. For each year included in the study, the states are ranked separately on a scale of 1 to 50 for all four variables.[31] Rankings are coded such that as values approach 50, the state is said to be marked by good governance. For instance, states with greater voter turnout, year-end reserves, and interest group diversity will receive scores closer to 50 than those states whose annual turnout is lower by comparison. States with lower biennial ideological distance will receive higher rankings than those plagued by greater ideological distance between the government and its citizenry.

Finally, the rankings for each of these four components are combined to form an additive index of good governance (SGGI). By design, the index ranges from a minimum score of 4, denoting less than optimal governance, to 200, which represents good governance. For example, to attain an index score of 4 for a specific year, a state must possess the lowest annual voter turnout, year-end reserves, interest group diversity, and the greatest ideological distance in comparison to other states. In theory, good governance as an ideal type is set and stable. However, in empirical reality, the state of governance must be comparative and thus also relative to similar units of analysis. More importantly, any multiplicative or additive index arising out of the raw data from the components would generate abnormally high governance scores for outlier states such as Alaska which traditionally has an abundance of year-end reserves. For this reason, an index rooted in rank seems particularly appropriate.

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[31] States with identical values on one or more of the index components are given the same rank for that year.

For the time period studied (1980-2000), the mean SGGI score is 103.00. Its proximity to the median value (99.80) indicates that data are normally distributed.[32] This also provides ideal testing circumstances, as normality is a common assumption in regression analysis. Figure 3 examines the distribution of the SGGI by transforming each value into a z-score. The maximum and minimum governance values that appear in the data are 162 and 54, respectively. As evidenced in Figure 3, these values are positioned just outside the negative and positive two standard deviation boundaries.
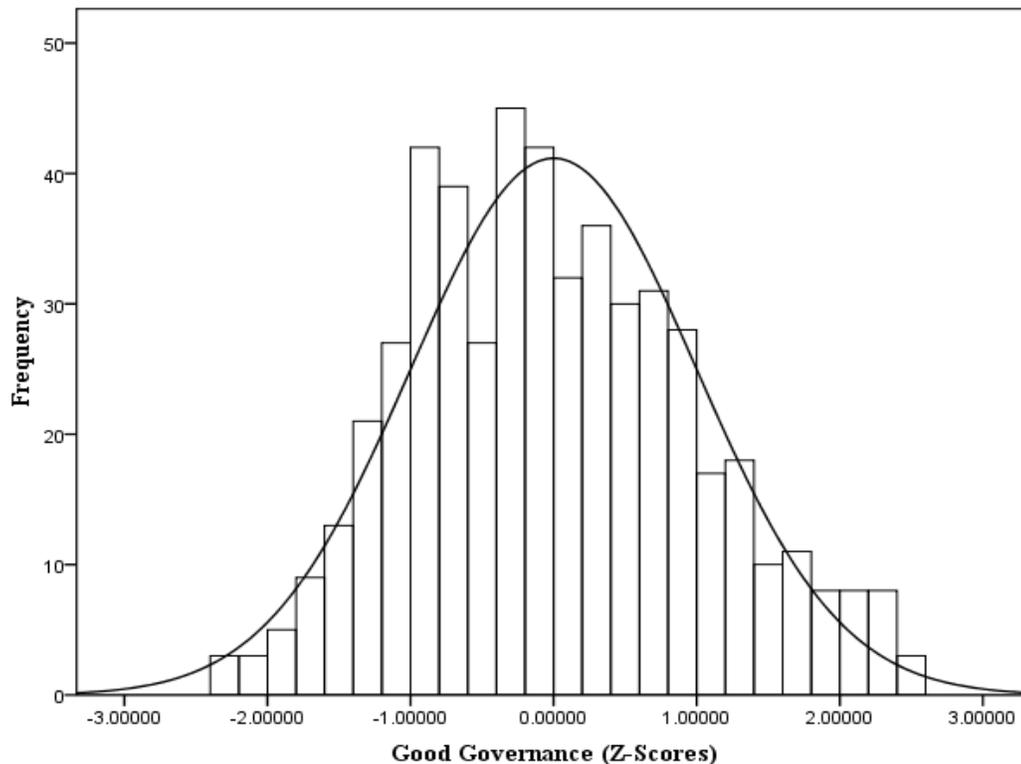


**Figure 3: Good Governance Frequency Distribution, 1980-2000**

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[32] The standard deviation is 32.67.

While literature on the initiative and popular referendum processes abounds and is indispensably informative, the bulk of focus has been upon individual or microcosmic components of government and governance rather than a systematic or holistic approach. The methodology employed within this study presumes that the whole is, in fact, greater than the sum of its parts.[33]

### Key Explanatory Variable – Citizen Legislating

Citizen legislating is operationalized by the total number of citizen initiatives or popular referendums that appeared on a state-wide ballot every two years for each of the fifty states. States that opt not to employ direct legislation or do not have either process available are coded 0, indicating an absence of citizen legislation.[34]

All else being equal, citizen legislation should be positively associated with higher state governance scores. In theory, direct legislation imposes an unavoidable accountability upon government (Rousseau 1988 [1762]; Schmidt 1989). This responsiveness is thought to be a bedrock tenet of direct democracy. That is, when government steps out of line ideologically, it is the job of the citizenry to stand up and enforce substantive representation (Schmidt 1989; Smith 2002; Braunstein 2004; Matsusaka 2004).

For the procedural indicators of governance, the presence of a ballot measure offers a modest increase in voter turnout during that electoral cycle (Everson 1981; Smith

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[33] The four component parts of the index have accumulated substantial bodies of literature. Specifically, studies abound in the area of voter turnout (McDonald and Popkin 2001; Smith 2001; Brown, Jackson, and Wright 1999; Jackson 1996; Lee and Berry 1982). In an effort to demonstrate the validity of the proposed good governance index, four appendix models are constructed. These are auxiliary models that demonstrate how relationships uncovered in literature continue to hold in this data. Consequently, each of the four index components are measured against their key explanatory variables as reported or theorized in prior work. All references to ballot measures have been excluded from consideration. Appendices A through D contain these simplified regression analyses. There, brief summaries of the models and results will be reported.
[34] Government sponsored initiatives and referendums are excluded from analysis as these measures are not citizen initiated.

2001; Tolbert, McNeal, and Smith 2003). Additionally, citizen legislating also appears to alter a state's interest group landscape (Boehmke 2002; 2005). Both the availability and the frequency with which a state employs the initiative influences the state's citizen group population (Walker 1991; Gray and Lowery 1996; Tocqueville 2000 [1835]). For instance, when states the public to employ the initiative or popular referendum, citizen groups tend to proliferate more than economic groups (Boehmke 2005). Moreover, higher ballot measure counts increase the likelihood that additional citizen groups will form and sponsor counter-measures (Gerber 1999; Tolbert, McNeal, and Smith 2003; Braunstein 2004). Consequently, citizen legislating effectively enlarges state interest representation by expanding the scope of conflict (Schattschneider 1960).

Among the substantive indicators of governance, findings have been more conflicting. Regarding state fiscal health, some studies assert that direct legislation leads to costly and unwise public policy implementation (Clingermayer and Wood 1995; Donovan and Bowler 1998b). However, others have found no valid link between citizen-initiated legislation and financial crises in the states once extant state debt and spending patterns are held constant (Matsusaka 1992; 2004; 2008; Thatcher 2008).

## Institutional Influences

In political science research, findings have demonstrated that institutions matter. That is, institutional influences bear, at minimum, comparable explanatory weight as contextual or demographical characteristics in units of analysis (Easton 1970). State institutional settings almost assuredly have a substantial impact upon the quality of governance. For the purpose of model specification, factors such as legislative

professionalism, interparty competition, difficulty of voter registration, divided

government, and state legislative term limits are controlled for.

Legislative professionalism is operationalized by the Squire index, in which state

scores range from 0, indicating legislative "amateurism", to a score of 1 which indicates a

"professionalism" equivalent to the U.S. Congress.[35] Professionalism is linked to several

components of the SGGI.  Namely, ideological distance, interest group diversity, and

year-end reserves bear strong associations with legislative professionalism. For instance,

there is evidence that progressively ambitious careerists are more likely to be

concentrated in professional legislatures than in states with more amateur legislative

bodies (Squire 1993; Maestas 2000, 664; Squire and Hamm 2005). The result is a

clustering of constituent-conscious legislators in states with more professionalized

chambers (Chaffey 1970; Hofstetter 1971; Hibbing 1986; Berkman 1993; Mooney 1995;

Berry 2000; Maestas 2000). This may minimize ideological distance between the

government and the citizenry. While less ideological distance is a decidedly positive asset

to governance, legislative professionalism has also been associated with fewer year-end

reserves as a function of rampant government spending and less interest group diversity

(Banducci 1998; Berkman 2001).[36]

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[35] For the 1980 entries, the 1979 Squire index scores are employed. From 1982 through 1984, 1986 and 1979 professionalism scores are averaged. For 1986 and 1989, 1986 Squire index calculations are used. For 1990 and 1992, the states' 1989 and 1996 index values are averaged. For 1994 and 1996, the 1996 Squire index scores are employed. And finally, 1998 and 2000 entries are calculated by average the states' 1996 and 2003 scores. This depicts the steady changes in legislative professionalism over time.

[36] Again, it would be a mistake to operationalize the diversity of state interest groups by employing a strict head count of active groups. This would likely be confounded with legislative professionalism itself. Professionalized states also tend to have less homogenous populations and thus more heterogeneous interests in play; such states simply have more resources available for consumption (Squire 1992; Gray and Lowery 1996; Berkman 2001). Thus, while professionalized states will almost assuredly have more interest groups in raw numbers, there may be great disparity between economic and citizen groups.

Interparty competition is also a relevant consideration in the study of quality

governance (see Hill and Leighley 1993). Notably, interparty competition has been tied to

less ideological distance and greater voter turnout in the states (see Downs 1957 and

Jackson 1996, respectively). Intuitively then, interparty competition should wield a

positive influence on quality governance (Barrilleaux 1986; Barrilleaux, Holbrook, and

Langer 2002). Most indices of party competition, however, are measurements of

competition over time. Consequently, they are available only on a per-decade basis (see

Holbrook and Van Dunk 1993).[37] Because of this limitation, a more rudimentary measure

that enables annual variation in party competition values is employed. The percentage of

a state House that is Democrat is subtracted from the percent that is Republican.[38] Next,

the absolute value of this number is taken, rendering a scale ranging from 0 to 100.

Finally, the scale is inverted so that higher numbers represent more even splits between

the two parties at the state legislative level.

Additional institutional controls include the difficulty of voter registration,

divided government, and state legislative term limits. Key to the explanation of voter

turnout is the difficulty of voter registration (Jackson 1996). Difficulty of voter

registration is operationalized by the number of days before an election that voter

registration closes. It should be negatively related to quality governance, as it hinders

public participation and inclusiveness in the political process.

Also, government is said to behave differently when it is divided (Bowman and

Kearney 2002); that is, when a single political party controls, at most, two of the three

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[37] One of the most popular measures of interparty competition is the time-honored Ranney index.
[38] Due to the extreme dearth of independents and third party members in state legislatures, these numbers
are excluded from calculations. Nebraska is the only state with a unicameral legislature that is chosen
through nonpartisan elections. To compensate for this, the state's congressional House delegation is used to
calculate interparty competition.

elected bodies of state government including the governorship, the state House and state Senate.[39] Prior work has argued that when divided government is present, there is greater accountability and attentiveness to the public on account of uncertain political futures for the parties in government (Fiorina 1989; 1994; Bowman and Kearney 2002). For each case, a state is scored 1 if divided government is present and 0 otherwise (if a single political party controls the governorship, the state House, and state Senate).

A dummy variable is also created to control for the presence of state legislative term limits. States in which term limits are present are coded 1 and 0 if no such measures are in place. There are conflicting expectations for state legislative term limits. On one hand, they are thought to enhance accountability and to ensure new individuals and ideas are moving into the chambers (Squire and Hamm 2005, 63-4). However, there is also the potential for legislative dependency upon interest groups and lobbying forces for information and clarification as new legislators learn the ropes (Bowman and Kearney 2002). Potentially, these institutional settings offer telling specifications.

**Ideological Considerations**

In addition to suspected institutional influences upon the state of governance, ideological considerations are made as well. Specifically, the degree of ideological extremism within a state's citizenry and government liberalism are controlled for in the comprehensive model.

Ideological extremism is generally equated with ideological coherence (Converse 1964). Moreover, a citizenry that is imbued with a strong sense of ideology is also, on

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[39] Once more, Nebraska's unicameral and nonpartisan legislature poses a methodological issue. The state's divided government score is calculated by employing their House and Senate congressional delegation as proxies for the state legislature.

average, a more active and efficacious one as well (Weissberg 1975; Hanson 1980; Fitzpatrick and Hero 1988). Both citizen activity and efficacy are textbook ingredients for quality governance (Rousseau 1988 [1762]; Habermas 1998; Rawls 2005). Thus, it is anticipated the states with more ideologically extreme citizenries will be positively associated with better quality governance. Citizen ideological extremism is measured by transforming a state's value on the Citizen Ideology index (*see* Berry et al. 1998) into a z-score and taking the absolute value of the number. This renders a scale which captures extremism, regardless of direction on the left-right continuum. Government liberalism appears to influence the general health of state finances and year-end reserves in particular (Squire 1992; 1993; Bowman and Kearney 2002, Ch. 6; Eckl 2007). Simply and perhaps predictably, when state government is more liberal, the state tends to possess fewer year-end reserves (Squire 1992; Bowman and Kearney 2002, Ch. 6).[40] Government liberalism is operationalized by the Government Ideology index in which state scores range from 0 to 1 in which higher scores denote greater government liberalism (Berry et al. 1998).

### Demographic Controls

Relevant demographic controls are also be implemented. These five variables include the education of the electorate, whether a state may be classified as having a "traditionalistic" political culture, gross state product-squared, state debt per capita, and the state unemployment rate.

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[40] Intuitively, liberal governments tend to spend more across the board and specifically devote more resources to social welfare programs (Squire 1992; King 2000; Bowman and Kearney 2002, Ch. 6).

An educated electorate should demand better governance, and more importantly, recognize good public policy (Schmidt 1989; Tolbert, McNeal, and Smith 2003). Thus, a positive relationship between education and a state's SGGI score is expected. The education of the electorate is operationalized by the percent of a state's population that has a four year degree or higher. Education explains a disproportionate amount of variance in voter turnout models (Brady, Verba, and Schlozman 1995; Rosenstone and Hansen 2003).

Equally important as education is the notion of a state's political culture. Culture has traditionally been measured by a dummy variable denoting whether or not a state can be classified as southern. A more viable alternative to the popular south dummy is the variable of traditionalistic political culture (Elazar 1966; Patterson 1968; Johnson 1976; Fitzpatrick and Hero 1988; Layman and Carmines 1997). Rooted in both current and historical trends in religious attendance, the traditionalistic culture variable is arguably a more direct measurement of state culture than simply its geographical placement. Traditionalistic political cultures are less politically inclusive, less efficacious, and have less politically knowledgeable electorates (Johnson 1976; Fitzpatrick and Hero 1988; Layman and Carmines 1997). All else being equal, states with traditionalistic political cultures are simply less likely to exhibit signs of quality governance and must be controlled for. Traditionalistic states are coded 1, and all others are denoted 0.

Gross state product (GSP) is an integral control for the state interest group diversity component of good governance. GSP alone comprises one third of the ESA-

model of interest group density (*see* Gray and Lowery 1996).[41] This variable represents the energy or resources of a state that are available for consumption. Consequently, states with higher GSP are likely to have more active interest groups across the board (Gray and Lowery 1994). However, GSP is inherently heteroscedastistic across the 50 states. Consequently, it is a state's GSP-squared that is included in the model and renders the correct functional form (Gray and Lowery 1996).

The final two demographic variables under consideration are a state's debt per capita and the state unemployment rate. With its strong negative relationship to year-end reserves, debt per capita (in millions) should be negatively related to a state's SGGI score.[42] Since debt may influence the capacity of a state to provide quality governance, it is a necessarily demographic control. The percent of a state's workforce facing unemployment may also impede quality governance. When the public is confronted with dismal economic conditions, it may be less likely join citizen groups or may simply demand policies that focus upon economic recovery at the expense of post-material issues.

Table 2 showcases the good governance model. By controlling for relevant institutional, ideological, and demographic factors, this study aims to disentangle the influences of citizen legislating by examining good governance from a more holistic perspective.

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[41] The ESA-model asserts that state interest group populations are largely a function of a state's energy (resources available for consumption), stability (stability of party control in government), and area. See Gray and Lowery (1994; 1996) for a detailed discussion of the ESA-model.
[42] There is much variation between the states in debt loads. This variation is readily observable on an annual basis. See any volume of the Book of the States for reports on state debt per capita.

**Table 2: Good Governance Holistic Model Summary**

| Variables (exp. sign) | Coding |
|---|---|
| *Key Explanatory* | |
| Citizen Legislating (+) | No. biennial ballot measures in a state |
| *Institutional  Influences* | |
| Legislative Professionalism (-) | Squire index of legislative professionalism (0 - 1) |
| Interparty Competition (+) | Abs (% House Dem - % House Rep) |
| Difficulty of Voter registration (-) | No. days before election voter registration closes |
| Divided Government (+) | Coded 1 if divided gov't is present in a state; coded 0 if unified gov't |
| State Legislative Term Limits (-) | Coded 1 if state leg. term limits are present in a given year; 0 if absent |
| *Ideological Considerations* | |
| Government Liberalism (-) | State Gov't Ideology Index (0-100); higher scores denote greater liberal. |
| Citizen Ideological Extremism (+) | Z-score of State Citizen Ideology Index (0-100); higher z-scores denote greater extremism |
| *Demographic Controls* | |
| % College Grads in State (+) | % state pop. that has a four year degree or higher |
| Traditional Political Culture (-) | Coded 1 for states with trad. political culture; and 0 if non-trad. |
| Gross State Product-squared (+) | GSP-squared by state and year in millions |
| State Debt Per Capita (-) | Dept per capita by state and year in millions |
| Unemployment (-) | % of state pop. that is classified by US Census Bureau as unemployed by year |

**Method**

Table 2 outlines the comprehensive regression model as well as the expected

relationship between the variables and quality governance. The study employs a pooled

cross-sectional design spanning 20 years (1980-2000). As is common in pooled models,

significant unit and time effects are present between the states. To correct for

heteroscedasticity and autocorrelation that is innate to the research design, the model is

run using a random-effects generalized-least squares regression (GLS). GLS is, in effect,

ordinary least squares (OLS) with a corrective weight term added which adjusts the

standard errors of the coefficients (Gujarati 1995, Ch. 11).

Econometric texts instruct that "in the presence of autocorrelation or

heteroscedasticity, GLS is preferable to OLS and produces unbiased estimators" (Gujarati

1995, 367). Moreover, a random-effects model assumes that the nature of

heteroscedasticity varies either by year or by value of the independent variables. That is

to say, the effects of heteroscedasticity are not fixed. An example of a fixed-effect is

gross state product, which is inherently heteroscedastistic (*see* Gray and Lower 1996) but

is readily corrected by including the squared values of state GSP. A random-effect, on the

other hand, is not as easily remedied, as the problematic error term changes in degree and

nature over time. Consequently, a random-effects GLS regression adjusts the standard

errors to produce a more statistically conservative test (Gujarati 1995, Ch. 11, 12). The

following model is run:

Good Governance = a + $b_1$(Citizen Legislation) – $b_2$(Legislative Professionalism)

$\quad$ – $b_3$(Difficulty of Voter Registration) + $b_4$(Divided Government)

$\quad$ – $b_5$(Legislative Term Limits) – $b_6$(Government Liberalism)

$\quad$ + $b_7$(Citizen Ideological Extremism) + $b_8$(% College Grads in State)

$\quad$ -- $b_9$(Traditionalistic Political Culture) + $b_{10}$(GSP$^2$)

$\quad$ – $b_{11}$(State Debt Per Capita) – $b_{12}$(State Unemployment) + $e_t$

# IV. RESULTS & DISCUSSION

A majority of extant research has held citizen legislation against one dependent variable, such as state fiscal health, at a time. Consequently, a myriad of conflicting conclusions have been drawn given citizen legislating a mixed reputation. When econometric models are limited to single or one-dimensional measures of governance, general theoretical conclusions on contemporary direct democracy are hard to come by. The key objective of this study is to model direct legislation against a holistic measure of governance and to allow for more general conclusions regarding its desirability.

## Key Explanatory Variable – Citizen Legislating

Citizen legislation, a state's ballot measure count, is positively associated with all four substantive and procedural indicators of good governance.[43] Table 3 examines the bivariate correlations for each of the four SGGI components with a state's biennial ballot measure count. The positive relationship with voter turnout holds (Smith 2001; Tolbert et al. 2003); as does its negative relationship with ideological distance (Schmidt 1989; Gerber 1996; Berry et al. 1998). Furthermore, when fiscal health is conceptualized as annual year-end reserves, rather than raw state spending data, direct legislation is modestly associated with a reigning-in of state fiscal management (Matsusaka 2004; 2008).

**Table 3: Bivariate Correlations, Citizen Legis. and SGGI Components, 1980-2000**

|  | Voter Turnout | Year-end Res. | Ideological Dist. | Int. Group Divers. |
|---|---|---|---|---|
| Citizen Legis. | 0.26 | 0.26 | -.23 | 0.21 |

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[43] It is negatively associated with ideological distance between a state's government and its citizenry. Thus, less ideological distance is equated to better quality governance.

Table 3 demonstrates, at best, a modest association between citizen legislating and each of the four governance indicators. However, it should not be concluded just yet that direct legislation exhibits only a minute effect upon governance.[44] When considering governance, this study proposes that the whole is greater than the sum of its parts. That is, when modeling governance, it must be considered as a single holistic construct. Citizen legislation is frequently on trial for influencing "the state of governance", for better or worse (Donovan and Bowler 1998; Smith 2001; Alexander 2002; Tolbert et al. 2003; Braunstein 2004; Matsusaka 2004). Yet, it is typically tried against pieces of "substantive" governance, state spending for instance, held in isolation from the theoretical whole. Moreover, critics rarely give due credit for its embodiment of "procedural" inclusiveness.

Once citizen legislation is held against a comparative and more holistic measure of good governance, its influence appears to be anything but modest. The Pearson's r correlation statistic between citizen legislation and the cumulative index is notably greater than any of the singular correlations found in Table 3 (r = .46). Findings from regression analysis are even stronger. Holding constant key institutional, ideological, and demographic control variables, GLS regression output in Table 4 reveals remarkably clear and coherent support for citizen legislating. As state ballot measures grow in number, the state obtains significantly higher SGGI scores. It is also particularly promising that each variable influences governance in the hypothesized direction. Table 4 contains the comprehensive Good Governance regression output. The coefficients help to paint a particularly robust portrait of the citizen legislator.

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[44] Granted, even if citizen legislating were limited to a "minute effect" on governance, this would still be a potentially fatal blow to critics of direct democracy.

**Table 4: Good Governance Regression, 1980-2000**

| Variables | Expected Sign | Model |
|---|---|---|
| *Key Explanatory* | | |
| Citizen Legislation | + | 1.68**<br>(.58) |
| *Institutional Influences* | | |
| Legislative Professionalism | - | - 30.61*<br>(17.95) |
| Interparty Competition | + | 2.83<br>(6.89) |
| Difficulty of Voter registration | - | - .17<br>(.19) |
| Divided Government | + | 22.30***<br>(1.93) |
| State Legislative Term Limits | - | - 4.07[t]<br>(3.25) |
| *Ideological Considerations* | | |
| State Government Liberalism | - | - .14**<br>(.05) |
| Citizen Ideological Extremism | + | 3.27[t]<br>(2.17) |
| *Demographic Controls* | | |
| % College Grads in State | + | 1.03***<br>(.33) |
| Traditional Political Culture | - | - 18.23***<br>(5.54) |
| Gross State Product-squared | + | 7.43e-11***<br>(1.69e-11) |
| State Debt Per Capita | - | - .004***<br>(.001) |
| Unemployment | - | - .30<br>(.52) |
| **N** | | **516.00** |
| **Wald Chi$^2$** | | **246.36***** |
| **R$^2$** | | **.46** |

*Cell entries are Random-effects GLS coefficients with robust standard errors in parentheses.*
*** $p < .001$; ** $< .01$; * $< .05$; [t] $< .10$ (one-tailed test)

Table 4 demonstrates that the addition of a single ballot measure to a state's biennial ballot moves that state's governance score up by nearly two points. Several states such as Oregon and California have frequently had as many as 18 ballot measures during a single election cycle. This equates to an increase of over 30 points in a state's governance score (a scale that maxes out at a total possible value of 200). From a holistic vantage point, citizen legislating is a significant mover of governance, both statistically ($p < .01$) and substantively; a potentially momentous finding that is lost when the cumulative influence of direct legislation is disregarded in favor of singular or one dimensional indicators such as state spending.

**Institutional Influences**

Interestingly, Table 4 shows state legislative professionalism as bearing a strong negative relationship with state SGGI scores ($p < .05$).[45] It should be reiterated that the Squire index ranges from 0 to 1 with decimals in between representing incremental shifts in professionalism. The variable's coefficient of -30.61 shows the movement along the good governance scale when a state goes from being perfectly amateur (Squire index score = 0) to perfectly professional (Squire index score = 1).

While it would certainly be unsubstantiated to call this significant coefficient for legislative professionalism an empirical test of Plato's theory of the philosopher king, it is nonetheless noteworthy that professionalism is negatively associated with state governance scores. Indeed, John Locke warns in his *Second Treatise of Government* that there is much danger in a legislative body that differentiates itself from its environment

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[45] Professionalism, moreover, positively correlates on average around r = .4 with a state's biennial ballot measure count (Banducci 1998). Given the potential for collinearity, that these variables both maintain their significance and hypothesized signs is a testament to their robustness.

(2005 [1690], 78-9). This tendency, Locke argues, increases in direct proportion to the length of time that a legislative body is "in one lasting assembly" (2005 [1690], 79). While unable to foresee the politics of electoral campaigns and continuous reelection efforts, Locke did forewarn that longer lasting legislative assemblies may come to see the interests of the legislator as distinct from the interests of the citizen. Consequently, it may produce policy that is not in accordance with the common good (79).

While positively associated with good governance as expected (r = .22), interparty competition fails to achieve statistical significance in the comprehensive model.[46] This is not innately problematic. The influence of interparty competition on governance is concerned with electoral repercussions of a nonresponsive government and with what that means for party control. Fortunately, much of the theoretical importance of interparty competition is also contained within the variable of divided government.

Ever controversial, divided government offers an interesting perspective on governance. Scholars have argued both sides of the aisle. Some assert that divided government begets gridlock, budget deficits, and minimal legislative productivity (Cox and Kernell 1991; McCubbins 1991). However, there is also evidence for the flipside. David Mayhew (1991) and Keith Krehbiel (1998) find little cause for alarm, arguing that divided government itself is not to blame for gridlock (as supermajorities are frequently needed to pass substantive legislation anyway) (*see also* Dodd and Schraufnagel 2008). Rather, divided government may result in more moderate public policies that are in closer alignment with the ideology of the public at large (Mayhew 1991; Fiorina 1996; Krehbiel 1998). The findings presented in Table 4 add tentative evidence to this debate. When

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[46] The difficulty of voter registration, a key explanatory variable of voter turnout, is also rendered insignificant when the comprehensive model is taken into account. However, the variable retains its expected negative association with good governance and correlates modestly (r = -.29).

cumulatively measured against turnout, fiscal health, interest group diversity, and ideological distance, divided government is associated with significant gains in the quality of governance. On average, states with divided government rate 22 points higher than those with unified government on the SGGI ($p < .001$). While the focal point of this research is citizen legislation, the divided government consideration adds additional color to the picture of good governance.

Perhaps an equally contentious variable, state legislative term limits is a marginally significant institutional influence on governance ($p < .10$). Scholars debate whether or not legislative terms limits induce greater government accountability or substantive representation (Bowman and Kearney 2002; Schraufnagel and Halperin 2006). There is evidence that term limits may actually increase the ideological distance between a state government and its citizenry, as incoming freshmen legislators may become more reliant upon interest groups for information and socialization to the legislative process (Moncrief and Thompson 2001). Moreover, there is evidence to suggest that the presence of state legislative term limits may serve as a modest depressant on aggregate state voter turnout (Nalder 2007). In Table 4, term limits is associated with a 4.07 point drop in a state's SGGI score, lending some credence to research that has cautioned against term limits as a quick and easy fix for government accountability (Moncrief and Thompson 2001; Schraufnagel and Halperin 2006; Nalder 2007).

## Ideological Considerations

Both ideological variables in Table 4 turn up significant relationships to governance. State government liberalism is strongly associated with lower SGGI values ($p < .01$). Simply, liberal governments spend more (Squire 1992; 1993; Bowman and Kearney 2002; Eckl 2007; Thatcher 2008). This bodes ill for both the year-end reserves and ideological distance components of the SGGI. Moreover, greater spending may also translate into larger state agencies and bureaucratic networks marked by incrementalism. Elaine Sharp (1999, Chs. 3 & 8) warns that policies typified by liberal (as opposed to moderate or conservative) governments are at increased risk for following a Downsian sequence.[47] Government liberalism scores range from 0 to 100 (*see* Berry et al. 1998). The highest liberalism score that appears in the dataset is 97 and the smallest is 0. According to this model, movement from the most conservative (0) to most liberal government score (97) results in a near 14 drop in a state's SGGI value.

Citizen ideological extremism, on the other hand, is positively associated with higher quality governance with a marginally significant coefficient of 3.27 ($p < .10$). On average, an electorate that is strong in its ideology is also strong in efficacy (Hanson 1980; Iyengar 1980; Hill and Leighley 1993). That is to say, an ideological public tends to possess the resources needed to be an involved public (Almond and Verba 1989; Brady, Verba, and Schlozman 1995; Rosenstone and Hansen 2003). Efficacious electorates may impose greater accountability on the governing process within a state

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[47] These policies include affirmative action and welfare programs run by state agencies (Sharp 1999). The Downsian sequence is also termed "path dependence" (Baumgartner and Jones 1993; Sharp 1999). The sequence refers to the process by which a public policy becomes incrementally ingrained in a state's administrative landscape that eventually its scope moves out of alignment with public support and ideology. More importantly, the sequence is not self-correcting. That is, once policy steps outside the zone of acquiescence, the public is still unable to bring policy back in line (Sharp 1999).

(Hanson 1980). Indeed, there is modest support for this proposition in Table 4. The citizen ideological extremism variable is merely the absolute value of a standardized z-score measure for each state's Citizen Ideology score (*see* Berry et al. 1998) that ranges from 0 to 3. The idea is that the conservatism or liberalism of a state population does not matter to the extent that the degree of the ideology does. As a public becomes more ideological (as its value moves from 0 to 3), the SGGI score for the state increases by nearly 10 points.

## Demographic Controls

Finally, the results from the four contextual control variables are examined. The first variable captures how educated a state electorate is. It is the percent of a state population that has achieved a four year degree or greater. As expected, education is a highly significant control variable ($p < .001$). As a state moves from the lowest value that appears in the data (2.2%) to the greatest (34.6%), the state's SGGI value climbs nearly 34 points, indicating the necessity of controlling for educational disparities among the states in studies of governance.

The influence of aggregate state political culture is also telling. Specifically, the presence of a traditionalistic culture is associated with an 18.23 drop in a state's SGGI value ($p < .001$). Citizenries within traditionalistic cultures, on average, pay less attention to government, turnout to vote less often, and are not as efficacious as are their non-traditionalistic counterparts (Patterson 1968; Sharkansky 1969; Weissberg 1975; Almond and Verba 1989). Traditionalistic culture correlates with state education levels ($r = .38$). The significance levels of these two variables are a testament to their robustness.

The final three variables control for disparate economic conditions between the states. Historic financial conditions exert comparable pressure on the state of governance as do the more dynamic institutional settings such as citizen legislation or legislative professionalism. It is particularly important that a state's GSP-squared be held constant (Gray and Lowery 1994; 1996).[48] The $GSP^2$ values for each state are measured in the hundred-billions. Thus, the 7.69e-11 coefficient in Table 4 is substantively miniscule ($p < .001$). However, omitting GSP from the model would induce bias into the model given its strong ties to both interest group diversity and state fiscal health. Related, a state's debt per capita is a significant influence ($p < .001$) on year-end reserves component of the SGGI (Eckl 2007; Thatcher 2008). Logically, it appears that state's with greater debt loads are forced into lower brackets of quality governance by having fewer resources available for consumption and policy implementation (Gray and Lowery 1996).[49] Lastly, aggregate state unemployment is held constant. Unemployment has appeared in both the voter turnout (Jackson 1996; McDonald and Popkin 2001) and state fiscal health literature (Matsusaka 1995; 2004; 2008; Thatcher 2008). While negatively associated with a state's SGGI value, as expected, the variable does not achieve statistical significance in the comprehensive model (Table 4).

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[48] Gray and Lowery (1994; 1996) instruct that due to the inherently heteroscedastistic nature of gross state products, the squared values should be employed to achieve the correct functional form.

[49] It should be noted that a state's ballot measure count is statistically unrelated to debt per capita despite the preponderance of such allegations (Matsusaka 2008).

## Test for Robustness

As a test for robustness, the SGGI is split into its substantive and procedural dimensions and regressed against the key explanatory variable of citizen legislating, measured by a state's biennial ballot measure count. Table 5 contains the output of a random-effect GLS-regression with robust standard errors for a state's biennial ballot measure count and substantive good governance. The substantive component of the SGGI includes data for year-end reserves and ideological distance between the government and the citizenry. This smaller index ranges from 2 to 100, where higher values are optimal for substantive governance. In Table 5, citizen legislation remains a significant explanatory variable in both simplified regression models. The maximum value for a biennial ballot measure count that appears in the dataset is 18. As a state moves from having no initiatives or popular referendums to having the maximum number of measures (18) on the ballot, the substantive component of the SGGI increases by nearly 15 points.

**Table 5: Substantive Good Governance Bivariate Regression, 1980-2000**

| *Variable* | *Exp. Sign* | *Coefficient* |
|---|---|---|
| Citizen Legislation | + | .81** (0.43) |
| N | | 550 |
| Wald Chi$^2$ | | 994.22*** |
| R$^2$ | | 0.02 |

*Cell entries are Random-effects GLS coefficients with robust standard errors in parentheses.*
*** $p < .001$; ** $< .01$; * $< .05$; $^t < .10$ (one-tailed test)

Table 6 contains the results of a similar bivariate regression performed on the procedural component of the SGGI. As expected, ballot measures remain strongly related to the procedural dimension of governance, which includes interest group diversity and

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voter turnout.[50] In fact, the degree of citizen legislation that is present within a state explains just over 7% of the variation in the dependent variable. Within the procedural dimension (also ranging from 2 to 100), as a state moves from having no direct legislation to having 18 measures biennially, its procedural score increases over 22 points.

**Table 6: Procedural Good Governance Bivariate Regression, 1980-2000**

| *Variable* | *Exp. Sign* | *Coefficient* |
|---|---|---|
| | | 1.24*** |
| Citizen Legislation | + | (0.32) |
| | | |
| N | | 516 |
| Wald Chi$^2$ | | 15.16*** |
| R$^2$ | | 0.07 |

*Cell entries are Random-effects GLS coefficients with robust standard errors in parentheses.*
*** $p < .001$; ** $< .01$; * $< .05$; $^t < .10$ (one-tailed test)

When governance is viewed comparatively (across similar units) and as a whole, direct legislation appears to be an asset rather than a liability to a democratic system. Moreover, this relationship holds even when the SGGI is split into its two theoretical dimensions, substantive and procedural governance. Tables 5 and 6 are offered as a validity check for the comprehensive regression model (*see* Table 4). That is, what holds in the SGGI model of Table 4 also holds when the model is broken down into its component parts. Each of the regression analyses contribute to the overall robustness of the key explanatory variable, citizen legislation. Of all the variables in Table 4, a state's

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[50] It should be noted that the different N for Table 6 is the result of missing state-level data for interest group systems. Gray and Lowery (1996) note this in *The Population Ecology of Interest Representation* but assert that it does not skew the findings drawn from the data (255-8).

ballot measure count bears one of the strongest relationships to governance, both statistically and substantively in terms of the magnitude of the variable's coefficient.

## Citizen Legislating and Good Governance

Table 7 exhibits the state SGGI scores for each decade of analysis. States are ranked in accordance with their 1980-2000 average values. Over 20 years, Alaska, Wyoming, and Oregon achieved the highest mean governance values. Alaska and Wyoming frequently rank in the top five annually for having the most year-end reserves and highest interest group diversity. Coupled with the relative homogeneity of the two states, diverse interest group systems engender greater inclusiveness and a more expansive scope of conflict (Schattschneider 1960). Oregon places annually among the top three states for having the highest voter turnout and lowest ideological distance. Among those with the lowest average SGGI scores are South Carolina, Kentucky, and Pennsylvania. South Carolina and Kentucky have had remarkably low voter turnout, often with fewer than 33% of the electorate turning out during even year elections, and high ideological distance between the state government and its citizenries. Pennsylvania is plagued by low interest group diversity where the ratio of citizen to economic groups is miniscule. Both the Keystone and Buckeye States[51] are marked by poor fiscal health which manifests through lower year-end reserves. It is noteworthy that the three states ranked highest on governance are each active users of the initiative and popular referendum. In contrast, the bottommost seven states on Table 7 do not actively employ direct legislation.

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[51] Pennsylvania and South Carolina are commonly called the Keystone State and Buckeye State, respectively.

These examples help to elucidate the dynamic and multi-dimensional construct of governance. For instance, studies that focus solely upon its substantive dimension, fiscal health for instance, may conclude that State X has low year-end reserves and thus is poorly governed. Alternately, if the focal point is on voter turnout, scholars may see that State X has high participation rates and must therefore be governed well. A problem with such piecemeal approaches is that the multi-faceted construct of governance is erroneously treated as having only a single dimension. The SGGI is offered as a tentative first step towards developing a more holistic and theoretically consistent approach in assessing the desirability of citizen legislation.

**Table 7: Good Governance Rankings by State**

| | State | 1980s | 1990s | 1980-2000 |
|---|---|---|---|---|
| **Good Governance** | Alaska | 149 | 176 | 162 |
| | Wyoming | 156 | 156 | 156 |
| | Oregon | 143 | 160 | 152 |
| | Montana | 154 | 140 | 147 |
| | Minnesota | 125 | 166 | 146 |
| | North Dakota | 161 | 117 | 139 |
| | Colorado | 121 | 149 | 135 |
| | Maine | 133 | 134 | 134 |
| | Nebraska | 131 | 136 | 133 |
| | Iowa | 128 | 134 | 131 |
| | Idaho | 136 | 125 | 130 |
| | Kansas | 133 | 126 | 130 |
| | New Mexico | 126 | 122 | 124 |
| | South Dakota | 132 | 109 | 120 |
| | Delaware | 126 | 103 | 115 |
| | Rhode Island | - | 111 | 111 |
| | Nevada | - | 109 | 109 |
| | Missouri | 113 | 104 | 109 |
| | Wisconsin | 103 | 110 | 107 |
| | Vermont | 114 | 98 | 106 |
| | Massachusetts | 108 | 102 | 105 |
| | Connecticut | 112 | 97 | 104 |
| | Washington | 97 | 109 | 103 |
| **Mean** | Mississippi | 96 | 106 | 101 |
| | California | 85 | 116 | 100 |
| | Louisiana | 110 | 88 | 99 |
| | Alabama | - | 96 | 96 |
| | Oklahoma | 92 | 99 | 95 |
| | Michigan | 91 | 97 | 94 |
| | Illinois | 103 | 84 | 93 |
| | Indiana | 87 | 93 | 90 |
| | Virginia | 86 | 91 | 89 |
| | Florida | 67 | 108 | 88 |
| | Utah | - | 87 | 87 |
| | Ohio | 86 | 85 | 86 |
| | West Virginia | - | 85 | 85 |
| | New Jersey | 100 | 62 | 81 |
| | Texas | 85 | 76 | 81 |
| | North Carolina | 84 | 77 | 80 |
| | Arizona | 81 | 78 | 80 |
| | Hawaii | - | 77 | 77 |
| | Georgia | 77 | 77 | 77 |
| | Arkansas | 92 | 58 | 75 |
| | Tennessee | 84 | 66 | 75 |
| | New York | 72 | 78 | 75 |
| | Maryland | 82 | 67 | 75 |
| | New Hampshire | 71 | 71 | 71 |
| | South Carolina | 47 | 85 | 66 |
| | Kentucky | 69 | 63 | 66 |
| **Poor Governance** | Pennsylvania | - | 54 | 54 |

*Note: A dash denotes missing data in the citizen group component of the index. Where data are missing, scores are not calculated as this would render a misleadingly lower SGGI score overall.*

Ultimately, what do these results contribute to the theory of governance? Can good governance be attained achieved when there is citizen lawmaking? If so, what might this theoretical picture resemble? The findings presented in this study offer tentative imagery of such a state. Good governance is marked by an efficacious and ideological electorate that frequently legislates directly under divided government. Government itself is marked by lower levels of institutionalization and less differentiation from its environment. Under the banner of representative democracy, governance that strays from public accountability cannot be good governance. It burgeons when the public is informed, and more importantly, involved. The results presented here unanimously indicate that overall, the electorate does seem capable of making beneficial public policy decisions. And interestingly enough, one of the most helpful roles government can assume appears to be one of restraint. The findings underlie a contemporary story of governance as well as strong statistical and theoretical evidence that citizen legislation is a desirable facet in democratic society.[52]

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[52] See Appendix E for an alternative holistic model that employs the traditional dummy variable capturing whether or not the initiative process is available in the state. These model findings serve as a validity check on this study's primary regression analysis.

# V. CONCLUSION

This study offers a new theoretical construct and an empirical test of questions surrounding the desirability of citizen lawmaking: Is citizen legislation beneficial to the governing process? Does direct legislation serve as a quality input into a governing system? Or, as critics charge, are citizen legislators with their limited  knowledge of government and public policies more of a liability to good governance? It is a classic question of rule with origins that predate political science as an academic discipline. On one end of the spectrum are those who argue that lawmakers must be philosopher kings or at the very least, knowledgeable elites (Plato [360 B.C.E.] 1997; Burke [1770] 1999). On the opposing side sit those who herald that liberty and equality can only occur under rule by the people (Rousseau [1762] 1988). Unavoidable in these questions of rule are questions of the 'good.' Whether it is best achieved through rule by elites or average citizens, the endgame for both camps is the slippery and empirically elusive construct of good governance.

Good governance is both substantive and procedural (Rousseau [1762] 1988; Plato [360 B.C.E.] 1997; Habermas 1998; Dahl 2005; Rawls 2005). It is a process (see Figure 4) that produces beneficial public policies and a healthy state of the union (Easton 1971), as well as public inclusiveness through a constant expansion of the scope of conflict (Schattschneider 1960). As noted earlier, good governance may be more readily identifiable by its symptoms than its theoretical essence. Consequently this study proposed four indicators of governance, two representing its substantive dimension (Rawls 2005) and two from its procedural component (Warren 1993; Habermas 1998). Taken together, these four variables comprise empirical indicators of both substantive

and procedural governance. Moreover, when the fifty states are ranked biennially on voter turnout, year-end reserves, interest group diversity, ideological distance between the government and its citizenry, their rankings can be combined together to form a multi-dimensional index of good governance. The values of the index allow us to discern whether citizen legislating produces a progressive or degenerative association with the equilibrium of a political system (Lakatos 1970, 48-52; Easton 1971, 268-74). Figure 4 below outlines the systems theory approach to governance.

**Governance**

```
                    Inputs                              Outputs
                   (Citizen          Political System   (Public
                  Legislation)                          Policies)
```

Political Environment
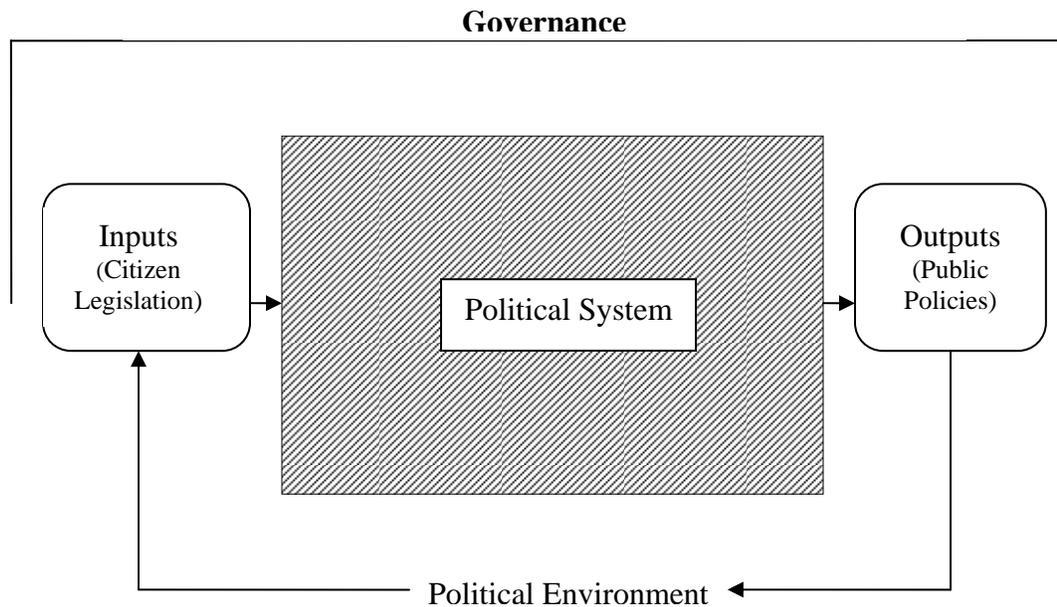
**Figure 4: Systems Theory Model of Governance**

As evidenced by Figure 4, good governance is the process by which outputs from the political system influence the political environment to produce quality inputs into the system. Each cycle moves the process forward towards a continuously improving slate of inputs and demands, or at the very least a "non-degenerative equilibrium" (Easton 1971,

268-72). The central question at hand, the degree to which citizen legislating is associated with good governance, is ultimately an inquiry as to whether citizen rule serves as a positive or negative demand on the political system. The findings of this study indicate that direct democracy is both a significant and beneficial input into the governing process. Controlling for factors such as legislative professionalism, divided government, state legislative term limits, government liberalism, citizen ideological extremism, state education levels, political culture, gross state product, state debt per capita, and state unemployment rates, direct legislation has both a significant and positive association with indicators of good governance. This finding holds when the operationalization of citizen legislation is changed from the preferred ballot measure count to the more traditionally employed dummy variable capturing whether the initiative process is available in a state. In all, the relationship is robust and holds up throughout all model specifications.[53]

These finding are not suggesting that the public should act as the sole source of new legislation in the American states. Rather, these results strongly indicate that among the myriad of inputs and demands placed upon a political system, citizen legislation is makes a quality contribution to the governing process. Indeed, there is both theoretical and empirical evidence to suggest that when citizens operate as legislators, the very act of legislating directly is transformative, improving the electorate's sense of efficacy as well as its understanding of both public policy and its own role in government (Lupia 1994; Tolbert, McNeal, and Smith 2003; Lupia and Matsusaka 2004; Matsusaka 2004; Smith and Tolbert 2004; 2007).

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[53] See Appendix E for the results from a random-effects GLS regression that substitutes a dummy variable for ballot measure count. The initiative state dummy variable remains significant and positively associated with state SGGI scores. However, the relationship is weaker likely due to the muted effect of the dummy variable on the substantive component of governance; as institutional presence of the initiative or popular referendum does not guarantee use.

It is important to note, the contribution of direct democracy to the overall governing process may outweigh any single benefit associated with a particular ballot measure's public policy mandate. Most recently, state initiatives banning gay marriage during the 2008 general election have been deemed discriminatory and bigoted by minority activists (Yi 2008, A1). Critics argue that this is simply the latest installation of detrimental public policy to emerge from the initiative process (Yi 2008, A1); that citizen legislating cannot possibly be 'good' for governance when it produces such adverse public policies (Ellis 2002, Chs. 4-5). In this instance, a strictly linear examination of Point A (initiatives as input) to Point B (marriage bans as output) may support this conclusion. However, it is imperative to consider the influences of citizen legislation on the process of governance as a whole.

Following the passage of a marriage protection amendment in the state of Florida (Amendment 2) newly formed gay rights groups registered as active lobbying forces in Tallahassee during the succeeding workweek (Associated Press 2008). Amendment 2, though arguably a discriminatory policy in and of itself, effectively expanded the scope of conflict, spawning the formation of additional citizen groups, which served to further diversify the state's interest group population, thus improving representativeness. Citizens began writing letters to their member of Congress, governors, and state legislators, protesting the measure, becoming informed, publicly discussing the implications of the policy (Associated Press 2008). In short, the measure has people talking. Comparable indirect effects have also followed the passage of English-only amendments (Schildkraut 2001) and Indian gaming laws (Boehmke et al. 2006). Ballot measures frequently induce greater issue awareness and stimulate informed public

participation that reshapes the political environment over time (Tolbert, McNeal, and Smith 2003, 23; Matsusaka 2004, Ch. 7).

It is precisely this influence on the political environment that scholars have referred to as the "educative effect" of citizen legislation (Howe 1915; Smith and Tolbert 2004; 2006; 2007). The findings presented here join the host of extant literature, offering a resounding 'yes' to a longstanding question of political science; do citizen legislators move us closer to a state of good governance?

The beneficial contributions of direct democracy often go unseen; particularly, when we limit the focus of our studies to singular government outputs (see Figure 4). However, when we pan back to examine the influences of direct legislation on the governing *process*, it emerges as a quality input into the political system, an asset rather than a liability. When citizens act in the capacity of legislators, "it can lead to constant discussion, to a deeper interest in government, and to a psychological conviction that a government is in effect the people themselves. And perhaps this is the greatest gain of all" (Howe 1915; Smith and Tolbert 2006, 36). This study serves as additional evidence in support of the contributions made by direct legislation and for the citizens that have taken the initiative on the road to good governance.

# APPENDIX A: VOTER TURNOUT MODEL

Voter turnout remains one of the most heavily studied topics in political science. Many of the studies construct elaborate empirical models with a multitude of explanatory variables. However, there are five independent variables that stand out as the core of most studies: educational attainment of the electorate, difficulty of voter registration, state unemployment rate, political culture, and interparty competition. Table 8 outlines the regression output for voter turnout.[54]

Higher educational attainment within a state is strongly associated with greater political participation, including turning out to vote (Rosenstone and Hansen 2003). Table 8 demonstrates that as the percent of a state's residents that have a bachelor's degree or higher increases, voter turnout rises as well, and is significant at $p < .001$. As a state moves from the minimum educational attainment value that appears in the data (2.2%) to the maximum value (35%) turnout increases by nearly ten percentage points.

Moreover, as citizen face greater difficulty in registering to vote, they are less likely to turnout come election day regardless of educational attainment (Jackson 1996). Difficulty of voter registration is popularly operationalized by the number of days before an election in which registration closes (Jackson 1996). Table 8 evidences a strong negative relationship between difficulty of voter registration and voter turnout ($p < .01$). Difficulty of voter registration also has the capacity to lower turnout by ten percentage points over the course of its full range of values that appear in the dataset.

Unemployment rates for each of the states are acquired from the State Politics and Policy Data Center.[55] Unemployment is measured as the percent of a state's total employment pool that is currently out of work (State Politics and Policy Data Center

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[54] It is noteworthy that each of the variables in the appendices are operationalized and measured identically in the appendices are they are in the research design.
[55] Data is available at the SPPQ website: http://www.ipsr.ku.edu/SPPQ/links.shtml.

2008). It is expected that greater unemployment is typically indicative of poor economic conditions at the state and local level. In times of economic trouble or uncertainty, voter turnout has been known to increase as the electorate rallies with renewed political interest in government policy (Arceneaux 2003). Table 8 offers support for such a relationship ($p < .01$).

Political culture is also thought to weigh heavily on voter turnout (Elazar 1966; Hanson 1980). Specifically, Daniel Elazar's (1966) conceptualization of a "traditionalist" culture is a pertinent control. Traditionalist cultures congregate disproportionately in the south and are typically marked by less efficacious electorates that turnout to vote less frequently than the national average (Elazar 1966; Sharkansky 1969; Johnson 1976; Layman and Carmines 1997). Therefore, there is strong reason to expect lower voter turnout among these states than with the non-traditionalist counterpart (Johnson 1976). Indeed, a state that may be classified as having a traditionalistic political culture has, on average, nearly eight percentage points lower voter turnout than a nontraditionalistic state.

Finally, interparty competition is also thought to be a theoretically important mover of voter turnout (King 1994; Jackson 1996; Rosenstone and Hansen 2003). Interparty competition is ultimately an issue of mobilization. Consequently, its positive coefficient in Table 8 is consistent with the literature. However, given the simplified operationalization of the variable, its significance may be muted.[56]

The following model is run:

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[56] The sophisticated measurement of choice, the Major Party Index (Ceasar and Saldin 2005) is not available for the 1980s. Moreover, the Ranney index is calculated to include a measure of party competition over time. Thus, this traditional index would not have allowed for much variation within the variable as it is available on a per decade basis.

*Voter Turnout = (Constant) + b₁ (State Education Level)*

$$\textit{- b}_2 \textit{ (Difficulty of Voter Registration) + b}_3 \textit{ (State Unemployment)}$$

$$\textit{- b}_4 \textit{ (Traditionalist Political Culture) + b}_5 \textit{ (Interparty Competition)+ e}_t$$

**Table 8: Voter Turnout Simplified Regression, 1980-2000**

| *Variables* | *Exp. Sign* | *Model* |
|---|:---:|:---:|
| Percent Pop. College Graduates | + | .003***<br>(.001) |
| Difficulty of Voter Registration | - | .002**<br>(.001) |
| Unemployment Rate | + | .005**<br>(.002) |
| Traditionalist Political Culture | - | -.074***<br>(-0.014) |
| Interparty Competition | + | .01<br>(.02) |
| N | | 550 |
| Wald Chi$^2$ | | 8226.70*** |
| R$^2$ | | .25 |

*Cell entries are Random-effects GLS coefficients with standard errors in parenthesis.*
*** $p < .001$; ** $< .01$; * $< .05$; $^t < .10$

# APPENDIX B: YEAR-END RESERVES MODEL

A state's fiscal health is the result of a myriad of social, political, and economic conditions in any particular year. However, a simplified theoretical model posits that year-end reserves are a function of government liberalism, state debt per capita, state unemployment, and legislative professionalism.

Government liberalism is operationalized by the Government Ideology Index (see Berry et al. 1998), which ranges from 0, indicating conservatism to 100 which represents liberalism. The index is constructed by weighting the policy stances and subsequent interest group ratings of each state's major parties and congressional candidates. Logically, it is expected that more liberal governments tend to spend more (Berry et al. 1998). Consequently, there will likely be fewer year-end reserves among these states.

Furthermore, it is proposed that greater state debt per capita will also play a role in reducing year-end reserves. On the surface it would seem that states bearing greater debt would apportion more annual revenue to paying down its indebtedness. However, as a control variable for year-end reserves, as a state's debt load increases during the year, it represents reserves that are not being used to pay down debt. Thus, the positive albeit insignificant relationship in Table 9 is expected.

Regarding state unemployment, it is expected that higher state unemployment will engender either increased government spending or reduced revenue. Consequently, government may opt to compensate those disadvantaged by the economic downturn or to provide tax relief to individual home or business owners during times of high unemployment. Table 9 outlines this relationship. Year-end reserves tend to fall significantly ($p < .001$) as unemployment within a state rises.

State legislative professionalism is expected to negatively influence year-end reserves. While, more professionalized legislatures are not necessarily more liberal, they do tend to spend more funds annually on public policies, specifically greater welfare spending (Squire 1992; 1993; Banducci 1998; King 2000; Maestas 2000; Bowman and Kearney 2002). Indeed, as a state's Squire index value moves from 0 to 1, year-end reserves fall significantly ($p < .001$).

The following regression analysis is run:

*Year-end Reserves = (Constant) – $b_1$ (Government Liberalism)*

*- $b_2$ (State Debt Per Capita) - $b_3$ (State Unemployment Rate)*

*- $b_4$ (State Legislative Professionalism)*

**Table 9: Year-end Reserves Simplified Regression, 1980-2000**

| *Variables* | *Exp. Sign* | *Model* |
|---|---|---|
| Government Liberalism | - | - .01 |
| | | (.01) |
| State Debt Per Capita | + | .001 |
| | | (.001) |
| Unemployment Rate | - | - 1.29*** |
| | | (.17) |
| State Legislative Professionalism | - | - 14.95*** |
| | | (3.94) |
| N | | 550 |
| Wald Chi$^2$ | | 165.01*** |
| R$^2$ | | .13 |

*Cell entries are random effects GLS coefficients with robust standard errors in parenthesis.*
*** $p < .001$; ** $< .01$; * $< .05$; [t] $< .10$

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# APPENDIX C: STATE INTEREST GROUP DIVERSITY MODEL

The diversity of a state's interest group population is linked to the notion of more expansive interest representation. With a noted class bias in political participation, having a more diverse array of hands vying for public policies marks a step towards better governance (Schattschneider 1960; Rosenstone and Hansen 2003). The category of citizen groups is inherently miscellaneous (Geber 1999; Braunstein 2002; Boehmke 2002; 2005a). Citizen groups may represent moral issues, law enforcement, taxation, education, or environmental concerns. Consequently, as citizen groups become a larger proportion of a state's interest group population, it may be said that the interest group system is diversifying.

Within the simplified model in Table 10, two explanatory and two control variables are regressed against the percent of a state's interest group system that is comprised of active citizen groups. The first factor considered is gross state product squared (Gray and Lowery 1994; 1996). While the dependent variable in this model is calculated from the raw data of total citizen groups active within a state, the two must be differentiated. Interest group diversity is a gauge of how balanced a state's interest group system is between economic and citizen representation (Boehmke 2005a). However, the ESA model of interest group density necessitates a control for state "energy" (Gray and Lowery 1996). Energy is represented by gross state product squared. Without the resources needed to sustain interest groups within a state, both economic and citizen group numbers will decline. The positive and significant coefficient in Table 10 supports the findings of Gray and Lowery (1994; 1996).

A second control variable is whether or not a state may be classified as having a traditionalistic political culture (Elazar 1966). Such states have electorates that are, on

average, less involved or aware of politics and public policies (Elazar 1966; Sharkansky 1969). From this one may expect a less expansive scope of conflict and interest representation among states with traditionalistic political cultures. While the regression output in Table 10 outlines a negative association between traditionalistic political culture and state interest group diversity, the relationship is not statistically significant.

As single party control of the state legislative and governorship gives way to divided government, it is likely that a more expansive slate of interests will make the political agenda (Downs 1957; Mayhew 1991). Consequently, within states with divided government there may simply be less need for outside mobilization strategies such as citizen group formation, as government may represent a more diverse array of issues and concerns under divided government. The significant negative coefficient in Table 10 provides support for this hypothesis.

Finally, states with ideologically extreme electorates will likely have more diverse interest group systems as a function of greater activism within the state (Rosenstone and Hansen 2003). That is, coherent and extreme ideology is associated with more political activity on average. Ideological citizenries are efficacious and active in the political system. The significant and positive coefficient for citizen ideological extremism in Table 10 supports this claim. An increase of one standard deviation in a citizenry's ideological extremism is associated with a two percentage point increase in the diversity of the state's active interest group system. The following model is run:

*State Interest Group Diversity = (constant) + $b_1$ (Gross State Product)*

$- b_2$ *(Divided Government) – $b_3$ (Traditionalist Culture)*

$+ b_4$ *(Citizen Ideological Extremism)*

**Table 10: State Interest Group Diversity Simplified Regression, 1980-2000**

| Variables | Exp. Sign | Model |
|---|---|---|
| Gross State Product Squared | + | 4.14e-13*** (5.53e-14) |
| Traditionalist Political Culture | - | - .01 (.006) |
| Divided Government | - | - .01* (.00) |
| Citizen Ideological Extremism | + | .02*** (.005) |
| N | | 515 |
| Wald Chi$^2$ | | 176.09*** |
| R$^2$ | | .20 |

*Cell entries are random effects GLS coefficients with robust standard errors in parenthesis.*
*** $p < .001$; ** $< .01$; * $< .05$; [t] $< .10$

# APPENDIX D:  GOVERNMENT-CITIZEN IDEOLOGICAL
# DISTANCE MODEL

In representative democracies, the issue of substantive representation remains at the forefront of political research. That is, the ideology of the electorate and its entailing policy concerns should generally be reflected in its elected representatives (Burke [1770] 1999).[57] Thus, ideological distance between the government and its citizen should be minimal. Greater ideological distance is seen as detrimental even for Burkean-trustee adherents. Elites are still able to craft policy in accordance with their expertise, provided it is comparable to the broader ideological values of those who elect them. Representatives with an ideology that is radically divergent from their constituencies runs counter to the idea of representative democracy.

States with professionalized legislatures should have, on average, less ideological distance between the government and the citizenry. Legislative professionalism entails increased government capacity and is linked to the fostering of constituency services (Hibbing 1986; Fiorina 1989; 1999; Maestas 2000; Bowman and Kearney 2002; Squire 2007). Overall, professionalized legislative bodies are more attentive and in tune with their constituencies out of the desire for re-election or progressive ambition (Maestas 2000; Squire 2007). Table 11 show a significant ($p < .05$) and negative relationship the dependent variable and legislative professionalism. A movement from 0 to 1, that is from an amateur to professional legislative body, lowers the average ideological distance value by over 10 points.

Studies to date have found that state legislative term limits may actually exacerbate the problem of ideological distance (Moncrief and Thompson 2001; Bowman

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[57] It should be noted that this does not entail representatives following in lock-step with public opinion; only that the broader ideology of their constituency is effectively represented. In this way, the desired minimal ideological distance between government and the citizenry holds for both the delegate and trustee models of representation.

and Kearney 2002; Schraufnagel and Halperin 2006). Term limits may in fact proffer the power of interest groups who understand the workings of a political system better than the incoming freshman legislators, who must rely upon these groups for information and contacts (Moncrief and Thompson 2001). The positive and significant coefficient in Table 11 evidences a modest relationship between term limits and ideological distance between the government and its citizenry.

Another key variable to be included is citizen ideological extremism. An ideological electorate is also one that is more likely to keep government in line with its own ideology (Rosenstone and Hansen 2003). Table 11 outlines that as a citizenry moves up one standard deviation in ideological extremism, the state's ideological distance score falls by nearly 5 points ($p < .001$). The idea behind citizen ideological extremism is that a more active and aware electorate is more likely to keep its representative system representative.

Finally, political culture is controlled. Evidence suggests that government responsiveness and representativeness may also be a feature of whether or not a state's culture is traditionalistic (Elazar 1966; Sharkansky 1969). These states possess electorates that are, on average, less informed and less involved in the political process (Elazar 1966). Therefore, there is simply less likelihood that ideological distance will be punished or corrected during elections. The following regression analysis is run:

*Ideological Distance = (constant) – $b_1$ (State Legislative Professionalism)*

*+ $b_2$ (Term Limits) – $b_3$ (Citizen Ideol. Extremism)*

*- $b_4$ (Traditionalist Political Culture)*

**Table 11: Government-Citizen Ideological Dist. Simplified Regression, 1980-2000**

| Variables | Exp. Sign | Model |
|---|---|---|
| State Legislative Professionalism | - | - 10.43* (4.74) |
| State Legislative Term Limits | + | 4.00** (1.31) |
| Citizen Ideol. Extremism | - | - 4.53*** (.77) |
| Traditionalist Political Culture | + | .70 (1.38) |
| N | | 550 |
| Wald Chi$^2$ | | 521.43*** |
| R$^2$ | | .09 |

*Cell entries are random effects GLS coefficients with robust standard errors in parenthesis.*
*** $p < .001$; ** $< .01$; * $< .05$; [t] $< .10$

# APPENDIX E: ALTERNATE GOOD GOVERNANCE MODEL
## (Dummy Variable Regression)

Traditional models of direct legislation employ a dummy variable as the key explanatory variable, capturing whether or not the initiative process is available in a particular state (Tatalovich 1995; Gerber 1996a; 1996b; Tolbert and Hero 1998; Zavodny 2000; Schildkraut 2001; Boehmke 2005a; 2005b). While this provides for a clean empirical test, it may muffle the true explanatory weight of citizen legislation on two accounts. First, operationalizing direct legislation as a dummy variable will likely mute the potential effects upon the substantive component of good governance. Institutional availability of the initiative does not necessarily entail use. Consequently, a state may be coded 1 for having the process and yet its biennial ballot measure count may be zero. With no actual measures on the ballot, the substantive influences are not picked up by the model. Second, the dummy variable typically does not include popular referendums. Until recently, the Initiative and Referendum Institute collected data only on citizen initiatives. Historically, the initiative process has been the main focus of direct legislation research; and rightly so, as most ballot measures in the states are in initiatives. However, ignoring popular referendums, which are by definition citizen initiated statutory reform, may also distort empirical models. Simply put, when discussing citizen legislation, all citizen initiated legislation must be considered.

As a validity check on this study's holistic governance model, the effort is made to substitute this traditional dummy variable for the ballot measure count. Table 12 contains the GLS-regression output for the alternative model. No variables have been changed except for the key explanatory variable (biennial ballot measure count). Reassuringly, none of the variables change signs, and few change significance levels. The R-squared value remains constant, and statistically, nothing is lost.

**Table 12: Good Governance Dummy Regression, 1980-2000**

| Variables | Expected Sign | Model |
|---|:---:|:---:|
| *Key Explanatory* | | |
| Initiative available in state? | + | 13.84** |
| | | (5.09) |
| *Institutional Influences* | | |
| Legislative Professionalism | - | - 32.56** |
| | | (18.02) |
| Interparty Competition | + | 3.73 |
| | | (6.89) |
| Difficulty of Voter registration | - | - .19 |
| | | (.19) |
| Divided Government | + | 22.67*** |
| | | (1.91) |
| State Legislative Term Limits | - | - 3.08 |
| | | (3.12) |
| *Ideological Considerations* | | |
| State Government Liberalism | - | - .13** |
| | | (.05) |
| Citizen Ideological Extremism | + | 3.38* |
| | | (2.17) |
| *Demographic Controls* | | |
| % College Grads in State | + | 1.17*** |
| | | (.34) |
| Traditional Political Culture | - | - 16.75** |
| | | (5.59) |
| Gross State Product-squared | + | 7.92e-11*** |
| | | (1.57e-11) |
| State Debt Per Capita | - | - .01*** |
| | | (.001) |
| Unemployment | - | - .19 |
| | | (.51) |
| **N** | | **516.00** |
| **Wald Chi$^2$** | | **241.87*** |
| **R$^2$** | | **.46** |

*Cell entries are Random-effects GLS coefficients with robust standard errors in parentheses.*
*** $p < .001$; ** $< .01$; * $< .05$; $^t < .10$ (one-tailed test)

Thus, when considered holistically, citizen legislation is a positive and significant influence upon a state's SGGI score regardless of operationalization. This is another reminder of the importance of considering governance as a whole. When examined piecemeal, findings are fickle and models tend to lack robustness as has been the case in much of the direct legislation literature to date. This may at least partly explain the conflicting assertions of initiative scholars (see Matsusaka 1995; Gerber 1996b; Lascher, Hagen, and Rochlin 1996; Hagen, Lascher, and Camobreco 2001).[58]

The traditional initiative dummy variable only becomes problematic once the SGGI is broken into its two theoretical components. Tables 13 and 14 outline bivariate regression output for procedural and substantive good governance. The dummy variable is substituted for the ballot measure count operationalization. Table 13 evidences that the availability of the initiative process alone appears to improve inclusiveness and procedural governance. Boehmke (2005a) and Gerber (1999) suggest that the institutional presence of the initiative is enough to induce the formation of citizen groups and efficacy within the electorate. Simply knowing the option for direct legislation is available, appears to benefit procedural governance.

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[58] Michael Hagen, Edward Lascher, John Camobreco, and Steven Rochlin (2001) authored a series of articles that disputed the findings of John G. Matsusaka (1995; 2001; 2004) and Elisabeth Gerber (1996b) on both the financial effects of direct legislation as well as its relationship to public opinion and governmental responsiveness. Because such conflictual results exist, subsequent authors have tended to cite the team whose evidence supports their research agendas.

**Table 13: Procedural Good Governance, Bivar. Dummy Regression, 1980-2000**

| Variable | Exp. Sign | Coefficient |
|---|---|---|
| Initiative available in state? | + | 15.29**<br>(5.36) |
| **N** | | 516 |
| **Wald Chi$^2$** | | 8.14** |
| **R$^2$** | | 0.11 |

*Cell entries are Random-effects GLS coefficients with robust standard errors in parentheses.*
*** $p < .001$; ** $< .01$; * $< .05$; $^t < .10$ (one-tailed test)

However, as predicted, the influence of citizen legislation is effectively mute on the substantive component of the SGGI. Table 14 contains the bivariate regression output for substantive good governance. The coefficient (2.39) is small in magnitude and statistically insignificant ($p < .24$). Because there is no guarantee that actual measures are making it to the ballot every two years, the initiative dummy variable acts as a poor explanatory variable in this instance.

**Table 14: Substantive Good Governance, Bivar. Dummy Regression, 1980-2000**

| Variable | Exp. Sign | Coefficient |
|---|---|---|
| Initiative available in state? | + | 2.39<br>(3.30) |
| **N** | | 550 |
| **Wald Chi$^2$** | | 974.59*** |
| **R$^2$** | | 0.01 |

*Cell entries are Random-effects GLS coefficients with robust standard errors in parentheses.*
*** $p < .001$; ** $< .01$; * $< .05$; $^t < .10$ (one-tailed test)

These auxiliary regression analyses demonstrate the robustness of this study's main holistic model and key explanatory variable (Table 4). Citizen legislation does

appear to be positively and significantly associated with quality governance, even when the index is split into its two theoretical parts. However, when the traditional dummy variable is employed rather than a biennial ballot measure count, its effect upon the substantive component of the SGGI is muffled. Notably, when governance is considered as a whole, either KEV operationalization holds its significant and positive association with the dependent variable. This offers support for both the use of a state's ballot measure count as key explanatory variable, and emphasizes the empirical importance of a more holistic conception of governance.

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