



Extant studies of direct democracy bypass the transformative question of *how*, and *why*, we select our representatives given the presence of an alternative policy-making apparatus. These answers underpin further questions. This paper formally models constituent voting behavior anticipatory of competition between the winning candidate & interest groups for the final policy position. The model finds that direct democracy *de-bundles* candidates' non-policy characteristics from their policy positions, and that voters will be more inclined to consider these non-policy characteristics. This substitution effect explains multiple existing puzzles as well as diverse new empirical findings: in initiative states candidates are less corrupt, and voters are *less* sensitive to candidates' competence but *more* sensitive to the candidates' personal attractiveness.

Argument

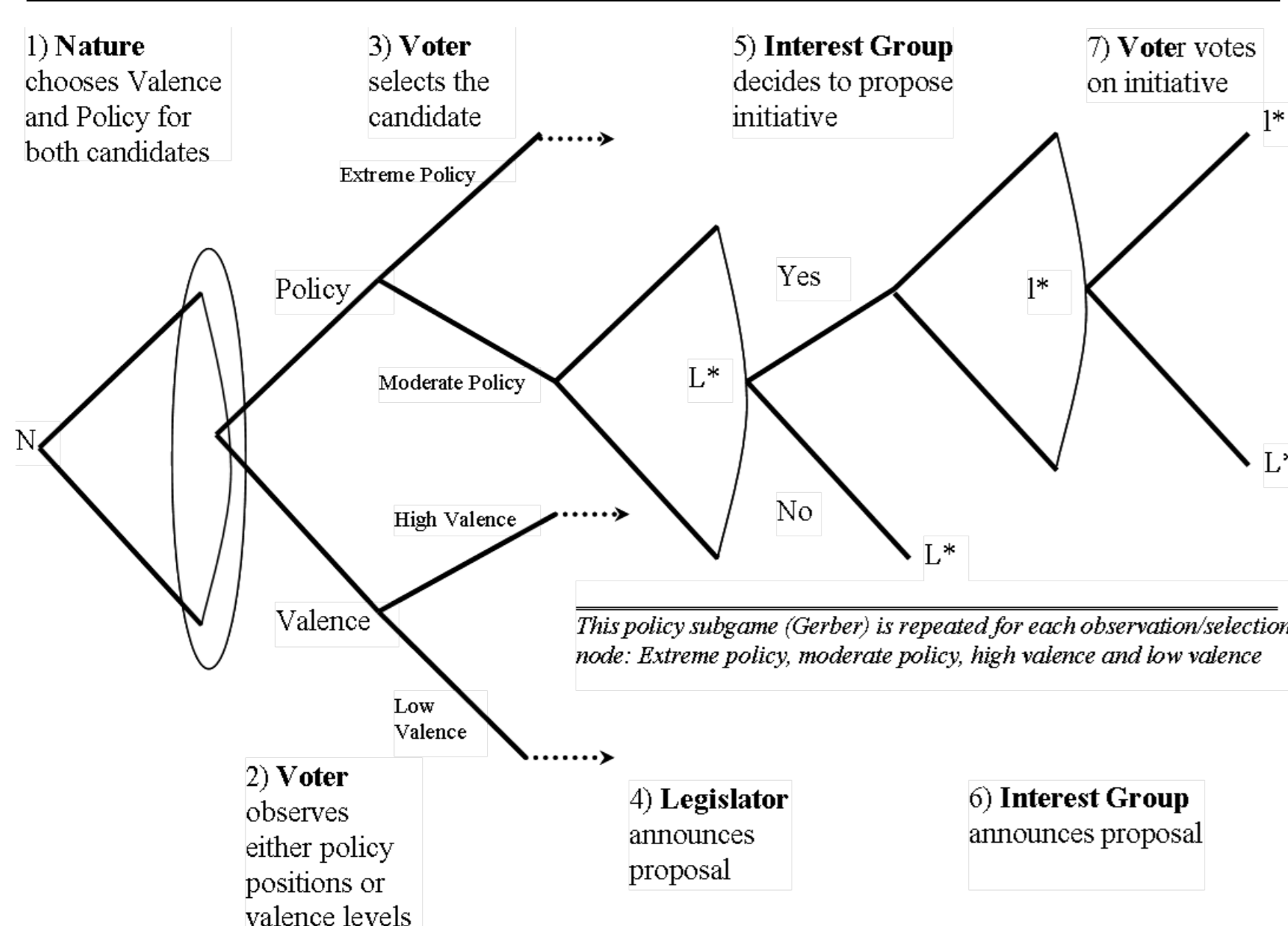
The initiative breaks the legislature's monopoly over policy. This new competition is thought to act as a "gun behind the door" to induce legislators to enact policies closer to the preferences of their constituents.

If true, this competition allows *circumvention* of the legislature and *de-bundling* of candidates' policy positions from their personal characteristics. To the degree that voters can satisfy their policy demands through the initiative, legislators lose their roles as policy-makers.

This affects:

- Voting Behavior
- Candidate Characteristics
- Representation

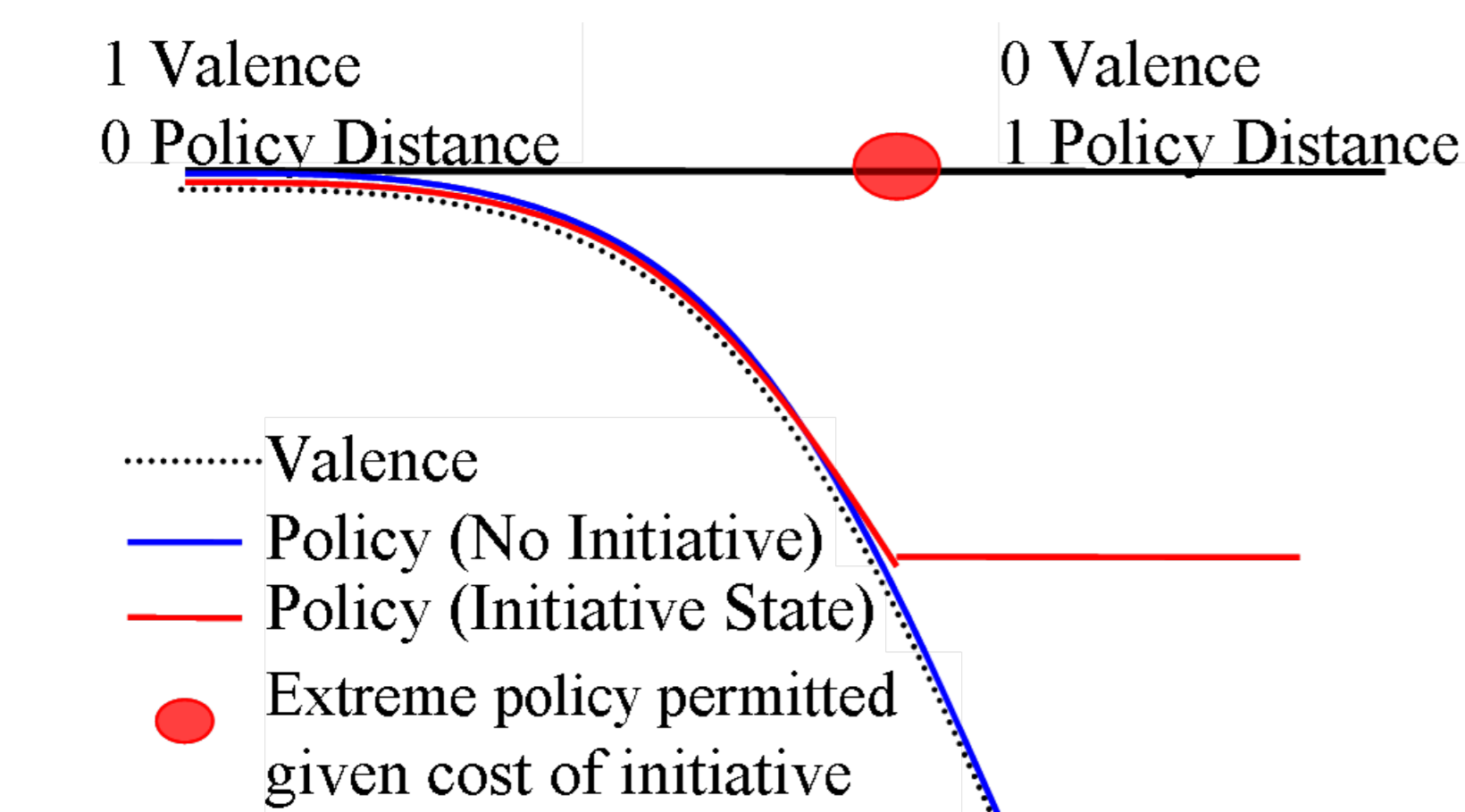
Formal Model



Stages of the Game

1. Nature determines candidates' policy & valence. $\sim U[0, 1]$
2. Voter chooses to observe either policy or valence.
3. Voter votes.
4. Winning candidate announces policy position.
5. Interest group proposes initiative or accepts the legislature's policy.
6. Interest group selects policy position of the initiative.
7. Voter votes on the initiative.

Results



- Voting Behavior
 - Voters in initiative states choose to observe ("research") valence instead of policy.
 - Voters in initiative states are "valence voters".
- Candidate Characteristics
 - Candidates are of a higher quality: less corrupt and more attractive.
- Representation
 - Candidates are less accountable for policy failures.
 - Greater representation through competition is counterbalanced by selection of less representative legislators.
 - More representative legislatures are filled by less representative legislators.

Findings

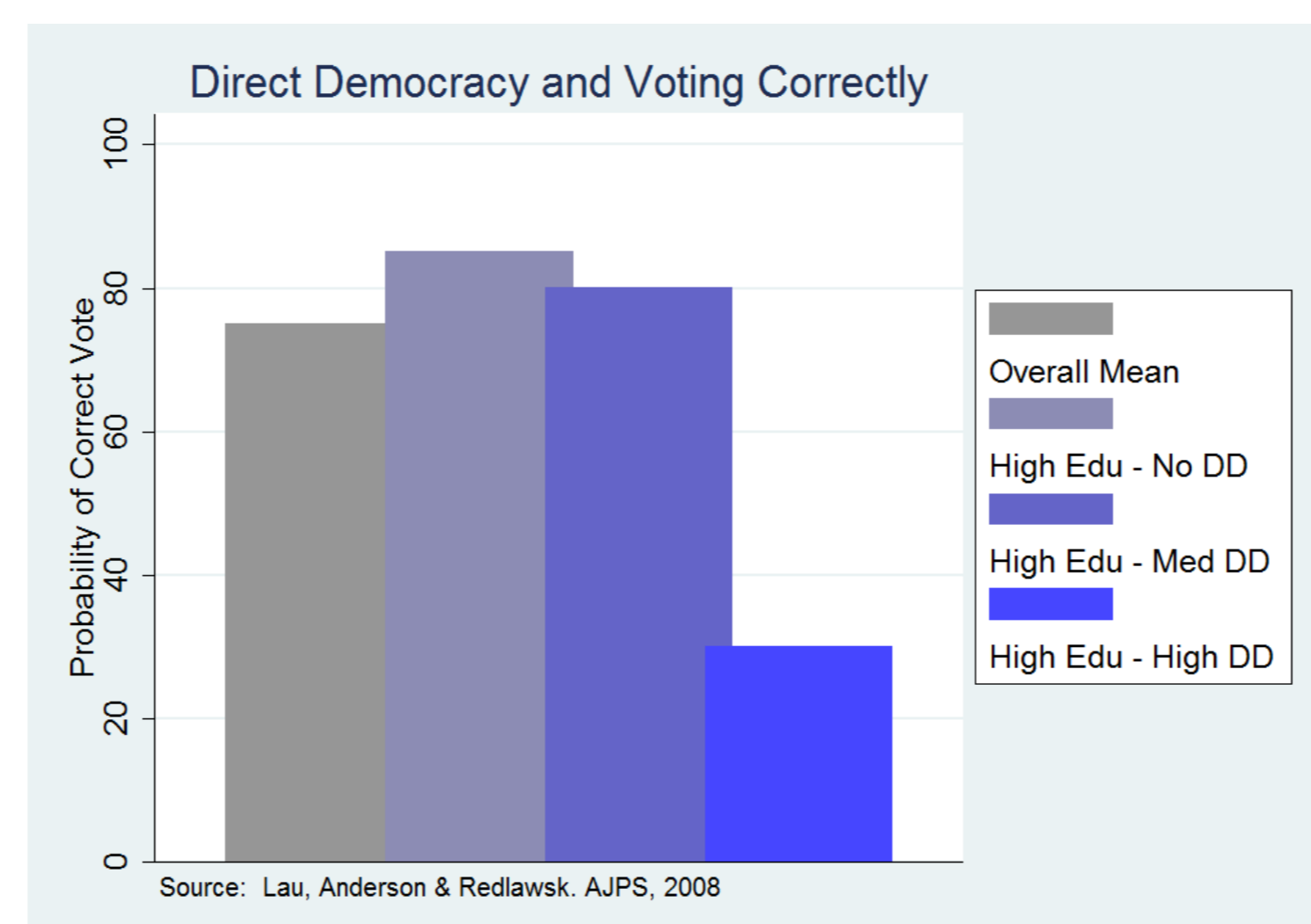
- Voters in initiative states are:
 - less able to accurately translate their preferences into candidate selection.
 - less sensitive to the perceived competence of candidates.
 - more sensitive to the perceived personal attractiveness of candidates.
- Candidates in initiative states are:
 - insulated from their policy failures.
 - less corrupt.

Voting Behavior

Direct Democracy ⇒ Voting *Incorrectly*

Study Design

- Respondent positions generated from ANES data.
- Candidate positions generated through expert ratings.
- "Correct" vote is voting for the candidate with similar positions.
- HLM model with 5865 survey respondents at level 1.

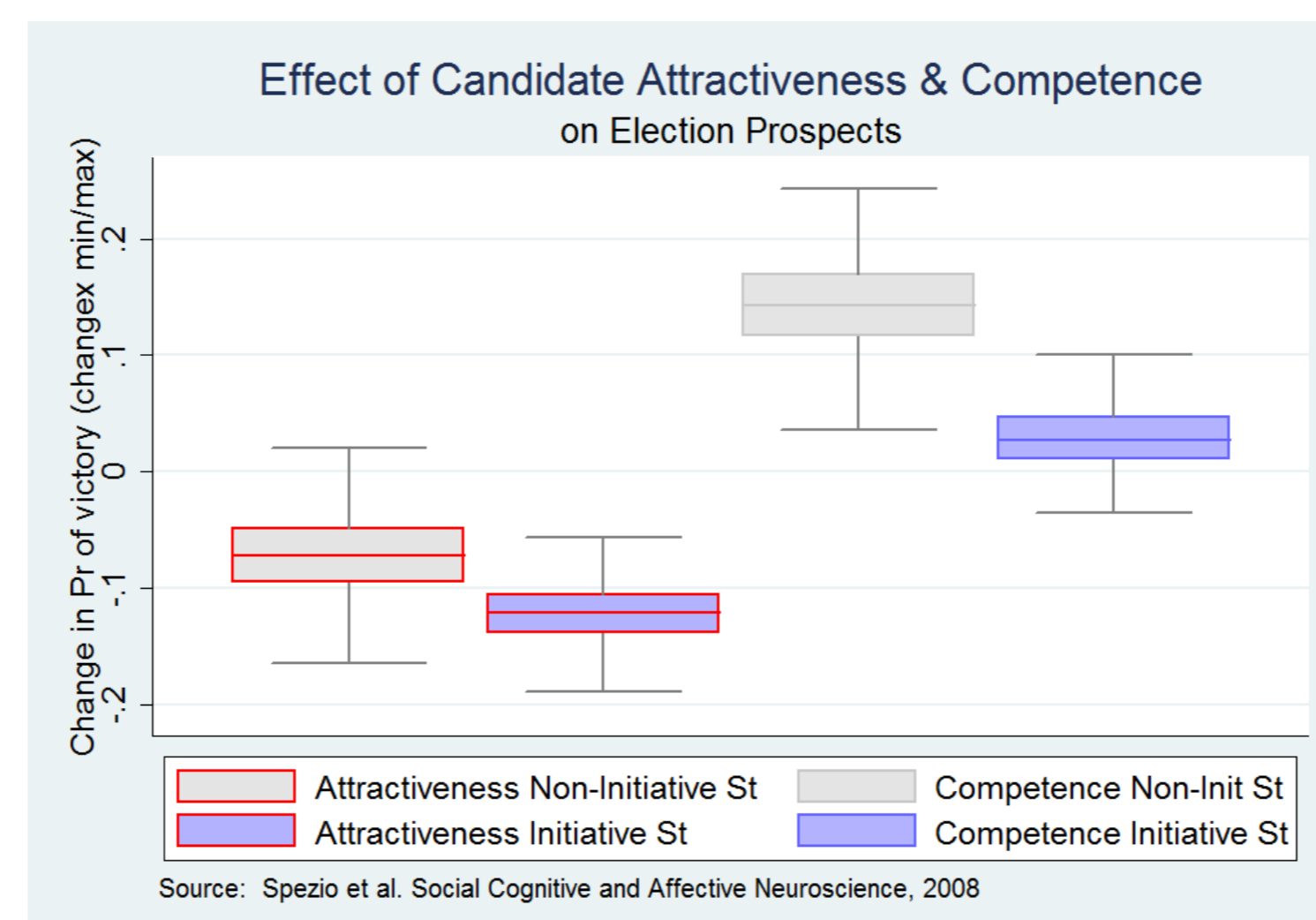


"Education has a positive effect on the probability of a correct vote in states where there are no referenda... but as we move toward the upper end of number of referenda on the ballot (e.g., states like California), the effect of education actually reverses quite strongly so that the most educated have a 45% lower probability of voting correctly than the least educated."

(Lau, Anderson & Redlawsk, 2008)

Direct Democracy ⇒

- ↑ sensitivity to candidate attractiveness
- ↓ sensitivity to candidate competence



Study Design

- Based upon 1938 ratings
- by 65 raters
- of real candidates
- across 30 different races
- in 18 states.

Representation

Direct Democracy ⇒ policy insulation

"As the economic conditions go from worst to best, or from 0 to 1, the electoral chances of a legislator of the same party as the president improve by 14.8 percentage points without the initiative, and by only 8.5 percentage points with the initiative. ... (W)hen the legislator is of the opposite party of the president. In this case, as economic conditions improve, the legislators' reelection chances decrease, but the decrease is again steeper for those without the initiative process, by around 4 percentage points."

(Bali & Davis. PRQ, 2007)

Candidate Characteristics

Direct Democracy ⇒ less corrupt politicians

Study Design

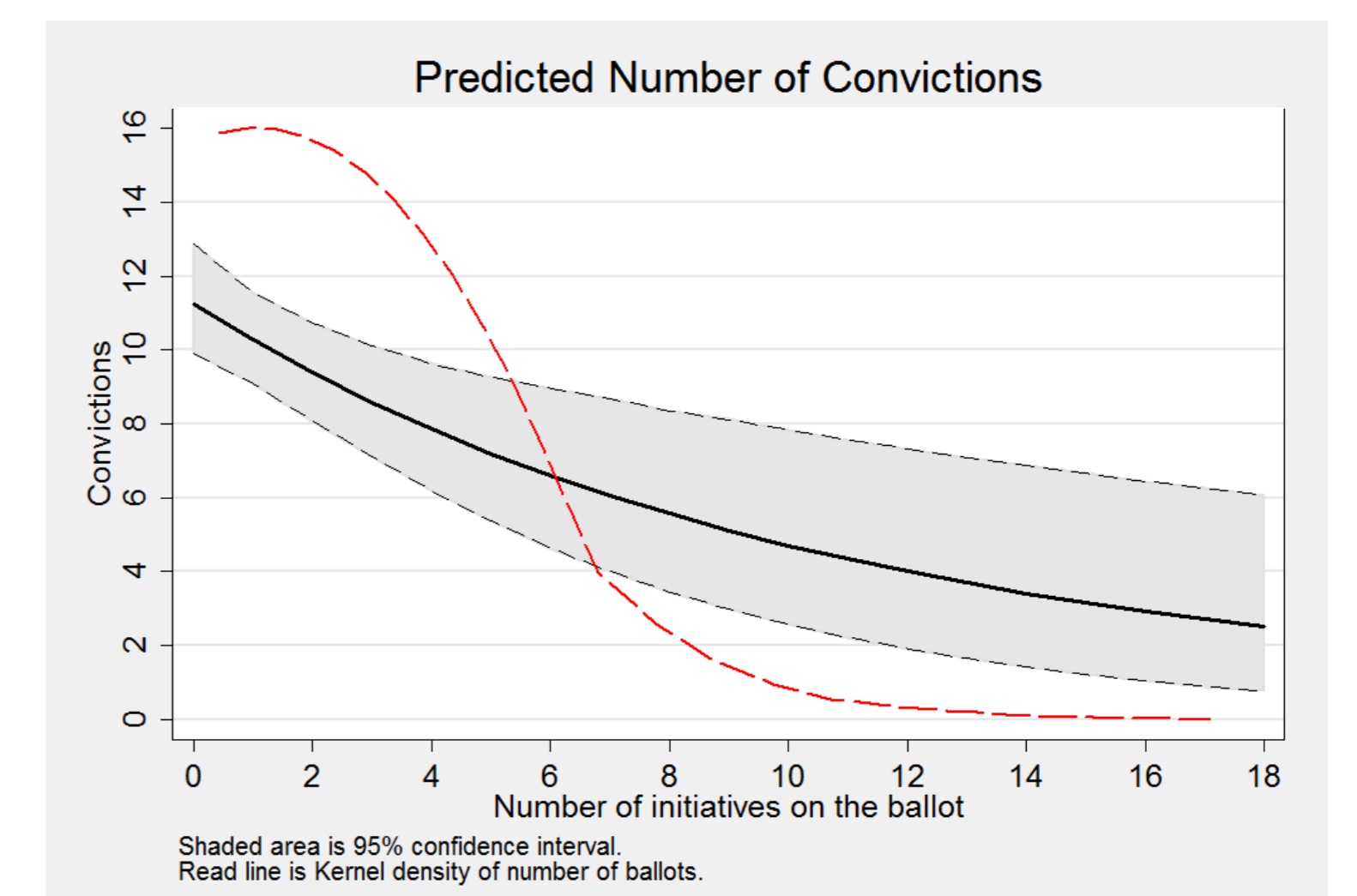
- Starting in 1978 Congress required the DOJ to provide a yearly report on its political corruption convictions.
- Federal prosecutions of state political corruption solves the concern of lack of prosecutions actually being emblematic of corruption.
- Conviction sums are collapsed to the state-year.
- Negative Binomial regression to control for overdispersion.

Number of Political Corruption Convictions Negative Binomial Regression

EQUATION	VARIABLES	coef	se
Convictions	# of Initiatives	-0.0781**	(0.0323)
	Year	0.0178***	(0.00635)
	South Dummy	0.442**	(0.183)
	Population (millions)	0.171***	(0.0327)
	Legislature's % Dem	0.745	(0.535)
	VAP Turnout %	-0.550**	(0.277)
	Democratic Presidential Vote %	-0.354	(0.791)
	Constant	-34.01***	(12.68)
Inalpha		-0.321***	(0.105)
	Observations	1370	

*** p<0.01, ** p<0.05, * p<0.1

1980-2007. Excludes Nebraska. S.E. clustered by state



Sample of data

State	Convictions (SD)		# of Initiatives (SD)	
	Yearly avg		Yearly Avg	
AK	3.5	(4.3)	1.16	(1.48)
AL	18.59	(12.19)	0	(0)
AZ	8.56	(10.1)	1.72	(2.5)
CA	67.63	(37.8)	5.03	(5.82)
CO	5.16	(6.06)	2.63	(3.11)
FL	50.69	(34.67)	0.88	(1.58)
IA	3.84	(3.42)	0	(0)
KS	4.31	(3.46)	0	(0)
MA	15.25	(11.31)	1.31	(1.96)
MI	17.94	(10.09)	0.97	(1.56)
MN	5.13	(4.74)	0	(0)
MS	15.75	(11.88)	0.06	(0.25)
ND	3.38	(3.74)	1.22	(1.5)
NH	1.25	(1.61)	0	(0)
NY	74.66	(34.06)	0	(0)
OH	38.97	(19.77)	1.03	(1.36)
OK	12.94	(16.44)	0.53	(0.67)
OR	2.56	(2.84)	4.38	(5.46)
SD	3.63	(3.82)	1.25	(1.87)
TX	39.38	(19.21)	0	(0)
UT	2.41	(2.69)	0.5	(0.88)
VA	21.81	(16.24)	0	(0)
VT	0.72	(0.96)	0	(0)
WA	5.53	(5.86)	2.41	(1.56)
WI	8.53	(5.28)	0	(0)
WV	5.91	(4.39)	0	(0)