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Thomas, Tom E.

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CORPORATE CAMPAIGN SPENDING AND INITIATIVE
OUTCOMES IN CALIFORNIA

*Referendum 2 Calif. Economic aspects
Elections 2 " " " "*

Tom E. Thomas

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CORPORATE CAMPAIGN SPENDING AND INITIATIVE OUTCOMES
IN CALIFORNIA

TOME THOMAS

Graduate School of Business Administration
University of California
Room 352 Barrows Hall
Berkeley, CA 94720

March, 1988
Institute of Governmental Studies
University of California
Berkeley, CA 94720

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ABSTRACT

Millions of dollars are spent each election year by corporations and other groups seeking to influence voting behavior in California initiative contests. This paper evaluates the impact of campaign spending on ballot outcomes for 32 initiatives voted on between 1976 and 1986, and focuses on contests where corporate interests were at stake. Previous studies of the spending-outcome relationship in initiative contests have consisted of either rough categorical analyses which fail to fully exploit the available data, or linear regression models in which the independent (spending) variables are incorrectly specified. The current study models each initiative's share of the final vote as a function of the proportion of campaign dollars spent in its favor, in order to determine whether spending should be included in a more comprehensive multivariate model of ballot outcomes. Campaigns are then categorized according to degree of corporate involvement, in order to evaluate certain hypotheses concerning corporate political influence. Results indicate that spending in most initiative contests tends to be one-sided, particularly in campaigns characterized by heavy corporate involvement, and that spending seems to significantly influence ballot outcomes. The evidence suggests that corporations have been able to exercise considerable political influence in a policy making arena that adheres, more than any other in California, to the ideal of direct democracy.

THE INITIATIVE AS POLITICAL STREET FIGHT

E. E. Schattschneider once proposed the street fight as a metaphor for politics (1960). He noted that every fight consists of two parts: The individuals actively engaged in combat, and the audience that is attracted to the scene. Using the example of a fist fight between a white policeman and a black soldier in the streets of Harlem, a conflict that was joined by more and more bystanders until it erupted into a full-fledged riot, he illustrated how the outcome of any conflict is determined by the extent to which its audience becomes involved. This led him to suggest that the most important strategy of politics is concerned with controlling the scope of conflict, either by seeking to involve the audience in the fight, or by excluding it.

Schattschneider noted that our society's values and institutions reflect the struggle between conflicting tendencies toward the privatization and socialization of conflict. On the one hand, the values of individualism, free enterprise, private property, states' rights, limited government, and the like serve to reinforce the privatization of conflict, restrict its scope, and remove it from the public domain. Thus, "a tremendous amount of conflict is controlled by keeping it so private that it is almost completely invisible" (1960:7). On the other hand, other values that have been incorporated within our institutions, such as political equality, justice, equal protection under the law, freedom of speech, and the like contribute to the socialization of conflict, make conflict contagious, and invite outside intervention.

He further suggested that one can determine the relative balance of power in a political conflict by observing which, if either, side is trying to broaden its scope. Since the contestants in private conflicts are apt to be unequal in strength, it is typically the weaker side that seeks to socialize conflict, to bring more people in, hoping to alter the balance of power. The interests most powerful within the restricted arena of conflict will tend to prefer private settlements that allow them to exploit their relative advantage.

The means of privatizing or socializing conflict involve the exploitation of social cleavages in the political universe. If an issue has been defined in such a way that the alignment of support and opposition among spectators does not favor Contestant A in its conflict with Contestant B, then A will typically seek to redefine the issue in a manner such that it symbolizes a clash between a different set of social values, and thus exploits an alternative social cleavage, while B will resist such a redefinition expansion of the conflict. Every shift in the line of cleavage affects the nature of the conflict, draws in or excludes a different crowd of spectators, and produces a new set of winners and losers. Accordingly, "The definition of alternatives is the supreme instrument of power... He who determines what politics is about runs the country, because the definition of alternatives is the choice of conflicts, and the choice of conflicts allocates power" (Schattschneider, 1960:63).

Ballot propositions can be seen as political street fights that have spilled over onto the public square. They were typically pushed in that direction by frustrated combatants that were at a disadvantage when the conflict was contained within the state legislature. These groups are not necessarily weak politically, but they are typically unable to overcome the opposition of legislative veto groups that have been activated in response to the issues as they are defined within the legislative venue. By shifting conflict to the initiative process, initiative proponents typically seek to redefine the issues, exploit alternative social cleavages, and socialize conflict to the maximum extent possible.

Combatants in initiative contests can exploit a variety of tactical means to achieve these strategic ends. They can conduct expensive advertising campaigns in the mass media, secure endorsements by major newspapers and other elites, attempt to "manage" news coverage, or initiate personal contact with voters through grassroots organizing campaigns. In the initiative process, these means of influencing voters represent the universe of potentially

relevant instruments of political power. This paper examines the extent to which one of these instruments, campaign spending, may have been effective in influencing balloting outcomes in the initiative process in recent years. Its purpose is to determine whether a rationale can be supported for including campaign spending as an independent variable in a more comprehensive model of balloting outcomes.

EVALUATING THE IMPACT OF CAMPAIGN SPENDING ON INITIATIVE OUTCOMES

The initiative process has become an increasingly important policy-making arena in recent years. While only nine issues qualified and were placed on the ballot in the 1960's, the number grew to 21 in the 1970's, and 28 initiatives have already been placed before the voters since 1980. More significantly, while only three issues were approved by the voters during the 1960's, and six were passed in the 1970's, ten have already been approved since 1980.¹ These initiatives have addressed issues in a broad range of policy areas. The 35 propositions voted on since the California Fair Political Practices Commission began compiling detailed contribution and expenditure data (that is, since 1976), encompass issues that span the substantive areas of health and welfare policy, environmental and resource policy, social/education policy, public safety/criminal justice policy, revenue/budget policy, governmental processes, and economic regulation.

Millions of dollars are spent every election year by rival campaigns seeking to define the issues at stake in these initiative battles. The side that succeeds in getting the uninvolved public to accept its version of the issue, or that so confuses the issue that most voters are unwilling to support the proposition, is most likely to prevail. The political resource most necessary for mounting the necessary public relations campaigns is money. It takes money to qualify initiatives for the ballot; to pay for campaign consultants and opinion polls that help

refine strategy; to finance direct-mail fundraising appeals; to develop professional advertising copy and video spots; and to purchase television and radio time for airing campaign ads.

The costs of mounting a serious campaign, particularly when the ballot measure is of a controversial nature, are substantial. Though the filing fee is only \$200, campaign committees have been known to spend over \$2.2 million merely gathering the signatures required to qualify a measure for the ballot.² Total spending on a single initiative has reached as high as \$11 million.³ For the 32 initiatives included in this study, which were placed on the ballot in California from 1976 through 1986,⁴ initiative proponents spent (in 1986 dollars) an average of \$2,477,500 (including costs of qualifying for the ballot), and opponents spent an average of \$3,035,000. Some observers have viewed such figures as evidence that the initiative has become primarily a vehicle for special (that is, monied) interests seeking to circumvent the usual legislative process. Long before the current proliferation of initiative campaigns, and the concomitant escalation of initiative-related spending, it was suggested that, "Such campaigns are very expensive and have become highly sophisticated. Only well-organized, rather affluent coalitions of interests can afford to pursue the kinds of professional public relation campaigns associated with most ballot measures" (Owens, Constantini, & Wechsler, 1970: 273).

Thus the link between campaign spending and ballot outcomes has been recognized as an important public policy issue. Campaign spending obviously does not invariably determine voting outcomes, since other factors (crises, elite endorsements, inherent quality or appeal of measures, etc.) are clearly important as well. Also, campaign dollars are transformed into various intermediate mechanisms (television and radio ads, direct-mail, etc.) that vary in their cost-effectiveness, and which may be employed with varying degrees of skill. But if campaign spending is strongly related to voting outcomes, this may indicate that initiatives, and the policies they present to the voters, are not being adopted or rejected on the strength of their

merits (or, more narrowly, even on the basis of their appeal to the self-interest of voters), but by virtue of the relative financial strength of their backers or opponents.

Most studies previously conducted have suggested that spending on the *negative* side in initiative battles is highly effective, and that few initiatives can survive an onslaught of adverse advertising. They also agree that massive spending in *favor* of a ballot proposition does not guarantee it will be a winner, but certainly enhances its chances of passing. In a study of spending patterns for 51 California initiative campaigns over the years 1954-1982, Magleby (1984) determined that in campaigns where spending was at least two-to-one in favor of propositions, they had almost a 50-50 chance of passage. For those in which spending for both sides was roughly in parity, initiatives had about a one-in-four chance of passing. And when spending was at least two-to-one against, an initiative's chances were approximately one-in-eight (Magleby, 1984: 148). He concluded that one-sided negative spending is particularly effective when voters are generally uninformed and do not hold standing opinions on issues.³ Under these circumstances, given that usual cues such as party identification and candidate image are of little use to voters in evaluating the merits of initiatives, campaign ads on television and radio become relatively more important in shaping impressions and attitudes.

In a study of 26 initiatives voted on between 1968 and 1980, Lowenstein (1982) found a similar pattern. During this period, 73% of all ballot propositions were defeated, and 27% were passed. However, for initiatives with one-sided "yes" spending, only 62% were defeated, while 38% passed. And when spending was one-sided against the measure, 89% were defeated, while only 11% passed (Lowenstein, 1982: 550). And Zisk (1987) found that the high-spending side won in 80% of 50 contests (waged between 1976 and 1980) studied in California, Massachusetts, Michigan, and Oregon. None of the cited studies employed formal statistical models to test the

hypothesis that spending is linked to outcomes. All relied instead upon categorical analyses that failed to take full advantage of the information contained in the available data.

A more extensive study by Owens and Wade (1986) sought to remedy this problem, by using ordinary least squares to regress shares of the vote on two independent variables: Inflation-adjusted per capita spending by initiative proponents and opponents. They found that, for 102 California ballot propositions spanning the sixty year period from 1924 through 1984, neither side's share of the total vote was statistically related to spending by either proponents or opponents. When the independent variables were adjusted to account for non-linearity, however, they were found to be significantly related to the opponent's share of the total vote. Even then, an R^2 of only .103 suggested that little variance in initiative opponents' shares of the total vote can be attributed to fluctuations in campaign spending. However, the specified model suffers shortcomings serious enough to cast doubt upon their conclusion, that "money has simply been overemphasized as a determinant of voting on direct legislation (1986: 688)." First of all, the means by which campaign spending influences opinion have changed drastically over the period covered by the study. Television did not even *exist* in 1924, and it was not widely used as a medium for transmitting campaign advertisements until the 1960s. TV ads have since become the most significant item in most initiative campaign budgets. This means that spending figures cannot possibly be effectively compared over the sixty year period, since adjustment for inflation does not capture the impact of new technologies on the effectiveness or pervasiveness of efforts to reach voters. A dollar spent on airing a professionally crafted television advertisement in 1984 simply can't be equated with a dollar spent on roadside billboard ads in 1954, or with a dollar spent organizing a public forum in 1924.

A second problem concerns a lack of consideration of the *interaction* between the two independent variables, inflation-adjusted per capita spending by initiative proponents and

opponents. The true impact of proponent spending can't be evaluated independently of the relative spending of opponents. If proponents spend \$5 million on a ballot measure, the impact of that money should vary depending upon the degree to which opponents respond by spending their own dollars. If the model does not control for the effects of interaction between them, the parameter estimates for either of the two spending variables will be systematically biased, and estimates of their statistical significance will be inflated, assuming the interaction effects are correlated with the two variables. Given this, it's not surprising that the model's R^2 was so low, even when the parameter estimates were found to be significant. This merely confirms that the model was incorrectly specified. The authors acknowledge this, but suggest that factors other than proponent and opponent spending are likely to be far more significant voting outcomes. However, an alternative conclusion is that the spending measures themselves were not constructed in a manner that captures their relevance. It seems logical to suggest that ballot outcomes may depend more on the *ratio* of positive to negative information aimed at voters, quality and content of message aside, than to the raw volume of information promulgated independently by either side. Thus, the ratio of positive to negative spending for each initiative is the measure that will be compared with voting outcomes in the present study.

Before attempting to assess the impact of campaign spending on ballot outcomes, the outputs of campaign spending must first be confirmed as important sources of voter information. To this end, total campaign spending (constant 1986 dollars spent both in favor and in opposition), for 24 ballot propositions for which opinion polls were conducted within seven days of their respective elections, was compared to the percentage of respondents who had not yet heard of the initiative. The percentages of unaware respondents ranged from a low of 0.6% for Proposition 13 (the 1978 tax reform measure, for which total spending was \$7,408,000), to a high of 57.0% for Proposition 7 (the 1982 tax indexing measure, for which total spending was \$1,177,000). Overall, the correlation between total campaign spending and level of voter

awareness during the last week of the campaign was 54.5%, suggesting that a strong relationship does in fact exist. Of course, it's possible that high voter awareness and high spending levels are highly correlated due to their relationship with a third (causal) variable, most likely the extent to which ballot measures are inherently controversial. It's also likely that news coverage, editorial comment, and word-of-mouth are other important factors that influence voter awareness of issues. Nevertheless, the figures are at least not inconsistent with the proposition that campaign spending, particularly spending on media advertising, serves to influence voter awareness of, as well as perceptions of, of ballot issues.

If total campaign spending is linked to voter awareness of ballot measures, it seems reasonable to suggest that campaign spending, particularly when it's one-sided, may influence voter perceptions, and, ultimately, balloting outcomes. If we accept Magleby's operational definition of one-sided campaign spending as a spending ratio of two-to-one or higher, then it's clear that only a small minority of initiative campaigns conducted over the 1976-86 period were not one-sided. As Table 1 shows, less than one-fifth of the 32 initiative campaigns conducted during this period were characterized by roughly equal spending, while the rest were divided evenly between one-sided negative and one-sided positive spending.

TABLE 1
Frequency of One-Sided Campaign Spending (greater than 2:1)

	One-sided Negative	Rough Parity	One-sided Positive
# of Initiatives.	13	6	13
Percentage:	40.6%	18.8%	40.6%
Source: California Fair Political Practices Commission election reports.			

Unless it can be shown that one-sided spending significantly influences ballot outcomes, the fact that spending is roughly equal in relatively few initiative campaigns does not necessarily violate precepts of democratic policy-making. The data presented in Table 2 indicate, however, that a pattern of such influence may indeed exist. For those campaigns in which spending was greater than two-to-one on the negative side, only one (8%) passed, while twelve (92%) failed. For those campaigns characterized by rough parity in spending, the pass-fail ratio was an even 50:50. Meanwhile, one-sided positive spending campaigns in this sample fared better than those included in any of the previously cited studies, since nine (69%) of them passed, while four (31%) failed. These data are consistent with suspicions of a strong relationship between spending and outcome, though a causal link cannot be inferred from such a rudimentary analysis.

TABLE 2
Frequency Distribution of Spending Patterns and Outcomes

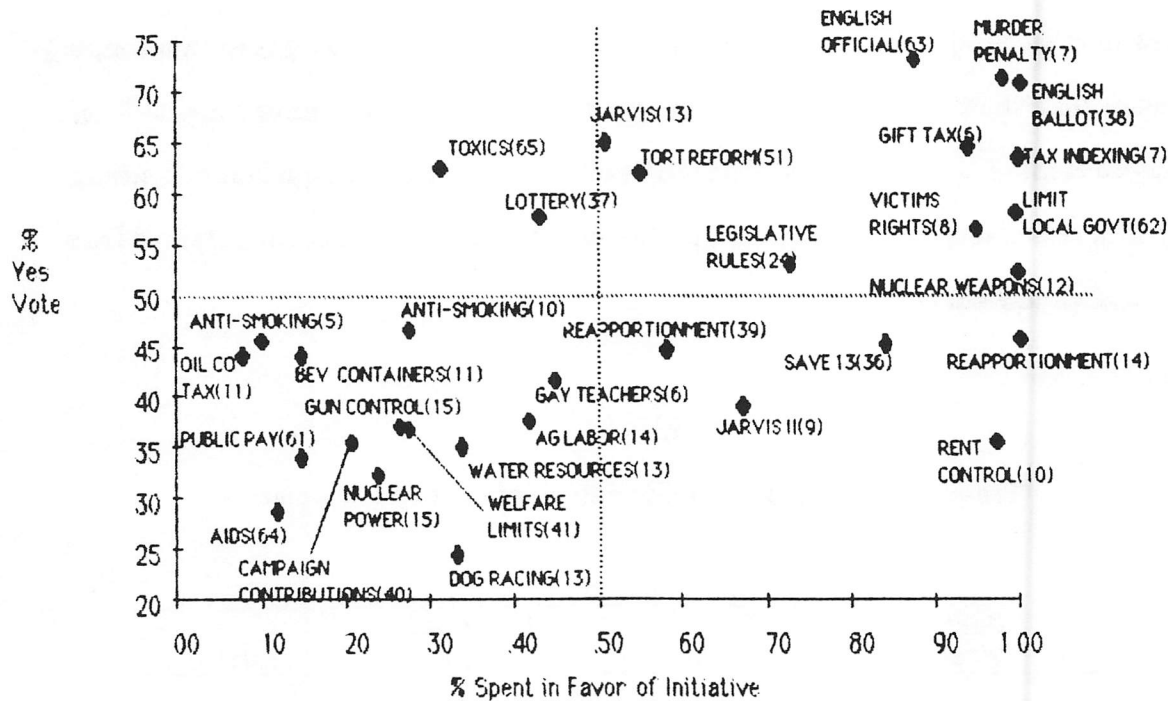
Outcome	Spending Pattern:			Total
	One-sided Negative	Rough Parity	One-sided Positive	
Passed	8% (1)	50% (3)	69% (9)	41% (13)
Failed	92 (12)	50 (3)	31 (4)	59 (19)

Source: California Fair Political Practices Commission election reports.

In order to go beyond the limited inferences that can be made from a rough categorical analysis of the spending/outcome relationship, the two indicators can be represented by ratio indices and plotted against each other (See Figure 1). The outcome index (y - axis) is calculated as the percentage vote in favor of each initiative, and the spending index (x - axis) is computed as the percentage of total campaign spending in its favor.

FIGURE 1

% Yes Vote vs. % Spent in Favor of Initiatives



Note: Figures in parentheses are ballot proposition numbers assigned by the Secretary of State.

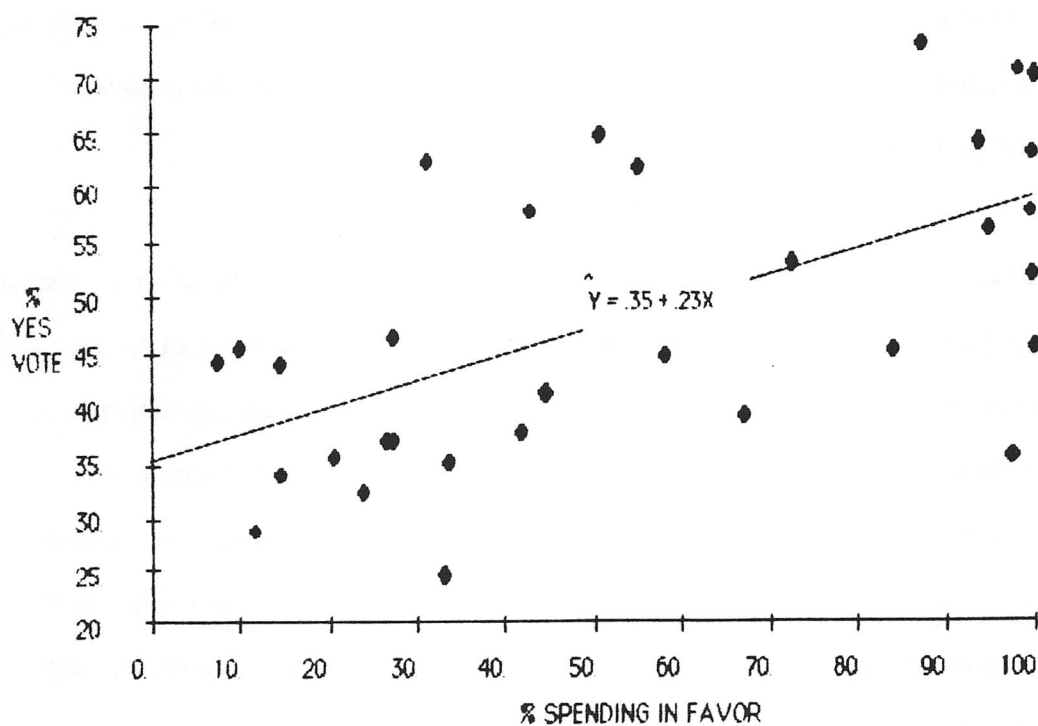
The dotted lines at the 50% mark on each axis divide the graph into four quadrants. If there were no relationship between campaign spending and election results, then we should expect a relatively equal distribution of data points between all four quadrants. The stronger the relationship between campaign spending and election results, however, the less likely that the upper-left and lower-right quadrants will contain any data points at all. As the graph shows, a total of seven initiatives fall within these two quadrants, representing 22% of the total. This is

substantially lower than the 50% that could be expected to fall within them were there no relationship.

There is a .55 correlation between percent spending and percent vote in favor of initiatives, and an R^2 of .30, suggesting that 30% of the variation in voting outcomes might be explained by variations in campaign spending, excluding all other factors from consideration. Another way to measure the significance of the relationship is by estimating the slope of a simple, bivariate, ordinary least-squares regression line fit to the data (see Figure 2).

FIGURE 2

Least-Squares Regression of Ballot Outcomes on Spending



In the absence of a relationship, the estimated slope of the regression line should equal zero. In fact, however, the slope is estimated to equal .23, so that for every one percent increase in the pro-initiative spending ratio, there is a .23% increase in the pro-initiative vote ratio. Moreover, with a calculated t-statistic of 4.07, the estimated slope is significantly different from zero, at the .01 level of confidence.

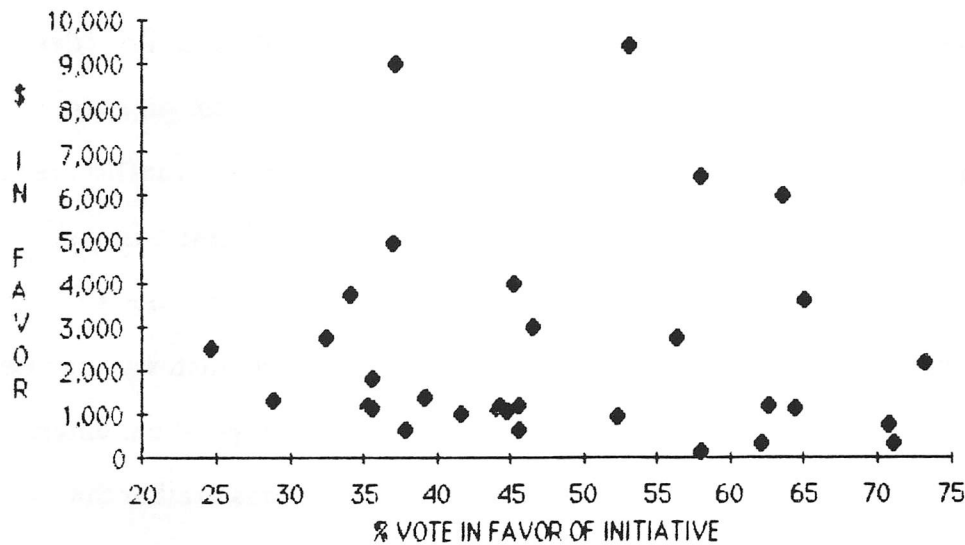
This evidence suggests that there is, in fact, a strong link between campaign spending and initiative outcomes. However, it is not yet clear whether spending *influences* outcomes. It is entirely possible that the opposite is true, that the relative popularity of a ballot measure determines how easily funds may be raised to support or oppose the measure. If this is the case, then concern about the upward trend in spending in initiative campaigns may be unwarranted, since this would suggest that campaign spending in the initiative process (along with other means of political expression, such as volunteer campaigning, voting, etc.) should be taken as an expression of the popular will, rather than as evidence that the initiative process is unduly influenced by monied interests.

In order to evaluate the plausibility of this "populist" explanation of the relationship between campaign spending and ballot outcomes, total dollars raised in support of each initiative can be compared to the percentage of vote in its favor (See Figure 3). For this interpretation to be valid, there should be a significant link between the relative popularity of each ballot measure, as measured by the percent vote in its favor, and total dollars raised and spent in support. However, the data presented in Figure 3 indicate that no such linkage exists, as does the corresponding correlation coefficient of -.046. A comparison of dollars raised *against* ballot propositions and their popularity, as measured by the percent of the vote against them, likewise yields no relationship that would suggest a link between general popularity and ability to raise funds in opposition. The evidence suggests that level of campaign spending in support or opposition does not depend on an initiative's popularity among the general

populace.⁶ Thus, we can reject the "populist" hypothesis of reverse causality in the spending/outcome relationship.

FIGURE 3

\$ RAISED IN FAVOR VS. % VOTE IN FAVOR



Note: Contributions figures are in thousands of 1986 dollars.

Source: California Fair Political Practices Commission election reports.

CLASSIFYING INITIATIVES BY TYPE OF POLITICAL CAMPAIGN

Various scholars (Hayes, 1978; Lowi, 1964; Lowi 1972; Salisbury, 1968; Wilson, 1980) have suggested that political conflict is shaped by the types of issues at stake, and have proposed policy classification schemes in order to control for differences in policy *type*. For a variety of reasons, such typologies prove difficult to apply in practice (Greenberg, Miller, Mohr, & Vladeck, 1977). For this study, initiative campaigns were classified according to patterns of

corporate political involvement (See Figure 4), rather than by type of policy. Campaigns in which identifiable corporate interests contributed more than 50% of total funds spent in *opposition* to (but not in support of) the contested initiatives are classified as "Reactive," reflecting the fact that these ballot propositions were sponsored by non-business groups, and that at least some segments of the business community responded to what they perceived as threats to their interests. When corporations contributed more than half of all funds spent in *support* of (but not in opposition to) a proposition, the campaign is considered a "Proactive" effort to extract resources or privileges from non-business interests. And campaigns in which firms contributed more than 50% of all funds spent by *both* sides in the conflict are considered "Competitive" inter-industry struggles for resources. In all the rest, business-sector actors are classified as "Nonactive," even though corporate spending sometimes represented a significant minority contribution to total campaign activity. Such was the case for several tax reform and reapportionment ballot measures, for which corporations entered into coalitions with non-corporate groups as (self-interested) "good citizens," rather than as activists. None of these latter types of initiatives were sponsored by corporations or trade organizations, though their often substantial input into campaign war chests suggests that their interests were not always wholly unaffected.

FIGURE 4

Policy Typology Based on Pattern of Campaign Contributions

Corporate Spending Against:	Corporate Spending in Favor:	
	More than 50%:	Less than 50%:
More than 50%.	<i>Competitive Politics</i>	<i>Reactive Politics</i>
Less than 50%.	<i>Proactive Politics</i>	<i>Nonactive Politics</i>

As can be seen in Table 3, the 10 initiatives that precipitated Reactive campaigns tended to be regulatory in nature, and typically sought to impose new restraints or responsibilities on segments of the business community. Only one initiative campaign, the 1980 effort by developers and apartment owners to abrogate local rent control ordinances, is classified as Proactive. The three Competitive campaigns pitted antagonists from different sectors of the business community against each other: Proposition 13 (1976) was largely a battle between dog-racing and horse-racing interests for the state's gambling dollars. Horse breeders and race-track owners faced off against manufacturers of lottery tickets and paraphernalia in the fight over Proposition 37 (1984). And two years later, trial attorneys clashed with insurance companies over Proposition 51 (1986), which restricted plaintiffs' abilities to seek damage awards from "deep pockets" co-defendants in liability cases.

TABLE 3
Classification of 14 Corporate-Active Campaigns

<u>Type of Campaign</u>	<u>Prop</u>	<u>Year</u>	<u>Description</u>	<u>Spending (in 1,000s):</u>		<u>One-Sided</u>
				<u>For</u>	<u>Against</u>	
Reactive:						
	15	1976	Restrict Nuclear Power	\$2,533	\$8,127	Yes
	14	1976	Ag. Labor Regulation	2,737	3,966	No
	5	1978	Regulation of Smoking	1,220	11,161	Yes
	11	1980	Oil Company Tax	620	7,630	Yes
	10	1980	Non-Smoking Areas	1,393	3,715	Yes
	11	1982	Container Deposits	1,063	6,289	Yes
	13	1982	Water Resources	1,180	2,363	Yes
	15	1982	Gun Control	3,003	8,391	Yes
	40	1984	Campaign Contrib. Reform	323	1,244	Yes
	65	1986	Toxic Waste Regulation	2,219	4,884	Yes
Proactive:						
	10	1980	Anti-Rent Control	9,049	242	Yes
Competitive:						
	13	1976	Greyhound Dog Racing	1,315	2,651	Yes
	37	1984	State Lottery	2,765	3,683	No
	51	1986	Insurance "Tort" Reform	6,027	4,930	No

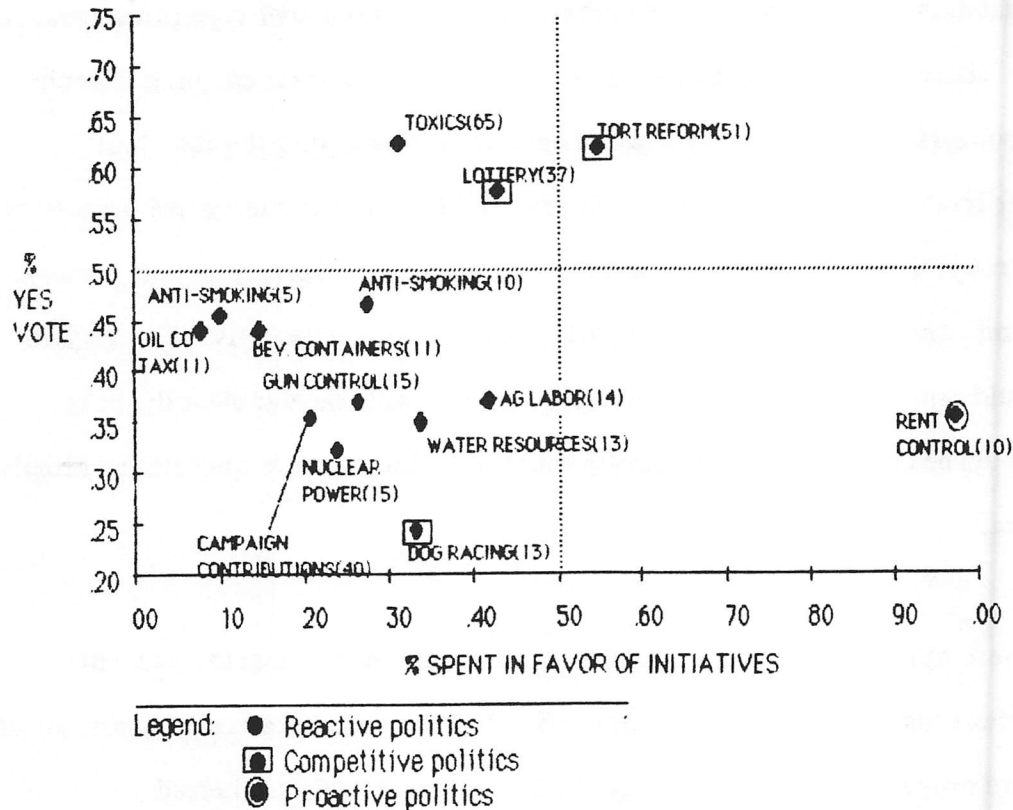
Note: Spending figures are in constant 1986 dollars. One-sided campaigns are those in which the spending disparity was greater than two-to-one.

Certain hypotheses can be developed and tested, using this typology of conflicts, concerning the relationship between corporate political activity and balloting outcomes in the initiative process. For one, if we accept as our null hypothesis the popular perception of corporations manifesting their power through mobilization of an abundance of political resources (See Lindblom, 1977; Joseph, 1982), we should expect Reactive initiative campaigns to be characterized by disproportionately negative campaign spending, and by disproportionately negative outcomes. Competitive initiative campaigns, where various business interests confront each other in a struggle for benefits or privileges to be extracted from the broader

public, should exhibit a more balanced positive/negative spending ratio, and outcomes should be less predictable, since outcomes are likely to depend more on each side's skill in defining issues in ways that draw disinterested voters to their positions. Proactive-type initiatives are similar to Lowi's "distributive" and Wilson's "client" policies, in that their adoption depends largely on the sponsoring group's ability to avoid opposition by keeping the resultant resource transfer from the public eye. This, of course, is difficult in the initiative process, and non-corporate groups that stand to lose if the measure is passed are likely to be able to rally broad support (and attract press attention) by portraying the conflict as a "David vs. Goliath" issue. So we should expect few, if any, Proactive-type initiatives to be placed on the ballot. Any that ~~are~~ should be characterized by heavy positive spending, but are nevertheless likely to meet with defeat.

The validity of these hypotheses can be evaluated by taking another look at the percent-spending vs. percent-vote relationship (See Figure 5). Reactive initiative campaigns, typically surrounding those propositions seeking to regulate business behavior, are indeed characterized by disproportionately negative spending, and almost invariably result in a negative outcome. The three competitive conflicts exhibit a more balanced spending pattern, and (though the sample size is too small to make any strong inference) outcomes are less predictable. Only one proactive-type policy was voted on, and even though spending was overwhelmingly in its favor, it was handily defeated.

FIGURE 5
Distribution of Initiatives by Type of Political Conflict



One would expect corporate-active initiative campaigns in general to have been characterized by higher total spending than were Non-active campaigns. In fact, spending in the 14 corporate-active campaigns ranged from a low of \$1,567,426 to a high of \$12,380,437, and averaged \$7,468,331 (in constant 1986 dollars). Total spending for the 18 Non-active campaigns ranged between \$130,151 and \$11,256,885, and averaged only \$3,991,228. The corporate-backed side outspent its opposition in all 11 Pro-active or Re-active campaigns, and spending was one-sided in nine of them. In the 11 corporate-active campaigns where spending was one-sided, the corporate-backed side spent an average of \$5,952,390 to the low-spending opposition's \$1,373,826, resulting in an average spending disparity of \$4,578,564. For the 15 one-sided campaigns in which corporations were not heavily involved, the high-spending side averaged

\$2,780,652 to the opposition's \$504,097, producing an average disparity of only \$2,276,555. These figures suggest that one-sided spending typically matters more, in terms of the magnitude of the imbalance in money that is spent attempting to persuade voters, in corporate-active campaigns than in campaigns where business interests are not heavily involved.

CONCLUSION

In summary, the results are not inconsistent with the proposition that campaign spending has a significant impact on ballot outcomes in initiative contests. Spending was one-sided in most of the 32 initiative campaigns included in the study, and such disparities appear to have significantly affected the typical proposition's chance of being passed, particularly when spending was overwhelmingly in opposition. When initiative campaigns are categorized by their patterns of corporate involvement, it's clear that conflicts in which corporations were very active tended to attract more campaign funds than did those in which they were not heavily involved, and voter awareness that initiatives were on the ballot seemed to be higher in such campaigns as a result. When corporate interests mounted Reactive campaigns against initiatives that sought to impose upon them new restraints or responsibilities, they tended to heavily outspend initiative proponents, and very rarely lost. When business groups battled each other in Competitive initiative struggles, spending was more equally balanced, and outcomes tended to be less certain. Business interests rarely used the initiative process to proactively seek resources or privileges from the broader non-business public, perhaps because they did not need to, but perhaps also because even massive spending is not likely to push a Proactive measure over the top. At the very least, the results suggest that a strong case can be made for including campaign spending as an independent variable in any comprehensive model of ballot outcomes in the California initiative process.

FOOTNOTES

1. Secretary of State March Fong Eu, 10/10/86 news release.
2. The November 1984 Jarvis (Save 13) campaign spent \$2,215,780 qualifying proposition 36 for the ballot. Around \$800,000 of this went to Butcher-Forde, Inc. for professional management and consulting services, and for a direct-mail signature-collecting campaign that raised about \$2.1 million during the qualification period (Source: California Journal, Dec. 1984).
3. In one of the few evenly matched (in terms of spending) initiative campaigns, proponents (primarily insurance companies) and opponents (mainly trial lawyers) of the June 1986 tort reform initiative (Prop 51) spent a total of \$10,957,234, including the cost of qualifying it for the ballot.
4. Three of the 35 initiative campaigns waged over the six elections included in the study were dropped from the analysis due to data availability or compatability problems.
5. Edelman suggests that, "...Where public understanding is vague and information rare, interests in reassurance will be all the more potent and all the more susceptible to manipulation by political symbols" (1960: 702).
6. Nor is spending linked to intensity of support or opposition among activists. Lowenstein argues that "one-sided spending results in the voters being confronted with a one-sided debate that does not reflect a corresponding imbalance in intense activist support. Indeed, there may be more widespread and intense support on the outspent side" (1982: 517).

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