

California's Top Two Primary and the Business Agenda

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Abstract

California has recently changed the way candidates are nominated in its primaries. The reform was designed in part to encourage cross-party collaboration and moderate the state's policy agenda. In this paper, I look specifically at the impact of the reform on business regulation issues, as measured by the legislative scorecards of the California Chamber of Commerce. I find that Democrats, but not Republicans, have indeed tended to be more moderate on these issues both recently and under similar reform conditions over a decade ago. But it is difficult to find firm evidence that would credit the reform for these changes. Moreover the Chamber's policy agenda as a whole is not clearly more successful under such periods of reform. Instead, this business agenda—and by extension, the willingness of Democrats to support it—seems tied solidly to unified or divided partisan control of government.

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In the June 2012 primary election, California used a radically open, “top two” primary for the first time. The system gave the same ballot to all primary voters, regardless of their party registration, and allowed them to vote for any of the candidates on the ballot for any office. The top two vote getters, again regardless of party, would advance to a fall runoff election. The system was placed on the ballot as part of a deal in 2009 to secure a vote for the state budget by one of California’s most liberal Republican legislators.

One of the primary goals of this new system was to elect more moderate candidates to public office, eschewing the extremes of each party. The argument for this approach is simple: elected officials are pulled to the extremes because they must appeal to the extreme voters in each party’s base who disproportionately influence party nominations. If this claim is true, then a more open process that allows candidates to appeal to more than the party base ought to empower moderate candidates.

Despite the simple logic of this argument, the evidence for it has been mixed, including the research that has been conducted on the impact of the top two primary so far. This research has drawn mostly from data on systems other than one used in California, and the data from California has mostly concerned the dynamics of the 2012 election. As a result, there is more need to understand how elected officials are responding to the system as they serve in office.

In this paper, I present some evidence about the behavior of California’s state legislators on one measure in particular: ratings by the California Chamber of Commerce. These ratings reflect how often each legislator has supported the Chamber’s position on bills the Chamber has considered important. These ratings are not the pure measures of ideology (“ideal points”) that are typical in much of the political science literature on representation, so it presents challenges for comparing the Chamber of Commerce scores over time. However, since the Chamber’s agenda is one of the most salient flashpoints in Sacramento politics, the ratings tend to be strongly correlated with ideal point estimates. Moreover, to the extent that they diverge due to changing items on the agenda, this changing agenda can itself become a focus of study. The Chamber was an explicit supporter of the top two primary, so the success of the Chamber’s agenda in the wake of the reform has been and ought to be one of the key policy questions of interest to the Sacramento community. Being able to talk about the fate of this substantive agenda is therefore an important contribution to the broader debate about the top two.

Finally, using Chamber scores offers a longer time period for study than has yet emerged in the research on this topic. This provides an easy way to compare the consequences of primary reform this time around with the consequences the last time California used a radically open

primary system, the “blanket” primary in 1998 and 2000. This offers some context on any changes that have been visible recently.

The paper first gives a brief history of California’s top two primary, and presents a review of some of the past research on primary reforms. It then evaluates the patterns of Chamber support over time within each party caucus, with special attention to the comparison between the top two and the blanket primary. Finally, it explores what has happened in the last few years in terms of the Chamber’s agenda, with special efforts to identify evidence for the sort of mechanisms that might suggest an effect for the top two. Taken together, the evidence for a top two effect is fairly mixed, with signs of moderation among Democrats but not necessarily the timing nor mechanisms that would support a top two explanation. And at this point there is almost no sign that the top two has yet advantaged the overall Chamber agenda.

Background

The top two primary emerged in California through an unusual confluence of events. In February 2009, the state was facing its worst fiscal crisis in decades, and the Democrats had put together a bill with temporary tax increases which they and Governor Schwarzenegger had agreed were necessary to avoid deeper cuts. But with a two-thirds vote required to pass the budget, Democrats in the senate were having trouble securing the final Republican vote they needed. The most probable candidate for this support was moderate Abel Maldonado, a long-time critic of the polarization in the legislature and a believer in the importance of primary elections as a cause of that polarization. He ultimately agreed to support the bill, but in exchange he required that the legislature place a primary reform measure on the ballot. The measure appeared the following year as Proposition 14, where it subsequently passed.

The top two promised to remove the leverage of the strongly ideological voters in primary elections by allowing voters to choose any candidate they wanted, regardless of party. It was hoped that this would encourage candidates to vie for support from the pivotal median (or “swing”) voter, as they arguably do in the fall campaign. At the very least, it raised the possibility of a cross-party coalition of moderate Democrats, Republicans, and independents in the primary to break the dominance of left and right. The prospect of same-party contests between two candidates in the fall seemed to strengthen this basic logic. Even if an extreme candidate of one party advanced to the fall, a moderate candidate of the same party might also advance and continue to present a more mainstream alternative. For voters of the smaller party in lopsidedly Democratic or Republican districts, the hopelessness of their own party’s cause would arguably encourage them to join with moderate voters of the dominant party to push the more moderate of the two run-off candidates to victory.

This was not California’s first experience with a radically open primary. The top two primary had been placed before voters once before in 2004 as a citizen initiative. But at that time the legislature made sure to add its own competing measure to the ballot that did little more than confirm the primary system already in place. In the confusion of these competing measures, the legislature’s version passed and the top two did not. Thus, one of the key advantages for Proposition 14 was the fact that it was the legislature’s own ballot measure, thus helping to protect it from further efforts to undermine it.

California had also used a “blanket” primary in 1998 and 2000, which was similar to the top two in most respects. Like the top two, it gave all voters the same ballot by default, allowing them to vote for any candidate regardless of party. In contrast to the top two, however, it then

advanced the top vote getter *within each party* to the fall contest. This was a bridge too far for the U.S. Supreme Court, which decided in *California Democratic Party v. Jones* (530 U.S. 567 2000) that this violated a party's right to free association by allowing that party's standard bearer to be chosen by people who would not otherwise even take the step of disassociating with the opposing party. In the wake of this decision, many aspects of the top two have been specifically designed to address these legal concerns, most importantly by downplaying the notion that any of the candidates advancing to the fall is an official party nominee in any sense. Party registration has been replaced with party "preference," the races covered by the top two have been called "voter nominated" (California Constitution Art II, Sec 5(a)), and no party is guaranteed a spot among the top two in the fall, thus transforming the primary into something closer to a first-round general election.

The top two and blanket primaries do arguably differ in terms of candidate entry decisions. The blanket always guarantees a spot in the fall for any party that runs at least one candidate in the primary, which probably encourages candidates of the weaker party in each district to run. The presence of such candidates then saps potential support from the more moderate of the two dominant party candidates, and makes it less likely that such candidates will even make it out of the primary stage. By contrast, the absence of such a guarantee in the top two framework discourages the same candidates from running in the first place, and therefore makes it more likely that intra-party fights between moderate and extreme factions of the district's dominant party will persist until the fall (McGhee and Krimm 2012).

Despite these differences, the basic goals of the blanket and the top two are virtually identical. The objective in each case is to pull candidates toward the center to pick up support from the median voter for the entire district. This decisive median voter is, in turn, now free to vote for any candidate he or she likes. Furthermore, the average voter, median or otherwise, has only minimal interest in behaving strategically. The likely strategy for voters in each system is thus no more complicated than voting for the candidate they like the best at each stage in the process (Sides et al. 2002). Thus, in broad outlines the reforms will probably produce similar changes in representation, if any at all.

Past Research

If the blanket and the top two primaries are likely to have similar effects, what might those effects be? The research on this question has been quite mixed. The broader evidence has been consistent with the absence of an effect, though there is an important exception to this conclusion for California.

Early formal modeling—as well as some more recent work—suggested that the presence of primary elections might be pulling parties to the extremes by allowing candidates to be chosen by a less diverse electorate than would be present in the general election (Aranson and Ordeshook 1972; Aldrich 1983; Cadigan and Janeba 2002; Owen and Grofman 2006). But more recent theoretical work has cast doubt on this simple idea. Formal models of such multicandidate races produce inconsistent expectations about the winner's ideology, and extreme candidates can win even when the median voter is a moderate (Cox 1987; Cooper and Munger 2000; Chen and Yang 2002; Oak 2006). Much depends on the number and characteristics of the candidates who decide to run, and that can be difficult to predict in advance.

Doubt has also been cast on certain key assumptions about the electorate that contribute to the argument of a moderating effect from open primaries. Crossover voting may not be as

common as expected, and where it occurs, may not be critical to the outcome of the election (Alvarez and Nagler 2002; Salvanto and Wattenberg 2002; Ahler et al. 2013). Moreover, while primary electorates are biased toward extreme voters, the magnitude of that bias has been questioned, and more exclusive primary electorates seem to elect representatives who are about as extreme as those elected by primaries with broader participation, at least when speaking of the U.S. Senate (Geer 1988; Hirano et al. 2010). Small wonder, then, that the most comprehensive research on the effect of open primaries on representation has either been unable to reject the idea that there is no effect on polarization or has found only limited evidence of the mechanisms that would have such an effect (McCarty et al. 2006; Brady et al. 2007; Pearson and Lawless 2008; Rogowski 2012; McGhee et al. 2014).

In contrast to these findings, the strongest evidence of an open primary effect has come from California itself. Scholars have consistently found a small but real moderating effect from the blanket primary (Gerber and Morton 1998; Gerber 2002; McGhee 2010; Bullock and Clinton 2011; Alvarez and Sinclair 2012; McGhee et al. 2014) and from the state's similarly open "crossfiling" system from the first half of the 20th century (Masket 2007). Reflecting this effect, McGhee et al. (2014) suggest that there may be something about California that is different than other states and that would help identify the circumstances where an open primary is likely to have some effect, though they also caution that it is too soon to be certain about this conclusion.

The advent of the top two primary offers a chance to get a better handle on California's potential status as an outlier. So far, the evidence falls in two general camps. Research on the first election under the top two has been unable to show that voters have sufficient capacity or interest to identify moderate candidates, and has further concluded that the positions candidates took in that first election were, if anything, slightly more extreme than the ones candidates took before the reform (Ahler et al. 2013; Kousser et al. 2013). But evidence from the behavior of the winning candidates *in the legislature* has suggested an important effect, and in the direction expected. In particular, Democrats in the post-reform legislature have been somewhat more moderate than those before (Grose 2014).

We are left, then, with two sets of evidence in some tension with one another. They are not logically inconsistent, since candidates need not govern as they have campaigned. It is certainly possible for the reform to have a significant effect on behavior in office while having little or no effect on behavior on the campaign trail. Likewise, voters might still elect more moderate candidates even if they cannot identify the ones who are moderate, if for instance the moderates had more resources available to bring themselves to the attention of voters on some basis other than ideology.

Nonetheless, to resolve the tension in this way is to turn the existing understanding of polarization on its head. The common claim is that convergence on the middle is the most appropriate and congruent form of representation, while *polarization* distorts this natural form by catering to the extremes (Fiorina et al. 2006). Thus, candidates ought to strive to appear moderate when running for office, even if they fully intend to behave like partisans once elected. Consistent with this idea, measures of campaign position taking have tended to show less polarization than measures of roll call voting (Ansolabehere et al. 2001). So it would be surprising to find signs of polarization in campaigning without as much or more polarization in governance.

The current research on the top two would therefore benefit from a separate validation of the governance/campaign distinction. The research is also missing some sense of the longer time series of polarization or accommodation in California politics, including a comparison of the

current dynamics to what happened under the blanket primary. Moreover, while much of the popular discussion of the top two concerned its potential impact on the legislative agenda—and in particular, the perennial conflict between business and labor interests—there has been little discussion in the political science research, either on the top two or nationally, of the impact of primary reform on policy outcomes. The remainder of this paper will seek to fill this gap with a detailed analysis of one important measure of policy conflict: the business-labor divide.

The Chamber of Commerce and the Business-Labor Divide

One of the most salient divides in California politics is the gap between business interests on the one side and labor unions and trial lawyers on the other (Walters 2014). While the Democratic and Republican parties in California certainly differ on other issues as well, the divide is largest and most consistent on questions of taxation and business regulation, and these issues form the core of most of the hardest-fought battles in California politics.

The California Chamber of Commerce is in turn one of the most important lobbying organizations in the state on these issues, advocating for a low-tax, low-regulation business environment. Every year, it identifies a group of about 12 to 20 bills coming through the legislature that it considers especially important to its interests, and then further identifies the position, either for or against, that it considers most congruent with those interests. Since the Chamber only rates bills that actually make it to the floor in either the assembly or the senate, the organization can give each member a score that reflects the percentage of Chamber-identified bills where that member voted the Chamber's position.

These scores are not pure measures of ideology (for a good summary of the problems of using unadjusted interest group scores as a measure of ideology, see Groseclose et al. (1999)). First, they are dependent on the bills that the Democratic majority is willing to bring to the floor. If possible, the majority party leadership wants a vote on bills that unite its caucus and at least make the opposition uncomfortable. This might make the legislature seem more polarized than is actually the case. However, this problem is unavoidable in any measure of ideology that uses roll call votes, including the justly popular NOMINATE scores.

Second, and more important, the bills that are available to score are also a function of the pressing policy issues of the day and any other changes to the broader environment such as economic growth and the quirks of the person holding the governorship. These are confounds that NOMINATE scores explicitly strive to control by anchoring scores over time with members who serve across multiple elections. By contrast, using the Chamber scores allows these factors to vary over time and to change the apparent ideology of the members in a way that is less likely with other measures of ideology.

Finally, the Chamber can itself alter the set of bills it chooses to score. Fowler (1982) notes that interest groups might select bills to track that accentuate partisan differences, making the legislature seem more polarized than it actually is. For the purposes of the comparisons over time that will be a focus of this study, such a bias would not present significant problems so long as it was consistent over time. The greater challenge is that from one year to the next the Chamber might feel emboldened to pursue a more aggressive agenda it does not think likely to pass, or chastened to work with the existing majority despite differences. It can choose a bill in order to work toward a substantive agenda or to provide fodder for future campaign ads. In short, the choice of bills to score is a strategic one, and the strategic considerations can change.

That said, using Chamber scores offers two distinct advantages. First, the Chamber was a big supporter of Proposition 14, donating heavily to the effort and signing the argument in favor of the measure in the ballot pamphlet. Thus, the Chamber more than likely expected its agenda to be more successful as a result of the reform. It is therefore hardly surprising that perceived changes in Chamber support have been an important part of the discussion about the top two's effects (Quinn 2013). Thus, part of the discussion ought to place the current levels of support for the Chamber's agenda in context.

Second, the overall Chamber agenda—the average success rate for the Chamber on the bills it identifies as important—is of both technical interest to those who wonder about the impact of such reforms on legislator behavior, and of substantive interest to the policy community. Rather than focus on whether legislators seem to be pulling further apart from one another or coming closer together, it asks whether any of this matters for the larger policy agenda. Moreover, it allows for a different sort of analysis, one that perhaps better reflects the strategic nature of legislator behavior. If more legislators support the Chamber's positions but the Chamber's positions are not, on average, more successful, then perhaps the higher support is simple posturing by legislators who know their vote on a given bill is costless and will not alter the state's policy on that issue. Thus, the overall Chamber success rate will be an important part of this analysis as well.

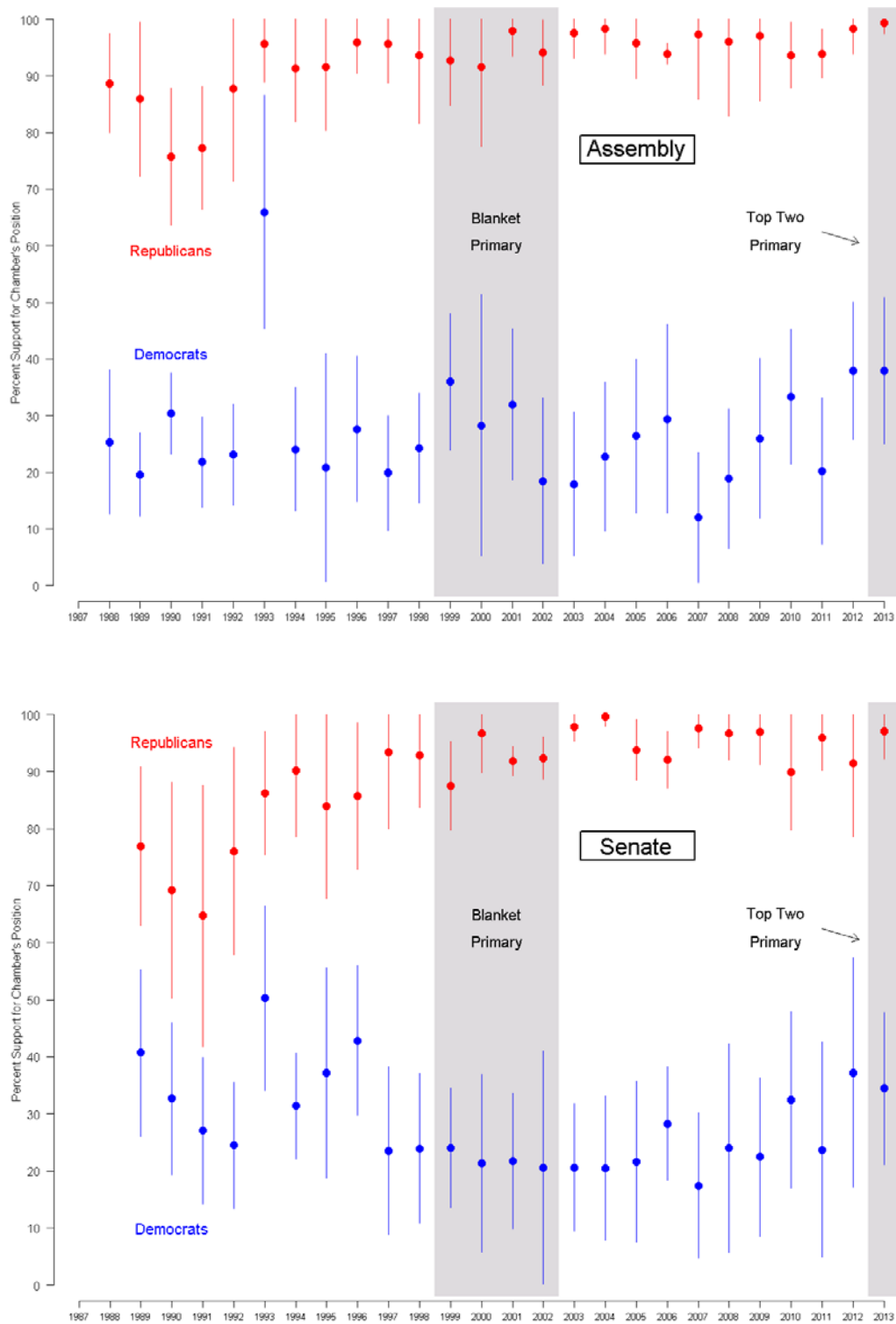
Chamber Scores over Time

Figure 1 contains the average Chamber of Commerce score in the California state assembly and senate by party over the last several decades; the bars around each data point represent one standard deviation. Several conclusions suggest themselves from this initial examination of the data. First, the gradual polarization of the California legislature is visible here. During this period of time, Democrats became somewhat more liberal on Chamber issues (especially in the senate) and Republicans became considerably more conservative. The fact that the Chamber scores validate this general understanding is comforting.

Second, since at least the late 1990s, the dynamics of Chamber scores have been different in each party. Republicans have been solidly supportive in virtually every year, while Democrats have been more supportive in some years and less supportive in others. This Democratic variation in the assembly has followed a vague pattern of higher support in the years leading up to a gubernatorial election, but it is perhaps too much to call that a clear trend, especially since it is less evident in the senate.

Finally, there are indeed signs that Chamber support among assembly Democrats has been comparatively high under both the blanket primary and the top two, as advocates of the reform would hope and expect. The pattern is less clear in the senate, where there has been more support for the Chamber in the last year but where there was no apparent change under the blanket primary. In both the senate and the assembly, there are also some questions about timing. For the blanket primary, the increased moderation among assembly Democrats occurred after the new system was first used; for the top-two, the increased moderation came just *before*. Indeed, there was a dramatic drop in support for the Chamber among both assembly and senate Democrats just after the 2010 gubernatorial election, followed by a return to previous levels and beyond in the following year.

Figure 1. Chamber of Commerce Scores, 1988–2013



This early shift in 2012 might reflect efforts by legislators to anticipate the effects of the reform and adjust their positioning in advance (Grose 2014). It had been apparent since June of 2010 that the top two would be in place for the June 2012 primary, but the districts drawn by California's new independent redistricting commission were not finalized until August of 2011, meaning that members had only a limited sense of the sort of district they might be running in. While anticipatory behavior was not visible in advance of the blanket primary, the blanket was implemented in the middle of a redistricting cycle. The potential disruption of an independent redistricting combined with a top two primary might have magnified the potential impact and encouraged more anticipatory behavior.

One way to examine this possibility is to separately examine the Chamber scores of those who are ineligible for reelection because they have served the maximum number of terms under California's term limits law. A large number of members were termed out in each Chamber in 2012, as was common under the term limits in place prior to 2012. These members were aware far in advance of the election that they would not be eligible to run again, giving them less incentive to change their behavior to match the perceived moderating effects of the reform. If the reforms prompted changed behavior, then these legislators should have had more liberal Chamber scores closer to the values they had prior to the reforms.

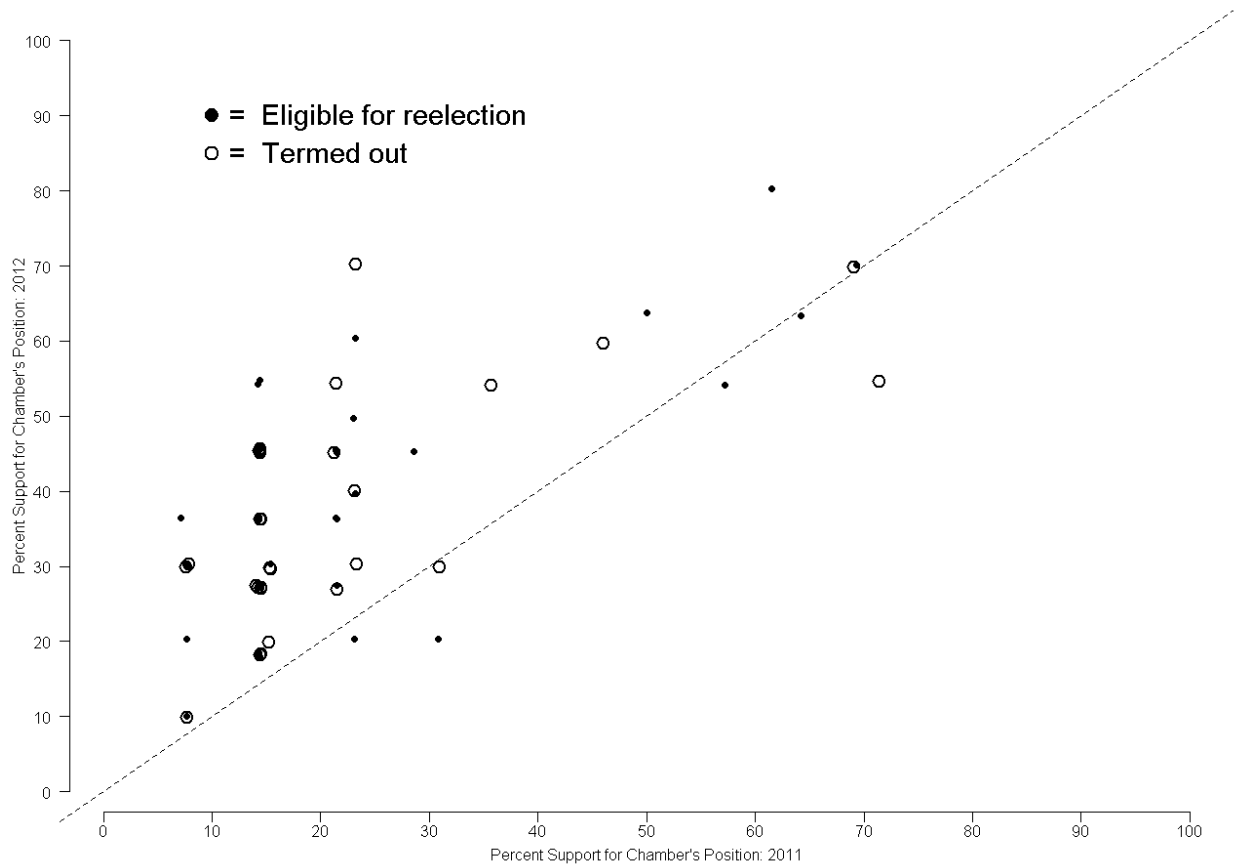
Figure 2 shows the Chamber score for legislators in 2011 and scores for the same legislators in 2012, after all the effects from the reforms had been made clear. I show only Democrats here since Figure 1 offered no sign of change in the Republican delegation. As one should expect from Figure 1, the points in Figure 2 generally fall above the dotted line that would mark equivalence, implying a more moderate caucus on business regulation issues in 2012 than in 2011.

But how much of that was a reaction to the impending changes from the reforms? The hollow circles in Figure 2 are Democratic legislators who were termed out in 2012, and they look much the same as those who were eligible for reelection: they fall above the line, and sometimes far above it. If one were expecting the moderation to be a product of the reforms, those who had been forced out of office by term limits should have been relatively less affected, but we do not see that here.

The regression results in Table 1 quantify this finding more precisely by regressing 2012 Chamber scores on 2011 scores, with an interaction between the 2011 scores and a dummy for whether the legislator was termed out of office. The main effect of the dummy variable shows how much more moderate (positive) or liberal (negative) these termed-out legislators were in 2012 compared to their score in 2011. The interaction term indicates how much better the 2011 scores predicted the 2012 scores for termed-out legislators, with a positive coefficient indicating higher predictability and therefore a larger effect from the reforms. But both the main effect and the interaction shown in the first column of results in Table 1 are of modest size and statistically insignificant, suggesting little in the way of a difference between termed-out legislators and all others.¹

¹ The combined predicted first difference of both the main effect and the interaction term is about the same as the main effect alone: -1.49, with a standard error of 2.66.

Figure 2. Assembly and Senate Democrats and the Chamber of Commerce, 2012 vs. 2011



Note: Data points have been jittered: adjusted slightly for easier viewing, without altering the substance of the graph.

Termed-out status does not perfectly describe a legislator's eligibility for reelection. Many of those termed out of one chamber were qualified to run in the other chamber, and those termed out of both chambers could still run for the U.S. House. Any of these options would still have forced a legislator to consider the effects of the redistricting and the top-two primary. Conversely, some of those who were *not* termed out nonetheless chose to retire from public office, or at least to run for a different office that was not covered by the top two. Do the results change at all if we compare the population of those who actually ran to the population of those who did not?

The second column of Table 1 shows the results of this analysis. The main effect and interaction are insignificant here as well, once again suggesting little difference between the two groups.² Furthermore, it is worth noting here just how poorly both of these models predict the scores in 2012. The adjusted R^2 indicates that both models account for less than half the variance, and the standard error of the regression says that the average prediction misses the mark by about 11 points—approximately the difference between a moderate and a liberal Democratic caucus in the graphs of Figure 1. Thus, not only was the Democratic caucus more supportive of the

² The combined predicted first difference of both the main effect and the interaction term is about the same as the main effect alone: 1.39, with a standard error of 2.62.

Table 1. Explaining 2012 Chamber scores with status for reelection

	Dependent Variable: Chamber Score, 2012	
	(1)	(2)
Intercept	38.23*** (1.60)	37.05*** (1.64)
Chamber Score, 2011	0.73*** (0.11)	0.60*** (0.12)
Termed out in 2012	-1.42 (2.65)	--
Termed out X Chamber 2011	-0.09 (0.17)	--
Did not run in 2012	--	1.46 (2.59)
Did not run X Chamber 2011	--	0.17 (0.17)
Adjusted R ²	0.47	0.48
RMSE	11.16	11.11
N	77	77

Note: Cell entries are OLS coefficients. Dependent variable is legislator's Chamber score in 2012. Senate and Assembly Democrats have been grouped together for the purposes of analysis. Chamber scores from 2011 have been mean deviated so that the "Termed out in 2012" and "Did not run in 2012" variables reflect the effect for a legislator with the average 2011 score.

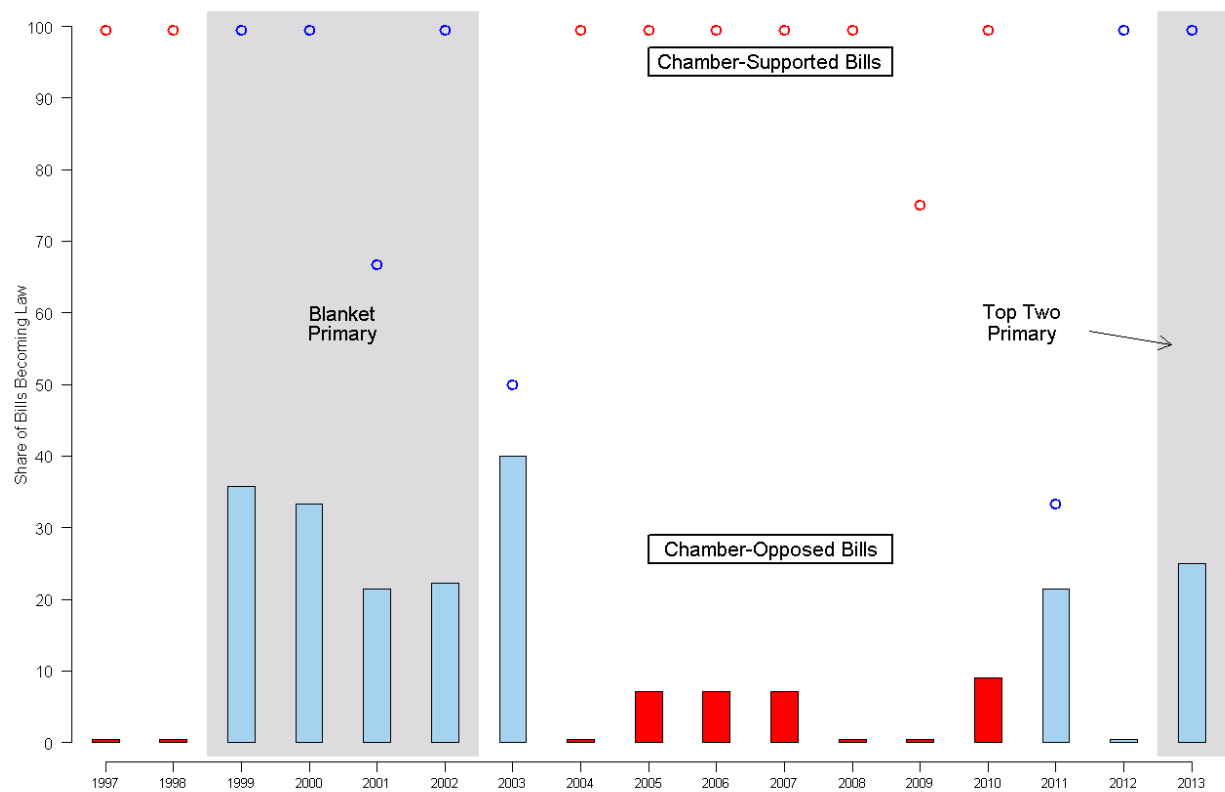
*** p<0.001

Chamber's agenda in 2012 than in 2011, the relative liberals and conservatives in each year were quite different.

Chamber Success over Time

Unlike most measures of ideology in the political science literature, raw Chamber of Commerce scores measure an actual political agenda: a legislator's support for the positions that have been taken by a particular lobbying organization in its efforts to steer the policy agenda toward its preferred outcomes. In that sense, we can discuss the success or failure of that overall agenda, and whether a more moderate Democratic caucus helps promote it.

Figure 3. Success of Chamber of Commerce Agenda, 1997–2013



Note: Circles represent the success rate for bills the Chamber supported, while bars are the success rate for bills the Chamber opposed. Blue bars and circles represent years with unified Democratic control of government. Red bars and circles represent a Democratic legislature and a Republican governor.

Taking this extra step offers two insights. First, it tells us something about a key question of interest to both supporters and opponents of reform: does the reform produce any change in policy outcomes? Second, it offers some insight into the practical effect of a more moderate caucus. Legislators operate in a highly strategic environment, where they are usually aware of a bill's prospects before they vote on it: the likely votes of their colleagues, the bill's probable fate in the legislature's other chamber, and the chances of a gubernatorial veto. When legislators know that their own vote will not affect a bill's final disposition, they are empowered to send a signal to any community they desire, for any reason. Thus, we would like to know how often increased moderation is more than position-taking and has concrete policy consequences.

Figure 3 shows the share of bills opposed by the Chamber that ultimately became law over the Chamber's objections (the bars), as well as the share of bills supported by the Chamber that were successfully passed (the hollow circles). To clarify party control, I have colored the bars and circles blue when a Democrat holds the governorship, and red otherwise. To simplify presentation, I have limited this graph to the years when Democrats were clearly in control of

both chambers of the legislature. (The assembly was controlled by Republicans for most of the 1995-96 legislature, during which time the Chamber's agenda was far more successful.)

The first point to note in Figure 3 is the Chamber's amazing success rate. Even in the organization's least successful years it has blocked more than half the bills it opposes and passed at least half the bills it supports. Nonetheless, the Chamber has been even more successful under Republican governors. Bills the Chamber opposed³ were killed far more often when Republicans Pete Wilson (1997-98) or Arnold Schwarzenegger (2004-2010) wielded the veto pen. Bills the Chamber supported, by contrast, were successful in virtually every year, and have typically passed by extremely large margins (not shown). Doubtless when a bill supported by the Chamber receives a vote on the floor, it has already seen its key Democratic opposition dissolve.⁴

The Chamber was notably less successful under Democrats Gray Davis and Jerry Brown, despite the fact that both governors presided over some of the most pro-business Democratic caucuses of this period. Moreover, under Jerry Brown the success rate of the Chamber and the moderation of the Democratic caucus have become disconnected. The 2011 session was not a good one for the Chamber: we have already seen that Democratic legislators were especially liberal that year, and it appears that the Chamber's ultimate success rate in the bills it tracked was also relatively low. But while the more moderate Democratic caucus in 2012 was relatively kind to the Chamber, the more moderate caucus in 2013—under the full influence of the reforms—produced a success rate for the Chamber that was closer to that of the liberal caucus of 2011.

More broadly, if the success of the bills the Chamber is trying to block is regressed on the Chamber scores for the average Democrat in both the senate and the assembly, plus a dummy variable for the party of the governor, the moderation of the Democratic caucus adds no explanatory power. Meanwhile, the same analysis suggests an average success rate 22 percentage points lower under Democratic administrations.⁵

Of course, these results do not tell us that a more moderate Democratic caucus *will not* produce more successes for the Chamber of Commerce, only that it *has not* consistently done so. Since the moderation of the Democratic caucus and the Chamber successes are measured on the same set of bills, it suggests that the Democratic caucus has not yet translated higher support for the Chamber's agenda into substantive outcomes. Whether success for the Chamber can be measured some other way, or barring that, whether a more moderate caucus will eventually press for further policy change, remains to be seen. For now, however, the higher support for the Chamber's agenda appears largely costless, and the levels of support and Chamber success seem broadly consistent with the last two decades of outcomes in the California legislature.

³ The Chamber has consistently opposed at least 6 in 10 bills it tracked, with an average of 83 percent over the course of this period.

⁴ Recall that receiving a floor vote is a precondition for inclusion in the Chamber's ratings.

⁵ Specifically, I regressed the percentage of bills that ended up with the outcome the Chamber favored (i.e., passage for the bills it supported but not for the bills it opposed) on three variables: the average Chamber score for Democrats in the senate, the average score for Democrats in the Assembly, and a dummy variable for the party of the governor. The coefficient (and standard error) for the Assembly mean was -0.11 (0.38), for the Senate mean was 1.04 (0.51), and for the gubernatorial dummy was -21.67 (3.74). The R^2 of the regression was 0.76, and the standard error of the regression was 7.19.

Conclusions

This paper has examined the evidence for an effect from California's recent political reforms—especially the top two primary—on the state legislature's handling of the Chamber of Commerce's agenda. There is some evidence that the legislature's Democratic caucus has become more moderate on Chamber issues under the top two primary, and that the assembly Democratic caucus was also more moderate under the similar blanket primary in 1998 and 2000. But signs that electoral pressures produced this moderation are difficult to find. Moderation on Chamber issues came in advance of the first election under the reforms, and those who were termed out or decided not to run for reelection were just as likely to moderate as legislators who were continuing in the same body. Moreover, there is no evidence that greater moderation in the Democratic caucus has led to greater success for the Chamber's policy agenda. Thus, there is a real possibility that this moderation is simply position-taking by elected officials who know that no concrete change in policy will come from it.

We must be careful about concluding too much from these early results, however. The reforms have not clearly produced a more "business-friendly" Democratic caucus, since it is difficult to peg the moderation to electoral pressures and the Chamber's success rate has not noticeably changed. But political movements often germinate slowly. What appears to be position-taking now might be a movement within the Democratic caucus that has yet to take firm root. Moreover, the fact that greater moderation on Chamber issues came just before the reforms and did not appear to be connected to them does not mean that the moderation that has come *after* the reforms is not the product of those reforms. Given more time, we will see if the moderation persists year in and year out.

It is also important to note that these conclusions apply only to Chamber of Commerce scores, and even then only to the "raw" version of these scores that have not been adjusted to account for changes in the policy agenda from one year to the next. As such, this is not a pure measure of ideology, but rather a measure of a particular substantive policy agenda, how it has changed (or not) before and after reform, and how legislators have reacted to it. Further exploration using other substantive agenda measures and purer measures of ideology will be important as we continue to evaluate these reforms moving forward.

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