Direct Democracy, Indirect Results:
When Does Government Limit the Impact of Voter Initiatives?

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Abstract

Citizens use the initiative process to make new laws. Many winning initiatives, however, are altered or ignored after Election Day. We examine why this is, paying particular attention to several widely-ignored properties of the post-election phase of the initiative process. One such property is the fact that initiative implementation can require numerous governmental actors to comply with an initiative's policy instructions. Knowing such properties, the question then becomes: *When do governmental actors comply with winning initiatives?* We clarify when compliance is full, partial, or not at all. Our findings provide a template for scholars and observers to better distinguish cases where governmental actors' policy preferences replace initiative content as a determinant of a winning initiative's policy impact from cases where an initiative's content affects policy despite powerful opponents' objections. Our work implies that the consequences of this form of democracy are more predictable, but less direct, than often presumed.

Introduction

The initiative process is a form of direct democracy that allows citizens to make new laws.[1] In the US, organized support for the initiative process arose from groups who were disgruntled with their state or local governments' refusal to act on certain issues (Deverell and Sitton 1994). Over the past century, 24 states and hundreds of localities have adopted the initiative process. While sometimes controversial, the use of voter initiatives has grown steadily over the last century and is now the arena for some of the nation's most important political debates.

Many people think of the initiative process as one that allows citizens to make laws without government interference. Yet the post-electoral history of initiatives paints a different picture. Many initiatives that win at the ballot box, for example, are challenged in the courts. Court rulings that strike down initiatives tend to be very public and are widely perceived as the primary obstacle preventing winning initiatives from having their intended policy impact.

We contend that less recognized, but just as critical to the fate of winning initiatives, are the actions taken after the election by unelected bureaucrats and elected officials. Indeed, there is great variation in what happens to initiatives after voters approve them. Some initiatives take full effect, while many others are altered substantially or just ignored.

Such variation in treatment occurs because every winning initiative gives governmental actors an opportunity to make implementation and enforcement decisions. When making these decisions, governmental actors can reinterpret, or even reverse, an initiative's policy mandate. Put differently, if an initiative is to affect policy, then governmental actors must take an active role in converting its policy instructions into actual practice.

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[1] We use the term initiative process to refer to its most common form, the direct initiative. A less common form of the process, the indirect initiative, allows a legislature to pass a citizen proposal after it qualifies for the ballot but before the election. Here, we focus on direct initiatives.

If, for example, complying with an initiative entails raising new funds, spending new funds, or reallocating existing funds – as many initiatives do – then the legislature, and not the initiative's authors, must make these funds available (i.e., the legislature must revise previous budget agreements to incorporate a winning initiative's budgetary requirements; see, e.g., Alt and Lowry 1994). If the legislature chooses not authorize the necessary funds, then no resources are available for implementation and enforcement and the initiative's ultimate policy impact is negligible. Other initiatives provide only vague implementing instructions. If state or local bureaucrats need more precise instructions about how to implement a winning initiative, then some governmental actor must write these instructions and the legislature or a high-level bureaucrat must approve them. When the actors responsible for writing or approving the instructions have discretion over their content, then the actors charged with carrying out those instructions may be ordered to act in ways that are quite different than the initiative's sponsors intended. In the limit, if the governmental actors responsible for writing or approving implementation choose not to act at all, then the initiative's Election Day victory is effectively reversed.

To clarify the policy impact of voter initiatives, we examine governmental actors' decisions and incentives after Election Day. We use the term "compliance" to refer generically to actors' decisions to implement and/or enforce initiatives as they were written. We consider compliance to be full when governmental actors implement and enforce an initiative as it was written. We consider compliance to be partial when some part of the initiative is reinterpreted or ignored by governmental actors. We consider there to be no compliance when governmental actors ignore the initiative entirely. Note that when an actor chooses partial compliance, the reinterpretation need not be detrimental to the initiative proponents' interests. The point is simply that the decisions of governmental actors replace the content of a winning initiative as a determinant of how voter initiatives affect public policy.

The core of our study is an applied formal model that focuses on governmental actors' post-election decision making. Our model builds upon, refines, and extends the empirical work of scholars such as Pressman and Wildavsky (1984) and Gerber et al (2000) who examine the many challenges associated with implementing political mandates. We find that full compliance is possible for certain kinds of initiatives and difficult or impossible for all others. Indeed, we prove that under normal conditions, governmental actors' policy preferences displace initiative content as a determinant of a winning initiative's policy impact.

This finding is important for several reasons. First, it reveals the importance of treating legislative and bureaucratic reactions to the initiative process with the same seriousness that is accorded court reactions. To the common wisdom that resistance to legal challenge is a necessary condition for a winning initiative to have a shot at changing policy, we add that legislative and bureaucratic interests being aligned in special ways is just as necessary. As such, our findings draw attention to the idea that court action is but one way in which political actors may change the result after the election is over. Put another way, focusing only on the courts when attempting to assess an initiative's likely post-election impact is a recipe for substantial error.

Second, our work implies that the policy consequences of this form of democracy are far less direct than often presumed. This implication matters because a growing number of groups and individuals across the country spend increasing amounts of time, money, and other resources to change laws via the initiative process. Many voters, contributors, journalists, and analysts who do not follow initiative politics closely act on the belief that victory at the polls – plus a successful defense of legal challenges – equals a swift and dramatic policy change. Our work turns this very common wisdom on its head. While we identify conditions under which this belief is true, we find that it is normally false. Understanding these aspects of the initiative process can help future participants and scholars direct their efforts more effectively. Indeed, our work shows

that much of what is important to understanding the initiative process' policy consequences occurs after Election Day.

We continue as follows. Next, we provide substantive background on the initiative process. Then, we describe the model and present our results. A conclusion section ends the paper and an appendix includes relevant technical details.

Two Things To Know About Initiatives

In this section, we provide two pieces of background information on the initiative process. The first piece of information motivates us to conduct this research. The second piece of information shapes the manner in which we proceed.

The first piece of information is that many people believe that victory at the polls implies direct and substantial policy change. Our null hypothesis is that such beliefs are true and our main result is that they are normally false. The second piece of information is that the kinds of people or groups who place initiatives on the ballot are likely to have enemies in government. Our research agenda is designed to clarify how this fact affects the initiative process' policy consequences.

1. Voters believe that winning initiatives bring big changes

Many states and localities allow lawmaking by initiative. The high profile of some initiative battles gives the impression that initiatives have a large and direct policy impact. The style of modern initiative campaigns reinforces this perception. Today's campaigns often come down to a battle of sound bites, endorsements, and direct mail -- all of which send the same message: "if this initiative passes, big changes will occur" (see Bowler and Donovan 1998 and Lupia 1994 for more on initiative campaigns). Indeed, both proponents and opponents in an initiative have incentives to claim that a proposed initiative will have a significant effect if it wins. For both sides, such claims help to mobilize potential supporters.

Initiative proponents and opponents also spend large sums of money to make their claims heard. The average cost of an initiative campaign in California in 1998, for example, was $8,401,934. The most expensive cost $66,922,504 and even the least expensive campaign cost over $400,000. So unlike most political debates that occur in legislative chambers, debates over initiatives take place in the public eye – in the newspapers, on television, literally in the public's living rooms and mailboxes. Citizens are therefore likely to be much more aware of initiatives than of the typical piece of legislation brought to the floor of a statehouse. As a result, citizens are more likely to be exposed to the claim that initiatives bring big change.

2. Initiative proponents are likely to have well-placed enemies

Since 1911, only 34% of the initiatives that qualified for the California ballot have passed. Of those that passed, the courts overturned many. We contend that other governmental actors have reinterpreted or neglected many more. Given this low rate of success and the high costs of initiative campaigns, why would anyone choose to pursue policymaking by initiative? To answer this question, we highlight three common motives of initiative sponsors.

For some groups, the initiative process provides benefits that legislative processes do not. Most importantly, many places that use the initiative process make it difficult for the relevant legislature to amend winning initiatives (Gerber 1999). Proponents of a policy who want to protect it from this form of change have an incentive to use the initiative process.

For other groups, the initiative process is the only way to convert their policy ideals into law. Supporters of term limits and certain types of campaign finance reform, for example, want policies that many legislators are unwilling to impose on themselves. Other groups advocate policies that the major parties dislike (e.g., open primaries), that cut across existing political cleavages (e.g., bilingual education), that offend important legislative constituencies (e.g., tort reform), or that legislators consider "too hot to handle" (e.g., immigration policy and gay

marriage). Indeed, these are the very types of groups the initiative process was initially intended to empower (Deverell and Sitton 1994).

Still other groups use the initiative process to achieve goals for which victory at the polls is not required. Some groups place measures on the ballot to get a particular policy agenda into public view. While such groups are not doubt happier if their initiatives succeed, the publicity that initiatives can attract is itself a desired end – particularly if the publicity induces subsequent legislative action (Gerber 1996).

All initiative proponents, therefore, seek policy changes that constrain governmental actors in some way. As a result, their winning initiatives may face special problems after Election Day. For if the same governmental actors that opposed their ideas before the election are later charged with implementing and enforcing them, a conflict may arise -- *the actors have to choose between pursuing their own policy interests or complying with the policy instructions of a winning initiative*.

The Model

We draw our findings from a model of an initiative's post-election fate. To simplify the exposition, we first describe a simple version of this model. In it, two agents who we call the legislature and the bureaucracy determine the extent to which government implements a winning initiative. For most initiatives, however, many more than two agents (e.g., multiple bureaucrats) are involved in the implementation and enforcement of the measure. The second "advanced" version of the model captures the dynamics of such situations by allowing any number of agents. At the end of this section, we state our conclusions in the form of three results, two from the simple model and one from the advanced model.

Actors

We distinguish two types of governmental actors: implementation agents and enforcement agents. *Implementation agents* are those in government responsible for providing official instructions about how to comply with an initiative.[2] *Enforcement agents* are those in government responsible for following those directions. In most cases, different people are assigned implementation and enforcement duties. A state legislature, for example, can have sole authority to write implementation instructions or pass implementing legislation regarding a winning initiative – particularly when the initiative has budgetary implications. In other cases, the task of writing implementing legislation goes to high-ranking officials in bureaucratic agencies. The state and local bureaucrats are often the actors charged with enforcing implementation instructions or implementing legislation. There are also cases in which the line between implementation and enforcement is not so sharply drawn – the same people must decide how to implement an initiative and ensure that it gets enforced.

To simplify the description that follows, we refer to the implementing agent as the legislature and the enforcing agent as the bureaucracy in our discussion of the simple model. We use the terms "legislature" and "bureaucracy" as shorthand, reflecting the fact that these actors are often asked to play the stated roles. Our findings about these two actors, however, clarify the post-election incentives and opportunities faced by a wide range of governmental actors.

Preferences

What governmental actors share in common is that most, if not all, of them are motivated, at least in part, by a desire to affect policy. This is not to say that any or all of these actors share common beliefs about what policy outcomes are best or are most appropriate. In our model, we posit that each actor has an ideal policy outcome and wants the initiative's impact to resemble its

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[2] Courts can be categorized as implementation agents in this context as rulings on a winning initiatives' constitutionality serve as instructions to other governmental actors on what kinds of enforcement are allowable. Since the courts' role in such matters is typically to limit the reach of new laws, rather than to augment their reach, our way of modeling implementation agents' is analogous to the court's decision problem. However, since the courts' ability to play this role is widely appreciated, we continue to focus on the actions of non-court actors in order to pose a more direct challenge to the common wisdom.

policy ideal as much as possible. If, for example, the bureaucracy is stocked with liberals and the legislature is conservative, then we assume that the bureaucracy prefers forms of initiative compliance that lead to more liberal policy outcomes, while the legislature prefers forms of compliance that lead to more conservative outcomes. This portrayal of preferences is standard in formal models and is beneficial in that it does not require us to depend on speculative claims about the origins of actor preferences. So our model's logic applies whether the legislature's preferences result from individual ideologies, party platforms, constituency pressures, or re-election considerations and whether the bureaucracy's preferences derive from career ambitions or personal ideologies. All that we require is that both actors are concerned with more than just empty posturing; each must have some concern with the policy consequences of their actions.

Actions

We represent the government's reaction to a winning initiative as a process that entails three stages: an implementation stage, an enforcement stage, and a sanctioning stage. Actions taken in these stages determine the extent to which the policy that prevails on Election Day is the policy that prevails after governmental actors react. Figure 1 shows the sequence of events.

Figure 1 Here

The game begins after an initiative's victory on Election Day.[3] The winning initiative calls for policy *p* to replace the existing status quo policy, *sq*. For simplicity in describing our model and results, we assume that *p>sq* (parallel results hold when *sq>p*). In other words, *p* represents what initiative proponents want more of. Proponents of initiatives that entail new spending want more money for their preferred policies – higher *p* represents more money. Proponents of initiatives such as California's Proposition 13, by contrast, want more fiscal constraint – higher *p* represents a policy that entails decreased property taxes.

The model's most important premise is that passing an initiative does not guarantee its implementation and enforcement. As is the case with any law, initiatives affect policy outcomes only if government agents work them into the existing policy framework and commit the resources that enforcement entails. So the question becomes, do governmental actors implement and enforce policy *p* or do they act in ways that lead to policy outcomes other than *p*?

Implementation Stage

After an initiative wins, governmental actors must provide implementation instructions. These instructions often take the form of implementing legislation by the legislature. In our model, we represent such actions as instructions to enforcement agents to comply with the initiative fully, partially, or not at all. We denote this instruction $L \in [sq, p]$ where $L=p$ denotes full compliance, $L=sq$ denotes no compliance, and all other values of L ($L \in (sq, p)$) denote varying levels of partial compliance.

We assume that the legislature faces implementation cost k_l, which represents the technical and political costs of implementation. Technical costs arise from having legislative staff determine how to implement aspects of the initiative, plus the costs of actually establishing, administering, and monitoring mandated programs. Political costs derive from taking resources away from other programs in order to comply with the initiative. For example, legislative actors may have to promise benefits on other issues to secure majority support for implementing legislation.

We assume that the legislature must pay implementation costs if their legislation entails policy change (i.e., $L \neq sq$). By contrast, we assume that if the legislature chooses to do nothing about implementation (i.e., $L=sq$), then it pays no implementation costs. To clarify a basic effect

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[3] Romer and Rosenthal 1978, a model of referendums, provides a parsimonious account of the strategic considerations that initiative proponents take into account when they choose an initiative's content. There is, of course, the prior question of what interests can mobilize voter support (see, e.g., Gerber 1999). For the purpose at hand, we simply recognize that such interests exist and focus on the extent to which governmental actors comply with the initiatives they pass.

of implementation costs, without getting into an abstract discussion of the topic and without a loss of substantive generality, we assume that the legislature's implementation costs are either prohibitive (denoted $k_l=k+$) or not prohibitive ($k_l=0$). Compliance is possible only if costs are not prohibitive. Court rulings, for example, that judge initiatives to be unconstitutional, or are otherwise effective in restricting legislatures from taking certain actions regarding initiatives, raise implementation costs to prohibitive levels.

If the legislature refuses to comply (i.e., $L=sq$), then there is no legislation for the bureaucracy to enforce, the initiative dies, and the status quo policy prevails. If the legislature passes implementing legislation (i.e., $L \neq sq$) then the legislation is forwarded to the bureaucracy and the process continues.

Enforcement Stage

The bureaucracy can comply with implementing legislation fully, partially, or not at all. We denote this choice $G \in [sq, L]$, where $G=L$ denotes following the legislature's instructions completely, $G=sq$ denotes no compliance, and other values of G denote varying levels of partial compliance. Since our goal is not to scrutinize court decision-making, the bureaucracy's decision, G, represents the initiative's ultimate policy consequence. Like the legislature, we assume that the bureaucracy faces enforcement costs for policy change ($G \neq sq$). We denote these costs as k_g and define them analogously to k_l.

Bureaucrats typically lack the authority to write implementing legislation (i.e., legislatures have the sole power to draft legislation and only they can authorize most forms of spending; alternatively, it is easier for bureaucrats to do less than is asked of them than it is for them to do more than what is asked). So if the legislature fails to draft implementing legislation, then bureaucrats lack authority to act. They may, however, have some discretion in how to react to implementing legislation.

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Sanctioning Stage

The process ends with a day of reckoning. We include this day of reckoning to represent the following fact: supporters of an initiative may not stand idly by as governmental actors dismantle the fruits of their electoral victory. Initiative supporters, who need not be the same people who proposed the initiative or waged the campaign for it, may have the ability to mobilize voters against non-compliant actors. Therefore, we assume that governmental actors can face sanctions for non-compliance.

To keep our focus on how the decisions of governmental actors, we incorporate the threat of sanctions in a simple way. We assume that sanctions are triggered only if compliance is not full ($G \neq p$) and the informational environment is such that supporters can observe this outcome. If these conditions are met, then the legislature receives a sanction of size s_l and the bureaucracy receives a sanction of size s_g. Otherwise, no sanctions are applied.

The sanction imposed upon the legislature need not equal the size of the sanction imposed upon the bureaucracy. Allowing the legislature's sanction to differ from the bureaucracy's sanction has several advantages. First, it allows us to include in our study cases where proponents can impose different sanctions on the legislature and the bureaucracy – as occurs when legislators are vulnerable electorally but the relevant bureaucrats are not. Second, it allows us to include sanctions that appear equal by some measures but have different impacts on the legislature and the bureaucracy.

In thinking about the role of sanctions, we recognize that many initiative supporters lack the ability to track compliance and that it is plausible for perceived variations in such abilities to affect governmental actors' choices.[4] Therefore, we say that the likelihood of sanction in our

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[4] Two factors make observing compliance particularly difficult. First, some initiatives specify a policy goal without explicitly describing the means for achieving the goal or specify the steps a government must take, but are vague about what end results the initiative supporters desire. This factor implies that compliance may be difficult to measure, even if supporters are knowledgeable about government actions. Second, some initiative supporters lack information about government actions. So even if means and ends are stated clearly, the supporters may be unable to assess compliance.

model depends on the extent to which supporters can observe the initiative's policy impact, *G*. Specifically, we assume that supporters observe *G* with probability *z* and observe nothing with probability *1-z*. For example, if *z=.6*, then there is a sixty percent chance that the supporters will observe whether or not government complied with the initiative and a forty percent chance that they will not. High values of *z* represent cases where supporters have good information and the resources needed to carry out sanctions, while low values represent less able supporters. So if the probability of observing compliance is sufficiently low, then governmental actors may have an opportunity to "overturn the election result" with little fear of reprisal -- even if better-informed supporters would impose large sanctions. We assume that governmental actors know the likelihood of sanction when it is their turn to act, but that they learn the true extent of such sanctions only after making their decisions (in the sanctioning stage.)[5]

Findings and Implications

We now present our findings. An appendix contains a formal description of the model, technical statements of each result, and proofs. The results, summarized in Table 1, describe our simple model's conditions for full compliance and no compliance, respectively.

Table 1: Summary of Results from the Simple model

Compliance Costs	Sanctions	Preferences
Result 1. No Compliance		
Prohibitive	Any level	Any specification.
Not prohibitive	Low on all	The actor least favorable to *p* most prefers no compliance.
Not prohibitive	High on some	One actor most prefers no compliance. The other

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[5] Indeed, in many initiative campaigns, it is often difficult for anyone – including governmental actors – to anticipate how solvent or cohesive an initiative's supporters will be after an election. Though some initiatives are backed by stable interests, others are supported by organizations that cease to be active after the election, and still others gain new supporters years after passage. Thus, it is important to include in the model the possibility that when governmental actors make compliance decisions, they too may be uncertain about the consequences of their actions.

prefers no compliance to full compliance.

Result 1a. Partial Compliance

Not prohibitive	Low on all	The actor least favorable to p most prefers partial compliance.
Not prohibitive	High on some	Both actors want partial compliance and at least one actor does not face big sanctions.

Result 2. Full Compliance

Not prohibitive	Any level	Both want full compliance.
Not prohibitive	High on all	Any specification.
Not prohibitive	High on some	The actor that does not face big sanctions most prefers full compliance.

Result 1: There is **no compliance** if compliance costs are prohibitive OR compliance costs are not prohibitive and one of the following is true:

- The legislature or bureaucracy not only prefers the status quo to any degree of compliance but also faces small sanctions for non-compliance.

- The legislature or bureaucracy prefers the status quo to any degree of compliance, while the other actor prefers the status quo to full compliance and faces small sanctions.

Result 1 specifies three sufficient conditions for no compliance with a winning initiative. From the perspective of its policy impact, such outcomes are equivalent to governmental actors overturning the election result.

The first condition for no compliance is straightforward – prohibitive costs prevent compliance by definition. The second sufficient condition for no compliance arises when either the legislature or the bureaucracy chooses not to comply because expected sanctions are small. This ability to block compliance unilaterally comes about when an actor who faces small sanctions prefers no compliance to any degree of partial compliance.

To see the dynamics that produce this result, suppose that the legislature prefers no compliance to any degree of partial compliance. If its expected sanction for non-compliance is

sufficiently small, then it has no incentive to write implementing legislation. Other governmental actors' preferences are irrelevant because no one else can write implementing legislation. Therefore, the result is no compliance. The case where the bureaucracy prefers no compliance and faces small sanctions has similar dynamics – regardless of the legislature's preferences, the bureaucracy ignores any implementing legislation it receives and the result is no compliance.

The third sufficient condition for no compliance arises when an actor who prefers no compliance can reduce the choices available to another actor in a way that forces the latter to choose no compliance as well. Suppose, for example, that the legislature prefers no compliance to any other level of compliance. Unlike the previous example, however, suppose the legislature faces large sanctions if compliance is less than full. Suppose further that the bureaucracy does not face large sanctions and prefers partial compliance to other compliance levels. The bureaucracy, if left to its own devices, will enforce its own desired partial compliance level – a level that the legislature dislikes. Since the legislature can anticipate the bureaucracy's response, it denies the bureaucracy the discretion to interpret the initiative as it likes by refusing to proffer implementing legislation – and no compliance occurs.

The conditions for partial compliance (labeled Result 1a above) are similar to those just discussed for Result 1 and can be summarized as follows. As the initiative becomes more similar to the preference of the actor who least prefers full compliance or as sanctions increase on that actor, partial compliance replaces no compliance as the initiative's post-electoral fate.

As we turn to the conditions for full compliance, we see that the same dynamic continues and that full compliance -- while not impossible – requires specific circumstances.

Result 2: There is **full compliance** if and only if implementation and enforcement costs are not prohibitive and one of the following is true:

- The legislature and bureaucracy each either favor full compliance to any lower level of compliance or face large sanctions.

- The legislature prefers full compliance to the bureaucracy's most preferred level and

the bureaucracy faces large sanctions.

Governmental actors comply fully when either of Result 2's sufficient conditions is met. The first condition describes the simplest means by which full compliance occurs -- a government filled with actors who most prefer full compliance. Otherwise, full compliance requires that the initiative's opponents in government face large expected sanctions.

To see such conditions in action, consider California's Proposition 140 of 1990. This initiative imposed the following limits on the number of terms an individual could hold statewide political offices: Members of the State Assembly can serve a maximum of three two-year terms; State Senators and statewide officers (including Governor, Lieutenant Governor, Attorney General, Controller, Secretary of State, Treasurer, Superintendent of Public Instruction, and members of the Board of Equalization) can serve a maximum of two four-year terms. All of these limits are lifetime bans, meaning that a person who has served the maximum number of terms in an office must leave office and may never hold that office again.

While government actors have opportunities to exercise substantial discretion in implementing many initiatives, the model explains why such opportunities were not available in this case. Policy makers in the legislative and executive branches were virtually unanimous in their opposition to the initiative. However, the expected sanctions for failing to implement and enforce the term limits component of Proposition 140 were extremely high. The probability that voters and interest groups would observe non-compliance was great, since the criteria were specific, clear, and easy to observe (either elected officials left office when they were supposed to or they did not). Moreover, the initiative's proponents were powerful. They spent over $2.5 million to support Proposition 140 during the campaign and were part of a national term limits movement that was unlikely to back down from a challenge. More importantly, the courts raised the specter of sanctions substantially by upholding the measure in repeated court challenges.

Thus, although most legislators were strongly opposed to term limits, the threat of severe sanctions forced them to comply.

The second sufficient condition describes a more complex route to full compliance. In it, the bureaucracy and the legislature most prefer outcomes other than full compliance. Beyond this, their disagreement is substantial. The legislature prefers greater compliance than the bureaucracy and only the bureaucracy faces large sanctions. If the legislature can get the bureaucracy to enforce the high degree of partial compliance that it most desires, it will write legislation that gives the bureaucracy the ability to comply partially. The legislature knows, however, that the bureaucracy will use such legislation to comply at a level that the legislature likes less than full compliance. In other words, if the legislature gives the bureaucracy discretion to interpret the initiative, the bureaucracy will use that discretion in ways that the legislature dislikes. Therefore, the legislature instructs the bureaucracy to comply fully, placing the bureaucracy in the spotlight and effectively reducing its choices to full compliance or sanctions. Since sanctions are large, it chooses full compliance.

In sum, we expect full compliance if there exists a legislature that agrees with the initiative and a bureaucracy who either wants full compliance or faces large expected sanctions. If we substitute an unsympathetic legislature facing large sanctions for a legislature that desires full compliance, then our expectation does not change. Otherwise, compliance is less than full.

ADVANCED MODEL

For many winning initiatives, compliance requires the cooperation of numerous actors. Initiatives that change a state's education system, for example, require teachers, principals, and members of school boards to join the legislature and other bureaucrats in complying with the new law. If teachers, or school boards have the willingness to reinterpret winning initiatives and the ability to do so without sanction, then we should expect compliance to be less than full.

Consider, for example, the case of California's Proposition 227. This proposition ordered schools to replace the state's previous system of bilingual education with a program of "English immersion" – a policy change that requires teachers to use English textbooks and spoken English for instruction. This initiative drew national attention and won by a large margin.

While Prop 227's Election Day success seemed to imply a strong mandate for change, empirical research by Gerber et al (2001) reveals only partial compliance. They find that in districts where parents, teachers, and school officials preferred the English immersion program to traditional bilingual education, compliance with the initiative has been substantial. By contrast, in districts where such actors opposed Prop 227, the initiative proponents' intent has been defied – with no credible threat of sanctions on the horizon. This kind of outcome may not be unique, as many initiatives require broad participation by bureaucrats.

To generalize our explanation of a winning initiative's post-electoral fate, we now describe a version of the model that involves N governmental actors, where N is any number greater than two. As before, we assume that every relevant legislator and bureaucrat has an ideal policy, faces costs and probabilistic sanctions, and can comply fully, partially, or not at all with the instructions handed down by initiative proponents or other governmental actors.

With so many actors now in the model, and given all of the possible arrangements of ideal policies, costs, and sanctions, the model's dynamics become quite complicated. Therefore, we focus on drawing a general conclusion about the likelihood of full compliance. To do so, we define a situation that represents "normal conditions" for winning initiatives.

Under normal conditions:
- Each agent i favors full compliance (i.e., has ideal policy $a_i \geq p$) with probability <1.
- Each agent i faces large sanction s_i (i.e., such that $p - a_i \leq z s_i$,) with probability <1.
- For each agent, the determination of these two probabilities is independent.

In other words, we assume that every additional agent need not prefer full compliance to every other outcome nor must they be subject to huge sanctions for non-compliance. Indeed, the

probability that an additional governmental actor supports full compliance for any particular real-world circumstance is difficult to guess in advance. It is also difficult to anticipate the extent to which initiative supporters will have information and material resources sufficient to identify and sanction non-compliant governmental actors, particularly if the actors are part of large bureaucracies. Therefore, it is beneficial to make the least restrictive assumption about the situation in question – the less restrictive assumptions we make, the broader the model's applicability. So we simply assume that under normal conditions, the probability that any randomly selected governmental actor either favors full compliance or faces a large sanction is below 100% -- it can be any other amount such as 0%, 30% or 99.99%. Put another way, we assume that under normal conditions there is a chance, however small, that each additional governmental actor will most prefer some outcome other than full compliance and that those who want to levy large sanctions cannot do so. This assumption is almost certainly true for most real world initiatives.

Such "normal conditions" produce the following lemma.

Lemma 1. Under normal conditions, as the number of people required to implement and enforce an initiative grows, the likelihood of full compliance goes to zero.

This lemma states that regardless of whether each additional governmental actor is very likely to favor full compliance or very unlikely, adding enough of these actors to the process ensures that, under normal conditions, full compliance does not occur. Put another way, *we do not have to know much about the governmental actors in question to know that full compliance with an initiative is very unlikely*.

To generate our final result, we make two additional assumptions about "normal conditions." These assumptions are motivated by the fact that initiatives vary in the precision of instruction they provide to the governmental actors that must implement and enforce them. In some cases, the instructions are so precise that there is little room for interpretation. For example,

in the term limits component of California's Proposition 140 compliance is easy to observe (e.g., if a member of the state assembly seeks a fourth term, people will know) and meaningful sanctions are easy to apply (e.g., the Secretary of State can such people off the ballot.; also see Gerber et al., 2001: 57-60). In other cases, including the campaign finance provisions of the same California initiative and, indeed, under normal conditions, initiative proponents write documents that have a considerable need for implementing legislation (i.e., they do not specify the reassignment of existing human resources or the budgetary revisions that compliance requires).

We contend that the sources of variation in the precision of initiative legislation are fundamental, but underappreciated, aspects of the initiative process. It is important to recognize that the less precise an initiative's policy instructions, the greater the room for interpretation by governmental actors. Therefore, we assume that an increase in vagueness implies a decrease in z (a decrease in the probability that initiative supporters discover and can act on a finding of non-compliance) or an increase in the number of compliance agents required for full compliance. This first additional assumption generates a second lemma.

Lemma 2: Under normal conditions, as vagueness increases, the likelihood of full compliance goes to zero.

The importance of this lemma is most clearly seen if we recall the reality of modern initiative campaigns. Given the time restrictions of a thirty-second ad and the political damage that can come from throwing too many details into an initiative, some initiative proponents place a premium on simplicity. The result can be a sacrifice of precision in the instructions offered to governmental actors. With such a sacrifice comes the need for greater interpretation, and with this need comes a broader window of opportunity for actors who want to implement and enforce some form of policy other than what a majority of voters chose at the polls.[6]

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[6] One reason for vague language is practical: some initiative proponents simply do not know enough about the law to write detailed implementation instructions. Others choose vague language for strategic purposes. Indeed, a second reason for vague language is that initiative proponents must be able to convince a majority

Our second additional assumption about normal conditions is that initiatives (like any legislation or public policy) are characterized by at least some vagueness. This relatively innocuous assumption, along with the logic of our lemmas, produces our final result.

Result 3: Under normal conditions, the preferences of governmental actors replace initiative content as the ultimate determinant of an initiative's policy impact.

In other words, if an initiative's instructions to governmental actors are somewhat vague and either all actors involved in implementation and enforcement do not face large sanctions or some do not support full compliance – that is, under normal conditions – then the stated preferences of initiative proponents, as they exist in an initiative's content, will be at least partially displaced by the preferences of governmental actors. By this claim, we do not mean to say that the preferences of initiative proponents are irrelevant to an initiative's ultimate policy impact. However, we do mean to say that without a heavy dose of initiative supporters or

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of the electorate to support their initiative. If proponents want a type of policy that already has broad public support, then they can proceed without having to trade outcomes they want for outcomes that can win. Proponents of term limits clearly faced these highly favorable circumstances in many states. If, however, a group supports an idea that is less popular, then the decisions they make in writing an initiative's details are critical. Potential proponents may have to diverge from their own policy ideals in order to make the legislation acceptable to a majority of voters. This need to compromise drives some potential proponents away from the initiative process: not getting exactly what they want makes them less able to justify the considerable costs of waging an initiative campaign.

While writing vague initiatives can make initiatives more difficult for opponents to attack, they also allow governmental actors greater discretion to reinterpret initiatives once they pass. If a proponent's preferences are similar to those of governmental actors charged with compliance, then vague language may be a small price to pay for electoral victory. But if key governmental actors oppose the initiative, as will often be the case for groups supporting issues that legislators refused to address in the past or issues that will constrain governmental actors in the future, then being vague for the purpose of winning the election can backfire at implementation time. This point prompts questions about how initiative proponents would adapt to the possibility that a strategy of being vague will backfire after the election. The answers depend largely on proponent objectives, which vary. For some proponents, victory at the polls and full compliance are necessary conditions for goal satisfaction. In this case, proponents should choose a level of precision that maximizes the joint probability of victory and enforcement. We contend that the equilibrium to this part of the game would resemble the communicative equilibrium of Crawford and Sobel (1982). Specifically, as the policy ideal of the proponent converges to that of the decisive voter or government actor, the content of the initiative will become more precise. However, we know that some proponents are as interested in the indirect effects of their actions (e.g., publicizing a particular agenda or inducing subsequent legislative action) as they are in victory or post-election success. We also know that not all initiative proponents are savvy political veterans. In either case, the goal may be as minimal as achieving a certain amount of attention for a specific cause or expressing a view of how policy should be – without clear expectations of how others will react. In both cases, the proponent's choice of precision is perhaps best treated as part of a meta-game in which the entire initiative process is just a part.

sanctions amongst the ranks of those charged with implementing and enforcing an initiative, someone, somewhere will reinterpret or reject the voters' mandate. When we recall that the people most likely to resort to the initiative process are those who cannot get what they want through normal legislative channels, then we realize just how much the deck is stacked against full compliance. Such people are likely to have powerful opponents lying in wait. Indeed, under normal conditions, governmental actors will alter election results.

Conclusion

Until now, most of the attention paid to the initiative process focused on the period up to and including Election Day. Recent scholarship on this part of the process reveals that much of what we thought we knew about campaign dynamics, voter decision-making, and interest group influence was false (see, e.g., Magleby 1984, Bowler and Donovan 1998). What happens in this pre-election part of the initiative process is clearly important to our understanding its policy consequences. But the end of this period is not the end of the story.

Winning initiatives, like other legislation, are incapable of enforcing and implementing themselves. Someone, somewhere in government must take certain actions if a winning initiative is to have the impact that its proponents envisioned. Therefore, we contend that the period following Election Day is as important to understanding the effects of the initiative process as the period preceding the election. Indeed, like scholarship on the pre-election period, we find that widely-held assumptions about the initiative process's post election period – including that it can be ignored without cost in discussions of the impact of direct democracy – is false.

Our model clarifies some of the differences in what happens to initiatives after they pass. In combination with empirical work on initiative implementation (Gerber et al 2001), it explains why some are implemented fully, some are implemented partially, and others are not

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implemented at all. We contend that such findings can be useful when attempting to understand the politics of the growing number of states and localities that allow initiatives.

Consider, for example, common critiques of the initiative process. In years of legislative stalemate, critics blame voter initiatives for tying legislators' hands and delaying legislative negotiations. In years of budgetary problems, critics blame initiatives for their legislature's inability to fund certain programs. Unlike many political critiques, this one is non-partisan. Critics from the left, right, and center join political insiders and political outsiders in blaming the initiative process for outcomes they dislike. The initiative process is an easy scapegoat for critics of state politics. Our work suggests that the choices of elected officials, rather than the actions of voters, are more likely the cause of the impasses in question.

Our work also reveals how the actions of future initiative proponents will affect their ability to impact public policy. It shows the importance of considering whether sanctions for non-compliance exist in places where their opponents in government are likely to be. As a result, we clarify the link between the actions taken by initiative proponents and their ability to change what government does. Such clarity is not only of scholarly interest, but can help the growing number of people whose lives are touched by some aspect of the initiative process direct their political energies with a greater understanding of the consequences.

While many others have espoused views on the policy consequences of the initiative process, most draw their conclusions by focusing exclusively on the legal challenges that follow so many winning initiatives. However, just because court decisions are more public than the kinds of legislative and bureaucratic pocket vetoes described in the previous pages does not make them more important. To understand what happens to initiatives after they pass, it is important to consider the actions of legislators and bureaucrats.

Appendix: Additional Technical Details and a Proof

PREMISES: SIMPLE MODEL

Let the sequence of events be as described in the text. Unless otherwise stated, all aspects of the game are common knowledge. In addition to the notation introduced in the text, we use the following notation.

- The initiative is a mandate to replace the pre-existing policy status quo on a particular topic $sq \in \Re$, with a different policy, $p \in \Re$. For expositional simplicity, we describe the case where $p > sq$. The case $p < sq$ has equivalent dynamics, and the case $p = sq$ is trivial.

- k_l is the legislature's compliance costs. To clarify the effect of such costs in a simple manner, we assume that $k_l \in \{0, k+\}$, where $k+$ is greater than the highest benefit that the legislature can receive from full compliance. We define k_g analogously for the bureaucracy.

- $Z \in \{0, 1\}$ denotes whether or not the supporter observes policy outcome G where $Z=1$ denotes the case where it does. From the assumption about the supporter's information in the text, $Z=1$ with probability z and $Z=0$ with probability $1-z$. $S \in \{0, 1\}$ denotes whether or not state government is in full compliance with the initiative. $S=1$ if it is not (i.e., $G \neq p$). When $S=Z=1$, sanctions occur. Otherwise, they do not.

We denote the legislature's ideal policy as $l \in [0, 1]$, and the bureaucracy's ideal policy as $g \in [0, 1]$. Each player wants the game's final policy outcome to be as close as possible to their ideal while minimizing their compliance costs and sanctions. The legislature's utility from outcome $G \in (sq, p]$ is $U_l = -|G - l| - Zs_l S - k_l$ and the bureaucracy's utility is $U_g = -|G - g| - Zs_g S - k_g$. From outcome $G=sq$, the respective the legislature's utility is $-|sq - l| - Zs_l S$ and the bureaucracy's utility is $U_g = -|sq - g| - Zs_g S$. Since, the value of Z is not revealed until the game's final stage, players base their decisions on expected utility calculations, where $EU_l(L/P, G, l, sq, z, s_l, s_g, k_l, k_g)$ denotes the legislature's expected utility, where $EU_g(G/P, L, g, sq, z, s_g, k_g)$ denotes the bureaucracy's expected utility, and where z replaces Z in the players' expected utility calculations.

We make a simplifying assumption about player actions in the event that two or more actions generate equal expected utility: If two compliance levels provide a player with the same expected

utility, then the player chooses the one with a lower cost. If the costs are equal, then the player chooses the one that cannot induce a sanction. If the sanctions are equal, then the player chooses the one that is closest to its ideal. This assumption is for accounting convenience and does not affect the substance of our results.

- We use the subgame-perfect Nash equilibrium concept (see Binmore 1992 for an explanation). A subgame perfect equilibrium in our model is the strategy set $L^* \in [sq, p]$ and $G^* \in [sq, L]$ that constitutes best responses to the strategies of other players, taking into account the sequence of actions.

CONCLUSIONS: SIMPLE MODEL

Proposition: The unique subgame-perfect Nash equilibrium of our model is:

- **If** $k_l = k+$ **or** $k_g = k+$ **or** $[k_g = k_l = 0$ and either ""$min(g, sq) \geq l$ and $p > l$ and $p - sq > zs_l$" **or** "$zs_l \geq p - sq$ and $p - max(g, sq) > zs_g$ and **"either** $p > sq \geq g > l$ or $p > g > sq \geq l$" "], **then** $L = G = sq$.

- **If** $k_g = k_l = 0$ **and** $g < min(l, p)$ **and** $g \leq sq$ **and** $p - sq > zs_g$, **then** $L = p$ **and** $G = sq$.

- **If** $k_g = k_l = 0$ **and** $g \leq min(l, sq) < p$ **and** $p - l > l - sq + zs_l$ **and** $p - l > zs_l$ **and** $zs_g \geq p - sq$, **then** $L = l$ **and** $G = sq$.

- **If** $k_g = k_l = 0$ **and either** $min(g, l) \geq p$ **or** "$g \geq p \geq l$ and $zs_l \geq p - max(l, sq)$" **or** "$l \geq p > g$ and $zs_g \geq p - max(g, sq)$" **or** "$p > max(g, l)$ and $zs_l \geq p - max(l, sq)$ and $zs_g \geq p - max(g, sq)$" **or** "$g < l < p$ and $zs_l < p - l \leq l - max(g, sq) + zs_l$ and $zs_g \geq p - max(g, sq)$," **then** $L = G = p$.

- **If** $k_g = k_l = 0$ **and either** "$g \geq l > sq$ and $p > l$ and $p - l > zs_l$" **or** "$p > g > l > sq$ and $zs_l \geq p - l$ and $p - g > zs_g$," **then** $L = G = l$.

- **If** $k_g = k_l = 0$ **and** $sq < g < min(l, p)$ **and** $p - g > zs_g$, **then** $L = p$ **and** $G = g$.

- **If** $k_g = k_l = 0$ **and** $sq < g < l < p$ **and** $p - l > l - g + zs_l$ **and** $zs_g \geq p - g$, **then** $L = l$ **and** $G = g$.

Proof:

We prove the proposition by backward induction on the model's extensive form. This procedure entails first deriving the bureaucracy's best response in all of the situations in which it could be and then deriving the legislature's best response given how it expects the bureaucracy to respond. Those familiar with the concept of backward induction will find the proof very straightforward. For others, we augment the math with intuition at key points.

At the time of its decision, the bureaucracy's expected utility is: $EU_g(G = sq) = -|sq - g| - zs_g$, $EU_g(G \in (sq, p)) = -|G - g| - zs_g - k_g$, and $EU_g(G = p) = -|p - g| - k_g$.

- **If $k_g=k+$, then $G=sq$**. This follows from the assumption $k_g>|sq\text{-}g|+zs_g$.

- **If $k_g=0$ and $g\geq L$, then $G=L$.** For $\forall g \geq L$, $L < p$, $EU_g(G\in[sq, L]) = - g - G - zs_g$ and $\partial EU_g(G\in[sq, L])/\partial G=1$. For $L=p$, $EU_g(G=L) = - |p - g|$. EU_g is maximized as G approaches L. If $zs_g> 0$, the bureaucracy maximizes expected utility at $G=L$. If $zs_g=0$, $G=L$ by the tie-breaking rule. In words, the bureaucracy selects L because it is as close to its ideal policy as the initiative and the legislature's prior actions allow it to get. If $L=p$, this action is also the only one that precludes a sanction.

- **If $k_g=0$, $max(g, sq)<L$, $L=p$, and $zs_g \geq p - max(g, sq)$, then $G=L$.** Suppose $g>sq$ (the case $g\leq sq$ follows equivalent logic). Then, $EU_g(G\in[sq, g]) = - g - G - zs_g$, $\partial EU_g(G\in[sq, g])/\partial G=1$, $EU_g(G\in[g, L)) = - G - g - zs_g$, and $\partial EU_g(G\in[g, L])/\partial G=-1$. Therefore, the bureaucracy maximizes EU_g within $[sq, p)$ at $G=g$. However, $zs_g \geq p - g$. Therefore, $EU_g(G=L) = - |p - g|\geq - zs_g = EU_g(G=g)$. Thus, the bureaucracy maximizes EU_g at $G=L$. In words, expected sanctions outweigh the policy benefits of partial or no compliance.

- **If $k_g=0$, $max(g,sq) <L$, $L=p$ and $p - max(g, sq) > zs_g$, then $G=g$.** Suppose $g>sq$ (the case $g\leq sq$ follows equivalent logic). Here, $EU_g(G\in[sq, g]) = - g - G - zs_g$, $\partial EU_g(G\in[sq, g])/\partial G=1$, $EU_g(G\in[g, L)) = - G - g - zs_g$ and $\partial EU_g(G\in[g, L])/\partial G=-1$. Therefore, within $[sq, p)$, the bureaucracy maximizes EU_g at $G=g$. Since $p-g > zs_g$, $EU_g(G=L) = - |p - g|< - zs_g = EU_g(G=g)$. Thus, the bureaucracy maximizes EU_g at $G=g$. In words, the policy benefits of its preferred level of compliance outweigh the expected sanctions for non-compliance.

- **If $k_g=0$, $L\neq p$ and $max(g, sq)<L$, then $G= max(g, sq)$.** Suppose $g>sq$ (the case $g\leq sq$ follows equivalent logic). In this case, $EU_g(G\in[sq, g]) = - g - G - zs_g$, $\partial EU_g(G\in[sq, g])/\partial G=1$, $EU_g(G\in[g, L]) = - G - g - zs_g$, and $\partial EU_g(G\in[g, L])/\partial G=-1$. Therefore, the bureaucracy maximizes EU_g at $G=g$. In words, because the legislature has already made the decision to comply only partially, the bureaucracy's actions cannot trigger a sanction. Therefore, it enforces only its most preferred policy.

We now derive the legislature's equilibrium strategy. As was true of the bureaucracy, **if $k_l=k+$, then $L=sq$.** This follows from the assumption $k_l>|sq\text{-}l|+zs_l$. Also, **if $k_g=k+$, then $G=sq$ and $L=p$.** In this case, $EU_l(L\in[sq, p]) = - |sq - l| - zs_l$. By the tie-breaking rule, $L=p$. Henceforth, we derive the legislature's

best response for $k_l=k_g=0$. To make the proof easier to follow, we classify cases by the gubernatorial responses that they induce. Note that the subcases are mutually exclusive and collectively exhaustive.

Case 1: $g \geq L$ induces $G=L$. Here, $EU_l(L \in [sq, p)) = - |L - l| - zs_l$ and $EU_l(L=p) = - |p - l|$.

- **If $min(g, l) \geq p$, then $L=p$.** In this case, $EU_l(L \in [sq, p)) = -l-L-zs_l$. Since $\partial EU_l(L \in [sq, p))/\partial L=1$, EU_l is maximized in this range as L approaches p. At $L=p$, $EU_l(L) = - |p - l|$. Since $zs_l \geq 0$, $EU_l(L) \geq max(EU_l(L \in [sq, p)))$. In words, the legislature selects p because it is as close to its ideal policy as the initiative allows.

- **If $g \geq p \geq l$ and $zs_l \geq p - max(l,sq)$, then $L=p$.** Suppose $l>sq$ (the case $l \leq sq$ follows equivalent logic). Here, $EU_l(L \in [sq, l]) = -l-L -zs_l$ and $EU_l(L \in [l, p)) = -L-l-zs_l$. $\partial EU_l(L \in [sq, l])/\partial L=1$. $\partial EU_l(L \in [l, p))/\partial L=-1$. Therefore, within $[sq, p)$, the legislature maximizes EU_l at $L=l$. Since $zs_l \geq p - l$, $EU_l(L=p) = -|p-l| \geq - zs_l = EU_l(L=l)$. Therefore, the legislature maximizes EU_l at $L=p$. In words, the expected sanctions outweigh the benefits of moving the policy outcome from the proponent's ideal policy to the legislature's most preferred policy.

- **If $g \geq l$ and $p>l$ and $p-max(l, sq) > zs_l$, then $L=max(l, sq)$.** Suppose $l>sq$ (the case $l \leq sq$ follows equivalent logic). Here, $EU_l(L \in [sq, l]) = - l - L - zs_l$ and $EU_l(L \in [l, p)) = - L - l - zs_l$. $\partial EU_l(L \in [sq, l])/\partial L=1$. $\partial EU_l(L \in [l, p))/\partial L=-1$. Therefore, the legislature maximizes EU_l within $[sq, p)$ at $L=l$. Since $zs_l < p - l$, $EU_l(L=p) = - |p - l|< - zs_l = EU_l(L=l)$. Thus, the legislature maximizes EU_l at $L=p$. In words, the legislature faces insufficient sanctions for non-compliance and the bureaucracy prefers the legislature's ideal level to any smaller level.

Case 2: $g<L$ and $p - max(g,sq) > zs_g$ induce $G=max(g, sq)$. Here, $EU_l(L \in [max(g,sq), p]) = - |max(g, sq) - l| - zs_l$.

- **If $g<min(l, p)$, then $L=p$.** Suppose $g>sq$ (the case $g \leq sq$ follows equivalent logic). Since $g<L$ and $L \in [sq, p]$, $g<p$, $EU_l(L \in [g, p]) = - l - g - zs_l$ and $\partial EU_l(L \in [g, p))/\partial L=0$. Therefore, the legislature gets equal expected utility from any $L \in [g, p]$. By the tie-breaking rule, $L=p$ as it is the only $L \in [g, p]$ not sufficient to cause a sanction. In words, the bureaucracy faces insufficient sanctions for non-compliance. It prefers partial compliance and less compliance than the legislature. The legislature

implements p knowing that it cannot prevent the bureaucracy from enforcing only partial compliance.

Case 3: $g<L$ and $p - max(g,sq) > zs_g$ induces $G=max(g, sq)$ while $g\geq L$ induces $G=L$. Here, $EU_l(L\in[sq, g]) = - |L - l| - zs_l$, $EU_l(L\in[max(g,sq), p]) = - |max(g, sq) - l| - zs_l$, and $EU_l(L=p) = - |p - l|$.

- **If $p>g>l$ and $zs_l \geq p - max(l,sq)$, then $L=max(l,sq)$.** Suppose $l>sq$ and $g>sq$ (the other cases follow

  equivalent logic). If $g\geq L$, then, $G=L$. Therefore, $EU_l(L\in[sq, l]) = -l-L-zs_l$ and $EU_l(L\in[l, g]) = -L-l-zs_l$.

  Since $\partial EU_l(L\in[sq, l])/\partial L=1$ and $\partial EU_l(L\in[l, g])/\partial L=-1$, the utility is maximized in $[sq, g]$, $-zs_l$, at $L=l$.

  If $g<L$ and $p - max(g,sq) > zs_g$, then $G=max(g, sq)$. In this case, $EU_l(L\in[g, p]) = - g-l - zs_l < -zs_l$

  $=EU_l(L=l)$. Therefore, the legislature maximizes EU_l at $L=l$. In words, the bureaucracy faces

  insufficient sanctions and prefers the legislator's ideal policy to full compliance. Since the bureaucracy

  will act alone regarding partial compliance if required, the final likelihood of sanction is independent

  of the legislature's actions. Therefore, the legislature implements its most preferred policy and the

  bureaucracy accepts it.

Case 4: $g<L$ and $zs_g \geq p - max(g, sq)$ and $L=p$ induce $G=L$ while $g<L$ and $zs_g \geq p - max(g, sq)$ and $L\neq p$ induce $G=max(g, sq)$. Here, $EU_l(L\in[sq, p)) = - |max(g, sq) - l| - zs_l$ and $EU_l(L=p) = - |p - l|$.

- **If $l\geq p>g$, then $L=p$.** Suppose $g>sq$ (the case $g\leq sq$ follows equivalent logic). Since $g<L$ and $L\in[sq, p]$,

  $g<p$, $EU_l(L\in[g, p)) = -l - g - zs_l$ and $\partial EU_l(L\in[g, p))/\partial L=0$. Therefore, the legislature gets equal

  expected utility from any $L\in[g, p)$. At $L=p$ in this case, $G=L$. Therefore, $EU_l(L=p) = - l-p$. Since $l\geq p$,

  the legislature maximizes EU_l at $L=p$. In words, the legislature favors full compliance and the

  bureaucracy faces sufficient sanctions.

- **If $p>max(g,l)$ and $zs_l \geq p - max(l,sq)$, then $L=p$.** Suppose $l>sq$ (the case $l\leq sq$ follows equivalent logic).

  In this case, $EU_l(L\in[sq, l]) = -l-L -zs_l$ and $EU_l(L\in[l, p)) = -L-l-zs_l$. $\partial EU_l(L\in[sq, l])/\partial L=1$. $\partial EU_l(L\in[l, p))/\partial L=-1$. Therefore, within $[sq, p)$, the legislature maximizes EU_l at $L=l$. Since $zs_l \geq p - l$, $EU_l(L=p) = -|p-l|\geq - zs_l = EU_l(L=l)$. Therefore, the legislature maximizes EU_l at $L=p$. In words, both the

  bureaucracy and the legislature face expected sanctions sufficient to induce full compliance.

- **If $k_l=0$, $g<l<p$ and $zs_l<p-l\leq l-max(g,sq) + zs_b$, then $L=p$.** Suppose $g>sq$ (the case $g\leq sq$ follows

  equivalent logic). Given the bureaucracy's reaction in this case, $EU_l(L\in[sq, g]) = -l-L -zs_l$ and

$EU_l(L\in[g, p)) = -l-g -zs_l$. $\partial EU_l(L\in[sq, g])/\partial L=1$. $\partial EU_l(L\in[g, p))/\partial L=0$. Therefore, within *[sq, p)*, the legislature maximizes EU_l at $L\in[g, p)$. Since p-$l\leq l$-$max(g,sq) + zs_l$, $EU_l(L=p) = -|p$-$l|\geq -|l$-$max(g,sq)|$ - $zs_l = EU_l(L=l)$. Therefore, the legislature maximizes EU_l at $L=p$. In words, if the legislature chooses a partial compliance level at or above that of the bureaucracy, the bureaucracy will enforce only its own preferred level. If the legislature chooses full compliance, the bureaucracy -- whose partial compliance decision would then trigger sufficient sanctions -- will as well. The legislature prefers full compliance to the bureaucracy's most preferred level. Therefore, it implements *p*, sacrificing its own ideal policy for the sake of reducing the bureaucracy's discretion.

- **If $g<l<p$ and p-$l > l$-$max(g,sq) + zs_l$, then $L=l$.** Suppose $g>sq$ (the case $g\leq sq$ follows equivalent logic). Given the bureaucracy's reaction in this case, $EU_l(L\in[sq, g]) = -l-L -zs_l$ and $EU_l(L\in[g, p)) = -l-g -zs_l$. $\partial EU_l(L\in[sq, g])/\partial L=1$. $\partial EU_l(L\in[g, p))/\partial L=0$. Therefore, within *[sq, p)*, the legislature maximizes EU_l, $EU_l= -|l$-$max(g,sq)|$ - zs_l, at $L\in[g, p)$. Since p-$l> l$-$max(g,sq) + zs_l$, $EU_l(L=p) = -|p$-$l|< -|l$-$max(g,sq)|$ - $zs_l = EU_l(L=l)$. From this inequality and the tie-braking rule, we get $L=l$. In words, if the legislature chooses a partial compliance level at or above that of the bureaucracy, the bureaucracy will enforce only its own preferred level. If the legislature chooses full compliance, the bureaucracy -- whose partial compliance decision would then trigger sufficient sanctions -- will as well. The legislature prefers the bureaucracy's preferred level to full compliance. Therefore, it chooses partial compliance to expand the bureaucracy's discretion.

QED.

Result 1. No compliance $\Leftrightarrow k_l=k+$ **or** $k_g=k+$ **or** [$k_g=k_l=0$ **and either** ""*min(g, sq)$\geq l$ and $p>l$ and p- $sq >$ zs_l*" **or** "*$zs_l \geq p$ - sq* and *p - max(g, sq) > zs_g* and **"either** *$p>sq\geq g>l$ or $p>g>sq\geq l$*" " **or** "*g<min(l, p)* and *g$\leq$sq* and *p - sq > zs_g*" **or** "*g$\leq$min(l, sq)<p* and *p-l > l-sq + zs_l* and *p-l > zs_l* and *$zs_g \geq p$ - sq*."]

Result 2. Full compliance $\Leftrightarrow k_g=k_l=0$ **and either** *min(g, l)$\geq$p* **or** "*g$\geq$p$\geq$l* and *$zs_l \geq p$ - max(l,sq)*" **or** "*l$\geq$p>g* and *$zs_g \geq p$ - max(g, sq)*" **or** "*p>max(g,l)* and *$zs_l \geq p$ - max(l,sq)* and *$zs_g \geq p$ - max(g, sq)*" **or** "*g<l<p* and *zs_l<p-l$\leq$l-max(g,sq) + zs_l* and *$zs_g \geq p$ - max(g, sq),*" **then** *L=G=p*.

Remaining case. Partial compliance level *l>sq* $\Leftrightarrow k_g=k_l=0$ **and either** "*g$\geq$l>sq* and *p>l* and *p-l > zs_l*" **or**

"$p>g>l>sq$ and $zs_l \geq p - l$ and $p - g > zs_g$." Partial compliance level $g>sq \Leftrightarrow k_g=k_l=0$ **and either**

"$sq<g<min(l, p)$ and $p - g > zs_g$" **or** "$sq<g<l<p$ and $p-l > l-g + zs_l$ and $zs_g \geq p - g$."

The proofs of Results 1-2 follow directly from the proof of the equilibrium.

ADDITIONAL PREMISES AND CONCLUSIONS: ADVANCED MODEL

Additional Premises

- Let the game involve additional agents. Let each agent be an independent draw from a large set of potential agents, *I*. Let $|I|>0$ denote the number of additional agents drawn.

- Let each agent have skills identical to those of the bureaucracy. That is, let every agent $i \in I$ make a choice $C_i \in [sq, C_{i-1}]$, where C_{i-1} refers to the choice of the previous agent and $C_0=p$. Let them also face costs k_i, where such costs are defined analogously to those of the legislature and the bureaucracy.

- Let the distribution I have the following qualities under "normal conditions"

  - Each additional agent i has ideal policy $a_i \geq p$, with probability <1.

  - Each additional agent i faces sanction s_i such that $p-a_i \leq zs_i$, with probability <1.

  - For each agent, let the determination of these two probabilities by independent.

- Let an increase in vagueness imply a decrease in z or an increase in $|I|$.

- Let G_x, be the game's final outcome in a game with $|I|=x$ agents under normal conditions.

First Lemma. If normal conditions persist, then as $|I|$ increases, the likelihood of full compliance goes to zero.

Proof: If any agent's compliance costs are prohibitive or if the bureaucracy and legislature do not satisfy the conditions of Result 2, then the likelihood of full compliance is zero. It remains to show that the likelihood of full compliance approaches zero as |I| increases for the case where the conditions of Result 2 are satisfied for the legislature and the bureaucracy. Note that every additional agent faces a decision calculus identical in structure to that of the bureaucracy. So for any added agent, $a_i <p$ and $p-a_i > zs_i$, implies $max(a_i,sq) <G_{i-1}$, and $p - max(a_i, sq) > zs_g$, implies $C_i \neq p$. Under normal conditions, $prob(a_i <p \land p-$

$a_i > zs_i > 0$ for any single added agent. Denote this probability $q>0$. When $|I|=N>0$, the probability that a_i $<p \wedge p\text{-}a_i > zs_i$ for at least one agent is $Q=N!q(1\text{-}q)^{N\text{-}1}$. Since $q>0$, as N grows, $Q\Rightarrow1$. Since only one such agent is needed for less than full compliance, as N grows, the probability of full compliance goes to zero.

QED.

Second Lemma: If normal conditions persist, then as $|I|$ increases, the likelihood of full compliance goes to zero.

Result 3: If normal conditions persist and $|I|$ is sufficiently high, then there exists an agent $x \in I$, for whom final outcome G_x is closer to a_x than it is to p.

The proofs of these Results follow logic equivalent to that of the proof of the first lemma.

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Figure 1. Extensive form for Simple model

Implementation stage

$L = sq$ $L \in (sq, p)$ $L = p$

k_l k_l

Enforcement stage

$G = sq$ $G \in (sq, L]$ $G = sq$ $G \in (sq, p)$ $G = p$

k_g k_g k_g

Sanction stage

s_l, s_g 0 s_l, s_g 0 s_l, s_g 0 s_l, s_g 0 s_l, s_g 0

z $1-z$ z $1-z$ z $1-z$ z $1-z$ z $1-z$