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# Trust, Self-Interest, and Representation in Economic Policymaking:

## Rhode Island Reconsidered

*Thomas J. Anton and Darrell M. West*

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*Industrial policy has become an increasingly central focus of political debate as American society struggles with new and troubling economic realities. Yet despite the importance of this subject, little is known about how the public gains or processes information on these matters, or about the evaluative standards used to judge industrial-policy proposals. A recent referendum in Rhode Island offered a unique opportunity to study these questions. Citizens participated directly in the debate over new industrial policy by soundly rejecting the Greenhouse Compact, a novel and comprehensive plan to “reindustrialize” Rhode Island. Here we report the results of a public opinion survey conducted shortly after that referendum. We show that Rhode Islanders rejected the Compact not because they felt the government had no legitimate role in economic development, but because of uncertainty over the particular plan on the ballot and dissatisfaction with the manner in which Greenhouse advocates presented their plan to the public.*

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American state and local governments since 1980 have adopted an extraordinary number of new economic development policies, ranging from assistance with product marketing to the provision of venture capital.<sup>1</sup> Most of these innovations have been promoted by politicians and officials, with little input from ordinary citizens. In Rhode Island, however, officials insisted on obtaining public approval for an ambitious economic development plan called the Greenhouse Compact. Put before the voters on June 12, 1984, the plan was defeated by an overwhelming four-to-one margin. Not surprisingly, many commentators have attempted to account for this unexpectedly decisive rejection. Perhaps the most prominent analysis has been provided by Ira Magaziner, himself the major author of the Greenhouse proposal. Magaziner suggests a variety of factors that contributed to the referendum defeat but lays particular emphasis on voters’ lack of trust in the process that produced this ambitious plan. “All the analysts of poll data,” he writes, “all the postmortem discussions, and all the experiences of the ‘campaign’ indicate that for most voters, the decision about the Greenhouse Compact ultimately revolved around the issue of trust.”<sup>2</sup>

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In this article, we test Magaziner's assertion, using data derived from a survey of 1,001 Rhode Island citizens which was conducted immediately after the referendum. Because our survey explored both the criteria used by citizens to evaluate the proposal and the changing context within which those criteria were applied, we were able to examine the conceptual underpinnings of "trust" in some detail. We were also able to compare the significance of the trust issue with other plausible explanations of the referendum outcome. Our analysis will suggest that while trust was assuredly an important issue, both the substance of the plan itself and the dynamics of the campaign were powerful influences on Rhode Island voters. The substance of the plan made clear that the average voter had little to gain from its approval, and the dynamics of the campaign aggravated citizens' fears that they were not well enough represented on a commission dominated by the state's elite.

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### Studying Economic Development Referenda

The literature on tax and candidate elections suggests three broad classes of explanations that may help account for voter reactions to the Greenhouse Compact. The first is that calculations of economic well-being determine voter choices. According to economic models, voters who perceive that the costs imposed on them by a given proposal will be greater than the benefits they are likely to receive will vote against it, and those who believe that the costs are less than the benefits will vote in favor of the proposal. The apparently simple idea of economic well-being, however, can be defined in a number of ways. Calculations of costs and benefits can operate at the personal, *retrospective* level and be defined as perceptions of past family economic circumstances.<sup>3</sup> Or, they may operate at the personal, *prospective* level as perceptions of future family economic status.<sup>4</sup> Calculations of economic well-being also can focus on the larger society and be measured through citizen perceptions of national economic conditions.<sup>5</sup> Furthermore, a more narrow focus on tax consequences is conceivable; citizens may evaluate industrial-policy proposals differently, depending on whether they expect their taxes to go up or down.<sup>6</sup> Self-interested models of vote choice, in short, can be operationalized in several ways. We shall see that the measure chosen can have important consequences for the results achieved.

In contrast to economic models, political approaches assume that people bring more to policy decisions than calculations about taxes or economic health. These broader evaluations can be measured through a variety of indicators; ideology, party identifications, interest in politics, trust in government, and views of the representativeness of governmental institutions are among the indicators various scholars have suggested.<sup>7</sup> For example, if citizens do not trust government officials to do what is "right," or if they believe that leaders are corrupt, these attitudes should influence citizens' evaluations of policy proposals. Or, to cite an example that is relevant to the industrial-policy issue, citizens' reactions to a Greenhouse Compact might well depend on whether they believe that government has a responsibility to create jobs for the unemployed.

A third model, derived from the literature on election campaigns, emphasizes the effect of contextual factors on vote choice. This is a less deterministic and more contingent perspective, because citizens' underlying attitudes and beliefs are not regarded as decisive. Instead, this model focuses on events that occur during an electoral campaign and that have implications for underlying attitudes, often reshaping them to cause unexpected changes in final voter decisions. Attitudes obviously are not

irrelevant in this framework, but their significance depends on how they interact with events that unfold during the election campaign. To understand voter reactions to industrial-policy proposals from this perspective, therefore, it is essential to explore the relationships between voter perceptions and the events that define the context within which the proposals are developed, debated, and decided.

Questions derived from both the economic and political perspectives were included in our questionnaire, as were standard demographic items. Meanwhile, the utility of the contextual model was explored, using an analysis of voter decision making over time and a documentary reconstruction of events. Let us now consider what each of these models can tell us about the Rhode Island vote.

To begin with the economic and political explanations, table 1 reports Kendall Tau correlations between the Greenhouse vote and several indicators derived from these perspectives.<sup>8</sup> Several interesting conclusions emerge from these figures. First, most of the standard economic variables had weak relationships to the vote. For example, regardless of whether perceptions of economic well-being are operationalized as personal or collective views, considered either retrospectively or prospectively, they were not strongly linked to voting behavior. Perceptions of the Rhode Island economy last

Table 1

**Correlations Between Greenhouse Vote  
and Key Variables**

Variable	Correlation Coefficients
<b>Demographics</b>	
Gender	.01
Age	.16*
Education	-.18*
Income	-.12*
Unemployed	-.02
Union membership	.11*
Public employment	-.16*
<b>Economic Well-Being</b>	
Rhode Island economy last year	-.02
Rhode Island economy next year	-.12*
Other state economies	-.11*
Family last year	.14*
Family next year	.06
<b>Political Attitudes</b>	
Party identification	.17*
Ideology	.11*
Trust in government	.22*
Government corruption	-.20*
<b>Personal Impact</b>	
Compact helps me get better job	.48*
Compact raises my taxes	-.45*
Commission represents me	.49*
Compact helps young stay in Rhode Island	.62*

Source: 1984 Greenhouse Survey, conducted by Thomas J. Anton and Darrell M. West.

NOTE: The numbers reported here are Kendall Tau coefficients between the Greenhouse vote and selected variables.

\*Probability value less than or equal to .05.

year had a barely visible correlation of  $-.02$  with the vote. Perceptions of future performance of the Rhode Island economy also showed a correlation of only  $-.12$ .<sup>9</sup> Nor did views about either past or future family economic health do much better. At a minimum, therefore, the Greenhouse Compact did not appear to have been a referendum on the state of the overall Rhode Island economy or family financial well-being, at least as conventionally measured.

Second, demographic characteristics also were remarkably unimportant in accounting for the vote. Gender was virtually unrelated to voting choice ( $\text{Tau} = .01$ ), while age, education, and income all exhibited relationships that were quite modest. Even more surprising is the lack of relationship between employment status and support for the Compact. The main goal of the Compact, repeatedly emphasized in printed matter and media messages, was the creation of sixty thousand new jobs, for a work force that had suffered above-average levels of unemployment. Yet among our respondents, having been unemployed in the recent past had essentially nothing to do with the vote cast ( $\text{Tau} = -.02$ ). Membership in a union was more important, but only slightly, leaving the impression that neither general perceptions of the economy nor individual experiences with jobs or unions had much to do with voter responses to a job-creation plan. Public employment, either at the state or local level, did play a role ( $-.16$ ), but even this figure was not very high.

Third, some of the standard political variables were related to the vote, although not overwhelmingly so. Ideology had the weakest effect ( $.11$ ), indicating a slight tendency for liberals to have supported the Compact. Party identification ( $.17$ ) exhibited a stronger relationship, indicating that Democrats were slightly more likely to support the Greenhouse Compact than were Republicans, but this magnitude was not especially impressive. The items we adopted from the University of Michigan “trust in government” scale showed stronger relationships to the vote, ranging from  $.22$  for the trust-in-government scale to  $-.20$  for the government corruption scale.<sup>10</sup> While these are not unusually powerful correlations, we regard them as important because they attempt to measure linkages between citizens and leaders. Such linkages are bound to be especially important in referenda of this kind, which present unfamiliar—and in this case, complicated—issues to voters without providing them with the normal electoral cues, such as those provided by candidates or political parties.

Our strongest results by far came with the last group of variables, which we have labeled “personal impact” factors. These variables examined economic and political perceptions of the Compact itself. We used two questions—impact of the Compact on the job market and on taxes—that were explicitly economic in nature and one question—the degree to which the Greenhouse commission (called the Strategic Development Commission, or SDC) represented citizens—that was explicitly political. The final question in this group—whether the Compact would help young people stay in Rhode Island—was more ambiguous in meaning, as we discuss below.

These personal-impact variables allow one to examine more precisely the relationship between vote choice and perceptions of the SDC and the Compact, and the results are instructive.<sup>11</sup> The correlation, for example, between the vote and citizen responses to the question “Do you think that people like you were represented on the Greenhouse Compact Commission?” was  $.49$ , and therefore underlies the crucial significance of the representation issue in the ambiguous political circumstances of an economic development referendum. It also makes clear that many Rhode Islanders voted against the Compact because “people like them” were not among the elites appointed to the

commission. To voters confronted by a complicated plan that was prepared by an agency consciously set apart from ordinary people, the most intelligible cue available appears to have been the representativeness of the commission itself.

That perceptions were important to voters is made clear not only by the representation variable, but also by the items concerning jobs and taxes. We examined perceptions of the employment impact and the tax issue by asking respondents whether the Compact would have improved their job prospects and whether it would have raised their taxes. The strength of these relationships ( $\text{Tau} = .48$  and  $-.45$ , respectively) suggests the presence of a clear economic component in voter decisions. Virtually all respondents (93 percent) thought the Compact would have increased their taxes, but fewer than 20 percent thought they would have benefited personally in general had the Compact been approved, and only 25 percent believed the Compact would have improved their chances of getting a better job. For Rhode Island voters, in short, the Greenhouse Compact was viewed primarily not as the comprehensive economic development plan its promoters proclaimed, but simply as another large-scale spending program for which they would have to pay but from which they would gain little benefit. If the typical government-spending proposal seeks to persuade voters that they can get something for nothing, this one sought approval for a plan that appeared to give voters nothing for something.<sup>12</sup> And that something was their tax dollars.

The obvious strength of this interpretation supports a similar view of the single most powerful correlation reported in table 1, between vote cast and voters' views of the capacity of the Compact to help young people stay in Rhode Island. Public interest in this issue emerged early in the public debate over the Compact and became a prominent theme in the media campaign organized by Compact supporters. The relationship between support for the Compact and a belief that it would keep young people in the state was very strong in our sample ( $\text{Tau} = .62$ ), which we interpret as the expectation that the plan would have helped create jobs for youthful relatives of respondents. It is entirely possible, of course, that respondents may have had other views in mind when answering this question. They may have thought, for example, that the Compact would have promoted economic well-being for the state as a whole, thus helping to keep young people in the state. Or they may have believed that the plan would have been socially useful in keeping families together. Unfortunately, we were unable to resolve all of the ambiguities arising from responses to this question; thus, we accept the possible validity of differing interpretations.

These measures take us some distance toward understanding the structure of voter decision making on the Greenhouse Compact, but they remain no more than suggestive when expressed as simple correlations. To extend the analysis, we developed multivariate models, taking advantage of the information presented in table 1 to exclude the demographic and economic well-being measures that seemed unrelated to the vote, but including certain political variables that should, in theory, have been related to voter choice, as well as the important personal-impact variables. Two statistical approaches were used to study these relationships: regression and probit analysis.<sup>13</sup> Regression offers the virtue of clarity. It allows us to observe the strength as well as the direction of relationships between variables and clarifies the relative power of alternative explanations. However, because regression rests on various assumptions—such as interval measurements and a “normal” distribution—we also used probit analysis to confirm our regression results. Although probit estimates lack the simple interpretations of regression techniques, their utility in the analysis of categorical data recommends their use.

Table 2 shows that regardless of the statistical approach used, the results are quite similar. Such traditional political variables as ideological beliefs and political trust show little explanatory power. The variables that clearly demonstrate explanatory power in this analysis, as in the earlier correlation analysis, are those we have labeled personal impact. Among the personal impact variables, though, it is interesting that neither the tax increase nor the job betterment items contribute as much to explaining the vote as do the remaining two variables. This suggests that despite the overwhelming expectation that taxes would have increased had the Compact passed, the tax issue was not the most important source of the voting decision. The significance of citizens' mistrust of the elite underlines the crucial importance of the representation variable, which emerges both in the regression and probit analysis as second only to the "helps young people stay in Rhode Island" variable in its explanatory power. Since commissioners were appointed rather than elected, normal sources of electoral accountability could not be called into play in the event of public dissatisfaction with commission activities. And since the members of the SDC were drawn almost entirely from the well-educated, highly paid bureaucratic and technical elites whose experiences were vastly different from those of the average Rhode Island worker, it clearly was easy to doubt that such individuals could be sensitive to the average citizen's interests in developing strategies for spending tax dollars contributed by citizens. In the absence of formalized political representation, Rhode Island voters appear to have followed a theory of literal representation: those who are not like me cannot know, encourage, or protect my interests.

Table 2

**Multivariate Models of the Greenhouse Vote**

Variable	Regression	Probit
Ideology	.026	.158
Party identification	.130*	.235*
Trust in government	.001	.087
Government corruption	.032	.129
Commission represents me	.243*	.984*
Compact helps me get better job	.183*	.643*
Compact raises my taxes	-.174*	-.946*
Compact helps young people stay in Rhode Island	.402*	1.407*
R <sup>2</sup> †	.58	—

Source: 1984 Greenhouse Survey, conducted by Thomas J. Anton and Darrell M. West.

NOTE: The figures reported here are unstandardized regression coefficients. Coefficients marked with an asterisk were at least twice the size of their standard errors, and thereby were significant at the .05 level.

†R<sup>2</sup> refers to the total explanatory power of the model. In this model, it explains 58 percent of the variance in the vote.

\*Probability value less than or equal to .05.

We are now in a position to better understand the structure of the June 12 vote and thus the politics of this effort at economic planning. To begin with, the vote was *not* a reflection of citizens' beliefs about the state of the Rhode Island economy or the state of family financial well-being, considered either retrospectively or prospectively. While voters assuredly had such views, we have shown that those views had little to do with

the votes they cast in the referendum. In addition, the vote was *not* much affected by partisan considerations. Republicans and Democrats were found on both sides of the issue, and the slight tendency for Democrats to react more favorably to the plan seems far less significant than other factors. What, then, was the vote all about?

The data reviewed here make clear, we think, that the June 12 referendum was pre-eminently a vote based on calculations of personal impact, in a context that forced voters to adopt a literal theory of representation which all but guaranteed a large negative vote. Almost all voters believed that the Compact would raise their taxes. A few who believed that those taxes would help to create new jobs and who did not object to the representativeness of the SDC voted for the Greenhouse plan. The great majority of voters, however, thought that paying higher taxes would do little or nothing for them or their relatives and would instead provide additional resources for the groups represented on the commission to squander on themselves. To the extent that the June 12 vote was a public-policy decision, it was a vote against higher taxes. To the extent that the referendum was a commentary on the political process, the vote was a thorough repudiation of the elite that had developed and promoted the plan. To the extent that the vote was a commentary on Rhode Island politics in general, it was a massive affirmation of the status quo.

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### The Dynamic Dimensions of Voter Decision Making

We have treated the Greenhouse Compact referendum to this point as though it were a single event that occurred on June 12, 1984. Although technically it is true that the votes were cast on that day only, intense public debate over the merits of the plan began in November 1983, when the plan was made public, and continued unabated through the election. During this period of nearly eight months, voters had many opportunities to make up their minds, and they did so at different times. From a voter's point of view, therefore, there were many elections, not one. A large group of voters (27 percent) made up their minds as soon as the plan was released; a decisional lull then followed for several months as voters contemplated the debate; and decisional activity reached its peak in the month preceding the vote, when most voters (55 percent) made up their minds, including the 26 percent who decided in the last week alone.<sup>14</sup> This variation in the timing of voter choice suggests an extremely volatile electorate and reflects an uncertainty for many people that was not resolved until the very last minute.

One ideally would prefer a panel survey—in which a sample of voters is reinterviewed several times during a campaign—to investigate campaign dynamics. But short of that research design, it is possible to conduct a preliminary analysis of short-term electoral forces using our question regarding time of decision. Table 3, on the next page, examines the differential impact of economic and political forces during the campaign by breaking down our earlier regression model by the time at which citizens made their vote decision.<sup>15</sup> The results are interesting because they show the varying importance of economic and political variables in the model, depending on what was going on during the campaign. For example, the tax variable contributed a good deal to the explanation of voter decisions early in the campaign but contributed virtually nothing a month before the vote and only a modest amount at the very end. Similarly, party identification was important among early, but not late, deciders. The political representation factor, finally, was important throughout the campaign, but it also was

the only variable that reached statistical significance during the critical period of one to two weeks before the election (for reasons which we outline below).

Table 3

**Regression Model by Time of Decision on Greenhouse Vote**

Variable	Last Week	1-2 Weeks	2-4 Weeks	1-3 Months	3+ Months
Ideology	-.00018	-.051	.046	-.043	.020
Trust in government	-.00098	.043	-.108	.041	.082
Party identification	.00003	.069	.077*	.051*	.040*
Government corruption	.016	.093	-.037	.017	-.0010
Commission represents me	.253*	.310*	.291*	.257*	.307*
Compact helps young people stay in Rhode Island	.291*	.106	.199*	.135*	.147*
Compact helps me get better job	.059	.011	.231*	.069	.093*
Compact raises my taxes	-.104	-.121	.016	-.237*	-.145*
R <sup>2</sup> †	.43	.56	.71	.73	.75

Source: 1984 Greenhouse Survey, conducted by Thomas J. Anton and Darrell M. West.

NOTE: The figures reported here are unstandardized regression coefficients. Coefficients marked with an asterisk were at least twice the size of their standard errors, and thereby were significant at the .05 level.

†R<sup>2</sup> refers to the total explanatory power of the model; the .43 in the "Last Week" column, for example, means that the model explains 43 percent of the variance in the vote for those who made up their minds during the last week of the campaign.

\*Probability value less than or equal to .05.

There are two reasons related to campaign dynamics which seem to account for the varying effects of economic self-interest and political representation: short-term political developments and the composition of the electorate at each decision point. Short-term electoral forces were an important part of the decisional calculation by voters. Although the SDC insisted that its activities were "above politics" and that it had successfully brought all major sectors of the Rhode Island economy into agreement on its nonpolitical plan, in fact many sectors—such as small business, women, and blacks—felt left out and were determined to appeal to the political process. There thus was no way the commission could avoid the political arena. Though enabling legislation for the referendum had passed both chambers of the state legislature easily, few legislators felt strongly committed. Most were negative toward the legislation but voted for it because it allowed the public to make a choice that the legislators were reluctant to make themselves. The House Speaker and Senate majority leader were instrumental in securing this outcome and, in return, achieved commission agreement that they would each appoint three of the members of the new commission—if the referendum passed.

In late May, slightly more than two weeks before the referendum, both the Speaker and the majority leader announced that they planned to appoint themselves to the new agency. The Republican candidate for governor immediately announced his outrage over the absence of Republicans among these appointments by Democratic leaders and warned that his earlier support for the Compact had been shaken. After several days of well-publicized bickering between Republican and Democratic partisans, a solution of sorts was reached. The commission membership would be expanded by two in order to allow the Republican minority leadership in each house to appoint one commission

member. This agreement, announced just nine days before the vote, seemed to many to be a solution worse than the original problem, since the new agency would become even more, rather than less, political in composition. Whatever the status of the old Strategic Development Commission had been, the new agency clearly would be viewed as a predominantly political group.

It is not difficult in retrospect to understand why voters who made their decisions during the one to two weeks before the election were so overwhelmingly opposed to the Compact. A commission that had ballyhooed its experience and expertise had offered an image of the state's economy that was contradicted by growing employment. A commission that had believed its efforts to be above politics had become enmeshed in politics. A commission that had promised objective decisions had delivered appointments that hinted strongly of back-room deals, cut in the old-fashioned ways by people who were obviously unlikely to have much concern for the interests of the average citizen. And if there was so much controversy and deal making now, how could voters expect that future activities of a new commission would be any different? Virtually everything about the events of late May and early June strongly suggested the emergence of an "old politics" that seemed antithetical to the new policies called for in the original Greenhouse plan. Campaign dynamics, therefore, were instrumental in bringing the political representation factor to the forefront in the weeks just before the election and in limiting the impact of economic self-interest.

In addition, the role of economic and political forces during the campaign shifted, because different types of voters made up their minds during various stages of the campaign. Table 4, on the next page, offers a brief profile of three groups of voters: those who made up their minds early (three months or more prior to the referendum), those who made up their minds in the second week before the vote, and those who made their decisions during the last week of the campaign. These three electorates were chosen not simply because of the demographic and attitudinal differences portrayed in the table, but also because they made very different decisions. Bearing in mind that our sample of respondents slightly overrepresented Compact supporters, the percentages of voters in these groups who opposed the Compact were 76.0, 88.5, and 65.5, respectively. More than three-quarters of the early deciders opposed the Compact, but virtually *all* of those who made up their minds in the second week before the referendum turned against it, as support for the plan all but disappeared. This precipitous drop was followed, however, by a recovery of support that produced in our sample the largest margin of support for the Compact of any week in the campaign. Both voter volatility and powerful influences on voter choices are clearly documented by these figures.

Reading down the columns of table 4 offers some insight into the forces at play. The early deciders were dominated by middle-aged, upper-income individuals; were more likely than voters in either of the other two categories to declare themselves Republicans; were largely opposed to government intervention in the economy; and were noticeably more cynical about government honesty and effectiveness. Since they were also readers, gaining most of their information from the *Providence Journal-Bulletin*, it seems appropriate to characterize these early deciders as informed ideologues of predominantly moderate-to-conservative political opinions. Their profile contrasts most sharply with the group that came to a decision in the second week before the referendum. This "late electorate" was older, less prosperous, less well educated, less cynical about government, and much more Democratic than the early deciders. They were also

much more likely to be “watchers” and “listeners” than readers, with both television and radio approaching the newspaper as their main source of information about the Compact. Given their ideological conservatism as well as the prominence of Democratic party adherence, it seems plausible to view this grouping as largely made up of the conservative Democrats who often are found in working-class communities.

Table 4

**Three Electorates, Three Elections: Characteristics by Time of Choice**

Variable	Time of Decision Prior to Referendum (numbers in %)		
	Three Months or More	1–2 Weeks	Last Week
Age: % 65+	19.4	26.9	23.6
% College-educated	49.6	37.9	50.0
% Income \$35,000+	28.2*	18.2	19.5*
Party Identification			
Democrat	24.4*	38.3	35.7*
Republican	14.8*	8.3	9.0*
Ideology			
Liberal	12.3*	3.4*	8.5*
Conservative	21.0*	27.1*	16.2*
Government should create jobs	18.8*	24.2	28.7*
Trust in government	18.2*	28.6	30.7*
News Source			
<i>Providence Journal-Bulletin</i>	72.3	53.1	63.2
TV	37.9*	45.4*	32.1
Radio	32.5*	40.0*	21.9*

Source: 1984 Greenhouse Survey, conducted by Thomas J. Anton and Darrell M. West.

\*Categories whose differences were significant at the .05 level.

The “last minute” electorate, whose members finally made up their minds during the week before the vote, differed from the early and late deciders in several important respects. Somewhat older and considerably less prosperous than the early ideologues, they were more liberal and far better educated, and very nearly as Democratic in their party allegiances, as citizens who had made their decisions a week earlier. They were also less cynical about government than either of the other electorates, and were more willing to accept the legitimacy of government job-creation programs. Since the last-minute deciders were more likely to be readers than either watchers or listeners, we are inclined to think of them as informed ideologues of moderate-to-liberal political views, often associated with the more liberal elements of the Democratic party.

These different electorates and their varied preferences offer insight into the electoral dynamics at play in the Greenhouse referendum. A fairly large bloc of voters made up their minds shortly after the Compact was made public, grounding their choices in the predominantly conservative ideologies associated with well-educated, upper-income people. As enabling legislation for the referendum was introduced and debated in the legislature, a small but steady stream of voters came to their decisions through the weeks of winter and early spring; but not until two weeks before the vote did another large bloc of voters come to their conclusions, which were more overwhelmingly

negative than at any other time during the campaign. This late electorate seems somewhat paradoxical, since it was far more Democratic than Republican (38.3 to 8.3 percent) and far less cynical about government action than the early deciders, yet it was far and away the least supportive of the Compact. The move toward a less cynical, more supportive electorate culminated in the last week of the campaign, when another large bloc of voters made more positive choices than had been made in any other time period. It appears, then, that the largely negative early electorate was followed by groups of voters who had some difficulty making up their minds until two weeks before the vote, when the electorate turned almost wholly negative. The recovery of support in the final week was substantial, but not nearly enough so to create an electorate that came anywhere close to majority support for the Compact.

In summary, economic and political factors played varying roles as the Greenhouse campaign unfolded. Yet these variations were not random fluctuations; they instead appear to have been related to short-term dynamics within the campaign. When tax talk was dominating the debate, economic factors played a major role in voter decision making; when representational issues were paramount, political factors rose to the forefront. It thus seems clear that economic and political forces both were important during the Greenhouse debate but that their relative importance varied, depending on short-term campaign dynamics.

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## Conclusions

We began this exploration as a test of Magaziner's belief that trust was the dominant issue in explaining the failure of the Greenhouse Compact to win popular support. We can now conclude that Magaziner was only partially correct. Although trust was indeed an important factor in the Greenhouse vote, other factors were even more important, particularly perceptions of personal impact of the plan and concern over representation. The clear significance of such factors seems sufficiently interesting to warrant a final commentary on issues raised in the Greenhouse Compact debate which are important not only for Rhode Island but for the nation as a whole.

It is clear, to begin with, that the decisive rejection of the Greenhouse Compact by Rhode Island voters was not a product of deep-seated (and therefore unalterable) economic or political attitudes. As seems true in other states, Rhode Island voters generally supported government efforts to stimulate economic growth and did not reject the Compact as an unwarranted intrusion of government into the private sector. Nor did they oppose the plan because of a general mistrust in government (which was high), party identification, or some other stable quality of public opinion. Rather, their opposition was founded almost entirely on perceptions of the plan itself. Most voters believed that the Compact would raise their taxes but provide little or no benefit to them in return. The firmness of this belief, in turn, was based on their thoroughgoing mistrust of the financial and political elite that had formulated the plan, with no perceived representation of the average citizen's interests, through processes that strongly suggested political deals that were designed to further enrich that tiny elite. These were short-term perceptions associated with a specific proposal from a specific group which easily could have been different if the plan had been presented and promoted differently.

If these data thus affirm the experience of other states that have held successful referenda, they also suggest the risks inherent in pursuing a "sectoral" approach. A planning group chosen to represent economic sectors rather than political constituen-

cies runs the risk of being cut off from those constituencies. The Strategic Development Commission in Rhode Island may well have included some of the best and brightest among the state's institutional elite, but when push came to shove, no one in the legislature worked hard to mobilize support for the commission's plan, no candidate for major state or local office worked hard for the plan, and even the governor seemed little more than a halfhearted supporter at the end. Borrowing from a European corporatist model, several institutions pursued their own mobilization efforts: banks and insurance companies inserted leaflets in their monthly statements encouraging citizens to vote; some colleges and universities did the same; and some businesses inserted similar leaflets in their monthly bills to customers. Although we have no data on voter reactions to such efforts, suspicion of the commission elite had become so powerful by the time of the referendum that these efforts probably did no more than increase voter resentment of the plan and its sponsors. In American politics, operating outside the established political institutional structure can be a two-edged sword.

The risks inherent in a sectoral strategy are magnified if public participation in economic planning is sought. Having insisted on a public referendum on its plan, the SDC was obliged to give some consideration to how the plan might best be presented to a mass audience. But its treatment of this issue must be regarded as inadequate at best. Defying recent political experience from across the country as well as in Rhode Island, the commission proposed a tax increase to partially fund the Compact. And to make matters worse, it suggested programs so complicated that virtually no one could understand them. The twin effects were to give opponents an easily understood negative label to pin on the program—that this was a tax increase—while denying to proponents any opportunity to defend the Compact in terms that could be understood. From the beginning, therefore, the commission lost control over the most fundamental component of an electoral campaign, namely, definition of the issue. The commission *announced* a plan to create jobs or stimulate economic growth, but voters *heard* a plan to increase taxes. And, as we have shown, a substantial number of voters made up their minds as soon as they heard that message. Although the tax increase was later eliminated by the legislature, the image remained attached to the Compact and contributed to its defeat.

Unable to define the issue, the commission lost control of the dynamics of the campaign. Under normal electoral conditions, when candidates are competing for an office, the goal is to secure core supporters early in the campaign and then pursue the undecided voters. The efforts of the Strategic Development Commission very nearly reversed this process, producing a core group of opponents early in the campaign and failing to establish a base of support until the very last minute. As our analysis of the three electorates has shown, the voters who disproportionately comprised the last-minute deciders were those who supported government job-creation efforts; believed that those efforts could be effective; were less likely to believe that the government wasted taxes or was corrupt; were more trusting of government; and were less likely to think that the government represented only big interests. These individuals were the natural base for the Greenhouse Compact, yet their doubts or confusion prevented them from joining the Greenhouse coalition early in the campaign. In effect, there never was a core group of voter supporters for the Compact.

These dynamics were important because, unlike candidate elections, referenda are "low information" contests, in which voters generally know little about the issues on the ballot and often have difficulty evaluating the proposals. If traditional political

elites (that is, elected officeholders) and traditional political factors (partisanship and ideology) do not emerge to provide much-needed cues for citizens, short-term voter perceptions of the plan and the way in which the campaign is conducted will dominate the election. Apart from the governor, whose support visibly weakened as the campaign wore on, no statewide officeholder emerged to champion the plan. Party labels could not easily be attached to the proposal, since neither party took a formal position on the Compact itself. Most of the commissioners were not in public life, and those who were deliberately refrained from partisan appeals. Absent these typical clues to interpret commission motives, voters gradually concluded that the commission represented nothing more than the interests of the financial and corporate elite that had formulated the plan.

Although concern over the representation issue was expressed repeatedly to the commission, it is clear that its members never understood how significant that concern was. Proposals that more women or blacks or neighborhood or regional representatives or small businessmen be appointed to the new agency were often dismissed by citing the impossibility of representing every interest on a public agency. When, in late May, the governor used his appointments to reappoint members of the existing commission and the legislative leaders appointed themselves to the new commission, it was easy for voters to conclude that the planning group either had not heard the expressions of concern or had rejected them. The commission, in short, was perceived to be either insensitive or hostile to the interests of the average person, and with essentially unchanged membership, could be expected to be equally hostile or insensitive in the future. Unattached to accountable political institutions and unwilling to become symbolically attached to a more broadly defined public, the commission fell victim to its own elitism.

How are these remarkable strategic choices to be explained? How could a group of experienced and sensible individuals seek to gain public approval by proposing to increase taxes in order to spend a great deal of money for programs that could not be easily explained, programs that were to be administered by a tiny, nonelective body composed largely of bankers, big businessmen, and a few politicians? One answer, surely plausible, is that the SDC simply didn't pay much attention to political strategy. Caught up in the pressure and excitement of developing an imaginative set of proposals, it simply overlooked the political dimensions of its mission, perhaps because of the belief (or hope) that a good plan would sell itself. Commission members have admitted as much, and their surprise at the political uproar caused by appointments to the new commission also suggests a certain lack of political sensitivity. However plausible it may seem, though, inattention to political strategy is ultimately unsatisfying as an explanation, since inattention must itself be explained. How, then, can we account for the failure of the SDC to be more attentive to its own political requirements?

One important answer, we think, lies in the political residue that formed part of the context in which the commission worked and that obviously influenced its proposals. Rhode Island has had a long history of bitter labor-management relations; even today, it holds the unenviable record of the longest continuous strike against a manufacturer in recent U.S. history. Strikers' benefits were a powerful symbol of this intransigent mood, causing employers to be angry over the use of their contributions to prolong work stoppages; providing workers with an imagined protection against being pushed around by employers; and causing a large segment of the state's elite to feel concern over a state image as a "bad place to do business." Members of the SDC shared this

concern and sought to craft a document that could combat this image by announcing to investors in the rest of the country that a major change had occurred in Rhode Island and that the Greenhouse Compact would provide evidence of that change.

For a small state to make a significant impact on the national business community, a big idea was necessary; hence the comprehensiveness of the Compact, the voluminous documentation, and the very expensive price tag. Indeed, early promotional material for the Compact suggested (without any obvious foundation) that two dollars of private investment would be generated by every public dollar spent, producing a total investment for economic growth of \$750 million, rather than only \$250 million. In a real sense, therefore, the problem to which the Compact was addressed was not so much economic growth but a perceived national image, and the audience to which the Compact was addressed was not Rhode Island at all, but the national business elite. In reaching out for national impact, the commission apparently neglected its Rhode Island base.

Offering a plan aimed at a national audience to a Rhode Island electorate would have been difficult even if all the members of the commission had been extremely attentive to local politics, if only because the size and scope of the plan appeared to violate widely accepted norms of the appropriate scale of any form of political action. Rhode Island is a small place, dominated by what Elmer Cornwell and Jay Goodman have described as a “politics of intimacy,” in which politicians are expected to develop a first-name familiarity with their constituents.<sup>16</sup> Citizens, in turn, take an obvious pride in using first names when addressing U.S. senators, congressmen and congresswomen, governors, and other public officials. In this intimate context, the Greenhouse Compact, developed by technocrats from national business organizations and financial institutions, staffed by a consulting firm with an international clientele, seemed out of scale and out of place, reflecting values wholly out of touch with the personalized localism of the state’s residents. Among the voters we interviewed, the longer the length of residence in Rhode Island, the more likely it was that citizens opposed the Compact. Legislators reflected these sentiments against the size of the plan when they reduced its scope several months before the election. From this point of view, whether or not the Compact was a good plan was irrelevant. It was simply the wrong plan for an electorate accustomed to less grandiose and more personalized presentations.

Popular preferences for smaller and more personalized policies in Rhode Island are not necessarily different from popular preferences in other states. Economic-development proposals offered to voters elsewhere have been far less comprehensive and less expensive than the Greenhouse Compact, and they have been included on ballots that offered other issues for citizens to consider. Modest in size and related to other policy questions, such proposals are easily perceived as incremental rather than radical adjustments. The Greenhouse Compact, however, was a “big” plan that promised a thorough overhaul of the state’s economy through the infusion of thousands of new high-tech jobs. Moreover, the Compact stood alone, isolated from other policy matters and most state politicians in a separate referendum that exaggerated its costs and aspirations. In this sense, the plan was both too big and too radical, alienating even potential beneficiaries, such as workers who feared they would not qualify for the new jobs. What Rhode Island voters may have demonstrated, therefore, was not so much opposition to economic planning as discomfort with radical change. Like voters in other states, Rhode Islanders reaffirmed the classic American preference for incremental rather than comprehensive policymaking. 🍷

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## Notes

1. Susan Hansen, "The Effects of State Industrial Policies on Economic Growth," paper presented at the annual meeting of the American Political Science Association, Washington Hilton, Washington, D.C., 30 August–2 September 1984; Dennis O. Grady, "The Evolution of State Economic Development Policy: A Comparative Analysis of Economic Incentives Offered by States, 1966–84," paper presented at the annual meeting of the Midwest Political Science Association, Chicago, 9–12 April 1986.
2. Ira Magaziner, "Rhode Island: The Defeat of the Greenhouse Compact," *New England Journal of Public Policy* 2, no. 1 (Winter–Spring 1986): 54.
3. Morris Fiorina, "Economic Retrospective Voting in American National Elections: A Micro-Analysis," *American Journal of Political Science* 22 (May 1978): 426–43.
4. James Kuklinski and Darrell M. West, "Economic Expectations and Voting Behavior in United States House and Senate Elections," *American Political Science Review* 75, no. 2 (June 1981): 436–47.
5. Donald Kinder and Roderick Kiewiet, "Economic Discontent and Political Behavior: The Role of Personal Grievances and Collective Economic Judgments in Congressional Voting," *American Journal of Political Science* 23 (August 1979): 495–527.
6. Paul Courant, Edward Gramlich, and Daniel Rubinfeld, "Why Voters Support Tax Limitation Amendments: The Michigan Case," *National Tax Journal* 33, no. 1 (March 1980): 1–20.
7. William Flanigan and Nancy Zingale, *Political Behavior of the American Electorate*, 5th ed. (Boston: Allyn and Bacon, 1983).
8. To demonstrate the robustness of our findings, we also calculated Spearman rank-order measures and Pearson product-moment correlations. The results were nearly identical to our Kendall measures, thereby adding further strength to our generalizations.
9. The correlation of  $-.12$  means that there was a slight inverse relationship between the vote and citizen perceptions of future performance of the Rhode Island economy.
10. Michael Traugott, "Recent Trends in Trust in Public Institutions and Leaders," unpublished paper, 1984.
11. Researchers must interpret these personal-impact responses cautiously because of the difficulty in distinguishing perceptions from post hoc rationalizations. To ensure that these personal-impact variables were not merely rationalizations for voters' party identifications or ideology, we correlated the two sets and found Kendall Tau correlations in the range of  $.06$  and below. This adds further credence to our assumption that the personal-impact variables are independent factors.
12. David Sears and Jack Citrin, *Tax Revolt: Something for Nothing in California* (Cambridge, Mass.: Harvard University Press, 1982).
13. Regression and probit analysis are the techniques most commonly used in the social sciences for the study of voting behavior. They enable researchers to determine the overall explanatory power of various factors and to test the importance of alternative factors.
14. To put this 26 percent in a broader context, one can compare it to the 7 to 10 percent of the electorate in recent presidential elections which has decided during the last week of the campaign.
15. We report regression results here despite their possible limitations to facilitate comparisons with others in the field, such as Sears and Citrin (1980), who have used regression techniques.
16. Elmer Cornwell and Jay Goodman, *The Politics of the Rhode Island Constitutional Convention* (New York: National Municipal League, 1969).

