

**The Status Quo Bias in Direct Democracy:  
Empirical Results for Switzerland, 1981 – 1999**

by

**GEBHARD KIRCHGÄSSNER**

\*) University of St. Gallen, Swiss Institute for International Economics  
and Applied Economic Research, *CESifo* and Leopoldina,

**Summary**

Using data of 142 popular decisions in Switzerland in the eighties and nineties, it is shown that the less citizens feel able to make a decision, the less they will vote in favour of a proposal. However, indirect effects of other proposals which are to be decided on the same weekend might counteract this effect. On the other hand, mobilisation is much more effective against than in favour of a proposal. This at least is clear evidence of a status quo bias in the Swiss political system. But it is open for discussion whether this bias should be evaluated positively or negatively.

Keywords: Direct Democracy, Mobilisation, Status Quo Bias, Decision Uncertainty.

JEL Classification: D72

Preliminary Version, January 2007. – Paper to be presented at the Annual Congress of the Verein für Socialpolitik, Munich, October 9 – 12, 2007. I thank HANSPETER KRIESI (University of Zurich) for providing some of the data.

Mailing Address: Prof. Dr. Gebhard Kirchgässner  
University of St. Gallen  
SIAW-HSG  
Bodanstrasse 8  
CH-9000 St. Gallen  
Switzerland  
Gebhard.Kirchgaessner@unisg.ch

## 1 Introduction

[1] The status quo bias, going back to W. SAMUELSON and R. ZECKHAUSER (1988), is a well known phenomenon in psychological decision theory. It is one of several known decision avoidance phenomena.<sup>1)</sup> It can be observed in many areas, as, for example, in economics, finance, politics, or medicine, and it is made responsible for misguided developments in these areas. S. MULLAINATHAN (2004), e.g., attributes to it that new technologies in developing countries diffuse only slowly. S.K. ABEREGG, E.F. HAPONIK and P.B. TERRY (2005) show that even trained physicians are subject to this bias which can easily lead to sub-optimal results for the patients. A. KEMPF and R. STEFAN (2006) show that funds-managers exhibit such behaviour, and the bias is the larger the more alternatives are available.<sup>2)</sup> Last but not least the status quo bias is seen as being responsible for resistance to reforms, even if they would be efficient from an economic point of view, when there would be more winners than losers. R. FERNANDEZ and D. RODRIK (1991) demonstrate this with respect to trade reforms, and they show that such behaviour may occur even if neither risk aversion, nor irrationality, nor hysteresis due to sunk costs play a role.<sup>3)</sup> Such reforms might ex ante be rejected by the population even if they would be supported by a clear majority once they are in effect.

[2] According to at least some authors, the (Swiss) (semi-)direct democracy seems to be especially prone to the status quo bias. Above all, the optional referendum is accused of making big reforms nearly impossible because interest groups who can influence popular decisions have a stronger impact even on the parliamentary process compared to a purely parliamentary system.<sup>4)</sup> According to S. BORNER (2005), the Swiss direct democratic System is (together with its federalism) one of the major causes of the slow economic growth since the beginning of the nineties.

[3] Over the last decades, the Swiss people have in fact rejected several proposals which had a large majority in both chambers of the national parliament; the perhaps most important ones the (last) rejection of the women's right to vote on February 1, 1959, or the rejection of joining the European Economic Area on December 6, 1992.<sup>5)</sup> On the other hand, Switzerland is by far not the only country with a 'reform-delay', and the recent reform of its fiscal federalism (including the reorganisation of the fiscal equalisation system) is going much further than other countries like, e.g., Germany, can dream of. Moreover, compared to its European neighbouring countries, the Swiss labour market is very flexible, while reforms to make their labour markets at least somewhat more flexible seem to have hardly any chance in France or

---

1. It is often also called 'omission bias' and one out of four different decision avoidance phenomena described by CH.J. ANDERSON (2003). For an overview see D. KAHNEMANN, J.-L. KNETSCH and R.H. THALER (1991).

2. That even irrelevant alternatives might favour the status quo is shown in R. SPIEGLER (2000).

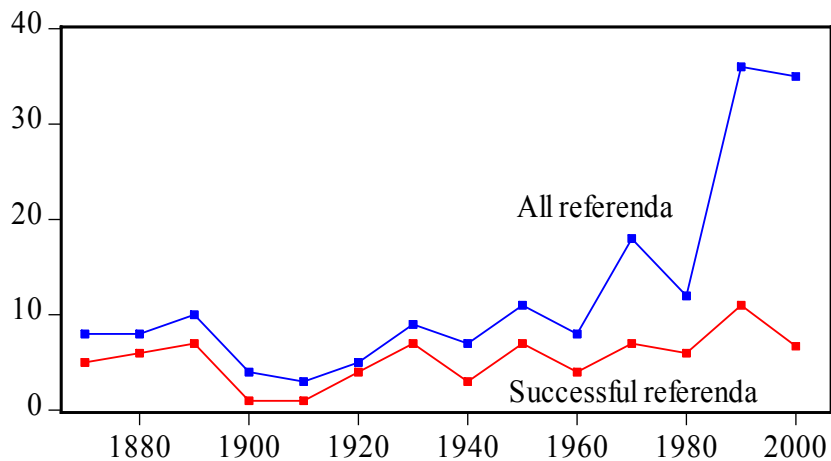
3. See also A. COICONE (2004).

4. See, e.g., S. MÖCKLI (1996), A. BRUNETTI (1997), or S.A. BANDUCCI (1998). Especially with respect to decisions about the relation between Switzerland and the European Union see L. MARQUIS (2004).

5. See, e.g., G. KIRCHGÄSSNER (2005) for several other such decisions.

Germany. Thus, whether the Swiss system is more or less prone to stagnation than the political systems of other European countries does not find an obvious answer.

[4] But even if the Swiss political system is no more an obstacle to economic or political reforms than the system of any other democratic country, it might still be true that the direct democracy has an in-built status quo bias. If this question is asked there have, however, two problems to be distinguished. On the one hand, the political system might be construed in such a way that it is difficult to reach decisions. This holds, e.g., in the current constitutions of the European Union where the number of veto players is too large and, therefore, a ‘joint decision trap’, as it has been called by F. SCHARPF (1985, 1988), exists. This is hardly the case for Switzerland. It might rather be the opposite, as – compared to other countries – the Swiss Constitution can be changed very easily, and it is usually changed several times a year. On the other hand, the Swiss direct democracy might, more than a purely representative system, allow citizens (voters) to make their status quo bias effective. This might be the case, and the optional referendum might be the vehicle. And, as *Figure 1* shows, the number of optional referenda which have been undertaken has drastically increased since the sixties.



*Figure 1: Number of optional referenda per decade, 1870 – 2006*

[5] On the other hand, that people reject proposals is not necessarily an indication of a status quo bias, even if the corresponding decision had a large majority in the parliament. If the politicians form a cartel against the electorate, it is to be expected that there will be a large majority in the parliament despite the fact that the chances to receive also a majority of the peoples’ votes is rather small. But while the number of referenda undertaken at the federal level has considerable risen in the last fifty years, the number of laws enacted did also increase. Thus, the increase in referenda might be more a reflection of increased law-making by the parliament than of an increase in the use of direct popular rights.<sup>6)</sup> Moreover, less than 50 percent of these referenda are successful, and, as can also be seen from *Figure 1*, this share has recently

---

6. See M.A. NIGGLI (2000).

strongly decreased: The average number of successful referenda per year was in the last six years about the same as in the eighties, while the average number of all referenda tripled.<sup>7)</sup> This might even speak for a weakening of the status quo bias, if it ever existed. On the other hand, as the interest groups can threaten with a referendum, they might already be successful in the parliament without actually making a referendum.

[6] To provide reliable evidence of the existence of a status quo bias we need other than the casual evidence which is usually brought forward and which we have discussed so far. There is, of course, some evidence available in this respect. As E.R. GERBER (1999) showed for the United States and H.P. HERTIG (1982), E. GRUNER and H.P. HERTIG (1983) as well as C. LONGCHAMP (1991) for Switzerland, financially strong interest groups can rather prevent the acceptance of a proposal by the citizens than get their own proposals approved.<sup>8)</sup> This indicates that mobilisation of voters is more difficult in favour of than against a proposal.

[7] However, the evidence presented so far mainly looks at important referenda when people decided against the recommendations of financially strong interest groups, often supported by the government and many if not most (relevant) political parties. Up to now, there is no investigation for Switzerland which shows that mobilisation expenditure are really more effective against than in favour of a proposal. In this paper, such evidence is presented. In this respect, we can present clear evidence for a status quo bias: mobilization if favour of No-votes seems to be much more effective than mobilisation for Yes-votes. We have data that proxy total mobilisation expenditure pro and contra a proposal. These data start in the beginning of the eighties. Moreover, we have survey data about the difficulties citizens encounter in reaching decisions. Thus, we can also show that citizens who have problems to understand the issue at stake tend to say no. However, indirect effect can reduce its impact on the outcome of the referenda. Thus, in this respect the results are not so clear.

[8] In this paper, a model of voting behaviour is estimated for 142 popular decisions at the Swiss federal level in the eighties and nineties. We explain the shares of the Yes- and the No-votes and, therefore, also the turnout and the margin of the Yes- over the No-votes. The theoretical model is presented in *Section 3*, the estimation approach in *Section 4*, and the empirical results in *Section 5*. Before this, in *Section 2*, the possibility of a status quo bias in a political system with a referendum is discussed. Finally, in *Section 6*, it is discussed how a status quo bias is to be evaluated, positively or negatively.

---

7. Since 1991, only 36 percent of all optional referenda were successful, but 56 percent in the period from 1874 to 1990. – Source of the data: *Statistisches Jahrbuch der Schweiz 2006*, Table T17.3.2.1, p. 396, and [http://www.admin.ch/ch/d/pore/va/vab\\_2\\_2\\_4\\_1\\_2001\\_2006.html](http://www.admin.ch/ch/d/pore/va/vab_2_2_4_1_2001_2006.html) (28/12/06). The data for the current decade have been adjusted for the reduced time span.

8. See also the other studies for the United States cited in G. KIRCHGÄSSNER, L.P. FELD and M.R. SAVIOZ (1999, pp. 27f.).

## 2 Decision Making With a Referendum and the Status Quo Bias

[9] In Switzerland, since the founding of the federal state in 1848, any change of the Federal Constitution is subject to a mandatory referendum, and since the total revision of its constitution in 1874, any new federal law as well as any change of an existing federal law is subject to an optional referendum. Besides the initiative for a partial revision of the constitution, introduced in 1891, these still are the main elements of the Swiss direct democracy at the federal level.<sup>9)</sup> The number of signatures which are affordable to reach an optional referendum is rather low; since 1977 it is 50'000, which today is slightly more than one percent of the electorate. Since 1971, there have been about 3 mandatory and 2.5 optional referenda on average per year.

[10] Such referenda (as well as initiatives) restrict representatives in their political decisions.<sup>10)</sup> These institutions shape a political game in which several actors play a role. If the government is allowed to propose a policy change, it sets the agenda, i.e. which questions are to be decided and which alternatives are excluded. As an agenda setter, it may succeed in proposing a policy that is closer to the preferences of the majority of the citizens than the status quo. Then, the citizens will accept such a proposal even if it does not coincide with the ideal position of the majority. In contrast to referenda, initiatives shift agenda setting power to citizens.

[11] To show how referenda affect policy outcomes, we work with a simple analytic framework that permits us to focus on the essential interactions between policymakers and citizens.<sup>11)</sup> In particular, assume that a project is only financed by taxes, so any expenditure increase induces higher taxes as well. Although policy decisions often involve choices along several dimensions (e.g. a project's size and location), we keep the model as simple as possible by assuming that the only relevant range of policy choices is the size of the project and it is, therefore, uni-dimensional. Specifically, the policy to be decided is simply the level of spending on a particular project. Further simplification is obtained by assuming that the preferences of political actors take a particular form. That is, each political actor is assumed to have a preferred level of spending (called his/her ideal point); the farther away the actual expenditure level is from this point, the less happy the actor is about the outcome. We assume that all political actors are fully informed about the preferences of all others actors as well as the structure of the game. In addition, we assume that the government dislikes having its decisions revised by others.

---

9. At the cantonal and local levels, we find also initiatives for introducing new or changing existing laws, and also fiscal referenda. For a description of the Swiss system see, e.g., G. KIRCHGÄSSNER, L.P. FELD and M.R. SAVIOZ (1999, pp. 17ff.).

10. As usually the (optional) referendum is held responsible for missing reforms in Switzerland, we do not discuss the effects of the initiative. See for this, e.g., G. KIRCHGÄSSNER and L.P. FELD (2001).

11. This model is adapted from TH. ROMER and H. ROSENTHAL (1979). Its assumptions are standard in spatial voting models; see also B. STEUNENBERG (1992), L.P. FELD and J.G. MATSUSAKA (2000), or L.P. FELD and G. KIRCHGÄSSNER (2001). The model representation in *Figure 2* draws on L.P. FELD and J.G. MATSUSAKA (2000, *Section III*).

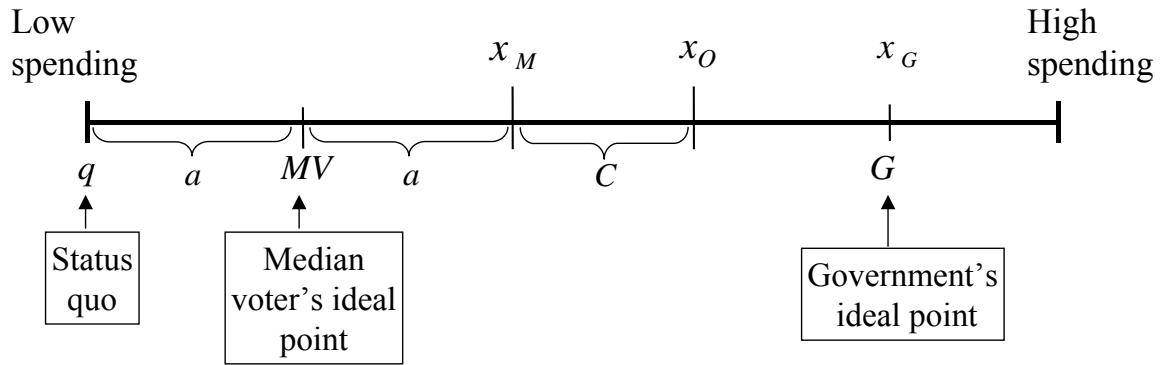


Figure 2: Policy making with a referendum

[12] Figure 2 illustrates a situation where the level of spending on a new project must be decided. Three points on the line are of particular importance. First, the current spending level, the status quo, is denoted by  $q$ ; this is the so-called reversion point, i.e. the level of spending that will occur if no decision is reached. Second, point  $G$  shows the government's preferred spending level. We assume that the government prefers a higher spending level than the median voter due to, for example, pork-barrel politics. Note that  $G$  should be interpreted as the government's preference for the new spending project taking into account the possibility of losing an election and other political costs. Third, the point marked  $MV$  represents the ideal point of the 'median voter', i.e. we assume that citizens have a range of ideal points and  $MV$  marks the level of spending where the ideal points of half the citizens lie to the left and half lie to the right.

[13] The median voter's ideal point can be thought of as representing something like the will of the people. For instance, competition between two political parties on this single issue would result in both parties proposing  $MV$ . To see this, note that if one party proposes  $MV$  and the other proposes something higher than  $MV$ , say  $MV + 1$ , the former – call it the  $MV$ -party – would win. The reason is that voters with ideal points lower than  $MV$  prefer  $MV$  to  $MV + 1$  and would thus vote for the  $MV$ -party (recall that by construction, this group includes exactly half the voters); voters with ideal points higher than  $MV + 1$  would vote for the  $MV + 1$  party and the two parties would split voters whose ideal points lie between  $MV$  and  $MV + 1$ . Given this, we see that the  $MV$ -party would attract more than half of the votes and would win so. The same logic shows that proposing something less than  $MV$  would also be a losing strategy, so both parties would propose  $MV$ , and as a result,  $MV$  would be the outcome regardless of which party won.  $MV$  would also be the probable outcome in a pure direct democracy, e.g. in a town meeting of all citizens.

[14] Using this framework, we consider which decision would be taken under four institutional arrangements: representative democracy, mandatory and optional referenda.

- (i) If no referendum or initiative is possible, the government is free to choose the spending level, so it would choose its preferred point  $G$ .
- (ii) Compare this to the outcome that would emerge when a referendum is mandatory. In this case, the government gets to decide the exact size of the project to be voted on, but

voters will reject any spending proposal that is not preferred to the status quo. As it turns out, the government will propose a project with the spending level marked as  $x_M$  in *Figure 2*. The level  $x_M$  is constructed so that at this point, citizens are just indifferent between  $x_M$  and the status quo spending level,  $q$ . Knowing that spending levels higher than  $x_M$  would be rejected, the government proposes  $x_M$  since this is the level of spending closest to its own ideal point,  $G$ . The diagram is drawn such that  $G$  is higher than  $x_M$ , however if  $G$  were below  $x_M$ , the referendum would have no effect since the government would propose its preferred point and voters would adopt it since they would prefer it to the status quo. Thus, the important point here is that the referendum results in a different policy outcome when voters' preferences are sufficiently different from the government's preference. Moreover, referenda boost the power of citizens even when very few 'no' votes are observed. The point is that the power of referendum lies mainly in the way that it induces the government to propose policies that are close to the wishes of the majority.

- (iii) The optional referendum only takes place if a certain number of citizens sign a petition that calls for holding a referendum. Collecting such signatures is costly and to be concrete we suppose that 'C' is the cost of collecting the necessary signatures. As it turns out, this tends to loosen voters' control over the government. In particular, the government will now be able to propose a spending level that is somewhat further from the median-voter point  $MV$ . This is because under these circumstances, the government must make the voters indifferent between its spending proposal and the utility they can derive from the realisation of the status quo minus the costs of collecting signatures. The maximum spending proposal at which this is achieved is  $x_0$ , which is higher than  $x_M$  by exactly the amount  $C$ . As before, the possibility of an optional referendum will only change the outcome if the government's preferences deviate sufficiently from that of the  $MV$ . For instance, if  $G$  is between  $x_0$  and  $MV$ , then the government would choose  $G$  with or without the possibility of an optional referendum.

[15] To summarize, we note that if the government wants to spend more money on this project than the majority of the voters, the system of mandatory or optional referenda tends to force the government to propose a project that is closer to the preferences of the citizens, with mandatory referendum being somewhat stricter than the optional referendum. Moreover, if a government (or parliament) does not want to be defeated in a referendum, it will take into account the median voter's position. In reality, however, neither the government nor the citizens are fully informed. Therefore, the government might propose a project which is too far away from the median voters position and, therefore, be defeated in the referendum. However, neither the fact that the government (parliament) takes into account the median voter's position when making its proposal nor a defeat of the government in a referendum is by itself an indication of a status quo bias: it might simply result from the fact that the median voter's position is better represented in the policy outcome of a (semi-)direct democratic system than in a purely representative one. On the other hand, if the assumptions of the model of R. FERNANDEZ and D. RODRIK (1991) hold and people who are uncertain about the policy outcome reject a project even if it is on the left of point  $x_M$  in *Figure 2*, then there is a status quo bias which

would not occur in a purely representative system. But in such a situation we still have to outweigh the advantage of having a system which results in policy outputs which are closer to the median voter's position with the disadvantage caused by the status quo bias.

### 3 The Model of Voting Behaviour

[16] The question to be investigated is, therefore, whether uncertainty about the effects of a policy which is proposed by the parliament<sup>12)</sup> will increase the share of No-votes in a referendum and/or whether campaigning is more effective against than in favour of a proposal. To do so, we employ the economic theory of voting behaviour as first put forward by A. DOWNS (1957) and further developed by W.H. RIKER und P.C. ORDESHOOK (1968). According to this approach, the net benefit  $R$  of an individual voter participating in an election is determined by the benefit differential  $B$  that results from the comparison of the preferred with the second alternative, weighted by the likelihood of casting the decisive vote,  $P$ , plus the utility an individual voter receives from his participation independent of the outcome,  $D$ , which is related to the citizens sense of (civic) duty, minus the costs of casting the vote,  $C$ . This leads to the following well known expression

$$(1) \quad R = P \cdot B + D - C.$$

[17] The problem of this model is that in large electorates it holds that  $P \cdot B \approx 0$ . Thus, contrary to empirical results, the closeness of a decision should have no impact on voting behaviour.<sup>13)</sup> This does not hold for the 'mobilisation hypothesis', which goes back to V.O. KEY (1950) and has been further developed, e.g., by G. KIRCHGÄSSNER (1990). It states that the closeness effect is the result of mobilisation efforts of the candidates or of those in favour or against a motion. The closer the expected outcome is, the more will those who have an interest in the decision outcome try to 'activate' the voters' sense of duty and the more they make use of instruments which will reduce the costs of participation.<sup>14)</sup> Therefore, the interaction between expected closeness and the benefits  $D$  and the costs of voting  $C$  can be formalised as:

$$(2a) \quad D = D ( E (CL), B), \quad D_1 > 0, \quad D_2 > 0,$$

$$(2b) \quad C = C ( E (CL), B), \quad C_1 < 0, \quad C_2 < 0.$$

---

12. In Switzerland, when it comes to popular decisions, in most cases government and parliament take the same positions. There are, however, also situations where the parliament changes a proposal against the recommendation of the government. This brings the government into a difficult position as it has to defend a proposal of which it is not convinced. This is obvious for the electorate, and in most of these cases the referendum is successful, i.e. the citizens reject the proposal of the parliament.

13. Four fifths of the 43 studies which are listed by J.G. MATSUSAKA and F. PALDA (1993) confirm a connection between turnout and (expected) closeness of the result.

14. See for this also J.H. ALDRICH (1993), R. SHACHAR und B. NALEBUFF (1999), as well as references to earlier papers in G. KIRCHGÄSSNER (1990, p. 452).

C and D are not given exogenously but depend on the expected closeness  $E(CL)$  which is a (negative) monotonous function of the probability  $P$  that the voter will be decisive.<sup>15)</sup> Nevertheless, the relevant factor is the mobilisation activities of politicians and/or interest groups and not the subjective expectation that a single voter will cast a decisive vote.

[18] This approach is supported by empirical evidence for Swiss referenda. As G. KIRCHGÄSSNER and T. SCHULZ (2005) show, once we include a measure of mobilisation activities into the regression equation the closeness measure loses its significance. Therefore, when estimating our model of voting behaviour we include a measure for the mobilisation effort but no one for the (expected) closeness.

#### 4 The Estimation Approach

[19] Let YES be the number of Yes-, NO the number of No-votes and N the number of all voters entitled to vote. Voter turnout (TOU) then results as the sum of the shares of the Yes- and No-votes that have been casted at a certain poll and the margin of the Yes- over the No-votes as their difference.<sup>16)</sup>

[20] The variable for ‘complexity’ has been extracted from surveys that have been conducted on a regular basis after every vote since 1979. This variable gives the share of (participating and abstaining) people who declared in the survey that they were struggling with difficulties in deciding. As explained above, we assume that this variable has a negative impact on voter turnout.<sup>17)</sup>

[21] To account for the mobilisation activities it would be preferable to use total expenditure of supporters and opponents in the different decisions. However, such data are only available for some very few referenda and these are only very rough estimates. For the period after 1981, however, we have data about the space that has been filled by the supporters and opponents of a proposition with advertisements in the six most important newspapers of the German and the French speaking parts of Switzerland.<sup>18)</sup> This only represents part of the effort

---

15. For a detailed discussion of the different approaches see G. KIRCHGÄSSNER and T. SCHULZ (2005).

16. Source of the data: Results of the propositions of national votes, <http://www.admin.ch/ch/d/pore/va/index.html>. – The definition of turnout that is employed here deviates slightly from the official definition which is the share of eligible voters who casted a vote. The difference to our measure lies in the treatment of the void and empty ballots. After all, in our sample they amount to 2.7 percent of the casted votes. Since we build our analysis also on the differences between the votes of the same weekend, it does not make much sense to treat those ballots the same as the Yes- and No-votes.

17. These data have also been collected by HANPETER KRIESI (University of Zürich) and made available to us. For the following propositions in this time period no data are available: 309, 310, (initiative and counter-proposal), 314, 342, 343. – Since the beginning of the seventies such surveys are regularly performed by the GfS-Research Institute in Bern in collaboration with political science institutes of the universities of Bern, Geneva and Zürich.

18. These are the following newspapers in German: *Neue Zürcher Zeitung*, *Tages-Anzeiger* and *Blick*, and the ones in French: *Journal de Genève*, *Tribune de Genève* and *Le Matin*. These data have been compiled and

(expenditure), but certainly quite an important one. If one assumes that expenditure for those (partly very expensive) advertisements are (highly) correlated with total mobilisation expenditure, this is an indicator for the mobilisation effort. We use data for the period between 1981 and 1999.<sup>19)</sup> To facilitate the interpretation of the results, these data have been normalised so that their standard deviation is 1.0.

[22] To capture the relevance of a decision,  $B$ , we use a distance measure between the alternatives. In principle, we should first determine the relevant dimensions, then calculate the distances for each dimension and finally compile a one-dimensional measure according to a certain rule. This, however, would not only provoke theoretical considerations; it is simply the case that the required data is lacking. Therefore we have to restrict ourselves to the financial dimension, for which it is most likely to receive reliable data. We have collected information about how much money was at stake for a certain proposition, implying either additional expenditures, savings, tax-increases or decreases.<sup>20)</sup> In most cases, however, there have not been any financial consequences or it was impossible to calculate them, respectively, because they did not play any role in the campaign. This requires introducing a dummy-variable for those propositions for which no distance measure could be calculated. The financial consequences, however, can be assessed differently by different votes, depending on the proposition being a mandatory or an optional referendum or an initiative. To take this into account we introduce separate variables for initiatives and referenda.

[23] As additional variables we introduce dummy-variables for the optional referendum and the initiative. The inclusion of these variables seems to be useful because voter turnout differs across them: turnout for mandatory referenda reached only 38.3 percent on average whereas for optional referenda the respective figure is 41.1 percent and for initiatives 43.2 percent. This certainly could result from the differing advertising efforts but it could also be the case that voters attach varying importance to different proposition-types.

[24] Considerable difficulties stem from the fact that, in general, several propositions are held at the same time: The 142 propositions in our sample have been decided on altogether 46 weekends. If somebody casts a vote on a certain proposition, he/she normally casts a vote also for all the remaining propositions on the ballot. This implies in the first place, that the individual values of the explanatory variables cannot quite be assigned to individual propositions. Rather, that proposition will have the strongest impact on turnout of all decisions at a weekend which is considered by the citizens as being the most important one. We assume that these decisions can be identified by considering the advertising efforts: We assume that those propositions for which campaign expenditures were the highest have also been perceived by the voters as being the most important ones. Thus, we construct new variables for the mobili-

---

also made available to us by HANSPETER KRIESI. – For the effect of media on voting behaviour see A. GERBER, D. KARLAN and D. BERGAN (2006).

19. For the following propositions during this period these data are not available: 309, 310, 314, 315, 337, 375.

20. For a detailed description of this variable see G. KIRCHGÄSSNER and T. SCHULZ (2005).

sation- and competence-indicators, which contain the values of this single most important proposition for all propositions at the same weekend.

[25] Even if turnout for all propositions of the same weekend is very similar, there are clear differences, particularly if one considers the void and empty ballot-papers as not belonging to turnout. By regressing turnout on 46 dummy-variables for every voting-weekend, we receive an adjusted  $R^2$  of 0.987, but with a standard error of 0.876 and a strongest deviation of 3.24 percentage points. Thus, the respective values of an individual proposition seem to have an influence even if it is not the ‘most important’ one on the ballot sheet. For the indicators for mobilisation and competence we hence employ besides the newly constructed variables also the original variables containing the values of the individual propositions.

[26] A statistical problem arises from the fact that the different propositions of one weekend build clusters: The residuals of the observations within a cluster are highly correlated. This biases the estimated variances of the parameters. To take this into account we employ robust standard errors.<sup>21)</sup> One further problem is that we, therefore, cannot take into account any additional autocorrelation of the residuals between the voting Sundays. As has been shown by additional examinations, this should however not have any consequences on the consistence of the estimated variances.<sup>22)</sup>

[27] Thus, we get the following basic model:

$$(3) \quad Y = f(\text{COM}, \text{COM}^*, \text{MOBP}, \text{MOBP}^*, \text{MOBN}, \text{MOBN}^*, \text{DIST}_{\text{REF}}, \text{DIST}_{\text{INI}}, \text{MDIST}_{\text{REF}}, \text{MDIST}_{\text{INI}}, \text{DV}(\text{DIST}_{\text{REF}}), \text{DV}(\text{DIST}_{\text{INI}}), \text{DV}(\text{MDIST}_{\text{REF}}), \text{DV}(\text{MDIST}_{\text{INI}}), \text{MRE}, \text{INI}).$$

There, Y is the depending variable:

YES	Share of the Yes-votes of the electorate (in percent),
NO	Share of the No-votes of the electorate (in percent),
TOU	Turnout (YES + NO),
DIFF	Margin of the Yes over the No-votes (YES – NO).

The explanatory variables are:

COM	Share of those who have difficulties in taking a decision,
MOBP	Measure for mobilisation expenditure in favour of an issue,
MOBN	Measure for mobilisation expenditure against an issue,

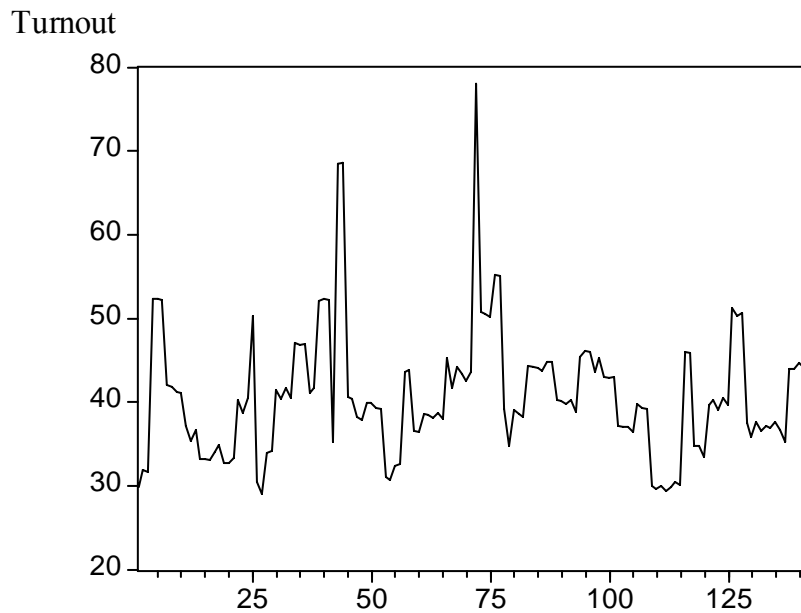
---

21. The regression has been computed with Stata, Version 8, using OLS with the cluster option.

22. For individual models equations for the means of the 46 election weekends have been estimated. However, no significant autocorrelation could be found for the estimated residuals, regardless of weighting (with the number of propositions).

$DIST_{REF}, (DIST_{INI})$	Distance (financial implications per capita) of a referendum (an initiative),
$MDIST_{REF}, (MDIST_{INI})$	Maximal distance (financial implications per capita) of a referendum (an initiative) at the weekend,
$DV(DIST_{REF}),$ $(DV(DIST_{INI}))$	Dummy Variable, which takes on ‘1.0’ for those polls where the corresponding distance measure is zero, and zero elsewhere.
$DV(MDIST_{REF}),$ $(DV(MDIST_{INI}))$	Dummy Variable, which takes on ‘1.0’ for those polls where the corresponding maximum distance measure is zero, and zero elsewhere.
$MRE (INI)$	Dummy variable for the mandatory referendum (the initiative),

Those variables earmarked with an ‘\*’ contain for all propositions belonging to the same weekend the values of the ‘most important’ proposition, whereas the remaining variables contain the original values for every single proposition.



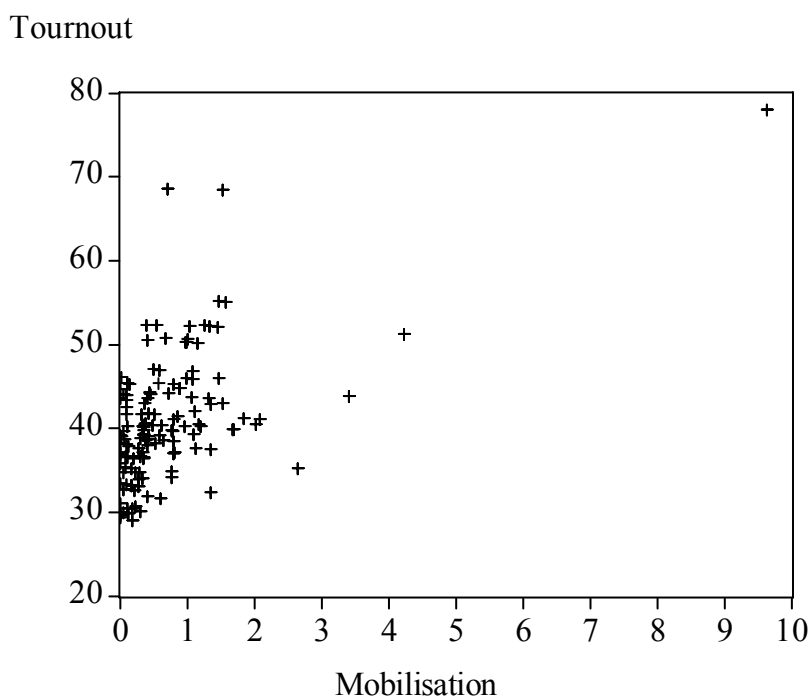
*Figure 3: Participation in Swiss Referenda, 1981 – 1999, 142 Observations*

[28] As can easily be made out from a short glance on the data depicted in *Figure 3*, there was no time trend during the sample period<sup>23)</sup> but there are certainly some ‘outliers’. These are on the one hand the two propositions of November 26, 1989, one of which was about the abolition of the Swiss army, but on the other hand also the vote on the accession to the Euro-

---

23. Whenever we included a time trend in the regressions, its estimated coefficient was far apart from any significance. This is even true if an interaction variable between the time trend and the different types of decisions is included.

pean Economic Area of December 6, 1992.<sup>24)</sup> The scatter-diagram in *Figure 4* shows the connection between turnout and campaigning efforts. It seems obvious from this graph that it should be the EEA-vote in particular that may cause problems. Therefore a test for normality of the estimated residuals has always to be conducted. Moreover, it will be necessary to check to which extent the results are driven by this single observation.



*Figure 4: Relation between Turnout and Mobilisation Expenditure, 1981 – 1999, 142 Observations*

## 5 Empirical Results

[29] We proceed according to the ‘encompassing-approach’ proposed by D.F. HENDRY (1995, p. 551ff.), according to which one should start with a general model which represents the empirical data sufficiently well and encompasses all other models, then impose restrictions which cannot be rejected empirically, in order to finally arrive at a ‘parsimonious’ model.<sup>25)</sup> Thus, we start by estimating the complete basic model (3). Considering the different groups of variables, we see that none of the estimated coefficients of the two simple distance measures and the corresponding dummy variables is significantly different from zero. Wald-

---

24. If we conduct a regression of turnout on dummy variables for these two election weekends we get for the estimated residuals a value of the Jarque-Bera-statistic of 3.050 with a p-value of 0.218. Thus, the null-hypothesis of normally distributed data cannot be rejected at any conventional significance level. Insofar, these three observations can be seen as being outliers in a statistical sense.

25. This ‘top-down’-approach is part of the more general LSE-approach in econometrics. See for this also G.E. MIZON (1984) as well as – for a more general description of this approach – A. PAGAN (1987).

Tests do confirm this picture: Even at the 10 percent level this group of variables does not contribute to the explanation of the variance of the dependent variables.<sup>26)</sup> Thus, we exclude these variables from our further estimations.

[30] The results of the reduced models are given in *Table 1*. The models explain between 43 and somewhat more than 60 percent of the variances of the dependent variables, whereby the explanation for the No-votes and for turnout are clearly better than the one for the difference and especially the one for the Yes-votes. According to the Jarque-Bera statistic, the null hypothesis that the estimated residuals are normally distributed cannot be rejected for all four equations at any conventional significance level.

[31] According to the literature about the status quo bias, the most important factor should be the complexity of the decision. The results in *Table 1* show that the citizens are less willing to support a proposal, if they judge themselves as not being competent to decide about it. The No-votes on the other hand, do not seem to be influenced. This is clearly in line with the status quo bias. If I have decided to vote against a proposal and, therefore, in favour of the status quo, this decision will rather be enforced than weakened if I am not sure about the consequences of the proposal. But if I tend to vote in favour of it this tendency is weakened whenever my uncertainty about the effects of the proposed solution increases. Thus, increased complexity seems rather to reduce turnout by inducing people to abstain than to induce people to switch between Yes- and No-votes.

[32] The results for the complexity of the most important decision are more difficult to explain. If people abstain because they do not want to make a decision about the most important issue of a weekend, this will rather reduce the No- than the Yes-votes of the other issues at stake, as those citizens who are only interested in one special issue will rather say No than Yes to these other proposals. This reduces turnout, but increases the winning chances of those other proposals. Taking the combined effect of both complexity variables into account, as is done in the Wald tests of *Table 2*, we see a highly significant negative impact on turnout, but no significance at all for the margin. Thus, while the direct effect is clearly in line with the hypothesis of a status quo bias, the combined direct and indirect effects of the complexity of a decision do not seem to support this hypothesis.

[33] The result with respect to the turnout can also be interpreted differently. If the share of those who have difficulties with a decision rises by about 10 percentage points, turnout is – ceteris paribus – reduced by about 4 percentage points. Nearly 40 percent of those who have difficulties in deciding abstain. As, on average, only slightly more than 40 percent participate, this impact is considerable.

---

26. The results of these estimations and tests are presented in G. KIRCHGÄSSNER and T. SCHULZ (2005).

**Table 1: Results of Swiss Referenda and Initiatives  
1981 – 1999, 142 Observations**

Dependent Variable	Yes-vote	No-votes	Turnout	Margin
Constant term	24.272*** (6.80)	18.982*** (5.32)	43.254*** (10.45)	5.289 (0.91)
Complexity	-22.755*** (3.83)	3.698 (0.72)	-19.057*** (4.89)	-26.453* (2.54)
Complexity of the most important decision	9.894 (1.10)	-28.000** (3.19)	-18.106* (2.07)	37.894* (2.46)
Mobilisation for Yes-votes	1.982 (1.67)	-3.277* (2.32)	-1.294 (1.02)	5.259* (2.31)
Mobilisation for Yes-votes at the most important decision	1.551 (1.43)	1.770 (1.25)	3.322** (3.16)	-0.219 (0.10)
Mobilisation for No-votes	-2.468 (1.33)	7.937*** (4.83)	5.468*** (3.63)	-10.405** (3.29)
Mobilisation for No-votes at the most important decision	2.560 (1.51)	0.095 (0.06)	2.656 (1.59)	2.465 (0.91)
Maximal distance at a referendum	-0.317 (0.03)	33.033** (3.45)	32.716** (3.35)	-33.349(*) (1.85)
Maximal distance at an initiative	-6.761 (0.87)	19.969*** (3.61)	13.208 (1.64)	-26.730* (2.48)
Dummy variable for the maximal distance at a referendum	3.190(*) (1.85)	2.235 (0.89)	5.425* (2.20)	0.955 (0.27)
Dummy variable for the maximal distance at in initiative	0.991 (0.35)	5.422* (2.03)	6.413(*) (1.78)	-4.431 (1.07)
Mandatory referendum	1.783 (1.55)	-4.787*** (4.25)	-3.004* (2.44)	6.569** (3.42)
Initiative	-8.946*** (7.61)	5.506*** (4.51)	-3.439** (3.21)	-14.452*** (6.73)
$\bar{R}^2$	0.436	0.616	0.612	0.527
Standard error	5.260	5.452	4.722	9.617
Schwarz-criterion	6.516	6.587	6.300	7.723
Jarque-Bera statistic	0.153	2.309	3.983	0.664

The numbers in parentheses are the absolute values of the estimated t-statistics. ‘(\*)’, ‘\*’, ‘\*\*\*’ or ‘\*\*\*\*’ denote that the corresponding null hypothesis can be rejected at the 10 percent, 5 percent, 1 percent or 0.1 percent significance level, respectively.

[34] As the estimated parameters in *Table 1* as well as the results of the *Wald-Tests* in *Table 2* show, mobilisation has a significant impact on all four dependent variables, but especially on No-votes and turnout. As can be seen in *Table 3*, this impact is also quantitatively important. Comparing the decision with the largest effort, the EEA-decision, with those without any

mobilisation effort mobilisation for Yes-votes increases its share by about 16.5 percentage points and reduces the share of No-votes by about 7 percentage points. Thus, it increases turnout by about 9.5 percentage points and the margin by nearly 24 percentage points. Mobilisation against a proposal has an even stronger effect. It has nearly no impact on the Yes-votes, but it increases the share of No-votes at the most by about 40 percentage points, and by the same amount turnout increases and the margin of No-votes over Yes-votes decreases. Taking the two effects together, these resulted in an additional turnout of nearly 50 percentage points and an additional advantage of the No- compared to the Yes-votes of about 16 percentage points of the EEA ballot in comparison with the decision with the smallest mobilisation effort. Because the highest mobilisation expenditure for and against a proposition were both for the EEA ballot and because, as the figures in *Table A2* in the Appendix show, they were of about the same size, these results indicate that it is easier to mobilise against a proposal than in favour of it. As the sums of the coefficients in *Table 2* show, one Swiss Franc spent to mobilize against a proposal is about 60 percent more effective than one Swiss Franc spent in favour of a proposal. This is clear evidence for the existence of a status quo bias, and it corroborates the earlier studies for Switzerland by H.P. HERTIG (1982), E. GRUNER and H.P. HERTIG (1983) as well as C. LONGCHAMP (1991) and also with the results of E. GERBER (1999) for the United States.

**Table 2: Results of the Wald-Tests**

Dependent Variable	Yes-votes (11)	No-votes (12)	Turnout (13)	Margin (14)
<u>Null hypothesis:</u> The sum of the two coefficients is zero.				
Complexity, Complexity of the most important decision	-12.861(*) (0.072)	-24.302* (0.023)	-37.163*** (0.001)	11.441 (0.431)
Mobilisation for Yes-votes, Mobilisation for Yes-votes at the most important decision	3.535* (0.016)	-1.506 (0.286)	2.028 (0.202)	5.040* (0.011)
Mobilisation for No-votes, Mobilisation for No-votes at the most important decision	0.092 (0.947)	8.032*** (0.000)	8.124*** (0.000)	-7.940** (0.002)
The numbers are the sums of the coefficients. The numbers in parentheses are the p-values of the F-tests. ‘(*)’, ‘*’, ‘***’ or ‘****’ denote that the corresponding null hypothesis can be rejected at the 10 percent, 5 percent, 1 percent or 0.1 percent significance level, respectively..				

[35] In order to check whether the huge difference in the mobilisation effort between the EEA- and all remaining decisions, which can be seen in *Figure 4*, had an effect on the regression result, we dropped this observation from the sample and re-estimated all four equa-

tions.<sup>27)</sup> This leads only to small changes of the estimated parameters and their significances. Moreover, according to the results of the Jarque-Bera statistic the hypothesis that the residuals of all four equations are normally distributed holds as well. Insofar the inclusion of this observation leads to a significant increase of the multiple correlation coefficient especially in the turnout equation, but this observation has hardly any impact on the results regarding the different explanatory variables.

<i>Table 3: Maximal Quantitative Impact<sup>1</sup></i>				
Dependent Variable	Yes-votes	No-votes	Turnout	Margin
Complexity	-7.418	-14.017	-21.440	6.599
Mobilisation for Yes-votes	16.574	-7.061	9.509	23.631
Mobilisation for No-votes	0.455	39.659	40.292	-39.292

<sup>1)</sup> Comparison of the referenda/initiatives when the respective explanatory variable took on its highest and its lowest values.

## 6 Concluding Remarks

[36] While the effect of decision difficulties of the citizens on the results of referenda is ambiguous because of the indirect effect, the fact that mobilisation for No-votes is significantly more effective than mobilisation for Yes-votes indicates that the Swiss system of direct democracy implies a status quo bias. However, contrary to the situation of the joint decision trap in Germany or the European Union, this does not hold because the structure of the political system (the constitution) makes it rather difficult to reach a decision, but because a status quo bias of the citizens might more easily influence political decision than in a purely parliamentary system. Insofar, A. BRUNETTI (1997) is right in when he states that the Swiss political system has a status quo bias which sometimes prevents political changes. Thus, new proposals do – ex ante – not have equal chances than the status quo. As the theoretical model of R. FERNANDEZ and D. RODRIK (1991) indicates, this might even hold for proposals which, once introduced, might be accepted by a majority of the citizens.

[37] The question is, however, how this should be evaluated. Even if the status quo is not given a normative status, as – at least – some philosophers and economists do, such a conservative bias certainly makes sense if basic, constitutional questions are discussed.<sup>28)</sup> Probably all democratic societies have safeguards against easy changes of their constitution; usually a

27. See the results in *Table A1* in the Appendix.

28. For a discussion of the normative status of the status quo see G. BRENNAN and A. HAMLIN (2004) as well as the literature mentioned there. See also R. NOZICK (1974).

two-third majority (in federal countries of both houses) is demanded. Contrary to this, the Swiss Constitution can easily be changed, demanding only a majority of the people and the cantons. And, as mentioned above, it is indeed changed quite often. It is, however, less clear whether this bias makes sense with respect to statutory laws to which the optional referendum actually in the centre of the Swiss discussion about the status quo bias, relate. One might argue that with respect to such decisions the new proposal should – ex ante – have equal chances as the status quo.

[38] From a democratic point of view, the question should, however, not be whether new proposals have equal chances as the status quo, but which system leads to solutions closer to the preferences of the citizens (or of the median voter, respectively). The theoretical model presented above as well as the empirical evidence tells us that the direct democratic system has a clear advantage in this respect.<sup>29)</sup> Even if this had negative economic consequences, from the point of view of the theory of democracy these might be costs which have to be borne in order to come closer to the citizens' preferences. But considering the economic performance, it is far from clear that these are – on average – real costs. The available empirical literature tells us rather the opposite. But as this evidence – necessarily – relates to sub-federal levels, U.S. states or Swiss cantons, it remains open how far this also relates to the federal level. There are good arguments in favour of this position, but one can also question it.<sup>30)</sup> On the other hand, this status quo bias might restrict special interest groups in their rent-seeking activities as they have not only to persuade the public bureaucracy and the parliament but also the citizens to promote their interests. And most if not nearly all economists would agree that this strengthens economic efficiency.

[39] Finally, one should take into account that the status quo bias favours different groups of the electorate at different times. During the seventies, for example, the non-socialist parties used the referendum to prevent decisions like the introduction of the 40 hours-week which might have had a chance in the parliament. In the nineties, it was rather more the left-wing parties which were able to stop reforms like a change in the labour legislation via a referendum. Thus, the status quo bias is not favouring a special political colour, and institutional measures to reduce it might in the long run even hurt those who are today demanding those.

---

29. See, e.g., W.W. POMMERHNE (1978) for Switzerland or E.R. GERBER (1999) for the United States.

30. See, for this L.P. FELD and M.R. SAVIOZ (1997), M. FREITAG and A. VATTER (2000), as well as the discussion in G. KIRCHGÄSSNER, L.P. FELD and M.R. SAVIOZ (1999, pp. 105ff.). This position is questioned, e.g., by W. WITTMANN (2001, pp. 31f.).

## References

- S.K. ABEREGG, E.F. HAPONIK and P.B. TERRY (2005), Omission Bias and Decision Making in Pulmonary and Critical Care Medicine, *CHEST* 128 (2005), pp. 1497 – 1505.  
(<http://www.chestjournal.org/cgi/reprint/128/3/1497> (27/12/06))
- J.H. ALDRICH (1993), Rational Choice and Turnout, *American Journal of Political Science* 37 (1993), pp. 246 – 278.
- CH.J. ANDERSON (2003), The Psychology of Doing Nothing: Forms of Decision Avoidance Result from Reason and Emotion, *Psychological Bulletin* 129 (2003), pp. 139 – 167.
- S.A. BANDUCCI (1998), Direct Legislation: When it is Used and When Does It Pass, in: S. BOWLER, T. DONOVAN and C. TOLBERT (eds.), *Citizens as Legislatures: Direct Democracy in the United States*, Ohio State University Press, Columbus 1998, pp. 109 – 131.
- S. BORNER (2005), Blockierte Schweiz: Wie weiter?, in: L. STEINMANN und H. RENTSCH (eds.), *Diagnose: Wachstumsschwäche, Die Debatte über die fehlende Dynamik der Schweizerischen Volkswirtschaft*, Verlag Neue Zürcher Zeitung, Zürich 2005, pp. 201 – 220.
- G. BRENNAN and A. HAMLIN (2004), An Introduction to the Status Quo, *Constitutional Political Economy* 15 (2004), pp. 127 – 132.
- A. BRUNETTI (1997), Der ‚Status Quo-Bias‘ und die bremsende Wirkung des fakultativen Referendums, in: S. BORNER und H. RENTSCH (eds.), *Wieviel direkte Demokratie verträgt die Schweiz?*, Rüegger, Chur/Zürich 1997, S. 167 – 181.
- A. CICCONE (2004), Resistance to Reform: Status Quo Bias in the Presence of Individual-Specific Uncertainty: Comment, *American Economic Review* 94 (2004), pp. 785 – 795.
- A. DOWNS (1957), *An Economic Theory of Democracy*, Harper and Row, New York 1957.
- L.P. FELD and G. KIRCHGÄSSNER (2001), The Political Economy of Direct Legislation: Direct Democracy in Local and Regional Decision-Making, *Economic Policy* 33 (2001), S. 329 – 367.
- L.P. FELD and J.G. MATSUSAKA (2003), Budget Referendums and Government Spending: Evidence from Swiss Cantons, *Journal of Public Economics* 87 (2003), pp. 2703 – 2724.
- L.P. FELD and M.R. SAVIOZ (1997), Direct Democracy Matters for Economic Performance: An Empirical Investigation, *Kyklos* 50 (1997), pp. 507 – 538.
- R. FERNANDEZ and D. RODRIK (1991), Resistance to reform: Status Quo Bias in the Presence of Individual-Specific Uncertainty, *American Economic Review* 81 (1991), pp. 1146 – 1155.
- M. FREITAG and A. VATTER (2000), Direkte Demokratie, Konkordanz und Wirtschaftsleistung. Ein Vergleich der Schweizer Kantone, *Schweizerische Zeitschrift für Volkswirtschaft und Statistik* 136 (2000), pp. 579 – 606.
- A. GERBER, D. KARLAN and D. BERGAN (2006), Does the Media Matter?, A Field Experiment Measuring the Effect of Newspapers on Voting Behaviour and Political Opinions, Yale University Department of Economics, Discussion Paper No. 12, New Haven, February 2006.
- E. GERBER (1999), *The Populist Paradox: Interest Group Influence and the Prominence of Direct Legislation*, Princeton University Press, Princeton 1999.
- E. GRUNER and H.P. HERTIG (1983), *Der Stimmbürger und die ‚neue‘ Politik*, Haupt, Bern 1983.
- D.F. HENDRY (1995), *Dynamic Econometrics*, Oxford University Press, Oxford 1995.
- H.P. HERTIG (1982), Sind Abstimmungen käuflich?, *Schweizerisches Jahrbuch für Politische Wissenschaft* 22 (1982), pp. 35 – 58.
- D. KAHNEMANN, J.-L. KNETSCH and R.H. THALER (1991), The Endowment Effect, Loss Aversion, and Status Quo Bias, *Journal of Economic Perspectives* 5/1 (1991), pp. 193 – 206.

- A. KEMPF and R. STEFAN (2006), Status Quo Bias and the Number of Alternatives: An Empirical Illustration from the Mutual Funds Industry, *Journal of Behavioural Finance* 7 (2006), pp. 204 – 213.
- V.O. KEY (1950), *Southern Politics in State and Nation*, Alfred A. Knopf, New York 1950.
- G. KIRCHGÄSSNER (1990), Hebt ein 'knapper' Wahlausgang die Wahlbeteiligung?, Eine Überprüfung der ökonomischen Theorie der Wahlbeteiligung anhand der Bundestagswahl 1987, in: M. KAASE and H.-D. KLINGEMANN (eds.), *Wahlen und Wähler, Analysen aus Anlass der Bundestagswahl 1987*, Westdeutscher Verlag, Opladen 1990, pp. 445 – 477.
- G. KIRCHGÄSSNER (2005), Direct Democracy: Obstacle to Reform?, Invited paper presented at the Annual Meeting of the European Group of Public Administration, Bern, August 31, 2005.
- G. KIRCHGÄSSNER and T. SCHULZ (2005), Expected Closeness or Mobilisation: Why Do Voters Go to the Polls? Empirical Results for Switzerland, 1981 – 1999, CESifo Working Paper No. 1387, Munich, January 2005.
- G. KIRCHGÄSSNER, LARS P. FELD and MARCEL R. SAVIOZ (1999), *Die direkte Demokratie: Modern, erfolgreich, entwicklungs- und exportfähig*, Helbing und Lichtenhahn/Vahlen, Basel/München 1999.
- D.D. LASSEN (2005), The Effect of Information on Voter Turnout: Evidence from a Natural Experiment, *American Journal of Political Science* 49 (2005), pp. 103 – 118.
- C. LONGCHAMP (1991), Herausgeforderte demokratische Öffentlichkeit: Zu den Möglichkeiten und Grenzen des politischen Marketings bei Abstimmungen und Wahlen in der Schweiz, *Schweizerisches Jahrbuch für Politische Wissenschaft* 31 (1991), pp. 303 – 326.
- L. MARQUIS (2004), The Priming of Referendum Votes on Swiss European Policy, University of Sussex, Sussex European Institute, Working Paper No. 82, Brighton, November 2004.
- J.G. MATSUSAKA and F. PALDA (1993), The Downsian Voter Meets the Ecological Fallacy, *Public Choice* 77 (1993), pp. 855 – 878.
- G.E. MIZON (1984), The Encompassing Approach in Econometrics, in: D.F. HENDRY and K.F. WALLIS (eds.), *Econometrics and Quantitative Economics*, Basil Blackwell, Oxford 1984, pp. 135 – 172.
- S. MÖCKLI (1996), Das Gesetzesveto und -Referendum: Ein Stolperstein wird zum Grundstein, in: A. AUER (ed.), *Les origines de la démocratie en Suisse*, Helbing und Lichtenhahn, Basel/Frankfurt 1996, pp. 209 – 220.
- S. MULLAINATHAN (2004), Psychology and Development Economics, mimeo, MIT and NBER, June 2004.  
(<http://www.economics.harvard.edu/faculty/mullainathan/papers/PsychDev.pdf> (27/12/06))
- M.A. NIGGLI (2000). Zurück zu den 10 Geboten?, in: A. HOLDEREGGER (ed.), *Aufbruch ins dritte Jahrtausend: Millenniums-Vorträge an der Universität Freiburg*, Universitätsverlag Freiburg, Freiburg i.Ü. 2000, S. 136 – 153.
- R. NOZICK (1974), *Anarchy, State, and Utopia*, Basil Blackwell, Oxford 1974.
- A. PAGAN (1987), Three Econometric Methodologies: A Critical Appraisal, *Journal of Economic Surveys* 1 (1987), pp. 3 – 24.
- W.W. POMMEREHNE (1978), Institutional Approaches to Public Expenditure: Empirical Evidence from Swiss Municipalities, *Journal of Public Economics* 9 (1978), pp. 255 – 280.
- W.H. RIKER and P.C. ORDESHOOK (1968), A Theory of the Calculus of Voting, *American Political Science Review* 62 (1968), pp. 25 – 42.

- TH. ROMER and H. ROSENTHAL (1979), Bureaucrats versus Voters: On the Political Economy of Resource Allocation by Direct Democracies, *Quarterly Journal of Economics* 93 (1979), pp. 563 – 587.
- W. SAMUELSON and R. ZECKHAUSER (1988), Status Quo Bias in Decision Making, *Journal of Risk and Uncertainty* 1 (1988), pp. 7 – 59.
- F.W. SCHARPF (1985), Die Politikverflechtungsfalle: Europäische Integration und deutscher Föderalismus im Vergleich, *Politische Vierteljahresschrift* 26 (1985), pp. 323 – 356.
- F.W. SCHARPF (1988), The Joint Decision Trap: Lessons from German Federalism and European Integration, *Public Administration* 66 (1988), pp. 239 – 278.
- R. SHACHAR and B. NALEBUFF (1999), Follow the Leader: Theory and Evidence on Political Participation, *American Economic Review* 89 (1999), pp. 525 – 547.
- B. STEUNENBERG (1992). Referendum, Initiative and Veto Power: Budgetary Decision-Making in Local Government, *Kyklos* 45 (1992), pp. 501 – 529.
- W. WITTMANN (2001), *Direkte Demokratie: Bremsklotz der Revitalisierung*, Huber, Frauenfeld et al. 2001.

Appendix

*Table A1: Results of Swiss Referenda and Initiatives  
1981 – 1999, 141 Observations*

	Yes-votes	No-votes	Turnout	Margin
Constant term	24.446*** (6.68)	18.884*** (5.17)	43.330*** (10.31)	5.562 (0.93)
Complexity	-22.745*** (3.86)	3.692 (0.72)	-19.053*** (4.90)	-26.437* (2.56)
Complexity of the most important decision	9.679 (1.10)	-27.878** (3.21)	-18.200* (2.06)	37.557* (2.49)
Mobilisation for Yes-votes	1.844 (1.57)	-3.198* (2.23)	-1.354 (1.12)	5.042* (2.17)
Mobilisation for Yes-votes at the most important decision	1.450 (1.43)	1.828 (1.37)	3.278** (3.23)	-0.378 (0.18)
Mobilisation for No-votes	-2.947 (1.31)	8.207*** (3.59)	5.260* (2.67)	-11.154** (2.73)
Mobilisation for No-votes at the most important decision	2.360 (1.36)	0.209 (0.13)	2.569 (1.43)	2.151 (0.78)
Maximal distance at a referendum	0.634 (0.06)	32.495** (3.47)	33.130** (3.36)	-31.861(*) (1.85)
Maximal distance at an initiative	-6.908 (0.88)	20.052*** (3.62)	13.144 (1.62)	-26.961* (2.48)
Dummy variable for the maximal distance at a referendum	3.463* (2.04)	2.081 (0.82)	5.544* (2.18)	1.383 (0.40)
Dummy variable for the maximal distance at in initiative	1.108 (0.39)	5.356(*) (2.00)	6.464(*) (1.77)	-4.248 (1.02)
Mandatory referendum	1.655 (1.37)	-4.714*** (3.96)	-3.059* (2.45)	6.369** (3.11)
Initiative	-8.755*** (6.99)	5.399*** (4.15)	-3.356** (3.01)	-14.154*** (6.16)
$\bar{R}^2$	0.410	0.603	0.531	0.528
Standard error	5.272	5.471	4.739	9.643
Schwarz-criterion	6.522	6.696	6.309	7.730
Jarque-Bera Statistic	0.204	1.901	3.953	0.430
The numbers in parentheses are the absolute values of the estimated t-statistics. ‘(*)’, ‘*’, ‘***’ or ‘****’ denote that the corresponding null hypothesis can be rejected at the 10 percent, 5 percent, 1 percent or 0.1 percent significance level, respectively.				

**Table A2: Descriptive Statistics of the Variables  
1981 – 1999, 142 Observations**

	Mean	Minimum	Maximum	Standard deviation
Share of Yes-votes	20.7703	5.5274	38.7737	7.0054
Share of No-Votes	19.978	2.4809	44.0756	8.8014
Turnout	40.7485	39.8473	78.0716	7.5827
Margin	0.7921	-27.1466	28.4327	13.9850
Complexity	0.3826	0.0815	0.6583	0.1273
Mobilisation for Yes-votes	0.3165	0.0000	4.6886	0.5407
Mobilisation for No-votes	0.3645	0.0000	4.9486	0.5345
Distance at a referendum (1000 CHF per citizen entitled to vote) <sup>1)</sup>	0.0496	0.0000	0.2634	0.0634
Distance at an initiative (1000 CHF per citizen entitled to vote) <sup>1)</sup>	0.2038	0.0000	0.5532	0.1600

<sup>1)</sup> Mean and standard deviation relate only to those 51 referenda and 11 initiatives for which the distance could be calculated.