



# ***David Stadelmann Recommends “Public Policy and the Initiative and Referendum: A Survey with Some New Evidence”*** by John G. Matsusaka

David Stadelmann

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»» *In most developed economies, about half of gross domestic product is redistributed through means of collective decisions. The remainder is profoundly influenced by laws and regulation—by collective decisions again. Collective decisions themselves are more and more often taken by employing instruments of direct democracy.*

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Citizen lawmaking is on the rise around the world. An increasingly critical, reflective, and educated citizenry requests more direct control over policy issues that are of importance to them. Modern communication technologies allow people to be better informed and to organize. Lamentations regarding shortcomings of pure representative democracy abound. The trend towards direct democracy is likely to continue throughout the twenty-first century.

Critics of direct democracy often argue that we know too little about its effects. This is not the case, and research on the effects of citizen participation in lawmaking is abundant. However, it is mostly limited to the United States and Switzerland, as these two countries have had extensive experience with

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instruments of direct democracy for a comparatively long time. John Matsusaka provides an extensive survey of the literature on direct democracy. This makes his contribution an excellent starting point for researchers, policymakers, and citizens who wish to get an overview and contribute to improving collective decision-making in the future.

Of greater interest than a survey regarding the effects of direct democracy on public expenditures, revenues, debts, or specific electoral policies is the thought that policy needs to be evaluated in terms of responsiveness to citizen preferences. Of course, this idea, as most other ideas, has been advanced before in different forms, and it has been critically discussed in the past. Jean-Jacques Rousseau stated in the eighteenth century that all citizens could contribute personally or through their representatives to the formation of the general will, which is not necessarily the same as the will of the majority. Matsusaka, in line with a few other authors, revives this idea.

The thought that evaluations of the benefits of direct democracy, or any type of organization of collective decision-making, should go beyond the effects on fiscal policy or government structure is certainly worth remembering. If direct democracy improves collective decisions by making policy more responsive to citizens, public revenues and expenditure may increase or decrease, depending on citizen preferences. Moreover, the view that responsiveness is relevant suggests that direct democracy should not be seen as a substitute for representative democracy. Rather, it serves as a complement to it. Decisions through direct democracy will not necessarily become the standard way of all legislation, but if representatives neglect the will of the people, citizens themselves may act on failures in representation. Finally, focusing on responsiveness to citizen preferences highlights that direct democracy is not primarily a way of revealing the will of the majority. It represents a process in which citizens personally and together with their representatives and experts engage in an open, productive exchange of opinions, information, and arguments. This exchange facilitates the discovery of beneficial policies, and it permits the informed formation of preferences over policies.

## Literature

Matsusaka, J. G. (2018). Public policy and the initiative and referendum: A survey with some new evidence. *Public Choice*, 174(1–2), 107–143. <https://doi.org/10.1007/s11127-017-0486-0>.