

UC Berkeley
California Journal of Politics and Policy

Title

An Endless Array of Minor "Reforms" Made California Ungovernable. A Few Major Reforms Could Fix It: A Review of California Crackup--How Reform Broke the Golden State by Joe Mathews and Mark Paul

Permalink

<https://escholarship.org/uc/item/0hc2r06n>

Journal

California Journal of Politics and Policy, 3(1)

Author

Greuner, Garrett

Publication Date

2011-01-24

DOI

10.5070/P2X59J

Peer reviewed

Minor “Reforms” Made California Ungovernable.
Major Reform Could Fix It: A Review of *California Crackup—How Reform Broke the Golden State* by Joe Mathews and Mark Paul

Garrett Gruener

Let’s get the blurb out of the way at the beginning: this is a great book; everyone who wants to fix California needs to read it.

I’m one of the 135 people who ran against Arnold Schwarzenegger in the 2003 gubernatorial recall election. I didn’t love the outcome (although I wasn’t very surprised) but I did love the chance I had to think widely about the problems of the state. I ran for governor because California, a state that I love, that has given me wonderful opportunities, and that should be leading the world,

was becoming more dysfunctional by the day. I grew up in California. I attended California public schools in the late sixties and early seventies when they were among the best in the country and I’m a product of UC San Diego and UC Berkeley, two of the best public universities in the world.

In my career as an entrepreneur and venture capitalist I’ve helped create numerous high tech companies, almost all in California. During the campaign I talked to anyone who would listen about how we were putting at risk the advantages that I had enjoyed. Running for governor was a crash course in economics, in politics, and in the diversity of California. What I only dimly understood was how the problems we were suffering through had deep historical roots.

My experience in the recall election gave me a distinct perspective from which to reflect on Joe Mathews

Review of: *California Crackup—How Reform Broke the Golden State* by Joe Mathews and Mark Paul. 2010. Berkeley, Calif.: University of California Press.

and Mark Paul's new book, *California Crackup—How Reform Broke the Golden State*, which describes the 100-year long process of initiative driven reform that seems to have turned California into a virtually ungovernable entity, an entity rich in commerce but poor in civic services. I learned that California has undergone five waves of major constitutional upheaval, that each has resulted in slapdash change and that the state has never really had a constitution to match its promise and scale. California may be the eighth largest economic entity on the planet, it may be home to more than 36 million people, and it may pride itself on the extent of its democracy, but the state has a governance system that's terribly inadequate to meet its challenges.

The structural problems described by the authors are well known, but hard to keep in mind all at once. In 1911, during the Progressive Era, California put in place the frequently used initiative, the less common referendum, and the recall, which has only been successfully used once to recall a sitting governor. Ever since, lawmaking in the Golden State has been on an ever more dysfunctional path as the initiative process has made it nearly impossible to raise taxes while centralizing the control of revenues in Sacramento.

If you add to this reality the requirement that two-thirds of the legislature must approve a budget (just changed in the November election), season liberally with initiative-

mandated spending, such as Proposition 98, and finish off with thoroughly gerrymandered legislative districts and term limits, you have a recipe for disaster. And disaster is what has happened, with 30 years of legislative gridlock and an unrelenting attack on representative government. The image that comes to mind is of Gulliver (California) being laced down by an endless array of initiatives, mandating expenditures and reducing revenues without compensating spending cuts or tax increases (or even the ability to raise taxes in the future). The result is an "operating system" for California that is ineffective, inefficient and nondemocratic.

According to Matthews and Paul the root cause of this mess is the toxic effects of the initiative process, which in California—and nowhere else—makes it easy to amend and extend the constitution by popular vote but difficult for the legislature to review and implement change. For example, it takes the approval of two-thirds of the state legislature to raise taxes (thanks to Proposition 13) but only a majority to control the mandated expenditure. The result is a one-way ratchet leading to ever-greater levels of irresponsibility.

Pool after poll demonstrates that Californians love the initiative process at the same time that they bemoan the outcome. It comes down to a single question: do you believe in representative democracy? Californians are increasingly saying no. They hate their legislature but they

make the legislators' jobs more impossible with each new initiative. They want, if anything, more direct democracy even if they don't like the results so far.

So what to do? Matthews and Paul are long on critique, but they also provide ideas for redesigning the initiative process to make it more functional and to close the chasm between the voters and the legislature. For example, the authors propose that every new initiative be paired with an alternate version drafted by the legislative branch. Voters could then choose and rank either version, or both, or neither. An interesting idea.

They also want to push decision-making out of Sacramento and back to local entities when appropriate. For instance, they believe that crime and the cost of incarceration (a huge expense borne by the state) could be reduced by having Sacramento charge localities for incarcerating a prisoner. Localities could use their monies to reduce crime in the first place, readjust enforcement priorities, or pay the freight for the state prison system. Another good idea, but how do you make this change and many others? Under the current system, you'd need to pass even more initiatives!

Matthews and Paul hint at a mechanism—one that is risky but perhaps politically viable—to implement the redesign: a constitutional convention. A constitutional convention would be the ultimate fix of the Progressive Era reforms. It would be a rewrite of the operating system

from the bottom up, rather than a patch or new version. Like software, a governing “operating system” eventually becomes unmanageable because one patch produces unintended consequences in another area. The whole thing seizes up. This is precisely what we see in Sacramento. Eventually software businesses, if they are smart, realize that they need to bite the bullet and rebuild the thing from scratch. California's system now codes a million different compromises (that we should learn from) but the actual structure has become so rickety that it no longer performs as advertised.

I'm not sure that the authors adequately respond to the public's desire for more direct democracy. It isn't clear what Matthews and Paul would substitute for the feeling of control created by the initiative process. My proposal would be to shift from district voting to proxy voting for legislators, which would give citizens an ongoing vote on their representative, and hence on the issues of the day, while strengthening the legislature as the institution where laws are drafted. That might relieve the pressure to use the initiative to “hard code” everything into the constitution.

In any case, the authors make a good case that the California electoral districts are way too big. Californians may not like it, but they are going to need a lot more legislators to just get down to the level of Texas, the state with the second largest districts in the country. They go on to argue that our bicameral legislature is a throwback to the English

system, designed to preserve the power of the landed aristocracy. A single chamber would be a more modern way to make decisions, would reduce costs, and would leave less room for lobbyists to secretly derail important legislation favored by the majority.

But these are details. Paul and Mathews' main point is that we need to change things in a big way. It may be that only a constitutional convention can do that. From my perspective as a former candidate, citizen, and taxpayer, I think they have that absolutely right.

Garrett Gruener is founder of Ask.com and a co-founder of Alta Partners, a venture capital firm.