

Civic Paternalism as the Political Reason For the No-vote Subsidy

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(including questions)**

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In a representative democracy, delegates are selected to act on behalf of their constituents. In this form of democracy, representatives are encouraged, and expected, to consider the best interests of all of their citizens (Magleby, 1984). Conversely, direct democracy provides citizens with the opportunity to participate directly in the legislative process. Referenda and initiatives are forms of direct democracy because they allow citizens to vote directly on legislation, even in democracies that are otherwise structured on the representative model. In theory, the outcome of the referendum vote is final and binding. However, on multiple occasions, local governments in the US have utilized mechanisms to allocate public funding toward sport facility projects after voters rejected such propositions.

In Brown and Paul's (2002) examination of failed professional sport facility referenda from 1984 to 2000 (N = 16), the authors found local governments nevertheless provided facility subsidies in one-quarter of all cases. Moreover, officials in other cities have circumvented direct-democracy-like procedures altogether. Only five public votes (four of which expressed approval) have occurred in cities subsidizing stadium projects from 2005 to 2012. By contrast, a new trend in stadium finance is the prevalence of the no-vote subsidy: since 2005, 24 stadium projects have been allocated over \$8.5 billion of public funds without any form of voter approval. The no-vote subsidy includes any instance in which a stadium (or more broadly, any project) receives public financing without the direct approval of voters, and it can occur in one of two ways: (1) no vote is held or, perhaps more egregious, (2) a proposal has been rejected by voters but the subsidy occurs anyway.

It seems counterintuitive for elected officials to enact policies that are unreflective of popular sentiment. Not only could it provoke ill feelings from the electorate, but it could erode a citizen's appreciation of the democratic process. In some cases, governmental institutions grant subsidies without holding a public vote. As has been argued in the past, circumventing the directly democratic process increases the likelihood of securing public financing for a stadium initiative, but at the expense of organizational legitimacy (Fort, 1997; Kellison & Mondello, 2012). In other cases, public financing is secured despite a past referendum (or referenda) failure. Such actions may undermine the will-of-the-people philosophy, a fundamental aspect of a liberal democracy. Therefore, it is necessary to understand how decision-makers reconcile their actions with the prevailing views of the public regarding both particular decisions and more general understandings of the democratic process.

In light of the frequency with which local governments have allocated public monies to fund professional sport facilities without the consent of the local collective, a critical investigation of these occurrences is necessary to understand policymaker motives. Thus, the purpose of this study is to ascertain the reasoning of decision-makers who allocate municipal funds toward professional sport facility projects without the endorsement of the public collective. To achieve this aim, standardized, open-ended interviews were conducted in-person with seven individuals having personal connections to the recent no-vote subsidy occurring in Columbus, Ohio. Since 1978, voters there had defeated five separate referenda calling for public-arena financing ("Key Dates," 2011). After the most recent vote in 1997, private investors responded and wholly financed the development and construction of Nationwide Arena, home of the National Hockey League's Columbus Blue Jackets. In late 2011 and early 2012, however, Columbus city council members and Franklin County commissioners approved plans for the city and county to purchase Nationwide Arena—a venue once renowned as one of the few fully privately owned professional sport facilities in North America—using \$42.5 million of casino-generated tax revenues (Caruso, 2011). No referendum vote was taken on this most recent use of public funds.

Each individual interviewed for this study was a member of the working group who developed the plan, a Franklin County commissioner, or a Columbus city councilmember. Interviews, which took place in spring 2012, were recorded and transcribed verbatim. Interviews ranged in length from 18 min 5 sec to 1 hr 14 min 44 sec; the

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average length was 37 min 41 sec. Data were analyzed in the tripartite sequence suggested by Strauss and Corbin (1990). The interview responses will be reported largely in the form of verbatims to support interpretive validity (Johnson & Christensen, 2008). Furthermore, methods triangulation was utilized to improve the internal trustworthiness of the interview responses. When necessary, confirmation of interviewee statements were confirmed using internet and print media; in cases where the anonymity of the public official can be protected, external support of her or his statement will be provided. This qualitative research design is utilized for discovery, description, and theory development (Rudd & Johnson, 2010).

Collectively, the interviewers' responses are being used to inform the conceptualization of civic paternalism, an ideology defined as the enacting by an authority of policies that may be contradictory to (or inattentive to) public sentiment, justified by the authority's belief that such policies serve the best interests of the local collective. As will be discussed in this presentation, civically paternalistic leaders reconcile such decisions with public opposition by pointing to their beliefs that such policies serve the best interests of the entire community, including individual citizens, the local economy, and the city's overall image. Paternalistic policymakers behind such decisions must accept potential political consequences, and must be either (1) willing to accept the public's negative reaction (e.g., at the most extreme level, being recalled or losing a reelection bid) or (2) confident their actions will not negatively impact their future political career.

Through this presentation, we will provide insight into an understudied, yet increasingly common, phenomenon: the allocation of municipal funds toward a professional sport facility without public approval. Without the evidence of ballot results or poll numbers, individuals can suppose the will of the people at large matches their own preferences. The policymaker favoring the financing plan may speculate the public to be similarly supportive, while the dissenting citizen may argue that the public majority opposes the plan. Civil servants and citizens alike must consider the consequences of policies that are—at least in perception and sometimes in reality—unreflective of the electorate's preferences.

A second contribution of this project is the conceptualization and definition of civic paternalism. Although the literature on political influence in stadium financing has been widespread (e.g., Austrian & Rosentraub, 1997; Blair & Swindell, 1997; Rosentraub, 1999; Weiner, 2000), less scholarship has examined the motives and decision-making processes of elected officials from the perspective of individual policymakers. Such a perspective is necessary in order to appreciate the nuances of the decision-making process. In addition, in the case in Columbus, it is necessary to identify what reasoning, if any, was used by policymakers to legitimate the allocation of public funding to Nationwide Arena without the consent of local citizens. Such research is essential in order to promote political discourse in which the interests of all constituents are adequately considered.