

When Governments Learn from Copartisans: Partisan Policy Diffusion

Jacob M. Grumbach*

February 9, 2019

Word Count: 9955

Abstract

Louis Brandeis' theory of states as laboratories of democracy suggests that governments engage in learning, emulating successful policies from other states and rejecting unsuccessful ones. However, Brandeis' theory did not address the role of parties. Politicians have incentives to avoid implementing successful outpartisan policies, as this may improve the outparty brand. Furthermore, organizations, such as party-aligned interest and expert groups that provide policymakers with information, may bias institutional learning against outpartisan policies. In turn, state governments may not converge on politically or economically successful policies. This article tests theories of partisan policy learning using a large dataset of policies in the U.S. states. Emulation of successful policies is more likely to occur between governments controlled by the same party. Consistent with the nationalization of party coalitions, success interacts more weakly with geography. The findings have implications for our understanding of the incentives of federalism in the context of partisan polarization.

*Postdoctoral Fellow, Center for the Study of Democratic Politics, Princeton University, jakegrumbach@berkeley.edu. The author thanks Sarah Anzia, Sean Gailmard, Jacob Hacker, Alex Hertel-Fernandez, Andrew McCall, Jamila Michener, Paul Pierson, Phil Rocco, Eric Schickler, Leah Stokes, and participants at APSA 2018. The author acknowledges support from the Ford Foundation Dissertation Fellowship.

1

In the generations since Louis Brandeis described the U.S. states as “laboratories of democracy,” federalism has been lauded for incentivizing policy experimentation and learning. State governments engage in policy experimentation and may “act as scientists, watching these experiments and learning from them” to produce more effective governance (Shipan and Volden 2012, 490). This sort of institutional learning, in which governments faced with uncertainty can observe and emulate best practices in other states, has been thoroughly investigated in empirical studies of policy diffusion (e.g., Meseguer 2003, 2006; Grossback, Nicholson-Crotty and Peterson 2004; Volden, Ting and Carpenter 2008; Gilardi, Füglistler and Luyet 2009; Shipan and Volden 2014).

But just as the *Federalist Papers* had done before, Brandeis’ comments about federalism neglected *political parties* in describing governments’ incentives. A plethora of observational studies have separately investigated learning, whether governments emulate successful policies (e.g., Volden 2006), and homophily, whether states emulate the policies of similar states, such as those controlled by the same political party (e.g., Grossback, Nicholson-Crotty and Peterson 2004). However, there has been little analysis of the *interaction* of homophily and success. Do the parties structure institutional learning in American federalism? Are state governments *unbiased learners*, emulating successful policies regardless of the source, or are they *partisan learners* that emulate copartisan success but ignore successful policies from outpartisan sources?

This article tests the predictions of models of *unbiased learning*, *geographic learning*, and *partisan learning*. A survey experiment of officials from Butler et al. (2017) suggests that officeholders are unbiased learners, interested in learning about policies of outparty governments when presented with evidence of policy success. However, I argue that copartisans, not outpartisans, will be most affected by evidence of success. If policies are understood to be “owned” by party brands (Cox and McCubbins 1993),¹ parties have an incentive to avoid

¹Petrocik (1996) and subsequent studies have focused on the related concept of party ownership of broad

providing evidence of success for outparty-owned policies, as this could improve the outparty’s “party valence brand” (Butler and Powell 2014). Furthermore, resource-constrained state governments often obtain information about policy from party-aligned organizations (Ahn et al. 2013; Hertel-Fernandez 2014; Campbell and Pedersen 2014), which may systematically bias institutional learning under federalism. If these partisan and partisan-aligned organizations shape perceptions of success in favor of copartisan policies and against outpartisan policies, we may expect copartisans, not outpartisans, to be those most sensitive to information signals. In turn, policy learning may be biased such that governments of different parties do not converge on the most economically or politically effective policies as classic theories of federalism predict.

Using an expansive dataset of 128 policies in the U.S. states from 1993 to 2014, empirical tests of *unbiased learning*, in which states emulate policy success equally regardless of source, perform modestly well. State governments are more likely to emulate policies that are associated with reduced unemployment in other states, but not policies that expand gross state product (GSP). Incumbent electoral success among state legislators also predicts emulation, but not among governors. The *geographic learning model*, in which state governments weight their neighbors’ policy experience more heavily, performs poorly. States are no more likely to emulate policy success from geographically proximate states than from distant ones.

In the *partisan learning model*, state governments weight the experiences of other states more heavily when they are controlled by the same political party. Consistent with the model’s key prediction, the interaction of shared party control and policy success increase the likelihood of emulation. When a fellow state experiences employment growth and improved incumbent electoral fortunes after a policy change, it matters more when that state is controlled by the same political party. However, GSP growth is also negatively associated with emulation under shared party control.

This article has implications for our understanding of federalism and policy polarization.

issue areas such as the environment or economy.

Federalism, in theory, is a “political marketplace” with strong incentives for governments to converge upon the most effective policies—yet recent years have seen Democratic- and Republican-controlled state pursue increasingly distinct policy agendas (Caughey, Warshaw and Xu 2017; Grumbach 2018). Party brands, a classic explanation for legislative polarization, provide a mechanism for the non-convergence of state policy. An important additional mechanism is the increasing partisanship of expert and interest group organizational networks that provide informational resources and other “legislative subsidies” not just to Congress, but perhaps more importantly, to subnational governments with fewer policy-making resources. I conclude with an assessment of American federalism in the context of nationalized parties.

2 Learning About Policy

Theories in the Brandeis tradition of “laboratories of democracy” emphasize policy experimentation and learning. The numerousness of states facilitates improvements in governance by increasing available information about policy effectiveness. In the words of Sinn (1992, 191), “[i]f a multitude of policy experiments takes place it is more likely that the ‘best’ policy package is discovered than if one harmonized policy package produced by a cartel of governments is implemented.” Over time, learning—via belief updating in response to new information—causes all actors’ beliefs about the effectiveness of policy choices to converge on “true” best practices (Breen 1999).

In this informational context, studies of public choice suggest that intergovernmental competition for residents and investment provides incentives for governments to learn. Seminal studies have characterized state (and local) governments in federalist systems as actors in market competition for residents who “vote with their feet” (e.g., Tiebout 1956; Oates 1972). Theories of fiscal federalism also posit that governments compete for investment. Politicians will be more likely to support policies that are perceived to deliver strong eco-

conomic performance. Politicians may hope to improve the economy for its own sake, but the *electoral connection* is the primary mechanism: politicians are aware of the association between economic performance and incumbents' election prospects.

If constituents engage in retrospective voting, office-seeking politicians have incentives to learn about and implement *economically successful* policies. Public policy choices have considerable influence over the economy (e.g., Hacker and Pierson 2010), and the state of the economy greatly affects incumbents' reelection prospects (Fiorina 1978; Erikson 1989; Lewis-Beck and Stegmaier 2000). When deciding whether to adopt a policy, governors and state legislators will be attentive to the economic trends, such as trends in growth and unemployment, in states with that policy on the books.

Parties in government are also likely to be attentive to the *electoral success* of policies. Gilardi (2010) finds evidence that governments are more likely to support policies that appear to generate positive electoral outcomes for incumbents in other jurisdictions. I similarly investigate the relationship between electoral success and policy emulation.

Theories of learning and intergovernmental competition persist in scholarly and conventional wisdom. Scholars argue that federalism improves policy experimentation and learning, and reduces rent extraction by states (e.g., Dye 1990; Qian and Weingast 1997; Kappeler and Vålilä 2008; Volden, Ting and Carpenter 2008). A generation of conservative politicians and judges have championed these theories under the banner of “New Federalism” (Conlan 1988). With a few caveats about the challenges of externalities or free riding, theories of institutional learning persists as a dominant framework for understanding American federalism (Bardhan 2002; Romano 2002; Devine, Katsoulacos and Sugden 2005; Shipan and Volden 2012; Calabresi and Bickford 2014; Levin 2017). As Senator James Inhofe summarized, “it’s more efficient when it’s done from the states” (quoted in Stein 2018).²

I refer to this theory, in which electorally-interested state governmental actors have in-

²Former Utah state senator Michael Waddoups prominently argued that “[i]n general, state governments are better managed, have better fiscal controls, are more innovative, and reflect the will of the people far more than the Federal Government.”

centives to emulate successful policies from any source and ultimately converge on best practices, as the *unbiased learning model*. Empirical findings have tended to be consistent with the unbiased learning model. Studies find that more economically or politically effective policies are more likely to spread to other jurisdictions (Berry and Berry 1990; Volden 2006; Makse and Volden 2011; Glick and Friedland 2014; Shipan and Volden 2014). There is also evidence that governments emulate the policies of jurisdictions with constituents who are satisfied with government services (Lundin, Öberg and Josefsson 2015).

2.1 Geography and Learning

Like the *unbiased learning model*, the *geographic learning model* is a traditional theory in the policy diffusion literature. Early studies argue that geographic proximity is an important measure of similarity between states. Similar states tend to face more similar socioeconomic and political problems that may require similar policy solutions, increasing the likelihood of policy emulation (e.g., Walker 1969). Subsequent research suggests that proximity lowers the cost of information sharing and increases the availability heuristic, which lead regional neighbors to emulate each others' policies (Berry and Berry 1990; Case, Rosen and Hines 1993; Weyland 2005; Volden 2006).

I extend the *geographic learning model* to explicitly describe the interaction between success and geographic proximity. Much of the prior literature specifies models to test for independent effects of success and proximity. However, if it is true that geography affects states' socioeconomic problems, states may be most likely to emulate policies that *appear successful in their region*. This implies that the interaction of geographic proximity and policy success should increase the likelihood of emulation.

3 Partisan Learning

Although theories of unbiased and geographic learning have received considerable attention, there has been little investigation into the potential interaction of partisanship and learning. The third model, the *partisan learning model*, predicts that states should be especially likely to emulate successful policies from states controlled by the same party.

Butler et al. (2017) find that politicians are less interested in learning about policies that are incongruent with their ideology or partisanship—but that evidence of success can mitigate this bias. Evidence of success, in other words, affects those predisposed to opposing the policy. Butler et al. (2017) make a major contribution by randomizing treatment and focusing on the upstream stages of policymaking. However, the experiment is unable to directly test whether evidence of success affects copartisans and outpartisans differently. The experimental treatment involves a single policy, one that is ideologically liberal, and nearly 90% of liberal respondents were interested in learning about the policy regardless of the “success” condition. That the “success” treatment only affected conservative and Republican respondents may reflect a ceiling effect. In addition, the “success” treatment is binary. In practice, there is great variation and granularity in the information that elected officials may receive about the political and economic experiences of other states.

In contrast to Butler et al. (2017), I argue that we should expect evidence of success to have a greater effect on *copartisans*, those who are more predisposed to *supporting* the policy. This is for two reasons. First, parties have incentives to avoid implementing successful outpartisan because this could improve the outparty brand or reputation. Second, parties rely on increasingly polarized networks of outside organizations for policymaking resources, such as information.

3.1 Policy Success and Party Brands

A single-minded reelection seeker will want to support policies that she believes will improve the economy and satisfy voters in her district. However, she is cross-pressured by partisan incentives. Politicians have an incentives to work on behalf of their party because the health of their collective party brand affects their individual likelihood of reelection (Cox and McCubbins 1993). Partisan incentives of this sort have been used to explain puzzles in politicians' behavior, such as legislative votes that are "out of step" with district opinion and legislators' delegation of authority to party leaders. Party brands have been regionally distinct in the past, but over the past generation they have become increasingly national (Abramowitz 2010; Abramowitz and Webster 2016; Schickler 2016; Hopkins 2018).

The quality of party brands depends to some degree on policy performance. Parties that implement successful policies in a key issue area may obtain issue ownership (Petrocik 1996). Parties may also improve their valence brand through good governance. Experimental evidence from Butler and Powell (2014) suggests that voters punish incumbent candidates for their party's effectiveness in "nonideological" behaviors, such as maintaining low unemployment or passing a budget on time. A party brand is a function of the real world success of the policies that it owns.

Not only do parties in government have incentives to implement successful policies to distinguish themselves from the outparty; they have incentives to *avoid* implementing successful outpartisan policies. By implementing a policy, a state government creates additional data points which, in expectation, serve to decrease uncertainty about the policy's level of success. Helping to implement a successful policy may bring legislators and governors individual electoral benefits, but if the policy is owned by the outparty, it comes at the cost of improving the outparty brand.

Recent policy dynamics in the states may reflect these incentives. For example, the Republican legislators and governor of Wisconsin may be tempted to emulate neighboring Minnesota's recent minimum wage increase, whose implementation is correlated with above

average economic growth. However, the minimum wage is owned by the Democratic brand; the Democratic government of Minnesota implemented and executes the policy. If it were to emulate the policy, Wisconsin’s Republican government would provide more evidence that this Democratically-owned policy is successful, which would in turn improve the national Democratic brand. For the Republican government of Wisconsin, the cost of this improvement to the Democratic brand likely outweighs the benefits of implementing the successful policy in their own state.

3.2 Partisan Organizations and Heuristics

Partisan identity also shapes politicians’ use of cognitive heuristics and positions in organizational networks. Partisan heuristics and organizational networks are likely to influence perceptions of policy success, and ultimately behavior in government. First, partisanship is a strongly held social identity that affects cognitive processing (Green, Palmquist and Schickler 2002), and this social group identity may affect the behavior of elites in addition to the mass public. Political elites may employ the availability and representativeness heuristics as cognitive shortcuts in decisionmaking. Considerations about copartisan states are likely to be more *available* than about outparty states; good news about policy success in copartisan states may be assumed to be more *representative* of a broader trend than news from outpartisan states. Indeed, as Weyland (2005, 282-286) describes with regard to the spread of pension privatization in Latin America, policymakers’ use of these heuristics led to a “cumulation of distortions” that is not well predicted by theories of unbiased (or, as the author calls it “rational”) policy learning.³

The bipartisan National Governors Association (NGA), for instance, has declined in clout compared to the Democratic Governors Association (DGA) and Republican Governors Association (RGA) (Jensen 2016, Ch. 3). These governors associations hold conventions to support networking and information provision. Greater participation in partisan compared

³I sidestep the debate about whether the heuristics involved in partisan learning violate “rationality” or indicate “bounded rationality” (for a deeper discussion of heuristics and rationality, see Simon 1985).

to bipartisan governors associations is likely to increase the partisan bias in exposure to information, potentially leading governors to place greater weight on the experiences of copartisans via the heuristics described above.

Second, the complexity and noisiness of policy analysis allows considerable room for *organizations* to shape politicians' beliefs about policy success. Organizations often provide the resources necessary to generate a policy idea from the "primeval soup" of potential solutions for an issue in the problem stream (Kingdon 1984). A key policymaking resource is policy analysis, which affects beliefs about the expected effects of policy (Wildavsky 2017).

Where policymakers derive these resources depends on the structure of the "policy community" (Kingdon 1984, vii). From the perspective of policy-interested organizations and entrepreneurs, "access to centers of power" affects their ability to influence policy alternatives (Zahariadis 2014, 78). Like scholars who emphasize the role of policy demanding groups in parties (Bawn et al. 2012), I argue that extended networks of partisan-aligned activist and expert organizations can provide these logistical and informational resources. Zahariadis (2014, 78) cites the case of the privatization of British rail, which moved from the problem phase to the policy design phase of the policy process "because it was pushed for by think tanks with very strong connections to the governing party."

In the U.S. case, recent decades have seen the organizational landscape grow increasingly partisan such that policy-interested organizations and entrepreneurs are increasingly likely to only provide policymaking resources to a single political party. Policy analysis, "model bills," lobbying, and other "legislative subsidies" are less likely to cross party lines (Ahn et al. 2013; Hertel-Fernandez 2014; Campbell and Pedersen 2014; Krimmel 2017).⁴ Even if electorally-motivated politicians wish to obtain *unbiased* information about policy success, their partisan organizational networks may select or spin information in biased ways.

The American Legislative Exchange Council (ALEC) is a prominent example of an organization that may influence policy learning in the states. The organization is credited with

⁴See Hall and Deardorff (2006) for a formal model of lobbying as a legislative subsidy.

facilitating the development and diffusion of Stand Your Ground laws across states, along with many other policies. Considerable attention has been paid to the practice of legislatures copying the exact legal language from “model bills,” but ALEC also attempts to marshal evidence of their policies’ success in other states in order to facilitate emulation. Before becoming governor of Wisconsin, Scott Walker had been an ALEC member as a state legislator. As he described, “[P]robably more important than just the model legislation, [ALEC] had actually put together reports and such that showed the benefits of truth-in-sentencing and showed the successes in other states. And those sorts of statistics were very helpful to us when we pushed it through” (quoted in Hertel-Fernandez 2018). Note that although social scientists often contest the veracity of the empirical claims from partisan and other political organizations such as ALEC (e.g., Hertel-Fernandez 2018), these organizations still have some incentive to report true information about policy success because they, like politicians, want their aligned party to control the levers of government.

Recent studies by Gilardi (2010) and Gilardi, Füglistner and Luyet (2009) have made progress in investigating the interaction of partisanship and information signals in policy emulation. Gilardi (2010), for instance, tests whether European governments emulate cuts to unemployment benefits more often when the policy shows signs of economic or electoral success depending on the governments’ partisanship.⁵ However, it remains unknown whether the historical record in the U.S. states is consistent with the theory of partisan learning, and whether it generalizes across space, time, and policy type. This article fills the gap in our theoretical and empirical understanding of governmental learning.

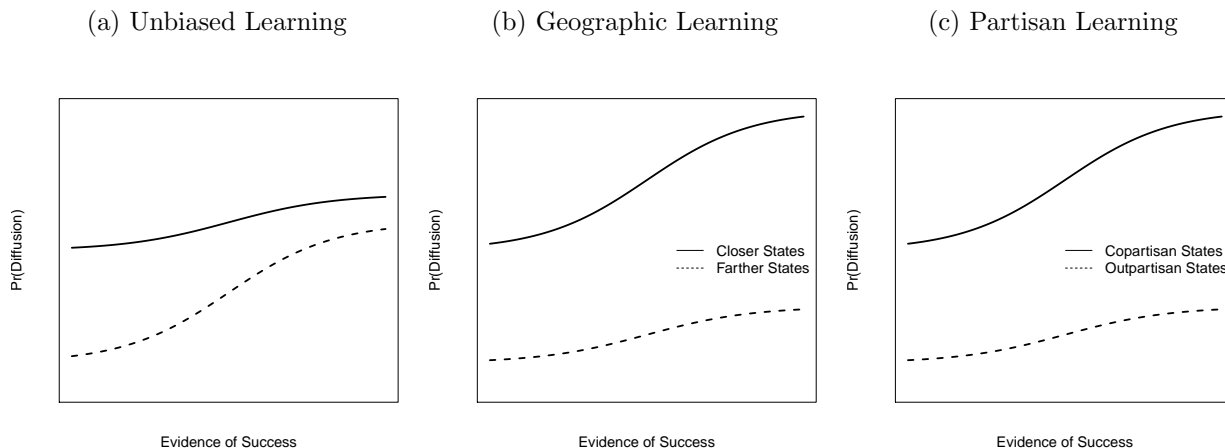
3.3 Model of Partisan Learning

The theory of partisan learning is straightforward. Figure 1 compares the predictions of the *unbiased learning model*, the *geographic learning model*, and the *partisan learning model* as they relate to the expected probability that government i emulates policy q from gov-

⁵Gilardi (2010) finds that left parties in European Union countries tend to care most about unemployment benefits’ effect on the unemployment rate, while right parties tend to weight its electoral effects more heavily.

ernment j . The two key variables are the partisanship of the potential diffuser, government j , and the information signal about state j 's experience with policy q . Government j is either copartisan or outpartisan (with the solid line representing the likelihood of emulating government j 's policy when j is copartisan, and the dotted line when j is outpartisan). Government j is also either geographically close or far from the state capital of government i .⁶ The information signal represented on the x-axis, evidence of success, takes a value between 0 to 1, with higher values indicating greater likelihood that policy q is successful.

Figure 1: Theoretical Models of Learning



The following list summarizes the hypotheses generated from the model predictions:

- **(H1a) Partisan Similarity:** Shared party control increases the likelihood of policy emulation.
- **(H1b) Geographic Similarity:** Geographic proximity increases the likelihood of policy emulation.
- **(H2) Unbiased Learning:** Signals of success increase the likelihood of policy emulation.

⁶Geographic proximity is binary in the theoretical plots for clarity. In statistical models, proximity is measured continuously as $-1 \times$ the number of miles between the state capitals.

- **(H3a) Partisan Learning:** Signals of success from copartisan states increase the likelihood of policy emulation more than signals of success from outpartisan states.
- **(H3b) Geographic Learning:** Signals of success from geographically closer states increase the likelihood of policy emulation more than signals of success from more distant states.

H1a predicts that there is a payoff to emulating a policy from a copartisan government that is independent of policy success. Ideology and partisanship are highly correlated in the polarized era (e.g., Shor and McCarty 2011), and legislators and executives may risk implementing policy associated with negative economic or electoral outcomes if there are countervailing ideological payoffs. At the same time, there are potential nonideological partisan payoffs to emulating copartisan policy, such as financial support from party committees or extended networks of partisan groups (e.g., Hassell 2016), or incentives based in partisan competition (e.g., Lee 2009). These payoffs associated with partisanship generate the gap between the y-intercepts in Figure 1. Analogously, *H1b* implies that more geographically proximate states are more likely to emulate each other’s policies.

In all models the information slope is positive, independent of the characteristics of the information source. Evidence of success strictly increases the likelihood that state government *i* adopts the policy. This prediction corresponds to *H2*.

H3a distinguishes between the *unbiased learning* and *partisan learning* models. The slopes represent the relationship between evidence of success and the likelihood of emulation. In the unbiased learning model, the slope for evidence of success is equal or larger when government *i* is outpartisan.⁷ By contrast, in the *partisan learning model*, the slope is larger when government *i* is copartisan than when it is outpartisan. The difference between the copartisan information and outpartisan information slopes is the discount that government *j* gives to information from outpartisan sources. *H3a*, the partisan learning hypothesis,

⁷The outpartisan and copartisan slopes differ in Panel (a) of Figure 1, but equal slopes are also consistent with the unbiased learning model.

predicts that the information slope is significantly greater when government j is copartisan. Again, $H3b$ replaces shared partisanship with geographic proximity, predicting that evidence of success will increase the likelihood of emulation more greatly when government j is nearby.

In the regression context, it is simple to translate these hypotheses into an interaction model. $Evidence_{jqt}$ represents the information signal from state $_j$'s experience with policy $_q$ as of time t . Shared partisanship $Copartisan_{ijt}$ is a time-variant feature of the state dyad. The outcome is the probability that state government i emulates policy q from state government j at time t . The model takes the general form:

$$Pr(Emulation_{ijqt}) = \alpha + \beta_1 Copartisan_{ijt} + \beta_2 Evidence_{jqt} + \beta_3 Copartisan_{ijt} \times Evidence_{jqt} + \epsilon \quad (1)$$

In short, $H1$ predicts that β_1 will be positive; $H2$ predicts that β_2 will be positive; and $H4$ predicts that β_3 will be positive. For hypothesis $H3b$, we replace the $Copartisan_{ijt}$ variable with a time-invariant variable representing the geographic nearness of state $_i$ and state $_j$, $Proximity_{ij}$:

$$Pr(Emulation_{ijqt}) = \alpha + \beta_1 Proximity_{ij} + \beta_2 Evidence_{jqt} + \beta_3 Proximity_{ij} \times Evidence_{jqt} + \epsilon \quad (2)$$

4 Measures and Estimation

4.1 Policy Data

Existing studies of policy diffusion tend to analyze data on a single policy type, such as lottery adoption (Berry and Berry 1990), antismoking laws (Pacheco 2012), or characteristics of SCHIP programs (Volden 2006). Authors often generalize their substantive conclusions beyond the policy area in their data (e.g., Baybeck, Berry and Siegel 2011, 245).⁸

⁸As Baybeck, Berry and Siegel (2011) claim, "Although our empirical analysis is limited to the case of lottery adoptions, we believe that our strategic theory of diffusion via competition is more widely applicable,

I compile state policy data from a series of related data collection efforts by Jordan and Grossmann (2016), Caughey and Warshaw (2016), Boehmke and Skinner (2012), and Grumbach (2018) (see the Appendix for full descriptions of the policies). The data contain 128 unique policies, with broad and deep coverage across important policy areas such as abortion, criminal justice, LGBT rights, immigration, labor, taxes, and the welfare state.⁹ To be sure, policy administration may vary across states even when formal policies do not (Michener 2018), but this dataset focuses on *de jure* policy.

Similar to studies of war (Bremer 1992; Cunningham, Skrede Gleditsch and Salehyan 2009), the unit of observation in studies of policy diffusion is a pair of polities, a *dyad*. Each dyad represents two states, $state_i$, the potential *recipient* state, and $state_j$, the potential *diffuser* state, in year t . This dyadic structure allows variables to represent characteristics of the potential adopter state ($state_i$), the potential diffuser state ($state_j$), and similarities or differences between $state_i$ and $state_j$. But because I test theories of diffusion across more than one hundred different policies, the unit of observation could be more accurately described as the state-policy *triad*. A single observation shows whether or not policy q diffused from $state_j$ to $state_i$ in year t . In year t for policy q , the dyad data contains 2,450 observations (50×49).¹⁰ Statistical analyses use approximately 4.75 million observations.

4.2 Measures

The independent variables are designed to test the predictions of unbiased learning, geographic learning, and partisan learning theories. The first set of independent variables describes the similarity between $state_i$ and $state_j$. The variable *Same Unified Party_{ijt}* is a dummy variable that describes whether the governorship and legislative chambers of the

since many policy choices made by governments (national, state, and local) influence ‘location choices’ made by persons or firms, which in turn have positive or negative consequences for the governments.”

⁹I remove policies that have been passed by ballot referenda or court ruling. To date, Desmarais, Harden and Boehmke (2015) is the most comprehensive study of policy diffusion in the U.S. states, but it investigates characteristics of diffuser and adopter states rather than the interaction of partisanship and success.

¹⁰For analyses that include a variable for party control of government, however, Nebraska is excluded due to its nonpartisan legislature. This results in $49 \times 48 = 2,352$ observations for policy q in year t .

two states in the dyad are both controlled by the same political party in year t . Specifically, it takes a value of 1 if State $_i$ and State $_j$ are both controlled by the Democratic Party, or if state $_i$ and state $_j$ are both controlled by the Republican Party, 0 otherwise.¹¹ For geographic proximity, I code a variable $Proximity_{ij}$ that is equal to $-1 \times$ the great-circle (shortest) distance between the state capitals of state $_i$ and state $_j$. I interact information about policy success in state $_j$ with $Same\ Unified\ Party_{ijt}$ and/or $Proximity_{ij}$ in the key hypothesis tests.

Table 1 presents measures of homophily and success used in statistical analyses, as well as their means and standard deviations. In the main analyses, all success independent variables are rescaled to have mean 0 and standard deviation of 1 for ease of interpretation.

Table 1: Variables and Descriptive Statistics

Variable	Mean	SD
<i>Similarity</i>		
Same Party Control	0.132	0.339
Geographic Distance in km	1,951	1,429
<i>Economic Success</i>		
Δ Employment Rate (State $_j$)	-0.077	0.478
Percent Δ GSP (State $_j$)	6.128	0.020
<i>Electoral Success</i>		
Δ Incumbent Governor Vote Share	2.372	7.422
Δ Incumbent Legislator Vote Share	0.712	2.875
<i>Outcome</i>		
Diffusion	0.039	0.194

Note: Success variables are coded as the change since the implementation of policy q .

Economic Success. A set of independent variables tests *economic* learning. I primarily use two measures of economic success: change in *employment* and change in *economic growth*, the most widely used measures of economic success for practitioners and scholars interested in

¹¹Unified party government is the relevant variable, rather than disaggregated control of the governorship or a legislative chamber. The interaction of divided government and polarization is understood to produce policy gridlock (Binder 2003). Prior research shows minimal effects of these disaggregated variables (e.g., Volden 2006, 300). Finally, for practical reasons, the inclusion of additional three-way interactions for partisan control requires considerably more computational resources and may decrease substantive interpretability.

the relationship between politics and the economy. Both show evidence of use in retrospective voting, and strongly predict incumbents' likelihood of reelection (e.g., Fiorina 1978; Bartels 2009).¹² Again, these variables are measures of the economic performance of state $_j$. $\Delta Employment_{jqt}$ is the change in the employment rate between state $_j$'s policy implementation of policy $_q$ and time t . The employment rate is collected from the Bureau of Labor Statistics (BLS).¹³ Analogously, ΔGSP_{jqt} is the change in gross state product (GSP) between j 's implementation of policy $_q$ and time t . State GSP data is collected from the Bureau of Economic Analysis (BEA) and is adjusted by the BLS's yearly inflation estimate.¹⁴ I check which policies which policies send the greatest signals of economic success or failure on average in the sample in Appendix Table A4.

Electoral Success. Finally, a set of independent variables are designed to test the importance of *electoral* learning. All of these variables are measures of the performance of state $_j$, the potential diffuser state. Following Gilardi (2010), the variable $\Delta Incumbent Governor Vote Share_{jqt}$ represents the change in vote share for the incumbent governor (or, in the case of open seats, for the incumbent party) between the implementation of policy q and time t . Similarly, $\Delta Incumbent Legislator Vote Share_{jqt}$ is the average change in vote share for incumbent state legislators and senators (again, for the incumbent party in open seat elections), and is collected from Klarner et al. (2013).

Policy Diffusion. The dependent variable, $policy\ diffusion_{ijqt}$, is coded as 1 if state i adopts (or moves closer to) policy q of state j in a given year, 0 otherwise. For example, diffusion = 1 for the observation representing medical marijuana in year 1999 for the states of Oregon (state $_i$, the potential recipient) and California (state $_j$, the potential diffuser), because in that year Oregon implemented a medical marijuana law that already existed in

¹²Employment and growth are virtually universally accepted measures of economic success. In practice, of course, politicians have a variety of visions of what constitutes success. Those with more left-leaning ideology, for instance, are likely to see policies that increase economic inequality as normatively negative, while those with right-leaning ideology may be indifferent to a policy's effect on inequality. Analyses in the Appendix use other measures of economic success.

¹³<https://www.bls.gov/lau/>

¹⁴<https://www.bea.gov/data/gdp/gdp-state>

California. For continuous policies (e.g., tax rates or Medicaid income eligibility) and ordinal policies (e.g., voter ID laws, which can be non-strict or strict), diffusion equals 1 if state $_i$ *moves closer* to the existing state $_j$ policy (see also Volden 2006).¹⁵ The data structure is symmetric such that policy repeals are treated equivalently to policy creation. Just as they are with the implementation of new policies, politicians are concerned with the success or failure that can arise from repealing policy. Policy repeals also have considerable substantive importance. For example, many states repealed the death penalty after the Supreme Court reauthorized its use in 1976.¹⁶

Dealing with Time. The theory predicts that state $_i$'s decision to emulate state $_j$'s policy q in year t is determined by the success of state $_j$ since it implemented policy q . This suggests that state governments do not discount experienced that happened many years ago. However, studies suggest that politicians behave myopically, or face a myopic electorate (e.g., Bartels 2009). For example, incumbent politicians engage in greater spending in election years. If this is the case, state governments may adopt policies that show recent success. I provide additional analyses in which success variables measure state $_j$'s experience between year t and $t - 1$.

4.3 Estimation Strategy

The principal models for this analysis are logit and multilevel logit regressions. Prior diffusion research has tended to use conventional logit models with standard errors that are clustered by dyad, which allows for non-independence within dyads. I estimate logit models of this variety, varying whether models include fixed effects for years (to account for temporal heterogeneity in the likelihood of policy diffusion) and specific policies (to account for heterogeneity in the likelihood of the diffusion of different policies, such as Medicaid

¹⁵In robustness checks, coding diffusion as a continuous variable for continuous or ordinal policies (based on the percent of the range between existing state policies) does not substantively affect regression results.

¹⁶I draw from Boehmke (2009) in eliminating observations where the probability of emulation is precisely zero, such as when no states have policy q on the books. I further implement the correction from Boehmke (2009) of removing observations in which state $_i$ and state $_j$ have the same policy in time $t - 1$ such that there is no potential for emulation.

coverage of abortion or collective bargaining rights for firefighters).¹⁷ With independent variables X for state dyad d , policy q , and year t , γ_j represents policy fixed effects and δ_t year fixed effects:

$$y_{dqt}^* = \alpha + \beta X + \gamma_q + \delta_t + \epsilon_{dqt} \quad (3)$$

However, the assumption of independence across dyads is unrealistic because the same polity is included in multiple dyads (Gilardi 2010). The New York-New Jersey dyad should not be assumed to be independent from the New York-Connecticut dyad, for instance. I thus estimate a non-nested multilevel model that corresponds to the groupings and interdependencies in the data.¹⁸ Specifically, I model random intercepts at the state _{i} , state _{j} , year _{t} , and policy _{q} levels (see Gelman and Hill 2007):

$$y_{ijqt}^* \sim N(\beta X + \alpha_i + \alpha_j + \alpha_q + \alpha_t + \epsilon_{ijqt}) \quad (4)$$

The equations for the random intercepts α for State A i , State B j , policy q , and year t :

$$\alpha_i \sim N(\mu_{\alpha_i}, \sigma_i^2) \quad (5)$$

$$\alpha_j \sim N(\mu_{\alpha_j}, \sigma_j^2) \quad (6)$$

$$\alpha_q \sim N(\mu_{\alpha_q}, \sigma_q^2) \quad (7)$$

$$\alpha_t \sim N(\mu_{\alpha_t}, \sigma_t^2) \quad (8)$$

This multilevel model structure uses partial pooling of the data, a balance between cross-sectional and within-unit variation (Gelman and Hill 2007). The time series cross-sectional (TSCS) specification described above is analogous to that of Shor et al. (2007). A model in-

¹⁷Rates of policy change vary greatly across policies. States frequently make changes to policies such as the minimum wage or income tax rate, but change is rare for other policies such as state equal rights amendments (ERAs).

¹⁸The design is crossed, not hierarchical or nested, because each state i co-occurs with each state j and each year t .

tended purely for prediction rather than theory testing should use a more complex multilevel model structure.

For multilevel models, and, to a greater extent, for traditional models with clustered standard errors, bias can arise when the number of geographic units is too small (Angrist and Pischke 2008; Stegmueller 2013). The bias becomes undetectable when the number of units surpasses approximately 20 units, especially when the multilevel model includes only random intercepts (Stegmueller 2013), so there is little concern of small sample bias.

5 Results

5.1 Partisan Learning Results

Table 2 tests the predictions of the *unbiased learning* and *partisan learning* models. *H1a*, the partisan similarity hypothesis, supported in the large and significant coefficient for Same Party. The odds ratio that state_{*i*} emulates policy_{*q*} from state_{*j*} increases by nearly 9 percent when the states are controlled by the same party.

The tests of *H2* and *H3a*, the hypotheses focused on learning, involve interactions between success and the source of success. In this specification, the coefficients for the non-interaction terms Δ Incumbent Legislator Vote Share, Δ Incumbent Governor Vote Share, Δ Employment, and Δ GSP represent the association between success and emulation when state_{*i*} and state_{*j*} are *not* controlled by the same party. By contrast, when state_{*i*} and state_{*j*} *are* controlled by the same party, the association between success and emulation is the sum of those coefficients plus their corresponding terms interacted with Same Party. Recall that the key hypothesis of unbiased learning predicts that the non-interaction variables will be positive—that state_{*i*} will emulate successful policy from any source. By contrast, partisan learning, *H3a*, predicts that copartisan success will have a greater effect than outpartisan success—in other words, that the interaction terms will be positive.

The results presented in Table 2 are generally consistent with the *unbiased learning model*.

Table 2: Partisan Learning

	1	2	3
Intercept	-5.317*** (0.242)	-5.323*** (0.242)	-5.316*** (0.242)
Same Party	0.083*** (0.009)	0.066*** (0.009)	0.067*** (0.01)
Δ Incumbent Legislator Vote Share	0.007*** (0.002)		0.008*** (0.002)
Δ Incumbent Governor Vote Share	0.004* (0.002)		0.004* (0.002)
Same Party \times Δ Legislator Vote Share	0.015*** (0.005)		0.018*** (0.005)
Same Party \times Δ Governor Vote Share	0.000 (0.005)		-0.001 (0.005)
Δ Employment		0.023*** (0.002)	0.023*** (0.002)
Δ GSP		-0.030*** (0.002)	-0.031*** (0.002)
Same Party \times Δ Employment		0.019*** (0.004)	0.021*** (0.004)
Same Party \times Δ GSP		-0.028*** (0.006)	-0.028*** (0.006)
σ^2 Policy	2.631	2.631	2.624
σ^2 State _{<i>i</i>}	0.157	0.158	0.157
σ^2 State _{<i>j</i>}	0.134	0.13	0.134
σ^2 Year	0.179	0.179	0.178
<i>N</i>	4,748,959	4,948,509	4,748,959
Log-Likelihood	-460725	-478973	-460558
AIC	921471	957966	921144
Deviance	919857	956338	919523

Note: Multilevel logit coefficients with standard errors in parentheses.

+*p* < 0.1; **p* < 0.05; ***p* < 0.01; ****p* < 0.001

The coefficients for the electoral success variables, Δ Incumbent Legislator Vote Share and Δ Incumbent Governor Vote Share, are positive and statistically significant. Still, the effect magnitudes are quite small, at least an order of magnitude smaller than the coefficient for

Same Party. For the economic success variables, Δ Employment has a strong and positive association with emulation. States emulate policies from outpartisan states when they are associated with greater employment. However, the coefficient for Δ GSP is unexpectedly negative—suggesting that states are *less* likely to emulate policies from states experiencing economic growth. The magnitude of this negative relationship is substantial.

Does the success of state_{*j*} matter more when state_{*i*} and state_{*j*} are controlled by the same party, as predicted by the *partisan learning model*? The coefficients on the interaction terms mostly suggest that it does. The coefficient for Same Party \times Δ Legislator Vote Share is large and significant. In terms of magnitude, the size of the interaction coefficient more than twice as large as the coefficient for outpartisan states. However, the relationship between Δ Incumbent Governor Vote Share and emulation is not mediated by party control: the coefficient for Same Party \times Δ Governor Vote Share is a precise zero.

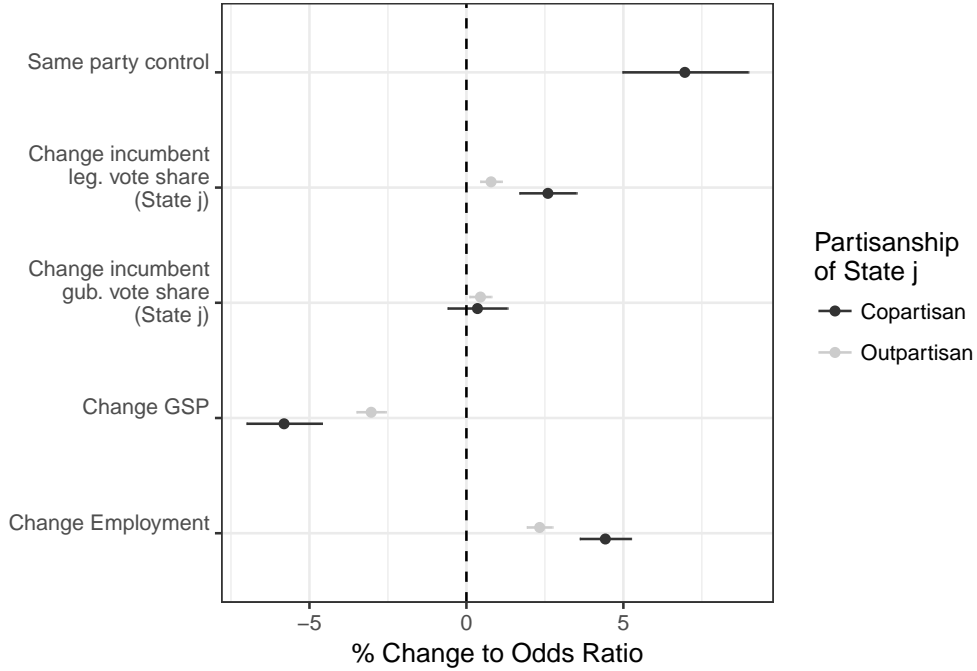
Similarly, employment growth is more important for emulation when state_{*j*} is copartisan. The coefficient for Same Party \times Δ Employment is positive, relatively large, and statistically significant. Again, it is of similar size to that of Δ Employment, the coefficient when state_{*j*} is outpartisan.

The story is very different for GSP growth. The negative relationship between GSP growth and emulation growth not only persists when state_{*j*} is copartisan—it grows even stronger. The coefficient for Same Party \times Δ GSP shows that GSP growth is significantly less likely to produce emulation when state_{*j*} is copartisan.

Using Specification 3 in Table 2, I calculate the percentage change in odds ratios according to the success of state_{*j*} when states *i* and *j* are copartisan versus outpartisan. The point estimates in black represent the effect of success when state_{*j*} is copartisan, while those in grey are when state_{*j*} is outpartisan. For example, the odds that state_{*i*} emulates policy_{*q*} from state_{*j*} are 4.43 percent greater when state_{*j*} is copartisan and experiences one standard deviation greater employment growth than average.¹⁹

¹⁹Policy emulation is a rare event. I follow Volden (2006) in reporting percentage change to odds ratios due to the low probability of emulation on average. Given an average policy_{*q*}-state_{*i*}-state_{*j*}-year_{*t*} probability of

Figure 2: Partisan Learning



5.2 Geographic Learning Results

Geography plays a much weaker role than party control in policy emulation. Table 3 reports results of tests of the *geographic learning model*. The specifications are analogous to those presented earlier. Remarkably, geographic proximity between state_{*i*} and state_{*j*} does little to increase the likelihood of emulation. The coefficient for Proximity is positive, but its magnitude is at least an order of magnitude smaller than that of shared party control, and it does not achieve conventional significance levels. There is thus minimal support for *H1b*, the geographic similarity hypothesis.

Like the estimates presented in Table 2, the *unbiased learning model* performs moderately well in Table 3. The non-interaction variables represent the effect of success when state_{*i*} and state_{*j*} are located at the average geographic distance. The coefficient estimates are similar to before: Δ Incumbent Legislator Vote Share and Δ Incumbent Governor Vote Share are diffusion of 3.9%, the probability of diffusion increases by 0.17 percentage points for each standard deviation increase in employment growth in copartisan state_{*j*}. With 128 significant policies in the dataset, this suggests a 22 percentage point increase in the probability that state_{*i*} emulates any policy from state_{*j*} in year_{*t*}.

Table 3: Geographic Learning

	1	2	3
(Intercept)	-5.236*** (0.234)	-5.244*** (0.234)	-5.237*** (0.233)
Proximity	0.005 (0.004)	0.008 ⁺ (0.004)	0.007 (0.005)
Δ Incumbent Legislator Vote Share	0.009*** (0.002)		0.010*** (0.002)
Δ Incumbent Governor Vote Share	0.004* (0.002)		0.004* (0.002)
Proximity \times Δ Legislator Vote Share	0.001 (0.002)		0.001 (0.002)
Proximity \times Δ Governor Vote Share	0.002 (0.001)		0.001 (0.001)
Δ Employment		0.026*** (0.002)	0.026*** (0.002)
Δ GSP		-0.033*** (0.002)	-0.034*** (0.002)
Proximity \times Δ Employment		0.002 (0.001)	0.002 (0.001)
Proximity \times Δ GSP		0.003 (0.002)	0.003 (0.002)
σ^2 Policy	2.542	2.542	2.535
σ^2 State _{<i>i</i>}	0.157	0.158	0.157
σ^2 State _{<i>j</i>}	0.133	0.129	0.133
σ^2 Year	0.178	0.178	0.177
<i>N</i>	4894811	5098474	4894811
Log-Likelihood	-474769	-493415	-474609
AIC	949558	986851	949246
Deviance	947932	985211	947613

Note: Multilevel logit coefficients with standard errors in parentheses.

+ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

positive but small, Δ Employment is positive and large, and Δ GSP is negative and large.

However, there is no evidence in favor of Hypothesis *H3b*, the geographic learning hypothesis.²⁰ The interaction of geographic proximity and policy success is very close to zero

²⁰The Appendix provides results from specifications that combine the *geographic learning* and *partisan learning*. They use three-way interactions of shared party control, geographic proximity, and signals of success. Partisan learning continues to perform well, whereas geographic learning performs poorly. Furthermore, the coefficients for the three-way interaction terms are close to zero, suggesting geography does not mediate the interactive relationship between partisanship and success.

for each success measure. Compared to the interaction terms in the partisan learning model, the employment change and incumbent legislator vote share change interactions in the geographic learning model are significantly smaller, and the change in incumbent governor vote share interaction is indistinguishable.²¹ As seen in the AIC estimates, the *partisan learning* models presented in Table 2 provide better fit than the *geographic learning* models in Table 3.

This finding is consistent with emerging studies of the nationalization of the Democratic and Republican parties in the states. In recent years, Republican controlled state governments in the Midwest have adopted abortion, labor, and other policies from Southern states as much as they have from each other. Similarly, the Democratic government of Massachusetts has looked across the country to California rather than to its neighbors for recent environmental and social safety net policies.

5.3 Job Creation and Economic Growth

The results suggest that state governments are more likely to emulate policies that appear successful for decreasing unemployment in other states, especially when those other states are controlled by the same party. However, the opposite appears true about economic growth: states are *less* likely to emulate policies from other states with high economic growth, regardless of the partisanship or geography of those states. This is especially curious in light of Okun’s Law, which states that economic output and employment are positively correlated (for empirical analysis of Okun’s Law, see Kapsos 2005). However, the narrower expectation that state governments will prioritize increased employment over increased economic output is plausible.

Scholars, pundits, and politicians alike tend to speak more about job growth than economic output. One reason is that GDP growth may be distributed unequally, whereas strong employment rates tend to suggest more broadly distributed income growth (Pilling 2018).

²¹However, in contrast to an unexpectedly negative estimate for Same Party \times Δ GSP, the interaction of proximity and GSP change is positive (but small).

Economists such as Stiglitz (2009) have criticized a focus on GDP rather than employment as “GDP fetishism.” In terms of retrospective voting, there is evidence that change in unemployment is a greater determinant of vote choice than GNP growth (Lewis-Beck and Stegmaier 2000). The empirical results are consistent with this prioritization of employment over economic output.

5.4 Myopic State Governments

Table A1 in the Appendix shows the results of analyses in which state_{*i*} only observes state_{*j*}’s experience with policy *q* in the past year, not the entire period since it implemented *q*. *Unbiased learning* performs somewhat better when we model state governments as myopic. When states are not controlled by the same party, electoral success and employment growth are associated with emulation. The *partisan learning model* also performs well, as states are even more likely to emulate this success when it occurs in a state controlled by the same party. Like the earlier results, both GSP growth and the interaction of GSP growth and shared party control is negatively associated with emulation.

Under myopic governments, the results are consistent with the *geographic learning model* for economic, but not electoral success. Employment, and, unexpectedly given previous results, GSP growth in more geographically proximate states predicts emulation.

5.5 Replication with Diffusion Network Analysis

I execute an additional empirical analysis using a diffusion network measure from Desmarais, Harden and Boehmke (2015). The procedure uses an algorithm called *NetInf* to infer a latent diffusion network. Estimated ties between states are a function of state_{*i*}’s likelihood of emulating state_{*j*} and the length of time between the diffuser and receiver states’ policy adoptions. Unfortunately for our purposes, this strategy does not allow for the measurement of policy-specific success, but rather uses data from multiple state policies to estimate

whether state_{*i*} considers state_{*j*} “as a source” (Desmarais, Harden and Boehmke 2015, 400).²² This analysis thus addresses a slightly different question, whether successful *states* are more likely to be emulated.

6 Conclusion

Theories of states as policy laboratories who are engaged in intergovernmental competition suggest that there are strong incentives to emulate policies associated with efficient, effective, and successful governance. A recent study from Butler et al. (2017) provides experimental evidence in support of this view. Federalism, this view suggests, can mitigate the centrifugal forces of mass and elite polarization by incentivizing learning and the emulation of best practices.

This article develops theories that challenge this tradition. Politicians have incentives to avoid implementing policies that would improve their competitors’ party brand. Party and partisan-aligned committees, think tanks, and lobbying organizations provide much of the policy analysis and information that crosses the desks of state legislators, governors, and their staffs. This may generate partisan learning networks. If learning primarily occurs within the same political party, it is unlikely to mitigate polarizing pressures facing state governments.

I find moderate empirical evidence consistent with *unbiased learning*, that electoral and economic success from any state increases the likelihood of emulation. Regardless of the source, improved electoral fortunes for incumbent legislators (and less so for governors) is associated with emulation. Similarly, employment growth is associated with policy emulation. GSP growth, in contrast, has an unexpectedly negative relationship with emulation.

However, the divergent policy agendas of Democratic- and Republican-controlled states

²²*NetInf* requires the tuning of three parameters: the number of preceding years of data used to estimate the network in year *t*; how many network edges are estimated; and the exponential distribution parameter which models how long it should take for state_{*i*} to emulate policy *q* after state_{*j*} implements it. I use the tuning parameters of Desmarais, Harden and Boehmke (2015), which maximize the algorithm’s prediction of state_{*i*}’s policy behavior.

is unlikely to be explained by traditional models of federalism (Caughey, Warshaw and Xu 2017; Grumbach 2018). This divergence can be explained in part by *partisan learning*. The empirical results are also consistent with this theory. Incumbent legislator success is much more strongly associated with emulation when it occurs in a copartisan state than an outpartisan state. The same is true of employment growth. That success does more to produce emulation when it occurs in copartisan states provides an explanation for policy non-convergence (Caughey, Warshaw and Xu 2017; Grumbach 2018).

Policy non-convergence in states such as Minnesota and Wisconsin—neighboring states with very similar demographics and economies—is better explained by partisan incentives than geography. The *geographic learning model* performs poorly. Success is no more likely to result in emulation when it occurs in nearby states than when it occurs in distant states.

In sum, the empirical evidence is consistent with parties in government that balance the centripetal force of competitive federalism with the centrifugal force of partisan incentives. It also points to the increasingly *national* character of the parties in recent decades. Centering political parties in theories of federalism is important as party coalitions of candidates, policy demanding groups, and media environments nationalize (Krimmel 2017; Hopkins 2018).

Additional research should investigate the mechanisms undergirding the *partisan learning model*. To what extent do politicians use party control of government as a proxy for the ideological content of policy (e.g., Lau and Redlawsk 2001)? Such a mechanism may be distinct from an organizational mechanism in which the groups that provide research and other “legislative subsidies” shape perceptions of policy success. Qualitative analysis of the policymaking process, as well as experiments on policymakers, can help disentangle these mechanisms.

Optimistic interpretations of federalism often emphasize the potential for institutional incentives to cut against partisan incentives. This optimism is deeply embedded in traditional understandings of American political institutions. But scholars of federalism should be attentive to this interpretation’s limited empirical support in observational data. The U.S.

states may be laboratories of democracy, but these laboratories exist in distinct “scientific” communities.

References

- Abramowitz, Alan I. 2010. *The Disappearing Center: Engaged Citizens, Polarization, and American democracy*. New York: Yale University Press.
- Abramowitz, Alan I and Steven Webster. 2016. “The rise of negative partisanship and the nationalization of US elections in the 21st century.” *Electoral Studies* 41:12–22.
- Ahn, TK, Robert Huckfeldt, Alexander K Mayer and John Barry Ryan. 2013. “Expertise and bias in political communication networks.” *American Journal of Political Science* 57(2):357–373.
- Angrist, Joshua D and Jörn-Steffen Pischke. 2008. *Mostly harmless econometrics: An empiricist’s companion*. Princeton, NJ: Princeton University Press.
- Bardhan, Pranab. 2002. “Decentralization of governance and development.” *The journal of economic perspectives* 16(4):185–205.
- Bartels, Larry M. 2009. *Unequal democracy: The political economy of the new gilded age*. Princeton, NJ: Princeton University Press.
- Bawn, Kathleen, Martin Cohen, David Karol, Seth Masket, Hans Noel and John Zaller. 2012. “A theory of political parties: Groups, policy demands and nominations in American politics.” *Perspectives on Politics* 10(03):571–597.
- Baybeck, Brady, William D Berry and David A Siegel. 2011. “A strategic theory of policy diffusion via intergovernmental competition.” *The Journal of Politics* 73(1):232–247.
- Berry, Frances Stokes and William D Berry. 1990. “State lottery adoptions as policy innovations: An event history analysis.” *American political science review* 84(2):395–415.

- Binder, Sarah A. 2003. *Stalemate: Causes and Consequences of Legislative Gridlock*. Washington, D.C.: Brookings Institution Press.
- Boehmke, Frederick J. 2009. "Policy emulation or policy convergence? Potential ambiguities in the dyadic event history approach to state policy emulation." *The Journal of Politics* 71(3):1125–1140.
- Boehmke, Frederick J and Paul Skinner. 2012. "State policy innovativeness revisited." *State Politics & Policy Quarterly* 12(3):303–329.
- Breen, Richard. 1999. "Beliefs, rational choice and Bayesian learning." *Rationality and Society* 11(4):463–479.
- Bremer, Stuart A. 1992. "Dangerous dyads: Conditions affecting the likelihood of interstate war, 1816-1965." *Journal of Conflict Resolution* 36(2):309–341.
- Butler, Daniel M, Craig Volden, Adam M Dynes and Boris Shor. 2017. "Ideology, learning, and policy diffusion: Experimental evidence." *American Journal of Political Science* 61(1):37–49.
- Butler, Daniel M and Eleanor Neff Powell. 2014. "Understanding the party brand: Experimental evidence on the role of valence." *The Journal of Politics* 76(2):492–505.
- Calabresi, Steven G and Lucy D Bickford. 2014. "Federalism and subsidiarity: perspectives from US constitutional law." *NOMOS* 55:123–189.
- Campbell, John L and Ove K Pedersen. 2014. *The national origins of policy ideas: Knowledge regimes in the United States, France, Germany, and Denmark*. Princeton, NJ: Princeton University Press.
- Case, Anne C, Harvey S Rosen and James R Hines. 1993. "Budget spillovers and fiscal policy interdependence: Evidence from the states." *Journal of public economics* 52(3):285–307.

- Caughey, Devin and Christopher Warshaw. 2016. "The Dynamics of State Policy Liberalism, 1936–2012." *American Journal of Political Science* 60(4):899–913.
- Caughey, Devin, Christopher Warshaw and Yiqing Xu. 2017. "Incremental democracy: The policy effects of partisan control of state government." *The Journal of Politics* 79(4):1342–1358.
- Conlan, Timothy J. 1988. *New Federalism: Intergovernmental Reform from Nixon to Reagan*. Washington, D.C.: Brookings Institution Press.
- Cox, Gary W and Mathew D McCubbins. 1993. *Legislative leviathan: Party government in the House*. New York: Cambridge University Press.
- Cunningham, David E, Kristian Skrede Gleditsch and Idean Salehyan. 2009. "It takes two: A dyadic analysis of civil war duration and outcome." *Journal of Conflict Resolution* 53(4):570–597.
- Desmarais, Bruce A, Jeffrey J Harden and Frederick J Boehmke. 2015. "Persistent policy pathways: Inferring diffusion networks in the American states." *American Political Science Review* 109(2):392–406.
- Devine, Pat J, Yannis S Katsoulacos and Roger Sugden. 2005. *Competitiveness, subsidiarity and industrial policy*. New York: Routledge.
- Dye, Thomas R. 1990. *American federalism: Competition among governments*. New York: Free Press.
- Erikson, Robert S. 1989. "Economic conditions and the presidential vote." *American Political Science Review* 83(2):567–573.
- Fiorina, Morris P. 1978. "Economic retrospective voting in American national elections: A micro-analysis." *American Journal of Political Science* pp. 426–443.

- Gelman, Andrew and Jennifer Hill. 2007. *Data analysis using regression and multi-level/hierarchical models*. New York: Cambridge University Press.
- Gilardi, Fabrizio. 2010. “Who learns from what in policy diffusion processes?” *American Journal of Political Science* 54(3):650–666.
- Gilardi, Fabrizio, Katharina Füglistner and Stéphane Luyet. 2009. “Learning from others: The diffusion of hospital financing reforms in OECD countries.” *Comparative Political Studies* 42(4):549–573.
- Glick, David M and Zoe Friedland. 2014. “How often do states study each other? Evidence of policy knowledge diffusion.” *American Politics Research* 42(6):956–985.
- Green, Donald P, Bradley Palmquist and Eric Schickler. 2002. *Partisan Hearts and Minds: Political Parties and the Social Identities of Voters*. New Haven, CT: Yale University Press.
- Grossback, Lawrence J., Sean Nicholson-Crotty and David A.M. Peterson. 2004. “Ideology and learning in policy diffusion.” *American Politics Research* 32(5):521–545.
- Grumbach, Jacob M. 2018. “From Backwaters to Major Policymakers: Policy Polarization in the States, 1970-2014.” *Perspectives on Politics* forthcoming.
- Hacker, Jacob S and Paul Pierson. 2010. “Winner-take-all politics: Public policy, political organization, and the precipitous rise of top incomes in the United States.” *Politics & Society* 38(2):152–204.
- Hall, Richard L and Alan V Deardorff. 2006. “Lobbying as legislative subsidy.” *American Political Science Review* 100(01):69–84.
- Hassell, Hans J.G. 2016. “Party control of party primaries: Party influence in nominations for the US senate.” *The Journal of Politics* 78(1):75–87.

- Hertel-Fernandez, Alexander. 2014. "Who Passes Business Model Bills? Policy Capacity and Corporate Influence in US State Politics." *Perspectives on Politics* 12(03):582–602.
- Hertel-Fernandez, Alexander. 2018. *State Capture: How Conservative Activists, Big Businesses, and Wealthy Donors Reshaped the American States and the Nation*. Unpublished manuscript.
- Hopkins, Daniel J. 2018. *The Increasingly United States*. Chicago: University of Chicago Press.
- Jensen, Jennifer M. 2016. *The Governors' Lobbyists: Federal-state Relations Offices and Governors Associations in Washington*. Ann Arbor, MI: University of Michigan Press.
- Jordan, Marty P. and Matt Grossmann. 2016. "The Correlates of State Policy Project v.1.5." <http://ippsr.msu.edu/public-policy/correlates-state-policy>.
- Kappeler, Andreas and Timo Vällilä. 2008. "Fiscal federalism and the composition of public investment in Europe." *European Journal of Political Economy* 24(3):562–570.
- Kapsos, Steven. 2005. "Employment Intensity of Growth: The Trends and Macroeconomic Determinants." *International Labour Organization Employment Strategy Papers* 2005/12.
- Kingdon, John W. 1984. *Agendas, alternatives, and public policies*. Boston: Little Brown.
- Klarner, Carl E, William D Berry, Thomas M Carsey, Malcolm Jewell, Richard G Niemi, Lynda W Powell and James Snyder. 2013. "State Legislative Election Returns, (1967–2010) [Computer file]." *ICPSR* . <https://www.icpsr.umich.edu/icpsrweb/ICPSR/studies/34297>.
- Krimmel, Katherine. 2017. "The Efficiencies and Pathologies of Special Interest Partisanship." *Studies in American Political Development* Forthcoming.
- Lau, Richard R. and David P. Redlawsk. 2001. "Advantages and Disadvantages of Cognitive Heuristics in Political Decision Making." *American Journal of Political Science* 45(4):951–971.

- Lee, Frances E. 2009. *Beyond ideology: politics, principles, and partisanship in the US Senate*. Chicago: University of Chicago Press.
- Levin, Yuval. 2017. *The Fractured Republic: Renewing America's Social Contract in the Age of Individualism*. New York: Basic Books.
- Lewis-Beck, Michael S and Mary Stegmaier. 2000. "Economic determinants of electoral outcomes." *Annual review of political science* 3(1):183–219.
- Lundin, Martin, PerOla Öberg and Cecilia Josefsson. 2015. "Learning from success: Are successful governments role models?" *Public Administration* 93(3):733–752.
- Makse, Todd and Craig Volden. 2011. "The role of policy attributes in the diffusion of innovations." *The Journal of Politics* 73(1):108–124.
- Meseguer, Covadonga. 2003. "Learning and economic policy choices: A Bayesian approach." *EUI Working Papers* 2003/05.
- Meseguer, Covadonga. 2006. "Rational learning and bounded learning in the diffusion of policy innovations." *Rationality and Society* 18(1):35–66.
- Michener, Jamila. 2018. *Fragmented Democracy: Medicaid, Federalism, and Unequal Politics*. New York: Cambridge University Press.
- Oates, Wallace E. 1972. *Fiscal Federalism*. New York: Harcourt Brace.
- Pacheco, Julianna. 2012. "The social contagion model: Exploring the role of public opinion on the diffusion of antismoking legislation across the American states." *The Journal of Politics* 74(1):187–202.
- Petrocik, John R. 1996. "Issue ownership in presidential elections, with a 1980 case study." *American journal of political science* pp. 825–850.

- Pilling, David. 2018. *The Growth Delusion: Wealth, Poverty, and the Well-being of Nations*. New York: Tim Duggan Books.
- Qian, Yingyi and Barry R Weingast. 1997. "Federalism as a commitment to perserving market incentives." *The Journal of Economic Perspectives* 11(4):83–92.
- Romano, Roberta. 2002. *The advantage of competitive federalism for securities regulation*. Washington, D.C.: American Enterprise Institute.
- Schickler, Eric. 2016. *Racial realignment: The transformation of American liberalism, 1932–1965*. Princeton, NJ: Princeton University Press.
- Shipan, Charles R and Craig Volden. 2012. "Policy diffusion: Seven lessons for scholars and practitioners." *Public Administration Review* 72(6):788–796.
- Shipan, Charles R and Craig Volden. 2014. "When the smoke clears: expertise, learning and policy diffusion." *Journal of Public Policy* 34(3):357–387.
- Shor, Boris, Joseph Bafumi, Luke Keele and David Park. 2007. "A Bayesian multilevel modeling approach to time-series cross-sectional data." *Political Analysis* 15(2):165–181.
- Shor, Boris and Nolan McCarty. 2011. "The Ideological Mapping of American legislatures." *American Political Science Review* 105(03):530–551.
- Simon, Herbert A. 1985. "Human nature in politics: The dialogue of psychology with political science." *American Political Science Review* 79(2):293–304.
- Sinn, Stefan. 1992. "The taming of Leviathan: competition among governments." *Constitutional Political Economy* 3(2):177–196.
- Stegmueller, Daniel. 2013. "How many countries for multilevel modeling? A comparison of frequentist and Bayesian approaches." *American Journal of Political Science* 57(3):748–761.

- Stein, Jeff. 2018. "GOP senators are rushing to pass Graham-Cassidy. We asked 9 to explain what it does." *Vox* 20 Sep. <https://www.vox.com/policy-and-politics/2017/9/20/16333876/republican-senators-graham-cassidy>.
- Stiglitz, Joseph E. 2009. "GDP Fetishism." *The Economists' Voice* 6(8).
- Tiebout, Charles M. 1956. "A pure theory of local expenditures." *Journal of political economy* 64(5):416–424.
- Volden, Craig. 2006. "States as policy laboratories: Emulating success in the children's health insurance program." *American Journal of Political Science* 50(2):294–312.
- Volden, Craig, Michael M Ting and Daniel P Carpenter. 2008. "A formal model of learning and policy diffusion." *American Political Science Review* 102(3):319–332.
- Walker, Jack L. 1969. "The diffusion of innovations among the American states." *American political science review* 63(03):880–899.
- Weyland, Kurt. 2005. "Theories of policy diffusion lessons from Latin American pension reform." *World politics* 57(2):262–295.
- Wildavsky, Aaron. 2017. *Speaking Truth to Power: Art and Craft of Policy Analysis*. New York: Routledge.
- Zahariadis, Nikolaos. 2014. The Multiple Streams Framework: Structure, Limitations, Prospects. In *Theories of the policy process*, ed. Paul A Sabatier and Christopher M Weible. 3 ed. Boulder, CO: Westview Press.

A1 Appendix

Contents

A1.1 Myopic Partisan Learning	39
A1.2 Using <i>NetInf</i> Measure	40
A1.3 Combined Model of Partisan and Geographic Learning	41
A1.4 Average Economic Success of Policies	43
A1.5 Policy Data	44

A1.1 Myopic Partisan Learning

Table A1: Partisan Learning

	1	2	3
Intercept	-5.317*** (0.242)	-5.325*** (0.243)	-5.317*** (0.242)
Same Party	0.082*** (0.009)	0.077*** (0.009)	0.076*** (0.009)
Δ Incumbent Legislator Vote Share $_{t-1}$	0.008* (0.003)		0.008* (0.003)
Δ Incumbent Governor Vote Share $_{t-1}$	0.002 (0.003)		0.002 (0.003)
Same Party \times Δ Legislator Vote Share $_{t-1}$	0.032*** (0.008)		0.035*** (0.008)
Same Party \times Δ Governor Vote Share $_{t-1}$	0.019* (0.008)		0.019* (0.008)
Δ Employment $_{t-1}$		0.012* (0.005)	0.015** (0.005)
Δ GSP $_{t-1}$		0.000 (0.004)	-0.002 (0.004)
Same Party \times Δ Employment $_{t-1}$		0.017* (0.008)	0.022* (0.009)
Same Party \times Δ GSP $_{t-1}$		-0.046*** (0.001)	-0.047*** (0.001)
σ^2 Policy	2.631	2.640	2.631
σ^2 State $_i$	0.157	0.158	0.157
σ^2 State $_j$	0.133	0.130	0.133
σ^2 Year	0.180	0.181	0.180
N	4,748,959	4,948,509	4,748,959
Log-Likelihood	-460729	-479121	-460710
AIC	921478	958261	921448
Deviance	919865	956632	919827

Note: Multilevel logit coefficients with standard errors in parentheses.
 $+p < 0.1$; $*p < 0.05$; $**p < 0.01$; $***p < 0.001$

A1.2 Using *NetInf* Measure

Table A2

	DV: Considers State _j a Leader	
	(1)	(2)
(Intercept)	-2.360*** (0.183)	-2.101*** (0.202)
Same Party	-0.391 ⁺ (0.215)	
Proximity		0.252*** (0.075)
Employment	-0.011 (0.093)	-0.020 (0.118)
GSP	-0.008 (0.099)	-0.017 (0.118)
Same Party × Employment	0.322 ⁺ (0.172)	
Same Party × GSP	-0.119 (0.183)	
Proximity × Employment		-0.017 (0.057)
Proximity × GSP		-0.011 (0.053)
<i>N</i>	16,464	16,464
Log Likelihood	-5207	-5193
AIC	10429	10401
BIC	10491	10463

Note: Multilevel logit coefficients with standard errors in parentheses.

+ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

A1.3 Combined Model of Partisan and Geographic Learning

Table A3: Combined Learning Models

	1	2	3
(Intercept)	-5.316*** (0.242)	-5.323*** -0.242	-5.316*** (0.241)
Same Party	0.083*** (0.009)	0.065*** (-0.009)	0.067*** (0.010)
Proximity	0.006 (0.005)	0.010* (-0.005)	0.009 (0.005)
Same Party \times Proximity	-0.012 (0.008)	-0.005 (-0.010)	-0.006 (0.01)
Δ Incumbent Legislator Vote Share	0.007*** (0.002)		0.008*** (0.002)
Δ Incumbent Governor Vote Share	0.004* (0.002)		0.005** (0.002)
Same Party \times Δ Incumbent Legislator Vote Share	0.015*** (0.005)		0.018*** (0.005)
Proximity \times Δ Incumbent Legislator Vote Share	0.001 (0.002)		0.000 (0.002)
Same Party \times Δ Incumbent Governor Vote Share	0.000 (0.005)		-0.001 (0.005)
Proximity \times Δ Incumbent Governor Vote Share	0.002 (0.002)		0.001 (0.002)
Same Party \times Proximity \times Δ Incumbent Legislator Vote Share	0.000 (0.004)		0.000 (0.004)
Same Party \times Proximity \times Δ Incumbent Governor Vote Share	-0.001 (0.004)		-0.001 (0.004)
Δ Employment		0.023*** (-0.002)	0.023*** (0.002)
Δ GSP		-0.029*** -0.002	-0.03*** (0.002)
Same Party \times Δ Employment		0.019*** (0.004)	0.020*** (0.004)
Proximity \times Δ Employment		0.002 (0.002)	0.002 (0.002)
Same Party \times Δ GSP		-0.029*** (0.006)	-0.029*** (0.006)
Proximity \times Δ GSP		0.003 (0.002)	0.004 (0.002)
Same Party \times Proximity \times Δ Employment		0.001 (0.004)	0.001 (0.004)
Same Party \times Proximity \times Δ GSP		0.010 (0.006)	0.008 (0.007)
σ^2 Policy	2.627	2.632	2.622
σ^2 State _{<i>i</i>}	0.157	0.159	0.158
σ^2 State _{<i>j</i>}	0.133	0.129	0.133
σ^2 Year	0.18	0.179	0.178
<i>N</i>	4,748,959	4,948,509	4,748,959
Log-Likelihood	-460723	-478963	-460549
AIC	921478	957959	921146
Deviance	919852	956319	919505

Note: Multilevel logit coefficients with standard errors in parentheses.

+ $p < 0.1$; * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

A1.4 Average Economic Success of Policies

Table A4: Policy Success

Policy	Correlation	Policy	Correlation
<i>Success Outcome = Employment Change</i>		<i>Success Outcome = GSP Change</i>	
Most Successful			
ACA exchange	1.38	E-verify ban	0.45
Medicaid expansion	1.26	Abortion insurance restriction	0.37
Higher education spending	1.13	Mandatory licenses for gun dealers	0.28
Least Successful			
Pre-ACA expanded dependent health coverage	-1.26	Paid sick leave	-1.51
Physician-assisted suicide	-1.00	Bible allowed in public schools	-1.42
Smoking ban (workplaces)	-0.96	Expanded dependent coverage	-1.37

A1.5 Policy Data

Table A5: Policy Data

Policy	Issue Area	Policy	Issue Area
Abortion insurance restriction	Abortion	Welfare drug test	Health & Welfare
Consent post-Casey	Abortion	Welfare time limit	Health & Welfare
Emergency contraception	Abortion	Growth management	Housing, Transportation, Misc
Gestation limit	Abortion	Lemon law	Housing, Transportation, Misc
Medicaid covers abortion	Abortion	Rent control ban	Housing, Transportation, Misc
Parental notice	Abortion	Tort limit	Housing, Transportation, Misc
Partial birth abortion ban	Abortion	Drivers licenses for undocumented	Immigration
Corporate contribution ban	Campaign Finance	English official language	Immigration
Dollar limit on individual contributions	Campaign Finance	E-verify	Immigration
Dollar limit on PAC contributions	Campaign Finance	E-verify ban	Immigration
Limit on individual contributions	Campaign Finance	In-state tuition for undocumented	Immigration
Limit on PAC contributions	Campaign Finance	State cash benefits for recent immigrants	Immigration
Public funding elections	Campaign Finance	State food benefits for recent immigrants	Immigration
Bible allowed in public schools	Civil Rights & Liberties	State health benefits for recent immigrants	Immigration
Corporal punishment ban	Civil Rights & Liberties	Disability insurance	Labor
Discrimination ban public accomodations	Civil Rights & Liberties	Local minimum wage ban	Labor
ERA ratification	Civil Rights & Liberties	Local sick leave law ban	Labor
Fair employment comm.	Civil Rights & Liberties	Minimum wage	Labor
Gender discrimination ban	Civil Rights & Liberties	Paid family leave	Labor
Moment of silence in public school	Civil Rights & Liberties	Paid sick leave	Labor
No fault divorce	Civil Rights & Liberties	Prevailing wage	Labor
Physician-assisted suicide	Civil Rights & Liberties	Right to work	Labor
Public breast feeding	Civil Rights & Liberties	Unemployment comp.	Labor
Religious Freedom Rights Amendment	Civil Rights & Liberties	Civil unions and marriage	LGBT Rights
Reporters not compelled to identify sources	Civil Rights & Liberties	Gay marriage ban	LGBT Rights
State ERA	Civil Rights & Liberties	Hate crime law	LGBT Rights
Death penalty repeal	Criminal Justice	LGB discrimination ban public accomodations	LGBT Rights
DNA motions	Criminal Justice	LGB employment discrimination ban	LGBT Rights
Three strikes	Criminal Justice	Sodomy ban	LGBT Rights
Charter school law	Education	Marijuana decriminalization	Marijuana
Higher ed spending	Education	Medical marijuana	Marijuana
K-12 spending	Education	Animal cruelty felony	Other
School choice	Education	Beer keg registration	Other
Bottle bill	Environment	Bike helmet required	Other
CA car emissions	Environment	Casinos	Other
Endangered species	Environment	Cigarette tax	Other
E-waste	Environment	Legislative supermajority required to pass budget	Other
GHG cap	Environment	Legislative term limits	Other
Renewables fund	Environment	Lottery	Other
Solar tax credit	Environment	Mandatory seatbelts	Other
State NEPA	Environment	Motorcycle helmet required	Other
Assault weapon ban	Gun Control	Smoking ban (restaurants)	Other
Background checks (dealers)	Gun Control	Smoking ban (workplaces)	Other
Background checks (private)	Gun Control	Statutory rape age span provision	Other
Brady law	Gun Control	Zero tolerance underage drinking	Other
Dealer licenses required	Gun Control	Ban on agency fees (state)	Public Sector Labor
Gun registration	Gun Control	Collective bargaining (firefighters)	Public Sector Labor
Open carry	Gun Control	Collective bargaining (local)	Public Sector Labor
Sat. Night Special ban	Gun Control	Collective bargaining (police)	Public Sector Labor
Stand Your Ground	Gun Control	Collective bargaining (state)	Public Sector Labor
Waiting period	Gun Control	Collective bargaining (teachers)	Public Sector Labor
ACA exchange	Health & Welfare	Corporate tax rate	Taxes
CHIP eligibility (children)	Health & Welfare	EITC	Taxes
CHIP eligibility (children)	Health & Welfare	Estate tax	Taxes
CHIP eligibility (infants)	Health & Welfare	Income tax	Taxes
CHIP eligibility (infants)	Health & Welfare	Sales tax	Taxes
CHIP eligibility (pregnant women)	Health & Welfare	Tax burden	Taxes
CHIP eligibility (pregnant women)	Health & Welfare	Top capital gains rate	Taxes
Expanded dependent coverage	Health & Welfare	Top income rate	Taxes
Medicaid expansion	Health & Welfare	Absentee voting	Voting
Pre-BBA CHIP eligibility (pregnant women)	Health & Welfare	Early voting	Voting
Senior prescription drugs	Health & Welfare	Motor voter	Voting
TANF eligibility	Health & Welfare	Permanent felon disenfranchisement	Voting
TANF payment level	Health & Welfare	Voter ID	Voting