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Stable democracy and good governance in divided societies: Do power-sharing institutions work?

Pippa Norris

McGuire Lecturer in Comparative Politics
John F. Kennedy School of Government
Harvard University
Cambridge, MA 02138
Pippa_Norris@Harvard.edu
www.pippanorris.com

Synopsis:

Consociational theory suggests that power-sharing institutions have many important consequences, not least that they are most likely to facilitate accommodation and cooperation among leadership elites, making them most suitable for states struggling to achieve stable democracy and good governance in divided societies.

This study compares a broad cross-section of countries worldwide, including many multiethnic states, to investigate the impact of formal power-sharing institutions (PR electoral systems and federalism) on several indicators of democratic stability and good governance.

The research demonstrates three main findings: (i) worldwide, power-sharing constitutions combining PR and federalism remain relatively rare (only 13 out of 191 states); (ii) federalism was found to be unrelated to any of the indicators of good governance under comparison; and (iii) PR electoral systems, however, were positively related to some indicators of good governance, both worldwide and in multiethnic states. This provides strictly limited support for the larger claims made by consociational theory. Nevertheless, the implications for policymakers suggest that investing in basic human development is a consistently more reliable route to achieve stable democracy and good governance than constitutional design alone.

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In January 2005, the Sudanese government of President Omar al-Bashir signed a historic peace-deal with the southern rebels. This symbolized the end to the bloody civil war which has gone on almost continuously since the country achieved independence a half century ago, representing Africa's longest civil war. Since 1983, conflict and famine in Sudan, one of the most impoverished nations on earth, led to an estimated 1.5 million deaths and over four million refugees. The northern Arab Janjaweed militia has been accused of genocide, rape, and mass destruction. Given the history of Sudan, the key question is whether the signed peace settlement will be implemented successfully and, in particular, whether the power-sharing arrangements will be sufficient to limit further bloodshed.

The Sudanese settlement highlights the classic problem of designing effective constitutional arrangements that will contain community tensions, manage democratic transitions, and achieve economic development in multiethnic states. This is a critical issue of special importance for policymakers today, extending well beyond developments in Iraq and Afghanistan. Gurr estimates that internal conflict has been declining during the last decade although it remains the dominant cause of violence in the world, roughly three times the magnitude of interstate wars during the late twentieth century¹. Tensions from civil wars may also spill over national borders, drawing in surrounding states. During recent decades, internal conflicts in Angola, Sri Lanka, Colombia, Bosnia and Herzegovina, Ethiopia, Iraq, and Rwanda have claimed millions of lives, generated a flood of refugees, and caused billions of dollars worth of damage. Moreover, these wars are often more difficult to resolve through negotiations than interstate conflicts. Decisive victories by one side of the conflict are more likely to lead to durable peace than negotiated settlements².

Although not without its critics, the theory of consociationalism has dominated scholarly debates about the most appropriate institutions for peace-building and democratic transitions in deeply-divided societies³. Proponents argue that post-conflict settlements can most easily be achieved in multiethnic states where the interests of segmented communities are accommodated by formal power-sharing institutions⁴. If true, this represents an important claim that may have significant consequences. Power-sharing solutions can be regarded as, at minimum, a realistic initial settlement achieving the widest consensus among all factions engaged in post-conflict negotiations. Proponents suggest that such arrangements are also the most effective institutions for good governance. Nevertheless consociationalism has always proved controversial, including debate about the core concept, the classification of cases, and its consequences⁵. Many questions remain. Most importantly, over successive elections, in deeply divided societies, do power-sharing regimes generally serve to dampen down societal conflicts and thereby produce a durable settlement, political stability, and the conditions under which good governance flourishes? Or may they instead, as critics charge, freeze group boundaries, heighten latent ethnic identities, and provide only a temporary lull in community conflict, thereby failing to facilitate democratic consolidation?⁶

Despite widespread debate within the scholarly and policymaking communities, the empirical evidence about this issue remains far from conclusive. Small-N comparisons based on specific case-studies are unable to resolve the debate due to problems of selection bias; examples can be chosen to illustrate both consociational success (Austria, the Netherlands, South Africa) and failure (Colombia, Lebanon, Cyprus, Malaysia, Czechoslovakia, Bosnia and Herzegovina). To reexamine these matters, *Part I* briefly summarizes the core claims in the theory of consociationalism, focusing upon the seminal work of Arend Lijphart, and summarizes the expectations flowing from this argument. One reason why debate remains unresolved is the difficulty of operationalizing many of the core concepts used in consociational theory and of establishing consistent institutional categorizations and reliable comparative evidence covering a wide range of countries. *Part II* considers the most effective research strategy, the classification

of types of institutions and types of divided societies, and the most suitable indicators of good governance performance. This study adopts a large-N approach by comparing a cross-section of 155 countries around the globe, including both ethnically heterogeneous and homogeneous nations. To test Lijphart's conception of the two dimensions dividing consensus and majoritarian types of democracy, states are classified worldwide according to the electoral system used for the lower house of parliament (either proportional, combined, or majoritarian) and their territorial power-sharing structures (unitary states v. federations and decentralized unions). *Part III* uses empirical indicators derived from Kaufmann/The World Bank and Freedom House to evaluate the performance of these institutions on several selected indicators of good governance, including political stability, voice and accountability, government effectiveness, the level of contemporary democracy, and the degree of democratic consolidation. To explore this relationship in more depth, *Part IV* investigates the related proposition that power-sharing regimes are especially effective for good governance in segmented societies (defined in this study as those with high levels of linguistic fractionalization).

The conclusion in *Part V* summarizes the main findings and considers their implications for scholars and policymakers. The results suggest some modest support for certain claims made in consociational theory, notably the impact of electoral systems on democracy. Nevertheless the advantages of PR elections for good governance are far from overwhelming and the federal-unitary distinctions proved to be unrelated to the performance indicators. As discussed fully elsewhere, political institutions still matter in many important regards, such as the impact of electoral systems on party competition, electoral proportionality, and political representation⁷. But the evidence reviewed here suggests that, contrary to the core claim about consensus democracy, power-sharing arrangements are not automatically better for encouraging political stability, voice and accountability, and government effectiveness in plural societies. The broader lessons for domestic policymakers and for the international community is that focusing upon encouraging the underlying conditions conducive for the development of human capital and economic growth, for example by investing in schools, basic health care, fair trade, and debt relief, is probably a more reliable route towards good governance rather than relying upon faith in constitutional design alone.

I: The core claims in consociational theory

Many scholars have advanced the thesis that power-sharing regimes encourage group cooperation (at best), and avoid outright ethnic rebellion (at worst), in plural societies divided into distinct linguistic, religious, nationalistic, and/or cultural communities. The theory of consociationalism was originally developed in the late-1960s and early-1970s to explain stability in a few deeply-divided European democracies, including Austria, Belgium and the Netherlands, and the scope of this idea was subsequently widened considerably to cover several transitional and consolidating democracies, including the Lebanon, South Africa, and Malaysia. The concept was developed by several writers, including Gerhard Lehmbruch, Jorg Steiner, and Hans Daalder⁸. The seminal political scientist, however, and the scholar who has continued to be most closely associated with developing and advocating the concept throughout his lifetime, is Arend Lijphart⁹.

Consociationalism is designed to produce a stable political system due to elite cooperation despite social segmentation. In his early work, Lijphart identified four characteristics of '*consociational*' constitutions as an ideal-type: *executive power-sharing* among a 'grand coalition' of political leaders drawn from all significant segments of society; a *minority veto* in government decision-making, requiring mutual agreement among all parties in the executive; *proportional representation* of major groups in elected and appointed office; and a high degree of *cultural autonomy* for groups¹⁰. These arrangements are thought to have several benefits over majority rule, generating 'kinder, gentler' governance with more inclusive processes of decision-

making, more egalitarian policy outcomes, and better economic performance¹¹. But the potential advantages of power-sharing institutions are nowhere more important for good governance, it is suggested, than in segmented societies which lack cross-cutting cleavages. In the most heterogeneous societies, Lijphart argues, *“Majority rule spells majority dictatorship and civil strife rather than democracy. What such regimes need is a democratic regime that emphasizes consensus instead of opposition, that includes rather than excludes, and that tries to maximize the size of the ruling majority instead of being satisfied with a bare majority.”*¹²

The theory of consociationalism emphasizes the importance of governing incentives which work through a ‘top-down’ two-stage process. First, power-sharing arrangements are thought to mitigate conflict among leadership elites. *“Consociational democracy means government by elite cartel designed to turn a democracy with a fragmented political culture into a stable democracy.”*¹³ These arrangements are designed to maximize the number of ‘stakeholders’ who share an interest in playing by the rules of the game. This process is exemplified by proportional electoral systems with low vote thresholds which usually produce multiparty parliaments, with many minor parties each representing distinct segmented communities. In this context, party leaders have an incentive to bargain and collaborate with other factions in parliament in order to gain office in governing coalitions. Executive power-sharing is theorized to temper extreme demands and dampen expressions of ethnic intolerance among elites. In segmented societies, the leaders of all significant factions at the time of the settlement are guaranteed a stake in national or regional governments. This is thought to provide a strong enticement for politicians to accept the legitimacy of the rules of the game, to moderate their demands, and to collaborate with rivals. By making all significant players stakeholders, it is hoped that they will not walk away from constitutional agreements.

In turn, to preserve their position in government, in the second stage of the process community leaders are thought to promote conciliation among their followers and to encourage acceptance of the settlement. Under these arrangements, each distinct religious, linguistic or nationalistic community, it is argued, will feel that their voice counts and the rules of the game are fair and legitimate, as their leaders are in a position to express their concerns and protect their interests within the legislature and within government.

Lijphart argues that consensus democracies have many advantages. Where parties and politicians representing diverse ethnic communities are included in the governing process, Lijphart theorizes that segmented societies will more peacefully coexist within the common borders of a single nation-state. In this claim, Lijphart cites the conclusions drawn from early work by Arthur Clark on the failure of Westminster-style democracy when it was exported to post-colonial West African states¹⁴. For more systematic evidence, Lijphart shows that, with any prior controls, there were significantly fewer violent riots and political deaths recorded in consensus than majoritarian democracies (measured by the executive-parties dimension)¹⁵. Consensus democracies, Lijphart suggests, also have many other benefits, notably in the quality of democracy (for example in terms of women’s parliamentary representation, in generating greater party competition, in higher voting turnout, and in greater satisfaction with democracy), as well as by generating more successful macro-economic management (in terms of the record of inflation, unemployment, and economic inequality)¹⁶. As Bogaards notes, in making this argument, the description and classification of consociational institutions evolves in Lijphart’s work into normative prescriptions of the best type of regime for divided societies¹⁷.

There are arguments about which cases fit this ideal type but the classic exemplars among established democracies are agreed to include the Netherlands, Belgium, and Austria, (and possibly Switzerland)¹⁸, all plural societies containing distinct ethnic communities divided by language, religion, and region, with constitutions characterized by multiple veto-points and extensive power-sharing. Nor is this simply a system that only works for affluent European

nations; Lijphart also highlights equivalent cases in many developing societies which are deeply segmented, including South Africa since 1994, India since 1947, Lebanon from 1943 to 1975, and Malaysia from 1955 to 1969. Colombia, Czechoslovakia (from 1989-1993) and Cyprus (from 1960-1963) are other potential cases, along with the European Union and Northern Ireland.

The power-sharing model was originally established as an alternative to 'Westminster'-style majoritarian or power-concentrating political systems, characterized by unitary states and majoritarian-plurality elections. Consociationalism claims that winner-take-all regimes are more prone to generate adversarial politics in a zero-sum power game. Even critics would not dispute that majoritarian democracies can work well under certain conditions; in relatively homogeneous societies, as well as in cultures characterized by deep reservoirs of interpersonal trust and social tolerance, and in stable democracies where there is the expectation of regular alternation among the main parties in government and opposition, such as in Australia. In this context, losing factions in one contest will accept the outcome of any single election as fair and reasonable because they trust that, in due course, a regular swing-of-the-pendulum will eventually return them to power in subsequent elections. But these conditions are absent in societies with a legacy of bitter and bloody civil wars, factional strife, or inter-community violence, and in transitional post-authoritarian states, such as Iraq, with little or no experience of electoral democracy. In Iraq, for example, if elections were to be held under majoritarian rules, since the minority Sunni community feels threatened by the hegemonic Shi'a Muslim population, government decision-making concentrated in the hands of the winning majority would be vulnerable to collapse under pressures from inter-ethnic rivalries and insecurities. Where minority groups are persistently excluded from office in the legislature or in government, majoritarian systems provide fewer or no governing incentives for community leaders to compromise their demands, to adopt conciliatory tactics, and to accept the legitimacy of the outcome. These problems can be exemplified by, for example, outbreaks of sectarian violence and the lack of sustained progress towards democracy evident in Kenya, Nigeria, and Zimbabwe¹⁹. The worst-case scenario of ethnic conflict, ultimately leading to genocide, is illustrated by Burundi's 1993 election held under majoritarian rules, where Sisk suggests that the fears of the minority Tutsi were exacerbated by the ascendance to power of a party representing the more populous Hutu²⁰. Majoritarian regimes fail to incorporate minorities into government, encouraging excluded communities to resort to alternative channels to express their demands, ranging from violent protest to outright rebellion and state failure.

Lijphart emphasizes that power-sharing solutions are not only best for creating a durable long-term accommodation of cultural differences; in reality these are the only conditions which are broadly acceptable when negotiating any post-conflict settlement. Considerable uncertainty surrounds the outcome of any new constitutional agreement. Majoritarian rules of the game raise the stakes: some will win more, others will lose more. The risks are therefore higher; if one faction temporarily gains all the reins of government power, few or no effective safeguards may prevent them from manipulating the rules to exclude rivals from power on a permanent basis. Established democracies have developed deep reservoirs of social trust and tolerance which facilitate the give-and-take bargaining, compromise, and conciliation characteristic of normal party politics. Yet trust is one of the first casualties of societal wars. Under majoritarian rules, without any guarantees of a regular swing of the electoral pendulum between government and opposition parties, losing factions face (at best) certain limits to their power, potential threats to their security, and (at worst), possible risks to their existence. For all these reasons, Lijphart argues that the only realistic type of settlement capable of attracting agreement among all factions in post-conflict societies are power-sharing regimes which avoid the dangers of winner-take-all outcomes. Nevertheless in the longer term these institutions may produce certain undesirable consequences for good governance, including the potential dangers of policy-stalemate and deadlock in the executive, and the lack of party competition and accountability in the legislature, while federalism is accompanied by the dangers of secession.

II: Research design, classificatory framework, and good governance indicators

It is important to test the evidence for and against consociational claims, both for scholarly understanding, and also to help policymakers evaluate the most appropriate constitutional design and peace-building processes suitable for many types of plural societies and transitional democracies. Post-conflict settlements have differed in their priorities; Afghanistan, for example, recently selected a majoritarian electoral system (SNTV) with provincial constituencies for the lower house (Wolesi Jirga) and the Second Ballot system for the Presidential election (Second Ballot). By contrast, the Iraqi Transitional National Assembly is elected using proportional representation (party lists with a Hare quota) in a single national constituency. Several approaches to analyzing the evidence have been used in the previous literature, including in-depth treatment of selected national case-studies, historical-institutional accounts of political development in particular countries, comparative approaches based on analyzing a subset of democracies (Lijphart) or minorities at risk (Gurr), and analogies drawn with the experience of the legislative under-representation of women. Unfortunately the results from these studies remain inconclusive and inconsistent, due to certain common limitations and flaws.

Small-N national case-studies have often been discussed to illustrate the pros and cons of power-sharing regimes. Yet by itself this approach fails to resolve the debate, since selection bias means that different cases can be cited on both sides. Lijphart points to successful examples of ethnic power-sharing in plural societies as diverse as Belgium, India, Switzerland, and South Africa. Yet, as he acknowledges, there are also well-known 'failed' cases²¹. The breakdown of consociational democracy is exemplified most clearly in the Lebanon, where the 1943 National Pact divided power among the major religious communities, a system which collapsed in 1975 when civil war erupted. Other notable cases of malfunction include the consociational system in Cyprus, prior to civil war in 1963 and subsequent partition between the Greek and Turkish communities disrupted these arrangements. Another potential failure concerns the intricate consociational arrangements for power-sharing along ethnic lines developed in the new constitution for Bosnia and Herzegovina set up by the Dayton Agreement²². Czechoslovakia also experimented with these arrangements briefly in 1989 to 1993, before the 'velvet revolution' produced succession. Consensus democracy may not be the root cause of problems experienced by these states; nevertheless these examples temper strong claims that these arrangements, by themselves, are *sufficient* for managing ethnic conflict. Moreover it is also not clear whether consensus democracy is *necessary* for political stability in divided societies; we can also identify certain contemporary examples of newer democracies in plural societies with majoritarian arrangements, including Mali and Botswana, which are classified by Freedom House as relatively successful at consolidating political rights and civil liberties, compared with many equivalent African nations²³.

Historical analysis of political developments within particular countries provides another common way to examine changes in the degree and severity of ethnic conflict. This is perhaps most effective with occasional 'natural experiments' allowing researchers to utilize 'before' and 'after' studies of the impact when institutions change. This approach is illustrated by comparison of the representation of the Maori community in New Zealand when the electoral system moved from majoritarian single-member districts to a combined system (Mixed Member Proportional)²⁴, the impact of varying degrees of regional autonomy on conflict in the Basque, Catalan and Galician region²⁵, evaluations of the impact of constitutional reforms in Belgium²⁶, and by monitoring changes in national identity in the UK following the establishment of the Scottish Parliament and Welsh Assembly²⁷. But in these natural experiments much else often changes simultaneously alongside these institutions, for example successive elections often produce shifts in patterns of party competition and in the composition of the governing coalition, making it

difficult to isolate the specific impact of constitutional changes on the strength of ethnic identities, the degree of political stability, or patterns of multi-ethnic cooperation at community level.

The selection of particular case-studies and the analysis of historical developments are therefore approaches unlikely to provide definitive answers and more systematic analysis is required. In any such studies, however, the reliability and meaning of the results is heavily dependent upon the selection of the most appropriate cases. Lijphart's work provides the most extensive attempt to operationalize and measure 'consensus' democracies – defined in terms of their institutional characteristics²⁸. Lijphart classified three-dozen 'long-term democracies', defined as those states which had been democratic from 1977 to 1996, in terms of ten institutions and then compared their performance. Unfortunately by committing the sin of 'selecting on the dependent variable', this comparative framework is inherently flawed for any analysis of patterns of political stability and democratic consolidation. The universe excludes comparison of unstable states, whether they subsequently failed in violent internal wars (the Lebanon, Yugoslavia, Cyprus), experienced a coup d'état (The Gambia, Fiji), split with peaceful succession (Czechoslovakia), or simply gradually become more repressive and authoritarian (Russia, The Maldives, Bhutan, Egypt, Liberia)²⁹.

Potential flaws also surround the comparative framework derived from the Minorities at Risk (MAR) project. Initiated by Ted Robert Gurr, this project compares politically-active communal groups³⁰. The dataset has been widely used in the literature on ethnic conflict, including incidents of non-violent protest, violent protest, and political rebellion (the latter ranging from sporadic acts of terrorism to cases of protracted civil war). For example, Frank Cohen employed this data to compare patterns of behavior among 233 ethnic groups in 100 countries. The study concluded that both federalism and PR electoral systems were significantly related to lower levels of rebellion by ethnic groups, confirming that consensus democracies are more effective at managing ethnic conflict. Nevertheless, the comparison of 'minorities at risk' remains problematic for this task. 'Minorities at risk' are defined by the codebook as an ethno-political group that either (i) "collectively suffers, or benefits from, systematic discriminatory treatment vis-à-vis other groups in a society"; and/or "collectively mobilizes in defense or promotion of its self-defined interests."³¹ Religious, linguistic, and regional minorities are therefore systematically excluded from the dataset if they are successfully integrated or assimilated into society so that they do not organize separately as a political association. Multiple cleavages exist in society, but MAR only recognizes those which become politically salient. For example, the traditional deep division between Catholics and Protestants remains critical to Northern Ireland politics, but elsewhere in Britain, although many people continue to express a religious affiliation, the political difference between Protestants and Catholics gradually faded during the twentieth century as a salient electoral cue. Unfortunately, therefore, the MAR data also suffers from serious problems of selection bias, by monitoring contemporary cases of ethnic conflict, but excluding the most successful cases of ethnic accommodation, where minorities have been politically integrated or assimilated into the majority population.

Rather than examining direct indicators, an alternative strategy seeks to generalize by analogies with the experience of the proportion of women in elected office, where this is regarded as a proxy indicator of 'minority' representation in general³². Certainly both women and ethnic minorities are commonly some of the most under-represented groups in legislative office in most established democracies³³. Considerable body of evidence has also now accumulated suggesting that female representation is commonly greater under PR party lists compared with majoritarian electoral systems³⁴. But is it legitimate to generalize from the representation of women to the representation of ethnic minorities? In fact, there are many reasons why this strategy may prove seriously flawed. After reviewing the literature, Bird concludes that substantial differences exist in the reasons underlying the under-representation of women and ethnic minorities³⁵. In particular,

concentrated ethnic communities are clustered geographically within certain areas, allowing territorial groups to make local gains in particular constituencies within majoritarian electoral systems, even in heterogeneous plural societies, for example African-Americans in New York city, Detroit, or Los Angeles. By contrast, the male-to-female ratio in the population is usually fairly uniformly distributed across different electoral constituencies. Htun also points out that the use of positive action strategies often differ substantially in the opportunities they provide for women and ethnic minorities³⁶. Statutory gender quotas mandating the minimum proportion of women that parties adopt as legislative candidates are common in many established democracies, for example, although none of these nations have adopted similar quota laws to compensate for the under-representation of ethnic minority candidates. By contrast, reserved seats are more often used for ethnic minorities, including guaranteeing their inclusion in legislatures through the creation of separate electoral rolls, the allocation of special electoral districts, or provisions for direct appointment to the legislature. For all these reasons, direct comparisons of women and ethnic minority representation are a flawed research strategy, and alternative approaches are needed to explore the cross-national evidence on a more systematic basis.

Classifying power-sharing and power-concentrating regimes

What are the core institutions at the heart of consociationalism? In practice, executive power-sharing can take many institutional forms, making the ideal-type notoriously difficult to test empirically; for example it may involve a coalition of ethnic parties in Cabinet (as in South Africa), the allocation of ministerial portfolios based on explicit recognition of major religious or linguistic groups (as in Belgium), a presidency made up of a committee of three representing each nation, with a rotating chair (as in Bosnia and Herzegovina), or (as is the Lebanon) the division of the presidency (Maronite Christian), prime minister (Sunni Muslim) and Speaker (Shi'a Muslim). Other arrangements used to secure the election of minorities to the legislature, even within majoritarian electoral systems, include reserved seats (used in New Zealand), over-representation of minority districts (such as smaller electoral quota used for Scottish constituencies at Westminster), and minority redistricting (exemplified in the United States). Territorial autonomy can also take multiple complex forms, with the powers and responsibilities for services such as education, taxation and domestic security divided among multiple layers of government and administrative units.

In *Democracies and Patterns of Democracy*, Lijphart refined and built upon his earlier work in the attempt to operationalize consociationalism as an ideal type and to classify established democracies into two categories: 'consensus' (power-sharing) or 'majoritarian' (power-concentrating) democracies³⁷. The major institutions are understood to cluster into two main dimensions. The '*parties-executive*' dimension for consensus democracies rests on the existence of proportional representation elections, multiparty competition, coalition governments, executive-legislative balance, and interest group corporatism. The '*federal-unitary*' dimension for consensus democracies includes federalism and decentralization, balanced bicameralism, constitutional rigidity, judicial review, and central bank independence. Rather than attempting to test the impact all the institutions of consensus democracy, within the limits of an article this study focuses upon comparing the impact of two of the most important pillars, namely proportional representation electoral systems (leading, in turn, towards multiparty legislatures and coalition governments) and also federalism (leading towards regional autonomy and the protection of minority rights for territorial groups). It remains possible that some other institutions associated with consensus democracy may also reduce ethnic conflict, for example the existence of minority rights guaranteed by a written constitution, but it seems unlikely that, by themselves, these arrangements would have a stronger impact than executive power-sharing and territorial autonomy.

Electoral systems

Electoral systems are selected for analysis as they represent perhaps the most powerful instrument which underpins consensus democracies, with far-reaching consequences for party systems, the composition of legislatures, and the durability of democratic arrangements³⁸. As is well-known, majoritarian electoral systems systematically exaggerate the parliamentary lead for the party in first place, to secure a decisive outcome and to maximize the accountability of governing parties, thereby reducing the role and influence of smaller parties. By contrast, proportional representation electoral systems systematically lower the hurdles for smaller parties, maximizing their inclusion into the legislature and ultimately into coalition executives³⁹. Consociational theory claims that PR electoral systems are most suitable for multiethnic societies since they usually produce multiparty systems, which in turn is closely associated with more inclusive legislatures, coalition cabinets, and executive-legislative balance of powers.

Yet the consociational claim that PR is most suitable for deeply-divided societies remains contentious⁴⁰. Donald Horowitz developed one of the strongest critiques in arguing that the lower vote thresholds characteristic of proportional representation electoral systems provide parties and politicians with minimal motivation to appeal for voting support outside of their own community⁴¹. In this context, in deeply divided societies, leaders may use populist rhetoric to exploit, and thereby heighten, social tensions, ethnic hatred, and the politics of fear. Indeed, moderate leaders who seek to cooperate across ethnic lines may find that they lose power to counter-elites who regard any compromise as a 'sell-out'. By failing to provide leaders with an effective electoral incentive for cross-group cooperation, Horowitz suggests that in the longer term PR may serve to institutionalize and thereby reinforce ethnic tensions in society, generating greater political instability, rather than managing and accommodating communal differences.

The clearest illustration of these dangers can be found in the case of the post-Dayton power-sharing arrangements introduced to govern Bosnia and Herzegovina. The division of government among the Bosniacs, Croats or Serbs was implemented with an intricate set of constitutional arrangements balanced at every level. Proportional elections for the lower house were held in 1996 where the major leaders of each community mobilized support within each of the three national areas by emphasizing radical sectarian appeals, and electors cast ballots strictly along ethnic lines. Studies suggest that after Dayton, subsequent population shifts led to fewer multiethnic communities, not more⁴². In this perspective, power-sharing arrangements based on formal recognition of linguistic or religious groups may magnify the political salience of communal identities, by institutionalizing these cleavages and by providing electoral incentives for politicians and parties to heighten appeals based on distinct ethnic identities. Hence Snyder presents a strong argument that in the early stages of democratization, weak politicians may decide to fan the flames of ethnic hatred and nationalism to build popular support: *"Purported solutions to ethnic conflict that take predemocratic identities as fixed, such as partition, ethnofederalism, ethnic powersharing, and the granting of group rights, may needlessly lock in mutually exclusive, inimical national identities. In contrast, creating an institutional setting for democratization that de-emphasizes ethnicity might turn these identities towards more inclusive, civic self-conceptions."*⁴³ In this perspective, explicit recognition of ethnic rights may therefore make it more difficult, not easier, to generate cross-cutting cooperation in society, by reducing the electoral incentives for elite compromise. PR electoral systems, in particular, lower the vote threshold to electoral office; as a result parties and politicians may be returned to power based on electoral support from one religious or linguistic minority community, rather than having to appeal to many segments of the broader electorate.

By contrast, Horowitz theorizes that the higher vote thresholds characteristic of electoral rules where the winner needs to gain an absolute majority of the vote (50%+1) gives politicians and parties a strong incentive to seek popular support (vote-pooling) across groups. Both the Alternative Vote (also known as the Preferential Vote or 'instant runoff', used for the Australian House of Representatives) and the Second Ballot (used for many presidential elections, such as in France) require parties and candidates to win an absolute majority of the votes, so politicians must seek support among a broad cross-section of the electorate. Majoritarian electoral systems are thought to encourage 'bridging' cross-identity appeals, targeting rich and poor, women and men, as well as diverse ethnic communities⁴⁴. More moderate electoral appeals should thereby foster and encourage the cultural values of social tolerance, accommodation, and cooperation in society. Along similar lines, Ben Reilly argues that the Alternative Vote electoral system is more effective at providing incentives for parties and politicians to seek multiethnic votes, generating moderating compromises with members of other communities for the sake of electoral success⁴⁵. Nevertheless few countries have adopted Alternative Vote electoral system, and when this system was used in Fiji it failed spectacularly in the May 2000 coup led by George Speight⁴⁶. Barkan also suggests that in agrarian African societies, PR often does not produce electoral results that are significantly more inclusive than majoritarian elections with single-member districts⁴⁷. Moreover, he suggests that under PR multimember constituencies, the weaker links connecting citizens with elected members, and the loss of constituency service and public accountability of elected officials, reduces the prospects for long-term democratic consolidation in Africa.

[Table 1 about here]

For the analysis in this study, worldwide, excluding dependent territories, we can compare the electoral system for the lower house of parliament in 191 independent nation states. The core typology is summarized in Table 1 and the classification of nations is listed in detail in Appendix A. Of these nations, seven authoritarian regimes currently lack a working, directly elected parliament, including Saudi Arabia, Brunei, and Libya, while in a few states the electoral arrangements are currently in transition, including in Afghanistan. Electoral systems for the remaining countries were categorized into three major families, each including a number of sub-categories. *Majoritarian formulas* include First-Past-the-Post, Second Ballot, the Block vote, the Single Non-Transferable Vote, and the Alternative Vote⁴⁸. Majoritarian electoral systems are designed to create a 'natural' or a 'manufactured' majority, that is, to produce an effective one-party government with a working parliamentary majority while simultaneously penalizing minor parties, especially those with spatially dispersed support. In 'winner-take-all' elections, the leading party boosts its legislative base, while the trailing parties get meager rewards. The design aims to concentrate legislative power in the hands of a single-party government, not to generate parliamentary representation of all minority views. In the comparison, 73 nations used majoritarian electoral systems for the lower house. By contrast, proportional representation electoral systems focus on the inclusion of all voices, emphasizing the need for bargaining and compromise within parliament, government, and the policymaking process. *Proportional formulas* are defined to include Party List as well as the Single Transferable Vote systems. The basic principle of proportional representation (PR) is that parliamentary seats are allocated according to the proportion of votes cast for each party. The main variations concern the use of open or closed lists of candidates, the formula for translating votes into seats, the level of the electoral threshold, and the size of the district magnitude. In the comparison, 67 nations used proportional formula. Lastly '*combined*' formulas (otherwise known as 'mixed', 'dual', 'hybrid' or 'side-by-side' systems) are those where both proportional and majoritarian electoral formula are employed in the same contest. An increasing number of countries, including Italy, New Zealand, and Russia, use such 'combined' systems although with a variety of alternative designs. In this regard we follow Massicotte and Blais in classifying 'combined' systems according to their mechanics, not by their

outcome⁴⁹. Combined formulas were used by 37 nations under comparison. The electoral system currently used for the lower house of the legislature was identified based on the 2nd edition of the *International IDEA Handbook of Electoral System Design*⁵⁰.

Federalism and Decentralization

Consociational theory also emphasizes that federalism -- the territorial sharing of power -- is invaluable for group autonomy in plural societies, where ethno-linguistic or ethno-religious communities are geographically-concentrated and where the administrative boundaries for political units are drawn to reflect the distribution of ethnic populations. Federations and decentralized unions, and also local government decentralization, allow spatially-concentrated communities considerable freedom to manage their own affairs and to protect minority rights, for example over education or language policy. Certain well-known cases can be regarded as exemplifying the success of federations in established democracies and plural nations, notably Switzerland, Canada, India, and the United States. Lijphart is far from alone in emphasizing the importance of federations for stability: for example, when comparing data from the Minorities at Risk project, Bermeo concludes that armed rebellions are three times more common among groups living in unitary than in federal states, while these groups also experience lower levels of discrimination and grievances⁵¹. Alf Stephan is also a strong proponent of this form of government, suggesting that plural societies such as the Russian Federation, Indonesia, and Burma/Myanmar will never become stable consolidated democracies without workable federal systems⁵². In addition, Tedd Gurr has advocated power-sharing arrangements and group autonomy as a solution to deep-rooted ethnic conflict and civil wars⁵³.

Critics, however, highlight certain other federations which point in a contrary direction, including the cases of persistent violence and continued conflict in the Russian Federation (in Chechnya), in the Basque region of Spain, in India (Kashmir), Nigeria, and Sudan. Federations which disintegrated, whether peacefully or violently, include the West Indies (1962), Pakistan (1971), Czechoslovakia (1992), the USSR (1991), most of the constituent units in the Federal Republic of Yugoslavia (1991), and the expulsion of Singapore from Malaysia (1965). The creation of federal structures can generate a dynamic unraveling of the nation-state in which demands for increased autonomy lead eventually towards succession⁵⁴. Watts suggests that extreme disparities in the population, size, or wealth of constituent units have contributed towards stress in the system, along with the special problems facing bi-communal two-unit federations (such as Bangladesh's succession from Pakistan in 1971) and the peaceful 'velvet revolution' divorcing Slovakia and the Czech Republic. Henry Hale suggests that where federal borders are drawn along ethnic lines, this encourages local politicians to 'play the ethnic card' when seeking popularity. This process, he argues, heightens and reinforces ethnic identities in the electorate, generating stronger intra-ethnic rivalries, and destabilizing fledgling democracies, rather than rewarding politicians who seek to resolve or accommodate group differences⁵⁵. Cross-cutting cleavages, by contrast, moderate the sharpness of internal divisions, exemplified by Switzerland. States which possess a single core federal region which enjoys dramatic superiority in population, such as in Nigeria and Russia, have been found by Hale to be particularly vulnerable to collapse⁵⁶. Eric Nordlinger also excludes federalism from his recommended conflict-regulating practices in divided societies, because it may result in the break up of the state⁵⁷. Some researchers attribute the dramatic collapse of the USSR, Yugoslavia, and Czechoslovakia, at least in part, to federal arrangements, on the grounds that new post-Communist democracies with federal structures are more vulnerable to secessionist pressures⁵⁸. Mozaffar and Scarritt have argued that in Africa, due to the dispersion of multiethnic communities, territorial autonomy does not work well as a way of managing ethnic conflict⁵⁹. In this perspective, institutional arrangements which facilitate territorial autonomy in states or provinces may reinforce ethnic

differences and provide resources for leaders who play the 'nationalist' card, thereby promoting ethnic intolerance, and even in extreme cases nationalist succession, partition, or state failure.

It is difficult to classify states since there is no single model of a federal political system which is applicable to every society. Federal systems vary in how far decision-making power and administrative responsibilities are dispersed among administrative levels (local, state, or provincial, and central government). Moreover powers are not necessarily stable, and they may shift among levels of government. For this study, constitutions are classified as 'federal' if states currently have either a federation or a decentralized union. Following Watts, a federation is understood here as compound polities where the directly-elected constituent units each possess separate constitutional powers⁶⁰. The constituent units are usually territorially-defined geographic regions, such as Nigerian states, German *Länder*, and Canadian provinces, but the sub-national units may be non-territorial bodies, for example three cultural councils in Belgium and the Aboriginal organizations in Canada. Where ethnic groups are geographically dispersed, Lijphart suggests that there should still be administrative decentralization, for example allowing minorities to manage sensitive cultural areas such as education through running their own schools.

In addition to federations, this study also compares the impact of decentralized unions, defined as states where there are some independent powers for certain constituent units but power is exercised through the common organs of the central government, rather than through dual structures. Decentralized unions are exemplified by the United Kingdom, constituting Wales, Scotland, England, and Northern Ireland, as well as five self-governing islands, including Jersey, Guernsey, and the Isle of Man. China, Ukraine, and Namibia also fall into this category. Other variants found worldwide which are not classified by this study include federacies (such as Greenland), confederations (the Benelux Union), and hybrid arrangements such as associated statehood (France-Monaco, India-Bhutan)⁶¹. Federal systems vary in how far legislative, decision-making, and administrative responsibilities are dispersed among different levels (local, state, or provincial, and central government), as well as whether power is also dispersed among branches of national government (the executive, the legislature, and the judiciary). Most federations have bicameral legislatures, and in many of these cases the second chamber includes regional representatives drawn from provinces or states, exemplified by the role of the Bundesrat in Germany. Constituent units may be equally weighted in the second chamber (as in the United States and Australian senates), or there may be some effort to weight representation in favor of smaller regions or national minorities. By contrast, unitary or centralized states have a clear hierarchy in decision-making where the national government controls the major areas of policymaking and the role of sub-national administrative units is largely constrained to implementing directives and executing policy from the center. The global comparison by Watts noted that in the late-1990s, out of approximately 180 nation-states, about 24 were federations while another 21 nations were decentralized unions. Since some of the most populous states are federations -- including the United States, Canada, Germany, Nigeria, Brazil, India, Russia, and Indonesia -- about 40% of the world's population lives under this system of government. To compare countries, federations and decentralized unions were classified into one category as federal states, while all other nations were classified as unitary states, based on information contained in Watts and in Banks et al⁶².

It should also be noted that decentralization of local government is regarded in this study as a distinct dimension; there can be federal systems where power is shared between two main regions, which may have little decision-making among lower levels of government. Alternatively unitary states such as Norway have considerable decentralization of policymaking decisions among sub-national levels such as county/state, local, and municipal governments, including financial, administrative, and political forms of decentralization. The political form of decentralization can be regarded as particularly important for the management of tensions among

local ethnic communities, by facilitating the inclusion of leaders drawn from ethnic minorities through municipal and state elections, for example in England the election of representatives from the Bangladeshi, Pakistani, Indian, and Afro-Caribbean communities in cities such as Birmingham, Bradford, Leeds, and London. Through decentralization, ethnic communities can protect their rights and defend their interests in local areas, including determining decisions about issues such as education and culture, even in unitary states. Nevertheless this dimension is not examined here as local government decentralization is not emphasized as a central component in consociational theory, and moreover in practice there are few reliable measures of political decentralization which are available for analysis⁶³.

Clearly there are important questions which are difficult to resolve using cross-sectional comparisons about the endogeneity of political institutions. Institutions are usually regarded as stable and enduring phenomenon. '*Formal*' electoral rules are understood here as the legislative framework governing constitutions, as embodied in official documents, constitutional conventions, legal statutes, codes of conduct, and administrative procedures, authorized by law and enforceable by courts. It is neither necessary nor sufficient for rules to be embodied in the legal system to be effective; social norms, informal patterns of behavior, and social sanctions also create shared mutual expectations among political actors. Nevertheless we focus here upon the *formal* rules as most attention in the literature on electoral engineering has emphasized these as core instruments of public policy⁶⁴. The key distinction is that formal rules are open to amendment by the political process, whether by legislation, executive order, constitutional revision, judicial judgment, or bureaucratic decree. Although there is a 'gray' over-lapping area, by contrast most social norms are altered gradually by informal processes such as social pressures, media campaigns, and cultural value shifts located outside of the formal policy arena.

The problem of endogeneity is least serious with established democracies which have not altered their basic constitutional arrangements for many decades, perhaps for more than a century, even if there are a series of more minor adjustments in electoral procedures⁶⁵. In this regard, institutions can be regarded as durable constraints influencing patterns of political behavior and social attitudes. It arises with greater urgency in established democracies which have experienced more fundamental reforms, such as devolution in Scotland and Wales, decentralization in Catalan and Galicia, and electoral reform towards combined systems in New Zealand and Italy. Here the conventional story suggests, for example in Scotland, that growing nationalist identities in the post-war era led gradually towards the creation of the Scottish Parliament in 1999, but that in a reciprocal effect, devolution has also served to slightly strengthen Scottish identities⁶⁶. The problem of treating political institutions as endogenous to good governance and to social cleavages is most acute in countries with more recent experience of fundamental constitutional and social change. Plural societies engaging many parties and factions in peace-negotiations, for example, are probably more likely to adopt PR electoral systems and federal power-sharing, since this makes establishing agreement easier among multiple participants, for all the reasons discussed earlier. Given their recent history and experience of internal conflict, some countries using power-sharing may therefore have a far worse record of political stability and internal conflict which spills over into contemporary politics, in comparison with homogeneous societies which adopted power-concentrating rules. Nevertheless the reasons why countries select one or another constitutional arrangement remain poorly understood, often a 'mixed scanning' approach seems to be adopted with just a few constitutional options under consideration, and rational calculations about the potential consequences of these choices are only part of this process. Countries continue to reflect an imprint from their past colonial histories; for example about 60% of ex-British countries adopted First-Past-the-Post for the lower house of parliament, while about the same proportion of ex-Spanish colonies adopted PR⁶⁷. Cultural proximity, influential models, and learning across national borders are also part of the process, as illustrated by the way that so many Latin

American countries adopted presidential executives while Central European states were more likely to adopt parliamentary systems. For all these reasons, formal power-sharing institutions are regarded here as independent or exogenous to the performance of good governance.

To summarize, based on this classification, power-sharing regimes are defined in this analysis as those states which combine proportional representation electoral systems with federations or decentralized unions. By contrast, power-concentrating regimes are those which combine majoritarian electoral system with unitary states. Other states are classified as 'mixed' for the purposes of this study. Table 1 summarizes the contemporary distribution of states worldwide based on this classification and Appendix A list states according to these criteria. The results show that in fact power-sharing regimes are not that common; out of 191 nation states around the world, only 13 fall into this category. This includes the classic exemplars of Austria, Belgium, the Netherlands and Switzerland, but also newer democracies such as Brazil, Argentina, Indonesia, South Africa, and Namibia. There are far more power-concentrating systems, representing 53 out of 191 nation-states worldwide (28%). The countries within this category are also diverse in their cultural region, level of economic development, and political histories. Many of the ex-British colonies and smaller island states fall into this category, such as the Bahamas, Barbados and Jamaica, but this also contains many other nations, whether in the Middle East, Africa, Asia or the Pacific, with the exception of post-Communist Central European states which are strikingly absent. It should be noted in passing that the classic Westminster system of the United Kingdom is no longer categorized as a power-concentrating system, due to its classification following devolution as a decentralized union.

Performance indicators of good governance and democratic consolidation

One difficulty with measuring the quality of 'good governance' is that many indicators depend heavily upon prior normative assumptions about the role of government and the appropriate output of public goods, about which there is little consensus between liberals and conservatives, for example whether the state should actively regulate business or follow more laissez faire policies, whether the size of the public sector should be large or small, and whether it should protect property rights or seek more actively to redistribute income. To avoid these problems, this study selected five indicators which are more ideologically neutral, which relate more directly to processes of governance rather than to public policy outputs, and which are relevant for the core claims in consociational theory. Three of the dependent variables used in this study, the selected performance indicators monitoring political stability, voice and accountability, and government effectiveness, were drawn from Kaufmann, Kray, and Zoido-Lobaton's work for the World Bank⁶⁸. The indicator monitoring political stability and violence is designed to measure perceptions of the likelihood that the government in power will be destabilized or otherwise overthrown by unconstitutional and/or violent means. Their measure of 'voice and accountability' was also included in the comparison, on the groups that power-sharing regimes are meant to widen participatory opportunities and to be more inclusive. Moreover their indicator of government effectiveness was also used for the analysis; critics of power-sharing institutions often suggest that they are less effective at the decision-making and implementation stages of the policy process, although Lijphart argue that they are more effective at delivering public services and at economic performance⁶⁹. Data in the World Bank indicators is derived from several sources. The measure of political stability includes, for example, Standard and Poor's DRI/McGraw Hill Country Risk Review estimating perceptions of the risk of a major urban riot, major insurgence or rebellion, military coup, act of political terrorism, political assassination, or civil war. The indicator also uses similar estimate of the perceived risk of armed conflict, war, social unrest, terrorist threat or violence, and other forms of political instability from sources such as the Economist Intelligence Unit, the Political Risk Services International Country Risk Guide, and the World Bank/University of Basel. Each of these sources, in turn, uses polls of experts and

country analysts, or cross-country surveys of business leaders or the general public. The most recent indicators were selected, drawn from the 2002 dataset.

This study also compares two indicators measuring the performance of regimes on democracy. Recent years have seen increasingly sophisticated attempts to develop effective measures of a society's level of democracy and democratic consolidation. These indicators range from minimalist definitions, such as the dichotomous classification into democracies and autocracies used by Przeworski et al., through multidimensional scales used by the Kaufmann/World Bank to rank levels of corruption, stability, and rule of law, to immensely rich and detailed qualitative 'democratic audits' conducted by International IDEA in just a few countries⁷⁰. Alternative summary indices emphasize different components, and all measures suffer from certain conceptual or methodological limitations in their reliability, consistency, and validity. Nevertheless a comparison of nine major indices of democracy by Munck and Verkuilen concluded that, despite these methodological differences, in practice simple correlation tests showed that there was considerable similarity in how nations ranked across different measures: "For all the differences in conceptualization, measurement and aggregation, they seem to show that the reviewed indices are tapping into the same underlying realities."⁷¹ Systematic biases may be generated from reliance by all the indices on similar sources of evidence or from common data limitations, but the correlation of outcomes suggests that the adoption of one or another measure is unlikely to generate widely varying classifications of countries.

The democracy index used in this study is derived from Freedom House, which has become widely accepted as one of the standard measures providing a multidimensional classification of political rights and civil liberties⁷². This measure is adopted here from the range of alternatives, as in previous work, for two reasons: (i) it provides comprehensive coverage worldwide, including all nation-states and independent territories around the globe, and (ii) it facilitates time-series analysis of trends in democratization, since an annual measurement for each country has been produced every year since the early 1970s. Contemporary levels of democracy are compared using the 2003-2004 Freedom House/Gastil Index of political rights and civil liberties with the 7-point scale reversed for ease of interpretation, so that a higher score on the Index signifies that a country is more democratic. To gauge the degree of democratic consolidation, we are interested in historical patterns, and in particular how far democracy has strengthened over time in each society. The consolidation of democracy was measured by the change in each country's mean score from 1972-2003 in the Freedom House Index of political rights and civil liberties.

Controls

The multivariate analysis requires suitable control variables for factors which have commonly been found to influence patterns of ethnic conflict, political stability, and democratic consolidation. The level of human development is one essential control (measured by the UNDP Human Development Index); ever since Lipset's initial study in 1959, numerous studies have established that the most stable democracies usually have higher levels of economic development and human capital⁷³. The UNDP 100-point Human Development Index includes per capita GDP as well as levels of literacy, longevity, and education in each society. Other important controls include the size of each country (measured by the World Bank in terms of the size of its current total population), as smaller democracies are commonly been found to be more stable and easier to govern⁷⁴. The analysis also controls for colonial legacies and legal traditions; many British ex-colonies have more successfully managed the transition and consolidation of their democracy than those countries with a Continental European legal heritage from Spain, France, or Portugal⁷⁵. This was classified as a simple dichotomy (former British colony or not). Lastly the type of region is also included (Arab nations); numerous studies have noted that the process of

democratization has spread throughout many world regions during recent decades, with the notable exception of the Middle East and North Africa.

III: The performance of power-sharing and power-concentrating regimes

The key propositions generated by consociationalism concerns the political performance of the power-concentrating and power-sharing regimes. In particular, Lijphart's theory claims that, all other things being equal, we would expect power-sharing regimes to be more stable, with greater participation and inclusiveness, more effective government, and a better record of democratic consolidation. Tables 2-6 lay out the results of the analysis in detail and these are then summarized schematically to provide an overview in Table 7. OLS regression analysis is used to examine the impact of unitary-federal states, and majoritarian or proportional electoral systems, on each of the indicators of good governance as the dependent variables. In Model 1 the institutions are entered for all countries under comparison without any controls, and then in Model 2 the above controls are entered.

[Tables 2-7 about here]

The results for all countries under comparison show that, contrary to consociational theory, none of the power-sharing institutions are significantly related to indicators of political stability; the only factors which prove positive and significant in Table 2 are human capital (the HDI); as numerous studies have reported, more stable states are found in societies characterized by higher levels of education, literacy, longevity and affluence. Moreover, as expected, Arab states are characterized as significantly less stable than other regions. The results imply that those concerned to create the conditions for more stable states should consider prioritizing basic human development, for example by investing in schools, sanitation, health care, and economic growth, rather than expecting that one particular type of constitutional rules will be capable of generating stable and peaceful polities. Some of the results did confirm consociational theory, however, as Lijphart suggests. Even with a range of controls, proportional electoral systems were found to be significantly related to indicators of voice and accountability, indicating greater participation (in Table 3), as well as to the contemporary level of democracy (in Table 5). Yet at the same time, contrary to consociational arguments, unitary states show a significant and strong relationship with democratic consolidation (monitored by changes in the democracy index from 1972-2003).

Table 7 summarizes the overall picture: with the exception of those relationships already noted, in most cases no significant institutional effects, positive or negative, could be detected on many of the indicators of good governance performance. The results of this study provide some modest support for consociationalism, but they cannot be regarded as a ringing endorsement of the stronger claims about the importance of institutional design.

Table 8 breaks this down further by comparing the mean score on the indicators of good governance by the sub-category of electoral system used for the lower house in each nation. The results need to be read cautiously, particularly where there are only a very limited number of cases using each particular system. The pattern illuminates the main contrasts between FPTP single member plurality districts and party list PR, and it also suggests that the combined electoral systems behave as expected, with the combined-dependent systems closer to PR while the combined-independent category are closer to the majoritarian end of the spectrum.

[Table 8 about here]

IV: The performance of consensus institutions in plural societies

Given these patterns, what is the performance of consensus institutions in plural societies? This, after all, is one of the most powerful claims in consociational theory. States with

majoritarian elections and unitary states are expected to prove less stable, and more vulnerable to government breakdown, civil war, and the risk of state failure. By contrast, the plural societies sharing equally high levels of ethnic fractionalization, but with the institutions of PR elections and federal states (as well as those with considerable political decentralization), should prove more successful and stable democracies. It could be that any institutional effects on good governance are only evident in plural societies, if both power-sharing and power-concentrating regimes work equally well in homogeneous nations.

To explore this further, we need to classify societies by the type of ethnic cleavages. One of the most complex issues facing empirical research in this area concerns the most appropriate concept and measurement of ethnic fractionalization. Cross-national studies of the evidence have been hindered by the difficulties of establishing robust and consistent measures of ethnic identities that are applicable across many different types of societies. States often contain multiple cultural cleavages and forms of social identity, some overlapping, and studies need to choose the one that is most salient politically and most relevant theoretically to the issue under consideration. Ethnic groups are defined here as a community bound together by a belief in common ancestry and cultural practices, whether based on religion, language, history, or other cultural customs and ties. Debate continues to surround the origins and nature of ethnic identities. The primordial perspective regards ethnic identities as largely fixed at birth or in early childhood, due to the physical characteristics of groups, such as their racial skin color or facial features, or based on enduring social conventions and cultural norms. By contrast, the constructivist perspective regards ethnic identities as socially-constructed, where the salience of alternative identities is open to manipulation. Constructivists hold that community differences can be exacerbated (for example where politicians preach the heated rhetoric of ethnic hatred and nationalism to maintain their popularity) or ameliorated (where there are successful attempts to assimilate groups). In practice, there are substantial difficulties in comparing ethnic identities across nations. Nigeria, for example, contains an estimated 250 tribal groups, as well as sharp regional divisions between northern Muslims and southern Christians. Language is important in Switzerland, which splits into the predominant German and minority French and Italian-speaking regions, and Belgium which divides into the Fleming and Walloon segments. By contrast, the United Kingdom divides by nationalist identities into England, Scotland, Wales, and Northern Ireland (the latter subdivided into Protestant and Catholic communities), while the United States uses the idea of racial characteristics and language as the defining basis of the major ethnic cleavages. Given that the meaning and form of identities are so culturally diverse, it remains unclear whether cross-national studies can compare like-with-like, or whether they can even compare functionally-equivalent groups, across societies.

Moreover the available data to estimate ethnic identities is often limited and unreliable. Aggregate sources drawn from official population census, household surveys, and general social surveys facilitate analysis of the distribution of religious, linguistic, national origin, or racial groups in each country. But not all surveys seek to incorporate these items, in part due to their cultural sensitivity, and, unlike measures of occupational class and socioeconomic status, no standard international practices maintain consistency across sources. Where religious, linguistic, racial, national, or other forms of ethnic identities are systematically monitored in official surveys, the data usually allows us to monitor the distribution of these populations, but far fewer survey questions seek to measure the salience or meaning of these identities. Many previous studies of linguistic cleavages have also had to rely upon badly-flawed aggregate sources, exemplified by the Soviet-era *Atlas Narodov Mira* (1964), the original dataset used to construct the Ethno-Linguistic Fractionalization (ELF) index⁷⁶. The index has been widely employed by economists, following Easterly and Levine's study showing the economic growth was negatively related to ethno-linguistic fractionalization⁷⁷. ELF is computed as one minus the Herfindahl index of ethnolinguistic group shares, and it estimates the probability that two randomly selected

individuals from a population belong to different groups. Nevertheless it is now recognized that the Atlas contains some basic coding inaccuracies, the material is also badly dated, and the linguistic cleavage represents only one dimension of ethnic identities, and not necessarily the most important one.⁷⁸

This project compares systematic cross-national evidence worldwide to classify nations according to the degree of ethno-linguistic fractionalization, based on a global dataset recently created by Alesina and his colleagues⁷⁹. This study classifies 201 countries or dependencies based on the share of the population speaking each language as their 'mother tongues'. The dataset was usually derived from census data, as collated in most cases by the *Encyclopedia Britannica*, with a few cases of missing data supplemented by the *CIA World Factbook*. Religious fractionalization is also calculated for 215 nations and dependencies, drawing upon the same sources. The relationship between these indicators, and the distribution of countries under comparison, is illustrated by the scatter plot in Figure 1. As expected, certain societies in the top right quadrant emerge as highly heterogeneous on both measures, notably many sub-Saharan African nations (such as South Africa, Uganda, Kenya, and Nigeria). At the same time, many Arab states such as Saudi Arabia, Libya and Jordan, located in the bottom-left quadrant, are very homogeneous according to these indicators. Because the underlying data sources used for constructing these indicators are fairly imprecise, and they depend heavily upon the categorization scheme used and the underlying population estimates, modest differences in the position of countries on the ethnic fractionalization indices are probably unreliable. Nevertheless the indices can be used to make broad classifications and each is therefore dichotomized, with scores from 50 and above on the 100 point scales defined as plural societies.

[Figure 1 about here]

It should be noted that this index estimates the objective distribution of different linguistic and religious groups in the population, but it does not seek to measure the subjective meaning or societal importance of these forms of identity. In this regard, analogies can be drawn between the 'objective' indicators of occupation and income used to gauge socio-economic status and the 'subjective' identifications which respondents offer when asked in surveys where they feel that they belong in terms of social class. In the same way, 'objective' and 'subjective' indicators of ethnic identities may coincide or they may differ sharply. For example, Canada is classified as relatively heterogeneous in religion, divided between Protestant and Catholics, but as this society has become fairly secular, these forms of formal religious identity may carry few significant consequences beyond the completion of official forms for the government census or birth certificates. On the other hand, France is classified as fairly homogeneous in religious identities, as it remains predominately Catholic, although the expression of religious identities has aroused heated debate in recent years, exemplified by legal bans passed against the wearing of Muslim headscarves in schools. The evidence within this study only seeks to compare the existence of objective indicators of religious and linguistic cleavages, not their subjective salience. A constructivist perspective emphasizes that people possess multiple social identities, and the salience of these latent characteristics may rise or fall in response to situational factors, including the role of parties and politicians competing for power, and how far they 'play the ethnic card'.

Similar OLS regression models to those used earlier are run in the sub-category of 55 linguistically fractionalized societies, with the results presented in Tables 2-7. The aim was to see whether the consociational claims proved stronger within plural societies. The results suggest that in fact most of the institutional effects for unitary-federal arrangements and for majoritarian electoral systems were not significant. Again proportional representation systems were significantly linked with voice and accountability as well as the democracy index and in plural societies they were also associated with democratic consolidation. This provides some support to

consociational claims but it is again strictly limited, especially compared with the consistent importance of human development.

To see whether the results were due to the type of ethnic fractionalization, the basic approach was replicated and the models were re-run after selecting only religiously heterogeneous societies, defined using the same procedure as that described earlier for linguistic fractionalization. The results of the comparison (not shown here) suggested that any effects were similar but slightly weaker than those found in linguistically plural societies. They were not sufficiently different to indicate that the consociational argument would be given stronger confirmation by focusing on religion rather than language as the core form of ethnic identity.

V: Conclusions and implications

Consociational theory suggests that power-sharing institutions have many important consequences for 'kinder, gentler' governance, not least that they are most likely to facilitate accommodation among diverse ethno-political groups, making them most suitable for transitional and consolidating democracies struggling to achieve legitimacy and stability in plural societies. Both proportional electoral systems and federalism expand the opportunities for ethnic groups to achieve elected office, a voice within government, and a stake in the political system, thereby providing legitimate channels for their demands. Through this process, if successfully implemented, communities are accommodated and tensions among groups are managed within the political system. By contrast, majoritarian arrangements fail to recognize ethnicity as a formal basis for political organization or group rights, preferring to provide incentives for politicians and parties to appeal for support among heterogeneous groups in the electorate.

Establishing systematic evidence to assess the impact of consociationalism is important, both theoretically and politically. Many transitional democracies have adopted list PR for their founding legislative elections after radical regime change, notably in Chile (1989), Nicaragua (1990), Cambodia (1993), South Africa (1994), and Bosnia (1996), and Iraq (2005). PR is popular in negotiation settlements where there is high uncertainty about the outcome of founding elections by ensuring that many rival communities, even smaller parties, stand a chance of gaining elected office. This form of election is a most attractive option to ensure the legislative representation of long-standing national minorities who live within the boundaries of a single nation-state, such as the Catholics in Northern Ireland, rather than groups seeking outright secession. The second half of the twentieth century has also seen a proliferation of federations and a variety of related forms of decentralization designed for multicultural societies, most recently in the constitutional reforms occurring in Belgium (1993), South Africa (1996), Spain (since 1978), and devolution in Britain (since 1999)⁸⁰. Consociationalism can be regarded as, at minimum, the realistic perspective, representing the necessary conditions to secure peace-agreements and negotiated settlements among all parties⁸¹. Whether it also serves the long-term interests of democratic consolidation and durable conflict management, however, remains less clear. Despite the political importance of establishing clear-cut guidelines for crafting new constitutions, the cross-national evidence available to compare the performance of majoritarian and consensus democracies on the management of ethnic conflict remains limited.

The results of this study indicate three major conclusions. First, the global comparison and classification of electoral systems and federalism indicated that power-sharing constitutions combining both PR and federalism are relatively rare, constituting only 13 out of 191 states (7%). While classic cases such as Belgium, Austria, and the Netherlands are well known, they are atypical of constitutional arrangements and power-concentrating regimes remain far more common, with majoritarian electoral systems and unitary states. Secondly, almost no significant links were found between federal states and any of the selected indicators of good governance; while there is a clear logic why territorial autonomy may lead towards the peaceful resolution of

ethnic conflict for territorially-concentrated minorities, the evidence does not confirm this theory, and there are also good reasons why federations and decentralized unions may exacerbate ethnic identities and community tensions. Lastly the global comparison suggests that even after controlling for levels of human development and other related factors, proportional representation electoral systems are significantly associated with contemporary levels of democratization as well as with indicators of participation and inclusiveness in government, both in all nations under comparison as well as in linguistically heterogeneous societies. This provides strictly limited support for the larger claims made by consociational theory. Nevertheless in the analysis, human development clearly emerged as the more reliable and consistent route to good governance rather than constitutional design.

As discussed fully elsewhere, political institutions still matter in many important regards, such as the impact of electoral systems on party competition, electoral proportionality, and political representation⁸². We should certainly not ‘throw the baby out with the bathwater’ by concluding the social development is the only factor influencing the process of democratization and that constitutional designs are irrelevant. But the evidence reviewed here suggests that, contrary to the core claim about consensus democracy, power-sharing arrangements are not automatically better for encouraging political stability, voice and accountability, and government effectiveness in plural societies. The broader lessons for domestic policymakers and for the international community is that focusing upon encouraging the underlying conditions conducive for the development of human capital and economic growth, for example by investing in schools, basic health care, fair trade, and debt relief in divided societies in Africa, Asia, and the Middle East, is probably a more reliable route towards good governance, rather than placing too much faith in constitutional engineering alone. If policymakers take this evidence to heart, it strongly suggests that to achieve good governance and democracy around the world, for example in Afghanistan and Iraq, building effective and legitimate political institutions is not irrelevant, but if the choice is exporting ‘guns’, ‘butter’, or ‘laws’, priority should probably be given to basic human development.

Table 1: Typology of regimes worldwide

	<i>Federations & decentralized unions</i>	<i>Unitary states</i>
Majoritarian electoral system	Mixed (21)	Power-concentrating regimes (52)
Combined electoral system	Mixed (12)	Mixed (25)
PR electoral system	Power-sharing regimes (13)	Mixed (54)
No direct, competitive elections /transitional electoral systems	Autocracies (4)	Autocracies (5)

Sources:

Classification of electoral systems: International IDEA. 2005. *Handbook of Electoral System Design, 2005*. Stockholm: International IDEA.

Classification of federations, decentralized unions and unitary states: Derived from Ronald L. Watts. 1999. *Comparing Federal Systems*, 2nd Ed. Montreal: McGill-Queens University Press; Arthur S. Banks, Thomas C. Muller and William R. Overstreet. (Eds). 2003. *Political Handbook of the World, 2000-2002*. Canada: CSA Publications.

For details, see Appendix A.

Table 2: Institutions and political stability

	<i>All nations (N. 155)</i>						<i>Linguistically heterogeneous nations only (N. 53)</i>					
	Model 1 (No controls)			Model 2 (with controls)			Model 3 (No controls)			Model 4 (with controls)		
	B	se	Sig	B	se	Sig	B	se	Sig	B	se	Sig
Unitary	.053	.174	N/s	.261	.149	N/s	-.165	.287	N/s	.060	.300	N/s
Maj.	-.145	.201	N/s	-.035	.173	N/s	.178	.350	N/s	.073	.351	N/s
PR	.309	.200	N/s	.032	.162	N/s	.723	.383	N/s	.328	.367	N/s
HDI				3.47	.364	***				2.72	.740	***
Pop Size				.000	.000	N/s				.000	.000	N/s
BritCol				.138	.157	N/s				.078	.343	N/s
M. East				-.420	.212	*				-1.36	.707	N/s
Constant	-.095			-2.59			-.616			-2.10		
Adj R²	.025			.390			.032			.218		

Note: The table presents the results of OLS regression models (unstandardized beta coefficients, standard errors and their significance) where the dependent variable is the Political Stability Index, 2002 (Kaufmann). Unitary state (1); Majoritarian electoral system (1), Proportional Representation electoral system. Model 1 (no controls). Model 2 (controls for Human Development Index, Population size, former British colony, and the Middle East region). Sig. *** = .001, **=.01, *=.05 N/s Not significant.

See Appendix B for the definition, data sources, and classification of all variables.

Table 3: Institutions, voice and accountability,

	<i>All nations (N. 155)</i>						<i>Linguistically heterogeneous nations only (N. 53)</i>					
	Model 1 (No controls)			Model 2 (with controls)			Model 3 (No controls)			Model 4 (with controls)		
	B	se	Sig	B	se	Sig	B	se	Sig	B	se	Sig
Unitary	-.258	.163	N/s	.019	.128	N/s	-.237	.221	N/s	.052	.223	N/s
Maj.	-.150	.189	N/s	-.152	.149	N/s	.173	.270	N/s	-.022	.262	N/s
PR	.695	.188	***	.384	.140	***	1.039	.295	***	.669	.274	***
HDI				3.40	.313	***				2.40	.552	***
Pop Size				.000	.000	N/s				.000	.000	N/s
BritCol				.396	.135	***				.129	.255	N/s
M. East				-.853	.183	***				-.561	.527	N/s
Constant	-.070			-2.53			-.646			-2.07		
Adj R²	.145			.551			.218			.410		

Note: The table presents the results of OLS regression models (unstandardized beta coefficients, standard errors and their significance) where the dependent variable is the Voice and Accountability Index, 2002 (Kaufmann). Unitary state (1); Majoritarian electoral system (1), Proportional Representation electoral system. Model 1 (no controls). Model 2 (controls for Human Development Index, Population size, former British colony, and the Middle East region). Sig. *** = .001, **=.01, *=.05 N/s Not significant.

See Appendix B for the definition, data sources, and classification of all variables.

Table 4: Institutions and government effectiveness

	<i>All nations (N. 155)</i>						<i>Linguistically heterogeneous nations only (N. 53)</i>					
	Model 1 (No controls)			Model 2 (with controls)			Model 3 (No controls)			Model 4 (with controls)		
	B	se	Sig	B	se	Sig	B	se	Sig	B	se	Sig
Unitary	-.348	.176	*	-.092	.128	N/s	-.568	.255	*	-.282	.223	N/s
Maj.	-.176	.203	N/s	-.176	.149	N/s	.023	.312	N/s	-.263	.261	N/s
PR	.283	.202	N/s	.011	.139	N/s	.675	.341	*	.075	.273	N/s
HDI				4.00	.312	***				3.46	.550	***
Pop Size				.000	.000	N/s				.000	.000	N/s
BritCol				.466	.134	***				.217	.255	N/s
M. East				-.147	.182	N/s				-.154	.525	N/s
Constant	.234			-2.75			-.169			-2.09		N/s
Adj R²	.042			.568			.140			.517		

Note: The table presents the results of OLS regression models (unstandardized beta coefficients, standard errors and their significance) where the dependent variable is the Government Effectiveness Index, 2002 (Kaufmann). Unitary state (1); Majoritarian electoral system (1), Proportional Representation electoral system (1). Model 1 (no controls). Model 2 (controls for the Human Development Index, Population size (thou), former British colony (1), and the Middle East region (1)). Sig. *** = .001, **=.01, *=.05 N/s Not significant.

See Appendix B for the definition, data sources, and classification of all variables.

Table 5: Institutions and the contemporary democracy index, 2003-4

	<i>All nations (N. 155)</i>						<i>Linguistically heterogeneous nations only (N. 53)</i>					
	Model 1 (No controls)			Model 2 (with controls)			Model 3 (No controls)			Model 4 (with controls)		
	B	se	Sig	B	se	Sig	B	se	Sig	B	se	Sig
Unitary	-.509	.317	N/s	.058	.263	N/s	-.310	.425	N/s	.313	.461	N/s
Maj.	-.186	.366	N/s	-.291	.311	N/s	.439	.520	N/s	-.007	.541	N/s
PR	1.587	.364	***	1.005	.292	***	2.08	.569	***	1.60	.565	***
HDI				5.31	.655	***				3.40	1.13	***
Pop Size				.000	.000	N/s				.000	.000	N/s
BritCol				.867	.282	***				.586	.527	N/s
M. East				-2.35	.382	***				-1.42	1.08	N/s
Constant	4.40			.576	.553		3.40			1.19		
Adj R²	.173			.497			.214			.318		

Note: The table presents the results of OLS regression models (unstandardized beta coefficients, standard errors and their significance) where the dependent variable is the Democracy Index, 2003-4 (Freedom House). Unitary state (1); Majoritarian electoral system (1), Proportional Representation electoral system (1). Model 1 (no controls). Model 2 (controls for the Human Development Index, Population size (thou), former British colony (1), and the Middle East region (1)). Sig. *** = .001, **=.01, *=.05 N/s Not significant.

See Appendix B for the definition, data sources, and classification of all variables.

Table 6: Institutions and change in the democracy index, 1972-2003

	<i>All nations (N. 155)</i>						<i>Linguistically heterogeneous nations only (N. 53)</i>					
	Model 1 (No controls)			Model 2 (with controls)			Model 3 (No controls)			Model 4 (with controls)		
	B	se	Sig	B	se	Sig	B	se	Sig	B	se	Sig
Unitary	.717	.307	*	.863	.320	**	.844	.447	N/s	.697	.510	N/s
Maj.	-.766	.354	*	-.585	.372	N/s	.206	.547	N/s	.528	.598	N/s
PR	.481	.352	N/s	.366	.349	N/s	1.17	.598	*	1.65	.625	**
HDI				-.303	.783	N/s				-2.33	1.26	N/s
Pop Size				.000	.000	N/s				.000	.000	N/s
BritCol				-.451	.337	N/s				-.393	.584	N/s
M. East				-1.44	.457	**				-.858	1.20	N/s
Constant	.733			1.07			.108			1.36		
Adj R²	.111			.172			.083			.120		

Note: The table presents the results of OLS regression models (unstandardized beta coefficients, standard errors and their significance) where the dependent variable is the Change in the Democracy Index 1972-2003 (Freedom House). Unitary state (1); Majoritarian electoral system (1), Proportional Representation electoral system (1). Model 1 (no controls). Model 2 (controls for the Human Development Index, Population size (thou), former British colony (1), and the Middle East region (1)). Sig. *** = .001, **=.01, *=.05 N/s Not significant.

See Appendix B for the definition, data sources, and classification of all variables.

Table 7: Summary of results with controls

<i>Indicators</i>	<i>All nations (155)</i>			<i>Linguistically heterogeneous nations only (55)</i>		
	Unitary	Majoritarian	PR	Unitary	Majoritarian	PR
Political stability	N/s	N/s	N/s	N/s	N/s	N/s
Voice and accountability	N/s	N/s	+	N/s	N/s	+
Government effectiveness	N/s	N/s	N/s	N/s	N/s	N/s
Democracy index	N/s	N/s	+	N/s	N/s	+
Change in the democracy index, 1972-2003	+	N/s	N/s	N/s	N/s	+

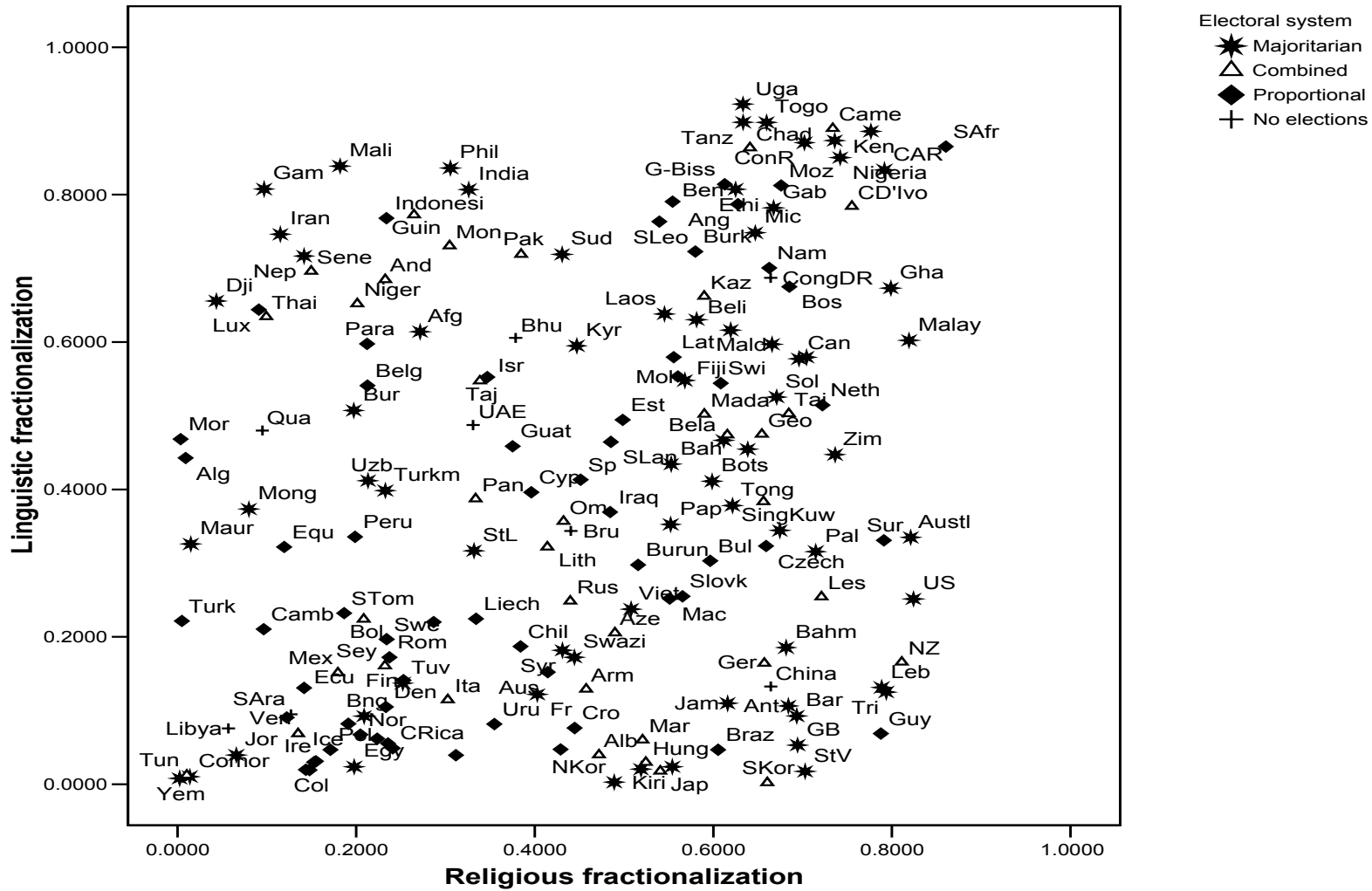
Note: Significant coefficients and their direction. (+=positive, -=negative). For details see tables 2-6.

Table 8: The performance of each type of electoral systems on the indicators of good governance, all societies

Type of electoral system	(Obs.)	Political stability	Voice and accountability	Government effectiveness	Democracy Index	Change in the democracy index, 1972-2003
Majority						
Two-round	(21)	-.20	-.80	-.61	3.00	.75
AV	(4)	.20	.54	.37	5.88	-.25
Plurality						
FPTP	(30)	-.20	.05	-.05	4.97	.61
Block vote	(8)	.05	-.35	-.21	3.70	-.38
SNTV	(2)	-1.33	-.28	-.56	3.67	.75
Combined						
Combined independent	(26)	-.12	-.12	-.07	4.29	1.58
Combined dependent	(9)	.29	.57	.35	5.94	1.50
Proportional						
List PR	(64)	.17	.35	.16	5.52	1.82
STV	(2)	1.40	1.34	1.39	7.00	.25
Total	164	-.01	-.02	-.03	4.66	1.14

Note: The mean scores on the indicators of good governance for each type of electoral system. See Appendix B for details of the measures.

Figure 1: Linguistic and religious fractionalization



Note: For the linguistic and religious fractionalization indices, see Alesina et al. 2003. For the classification of the major type of electoral system, see Pippa Norris. 2004. *Electoral Engineering*. NY: CUP.

Appendix A: Classification of states

	Federations & decentralized unions	Unitary states
Majoritarian electoral system (73)	Antigua & Barbuda Australia Canada Comoros Ethiopia Fiji Ghana India Malaysia Micronesia, Fed State of Myanmar/Burma Nigeria Papua New Guinea Solomon Islands St. Kitts & Nevis Sudan Tanzania Trinidad & Tobago United Kingdom United States Vanuatu (21)	PURE POWERCONCENTRATING REGIMES Bahamas Bahrain Bangladesh Barbados Belarus Belize Botswana Central African Republic Congo, Republic of Cuba Djibouti Dominica Egypt France Gabon Gambia Grenada Haiti Iran Jamaica Jordan Kenya Kiribati Korea, North Kuwait Kyrgyzstan Laos Lebanon Malawi Maldives Mali Mauritania Mauritius Mongolia Nauru Nepal Palau Philippines St. Lucia St. Vincent & Grenadine Swaziland Syrian Arab Republic Togo Tonga Turkmenistan Tuvalu Uganda Uzbekistan Viet Nam Yemen

	Federations & decentralized unions	Unitary states
		Zambia Zimbabwe (52)
Combined electoral system (37)	Andorra Cameroon Georgia Germany Italy Japan Madagascar Mexico Pakistan Russian Federation Ukraine Venezuela (12)	Albania Armenia Azerbaijan Bolivia Chad Cote D'Ivoire Guinea Hungary Kazakhstan Korea, Republic Of Lesotho Lithuania Marshall Islands Monaco New Zealand Niger Oman Panama Canal Zone Senegal Seychelles Singapore Taiwan Tajikistan Thailand Tunisia (25)
PR electoral system (67)	PURE POWERSHARING REGIMES Argentina Austria Belgium Bosnia & Herzegovina Brazil Colombia Indonesia Namibia Netherlands Portugal South Africa Spain Switzerland (13)	Algeria Angola Benin Bulgaria Burkina Faso Burundi Cambodia Cape Verde Chile Costa Rica Croatia Cyprus Czech Republic Denmark Dominican Republic Ecuador El Salvador Equatorial Guinea Estonia Finland Greece Guatemala Guinea-Bissau Guyana Honduras Iceland

	Federations & decentralized unions	Unitary states
		Ireland Israel Latvia Liechtenstein Luxembourg Macedonia Malta Moldova, Republic Of Morocco Mozambique Nicaragua Norway Paraguay Peru Poland Romania Rwanda San Marino Sao Tome & Principe Sierra Leone Slovakia Slovenia Sri Lanka Suriname Sweden Turkey Uruguay (54)
No direct competitive elections to the lower house/transitional systems (9)	Bhutan China Iraq United Arab Emirates (4)	Afghanistan Brunei Darussalam Congo, Democratic Republic of Libya Arab Jamahiriya Qatar Saudi Arabia (5)

Sources:

Classification of electoral systems: International IDEA. 2005. *Handbook of Electoral System Design, 2005*. Stockholm: International IDEA.

Classification of federations, decentralized unions, and unitary states: Ronald L. Watts. 1999. *Comparing Federal Systems*, 2nd Ed. Montreal: McGill-Queens University Press; Arthur S.Banks, Thomas C. Muller and William R. Overstreet. (Eds). 2003. *Political Handbook of the World, 2000-2002*. Canada: CSA Publications.

Appendix B: Description of the variables and data sources

Name	Description and source	Obs.
Ethnolinguistic fractionalization	This classifies the share of languages spoken as 'mother tongues' in each country, generally derived from national census data, as reported in the <i>Encyclopedia Britannica 2001</i> . The fractionalization index is computed as one minus the Herfindahl index of ethnolinguistic group share, reflecting the probability that two randomly selected individuals from a population belonged to different groups. <i>Alesina, Devleeschauwer, Easterly, Kurlat and Wacziarg 2003.</i>	181
Religious fractionalization	This classifies the share of the population adhering to different religions in each country, as reported in the <i>Encyclopedia Britannica 2001</i> and related sources. The fractionalization index is computed as one minus the Herfindahl index of ethnoreligious group share, reflecting the probability that two randomly selected individuals from a population belonged to different groups. <i>Alesina, Devleeschauwer, Easterly, Kurlat and Wacziarg 2003.</i>	190
Democracy index	The Gastil index, the 7-point scale used by Freedom House, measuring political rights and civil liberties in 2003-2004. <i>Freedom in the World, 2005 www.Freedomhouse.com.</i>	191
Change in democracy index	The change in the Gastil index from 1972 to 2003, the 7-point scale used by Freedom House, measuring political rights and civil liberties every year. <i>Freedom in the World, 2005 www.Freedomhouse.com.</i>	167
Political stability	Indicators which measure perceptions of the likelihood that the government in power will be destabilized or overthrown by unconstitutional or violent means, including terrorism. <i>Kaufmann, Kray and Zoido-Lobaton 2002.</i>	177
Voice and accountability	Indicators measuring the extent to which citizens are able to participate in the selection of governments. This includes the political process, civil liberties, political rights and media independence. <i>Kaufmann, Kray and Zoido-Lobaton 2002.</i>	190
Government effectiveness	Indicators of the ability of the government to formulate and implement sound policies. This includes perceptions of the quality of public services, the competence and independence of civil servants, and the ability of the government to implement and deliver public goods. <i>Kaufmann, Kray and Zoido-Lobaton 2002.</i>	186
Human Development Index	The Human Development Index (HDI) 2001 is based on longevity, as measured by life expectancy at birth; educational	170

(HDI)	achievement; and standard of living, as measured by per capita GDP (PPP \$US). <i>UNDP Human Development Report 2003.</i>	
Population size	The estimates total population per state (thousands). <i>World Bank World Development Indicators 2002.</i>	187
BritCol	The past colonial history of countries was classified into those which shared a British colonial background (1), and all others (0). <i>CIA The World Factbook 2004. www.cia.gov</i>	191
Middle East	This classified the regional location of nations into those Arab states in the Middle East and North Africa (1) and all others (0).	191
Electoral systems	This classified all electoral systems used for the lower house of the national parliament. <i>Majoritarian formulas</i> include First-Past-the-Post, Second Ballot, the Block vote, the Single Non-Transferable Vote, and the Alternative Vote. <i>Proportional formulas</i> are defined to include Party List as well as the Single Transferable Vote systems. <i>Combined</i> (or 'mixed') formulas use both majoritarian and proportional ballots for election to the same body. <i>International IDEA. Handbook of Electoral System design, 2nd ed. 2005.</i>	191
Federations	Federations are defined as compound polities where the directly elected constituent units possess independent powers in the exercise of their legislative, fiscal and administrative responsibilities. <i>Watts. Comparing Federal Systems 1999.</i> <i>Banks, Muller and Overstreet. Political Handbook of the World 2000-2002.</i>	191
Decentralized unions	Constituent units of government work through the common organs of government although constitutionally-protected subunits of government have some functional autonomy. <i>Watts. Comparing Federal Systems 1999.</i> <i>Banks, Muller and Overstreet. Political Handbook of the World 2000-2002.</i>	191
Unitary states	All states which are not either federations or decentralized unions.	191

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⁴⁸ It can be argued that a further distinction needs to be drawn between majority (AV and 2nd ballot) and plurality electoral systems (FPTP, Block vote and SNTV), given the higher effective electoral threshold used in the former. Nevertheless the classification used in this study is more parsimonious, since both majoritarian and plurality rules are essentially power-concentrating (by reducing the mean number of parliamentary parties) in comparison with PR systems. Further analysis showed that there were no significant differences in the performance of countries currently using majoritarian or plurality electoral systems for the lower house.

⁴⁹ These can be further subdivided into 'combined-independent' systems where the distribution of seats is independent for each type of ballot, and 'combined-dependent' systems (such as Germany and New Zealand), where the distribution of seats is proportional to the share of the vote cast in the party list. But this refinement is not used in the analysis presented here. For a discussion and classification of 'mixed systems' see Louise Massicotte and Andre Blais. 1999. 'Mixed Electoral Systems: A Conceptual and Empirical Survey.' *Electoral Studies* 18(3): 341-366; Matthew Soberg Shugart and Martin P. Wattenberg. Eds. 2001. *Mixed-Member Electoral Systems: The Best of Both Worlds?* New York: Oxford University Press.

⁵⁰ Andrew Reynolds and Ben Reilly. 2005. *International IDEA Handbook of Electoral System*. Stockholm: International IDEA Design. <http://www.idea.int/esd/index.cfm>

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- ⁵¹ Nancy Bermeo. 2002. 'The import of institutions.' *Journal of Democracy* 13(12):96-110.
- ⁵² Alfred Stephan. 1999. 'Federalism and democracy: beyond the US Model.' *Journal of Democracy*. 10(4): 19-34.
- ⁵³ Ted Robert Gurr. 1993. *Minorities at Risk: A Global View of Ethnopolitical Conflicts*. Washington DC: US Institute of Peace Press.
- ⁵⁴ Richard Simeon and Daniel-Patrick Conway. 2001. 'Federalism and the management of conflict in multinational societies.' In *Multinational Democracies* Ed. Alain-G. Gagnon and James Tully. New York: Cambridge University Press.
- ⁵⁵ Henry E. Hale. 2004. 'Divided we stand: Institutional sources of ethno-federal state survival and collapse.' *World Politics* 56: 165-93.
- ⁵⁶ Henry E. Hale. 2004. 'Divided we stand: Institutional sources of ethno-federal state survival and collapse.' *World Politics* 56: 165-93.
- ⁵⁷ Eric A. Nordlinger 1972. *Conflict Regulation in Divided Societies*. Cambridge, MA: Harvard University Center for International Affairs.
- ⁵⁸ Valerie Bunce. 1999. *Subversive Institutions: The Design and Destruction of Socialism and the State*. New York: Cambridge University Press.
- ⁵⁹ Shaheen Mozaffar and James R. Scarritt. 1999. 'Why territorial autonomy is not a viable option for managing ethnic conflict in African plural societies.' *Nationalism and Ethnic Politics* 5.
- ⁶⁰ Ronald L. Watts. 1999. *Comparing Federal Systems*. 2nd Ed. Kingston, Ontario: McGill-Queen's University Press.
- ⁶¹ Ronald L. Watts. 1999. *Comparing Federal Systems*. 2nd Ed. Kingston, Ontario: McGill-Queen's University Press. Chapter 1.
- ⁶² Ronald L. Watts. 1999. *Comparing Federal Systems*. 2nd Ed. Kingston, Ontario: McGill-Queen's University Press. Chapter 1.
- ⁶³ One of the best available is provided by Schneider, but this only covers 68 nations. See Aaron Schneider. 2003. 'Decentralization: Conceptualization and measurement.' *Studies in Comparative International Development* 38(3): 32-56.
- ⁶⁴ We put aside any consideration concerning 'informal' electoral rules, which can be understood as those widely shared tacit social norms and conventions governing electoral behavior within any particular culture, enforced by social sanction. These are more properly understood as 'social norms' rather than informal institutions. For a discussion, see J. M. Carey. 'Parchment, equilibria, and institutions.' *Comparative Political Studies* 33 (6-7): 735-761.
- ⁶⁵ For a discussion of the general issue, see Ken Benoit. 2002. 'The endogeneity problem in electoral studies: a critical re-examination of Duverger's mechanical effect.' *Electoral Studies* 21 (1): 35-46. For a study of stability and change, see also Bernard Grofman and Arend Lijphart. Eds. 2002. *The Evolution of Electoral and Party Systems in the Nordic Countries*. New York: Agathon Press.
- ⁶⁶ Bridget Taylor and Katarina Thomson. Eds. 1999. *Scotland and Wales: Nations Again?* Cardiff: University of Wales Press; John Curtice. Ed. 2002. *New Scotland, new society? Are social and political ties fragmenting?* Edinburgh: Polygon.

⁶⁷ Pippa Norris. 2004. *Electoral Engineering*. New York and Cambridge: Cambridge University Press. Chapter 4.

⁶⁸ Details of the methodology can be found in Daniel Kaufmann, Aart Kraay and Pablo Zoido-Lobaton. 1999. *Governance Matters*. Washington DC: The World Bank.

⁶⁹ Three other indicators of good governance were also explored in the analysis, but discounted, on the grounds that there were no theoretical reasons to expect any clear relationship, nor were any empirical linkages detected. These included Kaufmann/World Bank indicators of levels of corruption, rule of law, and regulatory quality.

⁷⁰ For the dichotomous approach, see Adam Przeworski et al. 2000. *Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990*. New York: Cambridge University Press. For the 'democratic audit' qualitative approach, see International IDEA www.IDEA.int.

⁷¹ See also Geraldo L. Munck and Jay Verkuilen. 2002. 'Conceptualizing and measuring democracy - Evaluating alternative indices.' *Comparative Political Studies* 35 (1): 5-34.

⁷² Societies are defined based on the annual ratings provided by Freedom House since 1972. *The level of freedom* is classified according to the combined mean score for political rights and civil liberties in Freedom House's 1972-2000 annual surveys Freedom of the World. www.freedomhouse.org

⁷³ Seymour Martin Lipset 1959. 'Some Social Requisites of Democracy: Economic Development and Political Legitimacy.' *American Political Science Review*. 53: 69-105; Adam Przeworski, Michael E. Alvarez, Jose Antonio Cheibub and Fernando Limongi. 2000. *Democracy and Development: Political Institutions and Well-Being in the World, 1950-1990*. Cambridge: Cambridge University Press; Morton Halperin, Joseph T. Siegle and Michael Weinstein. 2005. *The Democracy Advantage*. New York: Routledge.

⁷⁴ Alberto Alesina and Enrico Spolaore. 2004. *The Size of Nations*. Cambridge, MA: The MIT Press.

⁷⁵ See, for example, Rafael La Porta, Florencio Lopez-de-Silanes, Andrei Shleifer and Robert Vishny. 1999. 'The quality of governance.' *The Journal of Law, Economics & Organization* 15(1):222-279.

⁷⁶ *Atlas Narodov Mira*. 1964. Moscow: Miklukho-Maklai Ethnological Institute.

⁷⁷ William Easterly and Ross Levine. 1997. 'Africa's growth tragedy: Policies and ethnic divisions.' *Quarterly Journal of Economics* 111(4): 1203-1250.

⁷⁸ Daniel Posner. 2004. 'Measuring ethnic fractionalization in Africa.' *American Journal of Political Science* 48(4): 849-863.

⁷⁹ Alberto Alesina Arnaud Devleeschauwer, William Easterly, Sergio Kurlat and Romain Wacziarg. 2003. 'Fractionalization' *Journal of Economic Growth* 8:155-194. For details see: www.stanford.edu/~wacziarg/papersum.html

⁸⁰ Ronald L. Watts. 1999. *Comparing Federal Systems*. 2nd Ed. Kingston, Ontario: McGill-Queen's University Press. P. 3.

⁸¹ Arend Lijphart. 2004. 'Constitutional design for divided societies.' *Journal of Democracy* 15(2): 96-109.

⁸² Pippa Norris. 2004. *Electoral Engineering*. New York and Cambridge: Cambridge University Press.