

Making Decentralization Work in Ethnically Divided Societies:
State and Societal Synergism

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Introduction

Beginning in the early 1990's, the world has been witness to a resurgence of ethnic nationalisms, demands for secession and, at worst, ethnic warfare.¹ Scholars trying to account for this worrying trend take a number of positions. Primordialists argue that democratization has unleashed deep-seated animosities between ethnic groups kept in check by repressive authoritarian rule (Smith 1987). Opposing the 'ancient hatreds' thesis, other scholars argue that democratization allowed opportunistic elites to mobilize ethnic groups in pursuit of power and wealth (Snyder 2000; Kohli 1997). Modernists argue that minority nations fear modernization processes and the internationalization of capital threaten the preservation of local languages, culture and religion (Gellner 1983). In short, multination states throughout the globe are facing serious threats to their sovereignty from ethnonationalist challengers.

Consequently, scholars and practitioners search for means to manage conflict between national communities that reside in a single state. Secessionists argue that it is illegitimate to force nations to remain within a state against their will, and thus advocate the recognition of a right to secession by international law (Buchanan 1997; Moore 1998). Critics contend that such a right would encourage minorities within seceding units to mobilize in favour of secession, increasing the risk of violence and civil war (Kymlicka 1995; Horowitz 2003). Assuming that these critics raise a valid concern, the threat of secessionism and violence will remain significant unless states find ways to accommodate ethnic diversity without compromising state sovereignty.

The most heralded solution by scholars and practitioners is political decentralization, which entails granting territorial units within the state a substantial degree of autonomy over a range of policy areas. Decentralization has the potential to accommodate the desire of national minorities for self-government without compromising the desire of the state to maintain its territorial integrity, thereby reducing the potential for violent conflict. Obviously, the term decentralization encompasses a wide range of institutional arrangements that can be used to accommodate national minorities. The different variants have been reviewed elsewhere (see McGarry 2002) and will not be repeated here. Instead, my purpose is to review three prominent debates in the literature and provide directions for future empirical research.

1. Are integrative borders more effective than those that coincide with ethnic cleavages?
2. Does autonomy reduce or increase the inclination of mobilized minority nations to pursue secession?
3. Is the relationship between decentralization and ethnic conflict dependent on underlying conditions?

I will make the following arguments in response to these questions. The first debate has been settled because an overwhelming majority of scholars accept that ethnonationalist groups will not accept a political division of their homeland because it undermines their status as a nation. Second, the empirical evidence does not provide a determinate causal relationship between decentralization and intrastate ethnic conflict. Third, I agree that the success of decentralization efforts may depend as much on contextual factors and complementary institutions as on the specific design of decentralization (i.e., fiscal decentralization, size of

¹ An ethnic nation is a group defined by ascriptive characteristics that include cultural, linguistic, racial or religious criteria that support movements for secession or wide-ranging autonomy. Because this paper is only concerned with ethnic nations, it excludes minorities that are territorially dispersed, and the terms 'national' and 'ethnic' are interchangeable.

region, enumerated powers). However, I contend that the current literature does not adequately specify the causal mechanisms that link decentralization with either interethnic peace or secessionist ethnic violence. My working hypothesis emphasizes the role of accountability mechanisms and civil society as intervening variables. Because mechanisms of accountability constrain the secessionist tendencies of ethnic elites, and interethnic networks of civil society promote ‘dual identities’ amongst the rank-and-file members of the minority ethnic group, the two variables work synergistically to promote the success of decentralization as a tool to preserve peace between an ethnic minority group and the state.

Integration versus Congruence

The classic debate in the field of ethnic conflict regulation is between scholars who advocate that borders of decentralized regions should be congruent with ethnic divisions and those who argue that borders should cut across them. A prominent scholar in the latter camp is Seymour Lipset. In *Political Man*, Lipset argues that solving a crisis of legitimacy—“the capacity of the system to engender and maintain the belief that existing political institutions are the most appropriate”—depends upon the ability of a society to create a common “secular political culture” (1960:91). The lack of such a binding force will isolate groups with the same political outlook from the rest of society, which fosters political extremism. Therefore, in states with territorial ethnic divisions, Lipset sees federalism as a means to create multiple sources of cleavage by demarcating constituent borders that cross ethnic lines. Because Lipset wrote *Political Man* in the 1950’s, his scope of empirical observation was limited, as most modern ethnic conflicts had yet to erupt. The main inspiration for his argument came from the American federal experience. In the course of the country’s southwestwardly expansion, American elites made a decision that no territory would become a state unless it contained an Anglo-Saxon Protestant majority. The framers of American federalism believed that providing institutional resources of a state to regionally concentrated ethnic minorities would empower them to pursue further autonomy or secession (see Glazer 1983). Because the American experiment with integrative borders ‘worked’ in terms of discouraging ethnonationalist mobilization, Lipset proposed that developing states should follow its example.

An empirical assessment of Lipset’s proposition is difficult because there are a very limited number of cases of integrative decentralization from which to select. One prominent scholar who attempted this is Donald Horowitz. In his classic book *Ethnic Groups in Conflict*, he lends qualified support to Lipset. In cases where ethnic groups are territorially separate and subethnic divisions exist, Horowitz does not recommend integrative federal borders. He assumes that once a group has control of a federal unit, differences within the group will become prominent and reduce the potential for conflict at the centre. For example, after the state of Andhra was conceded to Telegu-speakers in India, differences between the Kamma and Reddi castes kept separatism off the state’s agenda (Horowitz 1985:613-14). When it is difficult to separate ethnic groups by territory, or if no subethnic divisions exist, Horowitz advocates heterogeneous federal units to encourage politicians to appeal beyond their own ethnic segments for support. He develops this argument using evidence from Nigeria because two differently designed federal systems separated by thirteen years of military rule make this particular case a good test of the impact of federalism on ethnic conflict. The federal design of the First Nigerian Republic (1960-66) created three large regions, each of them controlled by a party representing one of three largest ethnic groups—Hausa-Fulani, Yoruba and Ibo. The first-past-the-post electoral system allowed the

three groups to dominate the Lower House of Parliament despite the fact that they only account for two-thirds of Nigeria's population, as each region was home to a vast number of minorities (Dent 1989:184). Most overrepresented were the Hausa-Fulani, holding 80% of regional assembly seats from 1961 to 1965, but only composing little over half of the North's regional population. Moreover, the Upper House did not check this overrepresentation because the Senate's powers during the First Republic were weak. Consequently, the Yoruba, Ibo and other minority parties feared domination by the Hausa-Fulani, and thus battled for more autonomy from the centre. This conflict is one of the main reasons that a group of mostly Ibo army officers seized power in the coup of 1966. The new 'Corrective Regime' under General Ironsi centralized power through Decree Number One, which gave the military government the power to legislate on any issue at its discretion.

The advent of military rule did not permanently abolish federalism in Nigeria. Soon after taking power, Ironsi's regime sought to reform the deficiencies of federalism during the First Republic. To counter the charge that the Northern region dominated Nigeria, the regime carved up the three regions into twelve states in 1976. The military forced the party representing each of the three dominant ethnic groups to disband and split the Hausa-Fulani up among six states, the Yoruba among five, and the Ibo between two. According to Horowitz, the proliferation of new states "produced a lively state politics and a more complex—and therefore less tense—politics at the centre" (1985:604). He adds that the new arrangement transfers a good deal of conflict to the state level, which is often intraethnic and encourages the formation of parties along class lines that cut across ethnic cleavages.

Horowitz's case for the utility of integrative decentralization needs to be qualified in important ways. First, while integrative federalism did succeed at diluting the hegemony of the Northern region, there is little evidence that the major ethnic fault lines were altered in any significant way. Each of the three major ethnic groups continues to demonstrate solidarity and compete with each other for power and resources at the centre, which has brought Nigeria to near collapse on a few occasions (Suberu 2001). Second, integrative federalism was implemented by a repressive authoritarian regime in Nigeria against the will of the Hausa-Fulani elite. This raises an important point that forecloses the possibility of integrative decentralization in most, if not all, cases of intrastate ethnic conflict: while a national minority may be willing to compromise on its demand for autonomy, it is not willing to compromise on what it takes to be any kind of threat to its status as a nation. This resistance is promoted by prevailing norms and practices in the developed world. As Will Kymlicka points out, Western democratic states no longer subject national minorities to assimilationist policies, instead they are according them various self-government powers, which "enable them to live and work in their own educational, economic, and political institutions, operating in their own language" (2001:51). Spain is the embodiment of this trend as it recently agreed to constitutionally recognize the Catalans as a nation and extend Catalonia's already significant degree of political autonomy. Eastern European, Asian and African countries have been less willing to accommodate their national minorities, but recent reforms indicate this might be changing. In 2006, Indonesia—a country that has historically enforced a unitary nation-state model—granted its Acehnese minority a significant degree of self-government that constitutes *de facto* recognition of an Acehnese nation (Bertrand 2007:21). Therefore, whether or not Horowitz is correct that imposing federal borders that cut across ethnic divisions can actually reduce conflict, is no longer relevant. Pervading international norms legitimize the claims of national minorities for self-governance and give them no reason to accept any less.

Having established that integrative decentralization is no longer a legitimate means with which to manage ethnic conflict, I turn my attention to congruent decentralization. Michael Hechter, a leading proponent of congruent decentralization, concludes in his book *Containing Nationalism* that decentralization inhibits local politicians from playing the “nationalist card” because constituents will see less benefit in sovereignty, which decreases the likelihood of nationalist mobilization against the state (2000:143). Moreover, Hechter adds that the local provision of certain goods such as language and education increases the likelihood that policy outputs will be consistent with the distinctive values of the national group, giving them less reason to feel marginalized (2000:144). Nancy Bermeo makes a similar argument, claiming that decentralization gives regional elites a greater stake in existing political institutions, an incentive she believes is responsible for the fewer armed rebellions in federal versus unitary states (2002:99-100). Hechter and Bermeo are only two of the large group of scholars who favour congruent decentralization as a solution to ethnic conflict because it empowers groups to pass legislation to protect their interests in sensitive policy areas (e.g., language, economic development, security etc.), which decreases the incentives for regions to seek their own independent states (Gunther and Mughan 1993; Kaufman 1996; McGarry and O’Leary 2005; Simeon and Conway 2001; Watts 1970).

Congruent decentralization, however, relies on the assumption that the institutionalization of ethnic differences enriches the world more than it endangers it. According to Henry Steiner: “autonomy regimes of ethnic minorities defend cultural survival rights, but such norms raise serious issues because the ideal in the human rights movement of preserving difference cannot so readily be bent to support group specific rights” (1991:1550). In other words, decentralization violates the norm of equal protection because it discriminates among groups on the basis of ascriptive indicators of ethnicity. Moreover, granting national minorities powers of self-government ‘freezes’ and even exaggerates the salience of historical difference between groups, which decreases the prospects for ‘dual identities’ and interethnic dialogue on issues that affect the state as a whole. Decentralization may also lead the state to feel less responsible for the development of the ethnic region, fostering discontent among the minority group. These arguments highlight the fact that autonomy is a solution that brings a number of risks.

Nevertheless, the risks involved in using decentralization as a means to accommodate national minorities and reduce ethnic conflict do not outweigh the potential benefits. Given that there are simply too many ethnic groups in the world to afford each its own state, decentralization is the only possible compromise to balance the conflicting interests of minority nations and the state. Decentralization is not, however, a ‘one-size-fit all’ solution: the specifics of implementation must be tailored to each particular situation in a meticulous way to garner the preferred outcome. The vast majority of studies to date assume that decentralization has a unidirectional causal effect on ethnic conflict. Evaluating the results of these studies is the task I turn to next.

Decentralization: Peace-Preserving or Conflict Enhancing?

In the academic literature on ethnic conflict management, decentralization has received opposing reviews. One group of scholars uses a diverse array of case studies to conclude that decentralized governance successfully reduces ethnic tensions and manages conflict within legitimate institutional channels. According to Liesbet Hooghe, the transition from unitary to federal institutions in Belgium is responsible for an improvement in Flemish-Walloon relations. In the 1970’s, the conflict reached its peak, as a high number of protests

and civil disobedience put the country on the verge of violent ethnic conflict. Since then, disruptive nationalist activity has become less frequent, less intense, and confined to small areas around Brussels (Hooghe 2004:65). Accompanying this decrease in conflict is a shift in the identities of Belgians. Prior to the late 1980's, Flemish and Walloon identities were stronger than Belgian identity, but Belgian identity has gained ground since the introduction of federal institutions (Covell 1993). The key causal mechanism between decentralization and a reduction in conflict in Belgium, says Hooghe, is that local control over important policy areas prevents the numerically dominant Flemish from imposing their will on the Walloons, which reduces the insecurity the Walloons felt under unitary governance. Similar claims are made by André Bächtiger, Jürg Steiner and Ronald Watts in the context of Switzerland and Canada. Bächtiger and Steiner argue that the large degree of self-rule embodied in Swiss federalism allowed the Catholics and linguistic minorities to have control over sensitive issues such as education and religion, which quickly extinguished the secessionist movements in a number of cantons (2004:34-35). Watts says that despite a significant active secessionist movement in Québec over the past thirty years, "all evidence points to the fact that, if there had not already been provincial autonomy, the movement would be much stronger, not weaker" (2000:48).

Stronger support for the conflict-reducing potential of decentralization comes from case studies of India and Spain. Unlike in Switzerland, Canada and Belgium, national minorities in India and Spain were previously subjected—in varying degrees—to harsh repression and assimilation at the hands of the state. The fact that decentralization has funneled ethnic collective action into acceptable forms of protest in both states indicates that autonomy has the potential to accommodate even deeply aggrieved minority nations. Atul Kohli is sanguine about the accommodative capacity of multinational federalism. Most self-determination movements in India, he says, follow the shape of an inverse 'U': the endpoint is therefore demobilization and mutual accommodation between ethnic elites and the state. A case in point is the state of Tamilnadu. During the 1950's, Tamil leaders argued that their group is a "distinct nation" because of their distinct language, culture, and skin colour, which translated into demands for outright independence from India. The significant grant of autonomy to the state of Tamilnadu in 1956 took a fair amount of steam out of the separatist movement. The Tamil nationalist party, *Dravida Munnetra Kazhagam* (DMK) used its control of the state government to implement land reform policies, and protect the cultural practices (e.g., Tamil language) of indigenous Tamils. As the DMK consolidated its place in Tamilnadu politics, the party lost much of its anti-centre militancy and the number of violent incidents decreased dramatically (Kohli 1997:333-35). Interethnic peace has been more elusive in other states of India, namely Kashmir, but Kohli is confident that a flexible set of policies that maximizes autonomy within India will lead to a decline in ethnic violence (1997:342).

Decentralization in post-Franco Spain is also considered one of the most successful experiments in ethnic conflict regulation. Assimilation between state and nation were the traditional goals of Madrid elites since the inception of the modern Spanish state in the 16th century. The most methodological attempts to achieve these goals, however, did not occur until the mid 20th century when General Francisco Franco waged a campaign of forced assimilation against minority languages and culture during his tenure as authoritarian ruler of Spain. The transition to democracy following Franco's death brought about a radically different vision of the Spanish nation, stressing an inclusive identity and accommodation for minority nations. A major corollary to this process was the extension of self-government to the Basque Country, Catalonia, and Galicia. Although negotiations with the armed Basque

separatist group, *Euskadi ta Azkatasuna* (ETA) has yet to result in permanent disarmament,² observers of Spanish politics agree that autonomy has effectively diminished support for political violence and secession among a majority of Basques, Catalans and Galicians (Beramendi and Máiz 2004; Conversi 2000; Moreno 2001).

While offering rich empirical details, the uniform conclusion of these case studies is that institutions that offer minority nations a degree of self-governance reduces their desire to acquire statehood because that desire is met by decentralization. In other words, nations want to become states, but will accept slightly less.

Another group of scholars using the methods of case study analysis disagree with this conclusion. They argue that not only does decentralization not reduce ethnic conflict, but also it exacerbates conflict. This is because autonomy reinforces ethnic cleavages by giving groups a sense of legitimacy and provides resources (e.g., substate police forces, demarcated territories, substate legislature) to regions making secessionist activity easier and more effective. Not surprisingly, the bulk of this literature garners its empirical evidence from the now defunct Soviet, Yugoslavian and Czechoslovakian federations. Philip Roeder is the first of many scholars to make the case that ethnofederalism in the Soviet Union backfired because the autonomous institutions became “instruments of ethnic assertiveness” (1991:199). The regime created a cadre of elites in each *union republic* (SSR) from the titular nationality tied to its socialist goals with the lure of material goods and status to promote loyalty to the regime and discourage nationalist mobilization. This maintained ethnic quiescence for numerous decades, but Roeder observes an unintended consequence of ethnofederalism. As the regime liberalized, it was those nationalities in control of an SSR that were first to mobilize and demand more autonomy, which led to the state’s dissolution along ethnic lines. According to Roeder, the decision and ability to mount political action is a consequence of the resources at the disposal of the cadre in control of the SSR, as opposed to stronger primordial sentiments (1991:219). Even after the dissolution of the Soviet Union, demands for greater autonomy within the Russian Federation primarily came from nationalities allocated an SSR or *autonomous republic* (ASSR) during the socialist era. Similarly, Rogers Brubaker argues that the decentralization was positively correlated with separatism in the Soviet Union and its legacy still haunts the post-communist world:

“Nationhood and nationalism flourish today largely because of the regime’s policies. Although antinationalist, those policies were anything but antinational. Far from ruthlessly suppressing nationhood, the Soviet regime pervasively institutionalized it. The regime repressed nationalism, but at the same time...it went further than other states before or since in institutionalizing territorial nationhood and ethnic nationality as fundamental social categories. In doing so, it inadvertently created a political field conducive to nationalism” (1996:17-18).

Roeder and Brubaker are just two of the many scholars that see ethnofederal structures as key to an understanding of ethnic conflict in the communist federations and post-communist states (Cornell 2002; Cox and Frankland 1995; Hale 2000; Leff 1999; Treisman 1997).

Valerie Bunce contributes to the ‘conflict-enhancing’ side of the debate by explaining the violent demise of Yugoslavia in contrast to the more peaceful breakups in the Soviet Union and Czechoslovakia with reference to institutional variation. She points out that the Soviet and Czechoslovak federations did not allot the same powers to the Russian and Czech republics because they did not need “special” status, while Serbia—the numerically dominant nation—was equal in status to the other Yugoslav republics (1999:115). By exploiting the identity-building potential of its autonomous institutions, Serbian nation building was more

² ETA called off a unilateral cease-fire it declared in 2006 earlier this year.

effective than the Russian or Czech equivalents. Consequently, the various republics feared Serbian domination in a united Yugoslavia and fought vigilantly for independence.

However, using the communist federations to assess the track record of ethnic decentralization is problematic because none of the countries were genuinely democratic. The constitutional division of powers and the rule of law were often ignored in practice and they were not authentically representative. For example, in the Soviet Union, Moscow controlled key institutions such as the judiciary, army and police, which left the republics with little, if any, meaningful autonomy (Lieven and McGarry 1993). Therefore, it could be argued that only democratic regimes are capable of providing the kind of genuine autonomy that gives national minorities a piece of the sovereignty they are looking for, which reduces the likelihood of violent rebellion. In her more recent work, Bunce has responded to this criticism. She says that in new democracies that are ethnically divided, a unitary state is preferable, but decentralization can be slowly introduced. This does not mean that the state should oppress minority nations, but should use the greater “wobble room” that exists within a unitary structure to respond in creative ways to the concerns of their minorities. On the other hand, opting for extensive decentralization along ethnic lines at the moment of state creation or democratic transition inevitably leads to an “ethnification” of politics with no prospects for accommodation short of state disintegration (Bunce and Watts 2005). While it is certainly true that democratic regimes have a better record than their autocratic counterparts when it comes to the successful implementation of autonomy agreements that contribute to the reduction of ethnonationalist violence, this relationship is not determinate. The ETA separatists continue to engage in armed conflict against the Spanish state despite gaining extensive regional autonomy, and in the southern Philippines, the Moro Islamic Liberation Front (MILF) spoiled the full implementation of an innovative 1996 peace agreement that was accepted by most Muslims in Mindanao (International Crisis Group 2004).

The case study literature successfully highlights that decentralization can be both a ‘cure’ and a ‘curse’ for ethnic conflict, but is less successful at establishing causal inference because cases are selected on the dependent variable.³ Proponents of ‘large-n’ statistical work generally argue that such studies can overcome the problem of case selection bias. By increasing the number of observations of the dependent variable treated with and without the key causal variable, one can be more secure that a significant linear (or other) relationship between variables is indicative of causation. Consequently, it is perplexing that there is relatively little ‘large-n’ analysis of the relationship of political institutions and ethnic conflict. Two of the few quantitative studies that do address this relationship use the Minorities at Risk (MAR) dataset, which currently maintains data on 284 politically active ethnic groups.⁴ Frank Cohen (1997) tested the effects of federalism on both ethnic rebellion and protest among 233 ethnic groups in 100 countries over nine 5-year periods.⁵ He finds that federalism generates increases in the incidence of nonviolent protest and stifles the development of violent ethnonationalist rebellion (1997:624). Stephen Saideman et al. (2002) replicate Cohen’s study with additional control variables and a more sophisticated analytical technique (pooled cross-sectional analysis) and come to the same conclusion. These findings confirm the view among advocates of decentralization that autonomous

³ Choosing cases on the dependent variable generally restricts the application of findings in a study beyond the empirical terrain of that particular research. See Geddes 1990.

⁴ The MAR data is available at <http://www.cidcm.umd.edu/mar/>

⁵ *Rebellion* generally refers to violent mobilization, while *protest* refers to nonviolent types of protest (e.g., demonstrations, petitions, boycott etc.).

national minorities are less violent because it expands their opportunities to engage in legitimate political activity and instills a sense of security in the group that they will not be subject to discriminatory practices. At the same time, the increased access to institutional power provided by decentralization provides the minority ethnic group with more opportunities to contend for influence and political gains through legitimate channels, and thus incidences of nonviolent protest increase. Cohen and Saideman et al. argue that a higher incidence of protest is a positive outcome because it indicates that decentralization may be succeeding in creating a localized ‘escape valve’ for ethnic pressures. However, other scholars contest that nonviolent protest indicates that the only endpoint for the national minority is secession, which leads the state to respond with countermeasures of centralization (Kymlicka 2001; Lake and Rothchild 2005).

Two key problems undermine the relevance of these findings. First, each study relies on a crude dichotomous distinction between ‘federal’ and ‘non-federal’ states that fails to capture the range of institutions that fall under the rubric of decentralization (i.e. federation, federacy and decentralized union states). Second, none of these studies engage in subsequent path analysis or qualitative studies of ‘crucial cases’ to establish causal direction. An alternative explanation for the relationship between decentralization and ethnic conflict suggests that ethnic tensions lead to the adoption of decentralized institutions. The ‘effects-of-causes’ approach that ‘large-n’ studies employ renders them unable to dismiss this alternative causal path.

TABLE 1
Comparing the Results of Decentralization-Ethnic Conflict Studies

<i>Option</i>	<i>Impact x</i>	<i>Impact y</i>
Decentralization	minority group gains control over policy areas important to identity and support for secession decreases	ethnic elites exploit autonomous institutions to promote secessionism
Unitarism/Centralization	central government has the capacity to respond to demands of minority groups only using force when necessary	central government favours the preferences of the majority ethnic group pushing the minority group towards secession

As Table 1 shows, studies that seek to determine the effects of decentralization on ethnic conflict express varying conclusions. Engaging in a ‘cure’ versus ‘curse’ debate does not allow us to investigate why decentralization reduces ethnic conflict in some cases, while in others it exaggerates conflict. Richard Simeon and Daniel Conway agree that the research agenda in the field of ethnic conflict management needs to accept that the effects of decentralization are contingent and that “we can only explore whether and how institutions ‘matter’ by exploring the interaction between them and the societies in which they are embedded” (2001:339). In other words, those who argue that decentralization is a ‘curse’ are correct and those who argue it is a ‘cure’ are also correct. Decentralization is not sufficient to appease national minorities and hold the state together without integrative counterweights that create ‘dual’ or ‘nested’ identities (Miller 1998; Moreno 2006). Therefore, decentralization needs to be reinforced by other factors, both societal and institutional. In the next section, I will review the pertinent research that attempts to uncover

variables that help account for the contingent relationship between decentralization and ethnic conflict. A number of different variables are considered, but there is a general agreement that the process of ‘building out’ ethnic differences through decentralization needs to be countered by processes of ‘building in’ integrative counterweights.

Intervening Variables

Democratization and Sequencing

There is a scholarly consensus that decentralization is more likely to provide genuine autonomy for an ethnic minority in a consolidated democracy because the institutionalization of the rule of law through the courts, civil society, and the media work to ensure that the central government respects the policy jurisdictions of territorially defined subunits of government.⁶ In a majority of cases, however, the extension of political decentralization to an ethnonationalist group(s) coincides with democratization or occurs before the state is a consolidated democracy. Therefore, it is worth considering if and how democratization affects the outcome of decentralization on ethnic conflict. I adopt Linz and Stepan’s definition of democratization, which is the “opening of political contestation over the right to win control of the government” via competitive elections (1996:3). A democratizing state is still in the process of liberalizing political control in the areas of human rights, civil liberties, freedom of the press and association, and democracy is not yet “the only game in town”: that is, significant groups seek to take control of the state by means other than winning a free and fair election (Linz and Stepan 1996:5).

Linz and Stepan believe there is a good reason why a democratizing state should grant its national minorities self-government as part of the transition process. A state apparatus that defines the boundaries of the political community must be in place for democratic governance to work. Without a legitimate monopoly over the use of force in a bounded territory, a government could not collect taxes, make laws enforceable or complete any tasks associated with governance. A challenge arises for the democratization process, therefore, when “there are profound differences about the territorial boundaries of the political community’s state and profound differences as to who has the right of citizenship in that state,” which Linz and Stepan call a problem of “stateness” (1996:16). A historically popular, but generally unsuccessful method a state can use to resolve a problem of “stateness” is the use of nationalizing state policies aimed at increasing cultural homogeneity. To resolve the “stateness” problem, Linz and Stepan propose the implementation of territorial or cultural autonomy, as well as other policies, to allow minority nations to protect their cultural attributes and help foster multiple identities. More importantly, they stress that the implementation of measures to accommodate minority nations should take place *before* the onset of democratization. The introduction of competitive elections without some resolution to the “stateness” problem “narrows the range of available space for maneuver and a dynamic of societal conflict will probably intensify” (Linz and Stepan 1996:37). In other words, opening up political contestation before ensuring that all nations within the state agree on its territorial boundaries is a recipe for intractable ethnic conflict.

For Linz and Stepan, then, the transition period before a state becomes a consolidated democracy is not likely to lead to an increase in ethnic conflict if decentralization is firmly in place to create an ‘escape valve’ for ethnic demands or group fears. Jack Snyder, on the

⁶ A consolidated democracy is marked by a system of governance that hinges on constitutionalism, participation, transparency, accountability, rule of law, and competitive, free and fair elections.

other hand, argues that the institutionalization of ethnic autonomy before democratization is disastrous for intrastate ethnic relations. In *Voting to Violence*, he blames ethnic entrepreneurs for using the political opening created by the democratic transition to mobilize their constituencies in favour of exclusive nationalism, which often results in violent conflicts. Ethnic entrepreneurs, Snyder says, gain a significant advantage if ethnic autonomy precedes the transition, because once participation expands, such “structures channel participation along an ethnic path” (2000:327). Therefore, he is arguing just the opposite of Linz and Stepan—the sequence of decentralization prior to democratization is not ameliorative for ethnic relations, but destructive. Accordingly, it is better to delay decentralization until democratic institutions that check the actions of ethnic elites, such as the constitution, legislature, free press and central court are well developed.⁷

Perhaps the relationship between democratization and decentralization is contingent rather than determinate. After a civil war or period of intense repression at the hands of the state, a minority nation is not likely to view a transition to democracy as legitimate without adequate safeguards to protect them from majoritarian rule, of which decentralization is the most common demand. The implementation of an autonomy settlement will necessarily involve negotiations over the constitutional status of decentralization. If the minority nation is willing to accept less than secession, their demands usually entail a grant of ‘deeply asymmetrical federalism’ or federacy. This means they want a high degree of self-governance in which matters important to their cultural distinctiveness are constitutionally beyond the scope of the authority of the national government, and a greater measure of self-government than other decentralized units due to their special status as a nation. Ideally, a constitution regulates the competencies of different units and a body not directly accountable to the voters is responsible for the arbitration of disputes between the levels of government. Theoretically, with a constitutional agreement of ‘deeply asymmetrical federalism’ and impartial judiciary in place, the instability and uncertainty created by the transition should be nullified because the ethnonationalist group should be confident of its future place and status in the new democratic polity.

As Lake and Rothchild point out, however, “all political constitutions are “incompletely specified, but especially so in decentralized political systems experiencing severe ethnic conflict” (2005:127). Constitutions cannot cover all possible contingencies that might arise, and therefore leaves many procedures and powers outside of the clear jurisdiction of the central government or constituent units. Even if the central arbitrator is a judicial actor rather than political one, there are strong incentives for its members to aggrandize the power of the political centre. Consequently, they can be expected “to expand the residual rights of the central government much of the time” (Lake and Rothchild 2005:128). Given that the minority nation’s expectations are coloured by hostile political memories, they expect the majority group to act opportunistically, and thus even minor steps towards recentralization are likely to lead to (re)mobilization and ethnic conflict. Therefore, the outcome of the intersection between democratization and decentralization might be dependent on the strength majority imperative to centralize authority once democratic institutions are in place. This imperative will be tempered by how well the constitution can adjudicate jurisdictional battles and of course by the will of the majority group’s leaders and judiciary. If the dominant nation exploits its numerical majority within the new democracy

⁷ Snyder is silent about whether ethnic federalism or decentralization will reduce ethnic conflict if implemented after democratic consolidation. I infer this prescription from his theoretical claims and evidence.

to undermine its commitment to decentralization, we can expect an increase in ethnic conflict.

Regional Disparities

Some scholarly work on violent mobilization tends to be more materialist in nature, focusing on relative deprivation and poverty as causes of conflict. This tradition is rooted in Ted Gurr's (1970) seminal argument in *Why Men Rebel* that collective disadvantage is the most important factor leading to violent political mobilization. However, even Gurr himself departed from this position and finds that minority group discrimination is just as important as relative deprivation in explaining ethnic protest and rebellion (Gurr 2000). Horowitz provides qualified support for an emphasis on materialism. He rejects straightforward causal relationships between regional economic disparity and ethnic secession because separatist movements rarely occur in states with the greatest regional economic disparities. For Horowitz, 'backward' groups in 'backward' regions such as the Muslims in the Philippines and Thailand are often the instigators of ethnic violence despite the fact that separation is paradoxical for the masses because they benefit economically from association with the more prosperous rump state (Horowitz 1985:235). Nevertheless, the intersection of regional inequality and ethnicity makes it easier for elites to overcome the collective action problem associated with separatism.

Not surprisingly, then, decentralization may "politicize both inequality and ethnic diversity in a way absent in unitary systems" (Bakke and Wibbels 2006). In formal federations or decentralized states, intergovernmental battles over tax-raising powers, interregional transfers and national spending priorities in ethnically divided societies appear to strengthen ethnic cleavages. This process is apparent in industrial states such as Canada (Simeon 2004) and developing countries such as India (Kohli 2004) and Nigeria (Suberu 2001). Moreover, Bakke and Wibbels (2006) find a significant interaction effect between measures of ethnic heterogeneity and high interregional income inequality in a time-series, cross-sectional analysis of twenty-two decentralized states.

Advocates of decentralization tend to argue that ethnic autonomy and fiscal decentralization must go hand-in-hand. Because national minorities want the autonomous capacity to set policy regarding language, education and culture within their territory, they require the finances to fund relevant programs. However, Bakke and Wibbels (2006) contend that these scholars neglect the fact fiscal decentralization exacerbates regional inequalities. Poor regions generally have a difficult time raising necessary revenues to meet their needs, and fiscal decentralization makes it difficult for the central government to deliver financial transfers. Regional governments are reluctant to raise taxes and serve as a 'magnet for the poor' and elites in rich regions can block redistribution by the national government (Swank 2002). As a result, "where inequality is pervasive, fiscal decentralization will likely contribute ethnic conflict" (Bakke and Wibbels 2006:17).

If fiscal decentralization can exacerbate regional inequalities and promote ethnic conflict, transfers from the central government to impoverished regions can ameliorate tensions. Suberu (2001) credits transfers to the poorer Northern states from the central government as primary reason for the short period of relative peace following the Biafran civil war. Accordingly, Bakke and Wibbels (2006) suggest that transfers to poorer regions will stem separatist conflict when both majority and minority politicians view such transfers as necessary means to maintain peace. Their empirical test indicates that transfers promote peace when ethnic diversity in a state is pronounced (2006:28). Therefore, the general conclusion of Bakke and Wibbels' study is that "the conditions under which decentralization

mitigates violence are a function of the interaction between institutional design, regional inequality, and ethnic diversity in a society” (2006:37).

Bakke and Wibbels’ make an important contribution to the study of decentralization and ethnic conflict by bringing economics back into the analysis of institutions and ethnic conflict. The previous ‘large-n’ work only uses the overall level of wealth in a state in regression models (Cohen 1997; Saideman et al. 2002), which neglects the importance of regional income disparities. The case study research has done a poor job of specifying the mechanisms by which decentralization deepens ethnic cleavages already tense due to income inequality. However, a number of gaps in their theory can be identified, which open up the possibility for alternative research directions. First, the authors neglect the distinction between elite and mass interests that was central to Horowitz’s conceptualization of group secessionist potential. In a country experiencing deep ethnic tensions, transfers to regional governments that are controlled by a national minority will be highly controversial. The masses of the majority group or rich minorities are likely to view such transfers as giving into secessionist scare tactics, which is simply unacceptable. Evidence of this can be seen in Canada, as Ontario and the Western provinces are highly skeptical of resource transfers to Québec because these resources can be turned towards the end of sovereignty from Canada. While central elites may see these transfers as a necessary means to preserve peace, it is less obvious how they will be able to convince the masses to support this endeavour, especially if interethnic resentment is strong. Bakke and Wibbels do not provide an explanation for this. In democratic settings, the electoral costs of pursuing such unpopular policies are high.

A second gap relates to the interests of minority ethnic elites. Even if an ethnic region is poor, elites stand to gain from secession because they are likely to take up high positions in the new state. Bakke and Wibbels ignore the empirically driven argument that ethnic elites will use the extra resources to further secession, and are content to accept that transfers will be sufficient to buy their allegiance to the undivided state. The ability of the centre to ‘buy off’ ethnic elites will be conditioned by the measures of accountability in place to restrain profit-seeking behaviour that is to the detriment of the nonelite members of the national minority. I will develop this hypothesis more extensively in a subsequent section.

Fostering Multiple Identities with Institutional Engineering: Consociationalism and Electoral Systems

A virtue of decentralization as a method of ethnic conflict regulation is that it avoids the ‘winner take all’ outcomes associated with centralized political systems: an ethnic group that is poorly represented at the centre may be able to use its regional power to defend its interests. However, even strong proponents of decentralization claim this is not enough because national minorities are not content with regional power; they want a federal government that represents them as well. According to John McGarry and Brendan O’Leary (2005), consociational governance—cross-community executive power sharing, proportional representation of groups throughout the state sector and formal and informal minority veto rights—is crucial to building *bundesteue*, which means that all ethnic groups feel an overarching loyalty to the state. *Bundesteue* is important to the survival of a multinational polity because national minorities that are not loyal to the state are more likely to pursue secessionism. Ethnic elites in a consociational system will often find themselves with more than their fair share of civil service, legislative and executive positions in government. As Eric Nordlinger explains, the proportionality principle will reduce the degree of competition for power among elites, who will no longer find it necessary to ‘outflank’ opponents with extremist objectives to win additional seats or votes (1972:23). On the other hand, secession

is obviously a more optimal outcome for ethnic elites than permanent exclusion from power at the centre in the undivided state. Secession “creates new positions, while reducing the pool of competitors,” for the educated elites of national minority groups (Horowitz 1985:238). Despite the fact that the nonelites of the national minority do not stand to gain economically from secession, elites might be able to tap into mass desires to affirm their identity and worth by portraying their exclusion from political power as a threat to group survival. Since political and symbolic recognition affects group esteem, mass “restiveness occurs when the state is not symbolically aligned with those who feel threatened” (Edelman 1964:167).

To support this proposition, McGarry and O’Leary point out that consociationalism is present in the successful Canadian, Swiss, and Belgian federations. They also point out the salience of power sharing in the failed multiethnic federations because each had unrepresentative central governments that exacerbated centrifugal pressures. For example, the breakdown of the Nigerian federation in 1967 came about in part due to the frustration felt by the Hausa group because of their underrepresentation in the central government. Moreover, much of Nigeria’s post-1970 conflict, primarily the sectarian warfare between the Muslims and Christians, is a result of a lack of inclusiveness at the centre (Suberu 2001:31). In Pakistan, the army and civil service were dominated by West Pakistan prior to the secession of Bangladesh. Similarly, the Yugoslavian, Soviet and West Indies federations, all of which faltered, did not display any consociational traits.

A close examination of McGarry and O’Leary’s argument reveals a pertinent shortcoming. McGarry and O’Leary are too readily willing to assume that ethnic elites will be able to represent their group and retain their confidence. This assumption is rooted in Arend Lijphart’s now classic assertion that “good fences make good neighbours” (1971:11). In Lijphart’s formulation of consociational government, all inter-ethnic political leaders should understand the perils of fragmentation and therefore allow themselves to accommodate the divergent interests of the different ethnic groups, thus committing themselves in the long run to the maintenance of the system (1977:99-103). The incentives to ensure compliance are universal to the different segmental elites because survival of the undivided state provides them with access to political power and security from economic depreciation and violence. On the other hand, Lijphart neglects to explain why the masses will continue to accept elite-led leadership. He works under the assumption that ethnic divisions among the masses are a given, and thus groups construct every policy issue as an ethnic contest, which leaves no room for cooperation or agreement. In other words, Lijphart accepts a primordial view of ethnicity because he prescribes consociational institutions that are based on clear-cut boundaries in order to protect the communities from facing the issues that set them apart. It is not clear then, why the masses will continue to accept a system of governance under which their representatives consistently misrepresent their interests. Therefore, consociational government at the centre, as prescribed by McGarry and O’Leary may not offset but actually reinforce the disintegrative pressures that result from decentralization. Fostering loyalty to the state among a national minority with an autonomous region might require a ‘bottom up’ rather than a strictly ‘top down’ approach, or perhaps a blend of the two approaches to make elite and nonelite interests in the undivided state harmonious.

One important institutional mechanism that has the potential to “transform ethnic elites from conspirators against the electorate” into representatives that are responsive to the masses is the electoral system (Horowitz 1991:197). The electoral rules that govern nationwide elections and regional elections should be designed to fragment support for ethnic

parties; induce an ethnic group, particularly a majority group, to behave moderately; preserve fluidity and multipolar balance to prevent exclusion, and most important, encourage preelection coalitions of parties across ethnic cleavages (Horowitz 1985:632). This is particularly crucial for a state that is trying to preserve peace and prevent separatism with decentralization because an autonomous region for a national minority provides a fertile breeding ground for extremist ethnic parties that seek to capitalize on minority fears of domination.

The most basic division of electoral systems is between those that lead majoritarian outcomes and those more likely to produce proportionality. In most plurality systems, the country is divided up into small geographically defined districts, and the voters elect a single candidate to be their representative in the national legislature. Alternatively, proportional representation (PR) systems allocate seats among contenders in multimember districts based on their respective proportions of the total vote. For deeply divided societies, the vast majority of scholars recommend some form of PR. By directly translating the number of votes won to the proportion of seats, PR systems are more suited to providing incentives for including minority parties, and according to Lijphart, allow ethnic groups to achieve representation by their own leaders in legislative and executive institutions (Lijphart 1977). In a consociational system that prescribes communal constituencies, electors vote for a candidate of their own respective ethnic groups. There are drawbacks of simple PR under these circumstances. A common criticism is that it makes it attractive for politicians to factionalize into narrowly based ethnic parties, which is potentially destabilizing because it will force onto the agenda narrow interests and highly volatile ethnic issues (Sisk 1996:60). More importantly, however, it introduces a deficit of elite accountability and mass-elite linkages. In the long run, this is likely to enhance the secessionist potential of an autonomous ethnic region because elites will lose the confidence of their group when it becomes clear that the survival of the undivided state only serves elite interests. A separatist group can take advantage of these frustrations to recruit group members for their cause.

This is why Horowitz argues that the electoral system should seek to integrate groups into large multiethnic parties by encouraging moderate behaviour towards 'outgroup' members by both elites and masses. For this end, Horowitz favours vote pooling as a means for inducing moderation; vote pooling provides opportunities to cast subsequent-preference vote through the alternative-vote system or single-transferable-vote system (1991:163-203). In this model, elites are not encouraged to simply appeal to their own constituency to win the seats allocated to their ethnic group, but rather to members of various groups whose support can be crucial to their electoral success. In other words, political elites gain from being moderate towards other ethnic groups because they stand to gain from earning second and third preference votes from them. If vote pooling works optimally, it might produce moderate politics at the centre to offset the centrifugal tendencies that decentralization produces.

Although theoretically compelling, vote-pooling strategies inevitably run into difficulty because voters are reluctant to cross ethnic lines at the ballot box in deeply divided societies. Even Horowitz himself admits in an interview that the successful operation of a vote-pooling framework is dependent upon the assumption that "voters will vote for candidates other than those of their group if advised to do so by leaders of the ethnic party they support" (Sisk 1996:62). Horowitz provides evidence from the Malaysian case that the masses will indeed follow the instructions of their elites irrespective of the intensity of ethnic divisions, but there is insufficient cross-national evidence of this outcome and Horowitz does not develop any compelling theoretical reasons to expect the followers to follow. Perhaps,

then, an electoral system that encourages vote-pooling will only be successful if combined with techniques that make fundamental changes to the culture and psychology of the conflicting masses, taking more seriously a constructivist interpretation of ethnic identity. Promising avenues of research that seek to demonstrate methods of altering mass perceptions of identity and difference—rather than elite mediation and facilitation—focus on the role of civil society, also known as the social transformation approach. This puts us ahead of ourselves because there is still another intervening variable discussed in the literature that prescribes institutional design as the solution to the conflict-hardening potential of decentralization.

The Intervening Role of Political Parties: Avoiding the Consequences of Ethnic Parties by Institutional Design

The literature on political parties tells us the relationship between the party system and societal cleavages resembles the ‘chicken and egg’ dilemma. Nowhere is the reciprocal relationship between parties and society more evident than in ethnically divided societies.

“By appealing to electorates in ethnic terms, by making ethnic demands on government, and by bolstering the influence of ethnically chauvinist elements within each group, parties that begin by mere mirroring ethnic divisions help to deepen and extend them” (Horowitz 1985:291).

An ethnic party is distinctive from an ideological or mass party because it derives its support solely from an identifiable group based on ascriptive qualities. It is important to note, however, that an ethnic party does not necessarily command the exclusive allegiance of its group, it is quite likely for an ethnic group in a conflict-ridden society to split its support among two or more parties. In fact, the latter outcome is more detrimental to interethnic peace because intragroup party competition provides incentives for parties to outflank their competitors by accusing them of sacrificing group interests in favour of moderate behaviour towards outgroup members. It is once an ethnic party system is thrown up that incentives for the masses to vote along ethnic lines are obvious. If voters choose to select a candidate or party without regard for ethnicity, they are in effect putting themselves at a collective disadvantage if other groups are voting ethnically. Moreover, Horowitz points out that voters in ethnically divided societies are liable to sanctions for deviant voting and anxiety-laden fears of domination drive out nonethnic votes (1985:321-23). Therefore, once an ethnic party system is in place, elites have a legitimate stake in its preservation and the anxious masses are driven to ethnic voting by a fear of domination and repression.

If it is clear that an ethnic party system is deleterious for ethnic relations within a state, the issue turns to its origins and solutions. For Horowitz, the birth of an ethnic party system is rooted in his theory of perceptions of group worth and legitimacy, which he says tend to make the masses susceptible to the electoral ambitions of elites. While it may appear to be contradictory to elite interests to pursue an ethnic strategy rather than a mass or ideological one to gain office, the security of having an ascriptive base of support makes it an attractive option in divided societies. Furthermore, elites with aspirations of unchecked authoritarian rule may use ethnic appeals as a springboard to power and subsequent justification for the termination of free elections. This incentive grows exponentially as the number of effective ethnic cleavages reduces towards a situation of bi-polarity. As described in a previous section of this paper, Horowitz is an advocate of integration, which corresponds to a position on the nature of the relationship between ethnic parties and the effectiveness of decentralization as a conflict regulator. He notes that committed multiethnic alliances are effective at reducing ethnic conflict. Partners that are “chosen by the

congeniality of their positions on ethnic policy matters, and the term of the coalition is characterized by some limited policy compromise” are more stable than coalitions in which partners are simply interested in pooling seats to form a majoritarian government (Horowitz 1985:395). Such alliances are better at dealing with competitors that attempt to use ethnic outbidding because the alliance consists of what are still *de facto* ethnic parties able to appeal to their ethnic constituencies. For Horowitz, the main institutional device that encourages multiethnic alliances is decentralization that cuts across major ethnic fault lines. This is because integrative borders exploit and foster subethnic identities, encouraging more parties to contest at the federal level, thus making it less likely that any one ethnic party can dominate politics at the centre without a legitimate interethnic coalition. Therefore, institutional design matters because subunit borders that overlap with ethnic divisions produce incentives for elites to foster an ethnically based party system that worsens the centrifugal tendencies inherent in decentralization. Horowitz is less than optimistic about the prospects of altering the party system through decentralization. He argues that the relationship between ethnic cleavages and ethnic parties is reciprocal. Therefore, the relationship between decentralization and ethnic parties is neither strong nor unidirectional.

Dawn Brancati (2006) agrees with Horowitz that regional parties can intensify ethnic conflict by reinforcing ethnic cleavages and shared grievances, fostering extreme views on ethnic issues at the centre, exploiting the resources offered by decentralization to promote secessionism, and passing legislation at the regional level that threatens internal minorities who are often members of the statewide ethnic majority group. A good example of the third mechanism is the *Parti Québécois*’ legislation that only allows children of parents who attended English schools to receive English language education in the province of Québec. Statewide parties that compete for votes across ethnic groups and regions, on the other hand, rarely pass legislation that is discriminatory because it is contradictory to their electoral strategy.

Brancati’s contribution is the argument that the institutional specifics of decentralization encourage the emergence of regional political parties and increase their electoral fortunes. This contradicts the prevailing assumption that the presence of regional parties causes decentralization. Brancati argues that regional parties do not have the political weight to credibly force a central government to decentralize, and even if that is the case, “certain characteristics of decentralization increase the strength of regional parties more than others” (662). Spain is the quintessential example. Prior to decentralization, the Basque and Catalan nationalist parties had a strong presence in their respective homelands, but nowhere else in Spain did a regional party exist. Following the implementation of decentralization, regional parties developed in other Autonomous Communities through ‘boundary building’, which included the invention of symbols, as well as the rediscovery of local culture. In regions such as Aragon, Valencia, and the Canary Islands, regional parties are comparable in strength to those in the Basque Country and Catalonia.

Design matters because the national and local strength of regional parties is a result of three institutional variables of decentralization. First, elites in large regions have more incentives to form regional parties because they are likely to win more seats than in small ones. Accordingly, Brancati suggests that the strength of regional parties is contingent on the size of the regions in a country. Second, an upper house that is appointed by subnational legislatures makes it more lucrative for elites in a position to form regional parties. A democratically elected upper house decreases the chances a regional party will be represented at the national level. Third, regional parties are stronger locally and nationally if sub-national and general elections do not coincide. This is due to the ‘coattails’ effect, which

states that elections to higher levels of government influence those of lower levels because the former are better funded and receive more public attention. Therefore, concurrent elections are better suited to avoiding the pitfalls of strong regional parties, which for Brancati, are ethnic conflict and secessionism.

Brancati makes an important methodological contribution to the literature by searching for causal mechanisms that intervene in the relationship between decentralization and ethnic conflict, but the argument rests upon two weak assumptions. First, she assumes that ethnic regional parties are free to use the resources of decentralization to promote secessionism at their will. There is a burgeoning literature on decentralized governance that emphasizes the importance of instruments that enhance the accountability and transparency of local governments (Cheema 2007). Ethnic elites that capture a local government do so in the context of strong or weak mechanisms of accountability, which work as constraints upon secessionist activity or opportunities for its promotion. Second, she does not make a distinction between the interests of the rank-and-file and elite members of the regional ethnic group, and assumes that the latter can easily manipulate the former according to their interests. Scholars of nationalism and ethnic politics make the case that it is possible for members of minority ethnic groups to develop ‘dual identities’ (e.g., Québécois and Canadian), which can defuse tensions between the minority and majority ethnic groups (Moreno 2006; Keating 2001). I develop these criticisms into an alternative hypothesis in the following section.

Accountability and Civil Society: Making Decentralization Work in Ethnically Divided Societies

My working hypothesis emphasizes the role of accountability mechanisms and civil society as intervening variables. First, the introduction of congruent decentralization following the institutionalization of accountability mechanisms decreases the opportunities for power-seeking ethnic elites to use the resources provided by devolution to pursue secession. Second, interethnic networks of civic engagement promote communication between the rank-and-file members of the regionally concentrated ethnic minority and the majority group, which helps to alleviate the cleavage reinforcing effects of decentralization. Because mechanisms of accountability constrain the secessionist tendencies of ethnic elites, and interethnic networks of civil society promote ‘dual identities’ amongst the rank-and-file members of the minority ethnic group, the two variables work synergistically to promote the success of decentralization as a tool to preserve peace between an ethnic minority group and the state.

One of the challenges in promoting decentralization in developing countries is elite capture and corruption and misuse of authority at the local level. These problems are more acute at lower levels of government because the fixed costs of organizing make it harder for a smaller pool of people to organize into resistance groups and elite collusion may be easier than at the national level (Mehrotra 2006). This is especially the case in regions dominated by national minorities because local elites can use ethnicity as a tool to highlight interethnic inequality, discrimination, cultural differences. Therefore, even the strongest advocates of decentralization argue “that effective devolution requires corresponding mechanisms to ensure accountability of local actors—politicians, government officials, and others involved in allocating resources and influencing local political decisions” (Cheema 2007:170). Without adequate mechanisms for accountability, strategic ethnic elites can use the economic and institutional resources of decentralization to incite ethnic conflict and secessionism.

Elites stand to benefit from a successful campaign of secession due to new opportunities in the smaller state (Horowitz 1985:238). Promoting minority ethnic nationalism may also be an electoral strategy for elites who do not want separate statehood. If politics within the region is coterminous with ethnic politics, ethnic elites retain electoral support and the spoils that come with it. This is an undesirable outcome because there are economic and human costs of violence. Moreover, secession is rarely (if ever) in the best interest of the public of a national minority because of the severance of the local economy from the larger state, and perhaps even the international community.

A United Nations study in 2004 identifies two key strategies to promote accountability and transparency in local governance: anticorruption commissions and engagement of civil society in local decision-making. Establishing anticorruption bodies is one way the central government can combat elite capture and corruption at the local level. There are a number of basic characteristics of effective anticorruption bodies according to Cheema: financial independence, administrative autonomy, and internal capacity to perform their tasks (2007:178). A particularly important function of anticorruption bodies in regions controlled by national minorities is to audit how elites are using resources and report this to the public. Public awareness of corrupt elite behaviour will make them less susceptible to their rallying cries for secessionist activity.

Civil society organizations (CSO) can be an effective source of 'voice' for the citizenry to check the power of ethnic elites. The central state should do their part by creating formal mechanisms to ensure the dialogue between local government elites and CSO's. CSO's perform 'social audits' to promote democratic functioning at the local level. In Rajasthan, India, the Organization for Workers and Peasant Power organizes public hearings to examine official spending records and recommend legislation. This articulation of 'voice' is made effective because the Indian state mandates that local levels of government be accountable to CSO's with conditional fiscal transfers (Mehrotra 2006:269). Of course, the level of citizen engagement and type of CSO's will be strong determinants of the effectiveness of such accountability mechanisms. If there is a dearth of genuinely interethnic CSO's that organize around non-ethnic issues, it is unlikely that CSO's will effectively prevent ethnic elites from promoting secessionism and violence. Therefore, making decentralization work in ethnically divided societies requires both 'bottom up' and 'top down' solutions.

Ashutosh Varshney, in his influential book *Ethnic Conflict and Civic Life*, highlights the link between civil society and ethnic conflict. Drawing upon the work of Robert Putnam (1993), he says that in large, ethnically diverse cities, interethnic associational forms of civic engagement (i.e., sports clubs, business organizations, reading clubs, and cadre-based political parties), brings different communities together and prevents ethnic riots. He identifies two mechanisms that mediate the causal relationship between civil society and ethnic conflict. First, civic networks promote communication between members of different communities, which is important in times of crisis because interaction allows the communities to kill riot-inciting rumours and work with state administration. The second mechanism demonstrates why associational forms of engagement are stronger counterweights to ethnic violence than everyday forms of engagement. Politicians in ethnically divided societies often try to polarize groups by employing gangs and criminals to incite fear for the sake of electoral advantage. However, trade unions, associations of traders, and cadre-based political parties create a countervailing force because their interests are threatened by communal violence. They become "the ears and arms of the administration...making it easier to police the emerging situation and prevent it from

degenerating into riots and killings” (Varshney 2002:11). This makes it hard for polarizing politicians to succeed at inciting interethnic violence, and thus they eventually give up trying.

While Varshney only explains city-level ethnic riots, we can expect similar mechanisms to link civic networks that cut across majority and minority communities in a decentralized multination state with a lower incidence of secessionist ethnic conflict. Scholars of nationalism and ethnic politics make the case that it is possible for members of minority ethnic groups to develop ‘dual identities’ (Moreno 2006; Keating 2001). The level and strength of a ‘dual identity’ amongst a national minority will reduce support for secessionism because associational groups and a moderate public will be less susceptible to elite manipulation and will condemn armed separatist groups because they threaten the region’s relationship with the rump state. This will be reinforced by a willingness among the majority group to extend accommodation because members of the national minority are no longer ‘alien’ to them. In other words, dense networks of interethnic civic engagement can transform society from the ‘bottom up’ by instilling norms of open-mindedness, cooperation, and spiritedness among members of society. This theory takes a constructivist view of ethnicity and assumes that the “modular man” makes choices about his identity and is thus able to overcome narrow-mindedness and act according to his own *true self-interest* (Gellner 1994:97-102).

Conclusion

Decentralization is neither a curse nor a cure for secessionist ethnic conflict. Sometimes decentralization ameliorates ethnic strife, and other times it does not. Therefore, the task for scholars is to uncover the intervening variables that mediate the relationship between decentralization and ethnic conflict. Bakke and Wibbels (2006) and Brancati (2006) have adopted this research agenda and generated interesting findings, but theoretical criticisms suggest that more work needs to be done in this area. There is yet to be any systematic testing of whether the presence of dense interethnic networks of civic engagement and accountability mechanisms at the regional level makes decentralization more likely to reduce secessionist ethnic conflict. The challenge that remains is putting this theory through rigorous ‘large-n’ testing and process tracing in well-selected cases to see if it holds any weight.

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