Decentralization: Fueling the Fire or Dampening the Flames of Ethnic Conflict and Secessionism

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Abstract

Political decentralization is widely believed to reduce ethnic conflict and secessionism in the world today. Yet, decentralization is more successful in reducing ethnic conflict and secessionism in some countries than in others. In this paper, I explore why this occurs. I demonstrate using a statistical analysis of thirty democracies from 1985 to 2000 that decentralization decreases ethnic conflict and secessionism directly by giving groups control over their own political, social and economic affairs, but that it increases ethnic conflict and secessionism indirectly by encouraging the growth of regional parties. Regional parties increase ethnic conflict and secessionism by reinforcing ethnic and regional identities, producing legislation that favors certain groups over others, and mobilizing groups to engage in ethnic conflict and secessionism.
Introduction

Ethnic conflict poses a major threat to peace and stability in the twenty-first century. Ethnic conflict is responsible for the death of millions of people around the globe, as well as the rape, torture and impoverishment of millions of others. An estimated fifty-eight ethnic conflicts have occurred in the world from 1945 to 2000 (Fearon and Laitin, 2003), while an estimated fifty ethnic groups have engaged in armed conflicts for autonomy or independence since the 1950s (Marshall and Gurr, 2003). No region of the world is immune to these conflicts. Developing countries, like Nigeria, Sri Lanka and Indonesia, have all experienced ethnic conflict and secessionism, as have well-developed countries, like Spain, Switzerland and the United Kingdom.

Political decentralization, however, is commonly believed to reduce ethnic conflict and secessionism in the world today. Conventionally, decentralization is thought to reduce ethnic conflict and secessionism by giving groups control over their own political, social and economic affairs (Ornstein and Coursen, 1992; Kaufman, 1996; Lijphart, 1977, 1996; Lustik, Miodownik and Eidelson, 2004; Tsebelis, 1990; Horowitz, 1991; Gurr, 2000; Stepan, 1999). In practice, however, decentralization has been more successful in reducing ethnic conflict and secessionism in some democracies than in others. Political decentralization has been very successful in curbing ethnic conflict and secessionism in Belgium, India and Spain, for example, but has been much less successful in curbing ethnic conflict and secessionism in Nigeria, Indonesia and the former Yugoslavia.

The goal of this paper is to explain why political decentralization is more successful in reducing ethnic conflict and secessionism in some democracies than in others. This study focuses on democracies because decentralization is only genuine in democracies, although some non-democracies, like Ethiopia, Serbia and Montenegro, and the United Arab Emi-
grates, assign decision-making powers to regional legislatures.\textsuperscript{1} In these countries, however, national governments infringe on the jurisdiction of regional legislatures – flouting the legislation they produce and installing regional politicians that do not challenge the national government’s authority.

A growing number of scholars suggest, however, that political decentralization does not reduce ethnic conflict and secessionism, and even intensifies it, by reinforcing regionally-based ethnic identities (Hardgrave, 1994; Kymlicka, 1998; Dikshit, 1975), by producing legislation that discriminates against certain ethnic or religious groups in a country (Horowitz, 1991; Lijphart and Weaver, 1993; Nordlinger, 1972; Suberu, 1994), and by supplying groups at the regional level of government with the resources to engage in ethnic conflict and secessionism (Bunce, 1999; Kymlicka, 1998; Leff, 1999; Snyder, 2000; Roeder, 1991). These works identify very important ways in which decentralization may increase ethnic conflict and secessionism. They cannot explain, however, why decentralization is more successful in reducing ethnic conflict and secessionism in some countries than in others, because these works imply that all decentralized systems of government always increase ethnic conflict and secessionism.

My work builds on the work of these scholars by identifying the conditions under which decentralization produces ethnic conflict and secessionism in the ways these scholars describe. In this paper I demonstrate that the strength of regional parties is the key factor determining the ability of decentralization to reduce ethnic conflict and secessionism. Decentralization increases the strength of regional parties in countries through the opportunities it provides regional parties to win elections in regional legislatures and influence policy (Chhibber and Kollman, 1998, 2002; Brancati, 2005). But, it does so to varying degrees depending on certain characteristics of decentralization, which explains why decentralization does not reduce ethnic conflict and secessionism equally in all countries.

Regional parties, in turn, increase ethnic conflict and secessionism by reinforcing regionally-

\textsuperscript{1}I consider countries democracies if they score a 5 or higher on the Polity IV (0-10) index of democracy.
based ethnic identities, by producing legislation that favors certain groups over others, and by mobilizing groups to engage in ethnic conflict or by supporting terrorist organizations that participate in these activities. Several scholars have noted how particular regional parties may produce these effects (Banerjee, 1984; Bhatnagar and Kumar, 1998; Gassah, 1992; Kumar, 1986). But, only a few scholars have made claims about regional parties more generally and only in terms of their effect on ethnic identities (de Winter and Türsan, 1998; Keating, 1998). None of these scholars, moreover, have recognized the link between decentralization and regional parties.

The methodological approach of this paper presents an advance on previous studies of decentralization and regional parties. Most studies of decentralization explore the effect of decentralization on ethnic conflict and secessionism using either illustrations of different countries to demonstrate their arguments (Horowitz, 1991; Kymlicka, 1998; Nordlinger, 1972; Ornstein and Coursen, 1992; Snyder, 2000), or qualitative case study analysis (Brubaker, 1996; Bunce, 1999; Leff, 1999; Roeder, 1991). While useful for generating interesting ideas about decentralization, these illustrations and case studies do not provide strong evidence of their claims. Most of the case studies are also selected on the dependent variable. That is, the majority of studies claiming that decentralization decreases ethnic conflict and secessionism are based on successful examples of decentralization (Lijphart, 1981, 1996), while the majority of studies claiming that decentralization increases ethnic conflict and secessionism are based on failed examples of decentralization in East Central Europe (Bunce, 1999; Leff, 1999; Roeder, 1991).

Most analysis of regional parties are similarly limited because they are based on either certain regional parties, like the Scottish National Party in the United Kingdom or the Northern League in Italy (Newell, 1998; Christiansen, 1998; Tarchi, 1998; Holzer and Schwegler, 1998), or on certain regions of countries, like the Basque Country and Catalonia in Spain or the Northeast region in India (Alkartasuna, 1998; Llera, 1993; Marcet and Argelaguet, 1998;
Some studies even focus on particular regional party leaders, like Umberto Bossi of the Northern League (Rocca, 1999) or Slobodan Miloševic of the Socialist Party of Serbia (Blumi, 2001; Malcolm, 1994). As a result, these works only draw conclusions about particular regional parties and their leaders, and not regional parties more generally.

In this analysis I try to theorize more generally about the effects of decentralization and regional parties on ethnic conflict and secessionism and to rigorously test these claims through a large-N statistical analysis of thirty countries around the world from 1985 to 2000. This analysis is based on data from an original dataset of constituency-level election results, which measures the strength of regional parties in countries, as well as the *Minorities at Risk Project* (CIDCM, 2002), which measures ethnic conflict and secessionism. The former dataset makes an analysis of regional parties possible because, unlike most election datasets, it provides data on the areas of countries in which parties win votes rather than the overall number of votes and seats parties win in countries. The results of the statistical analysis confirm my argument that political decentralization decreases ethnic conflict and secessionism in countries and that regional parties increase ethnic conflict and secessionism, while controlling for different aspects of countries’ political and electoral systems.

2. Definitions

Ethnic conflict refers to a very specific phenomenon. Ethnic conflict encompasses all forms of small and large-scale acts of violence between and among different ethnic groups in which ethnicity plays a causal role in the conflict (Sambanis, 2001; Lake and Rothchild, 1996). As way of illustration, a conflict involving a Muslim man who is kicked and beaten by a Caucasian man hurling racial epithets at him, is an example of ethnic conflict. An incidence, however, of a Muslim man who is attacked by a Caucasian man trying to steal a
wallet and not uttering racial epitaphs, is not an example of ethnic conflict. Secessionism is distinct from ethnic conflict. It refers to the desire of groups for an independent state (Hechter, 1992). Secessionism is usually associated with violence and often accompanied by ethnic conflict, but it is not necessarily associated with either violence or ethnic conflict.

Political decentralization, meanwhile, is a system of government in which there is a vertical division of power among multiple levels of government that each have independent decision-making power over at least one issue area (Riker, 1964; Rodden, 2004). In most cases, decentralized systems of government have three different levels of government - a national level, a regional level and a local level of government. Independent decision-making power refers to the fact that these different levels of government can legislate on certain matters. Countries, like Bolivia and France (pre-1982), where the regional level of government administers decisions made at a higher level of government are not decentralized, even though regional legislatures are elected in these countries. Usually the national level of government legislates on issues that affect a country as a whole or issues that sub-units of a state cannot provide for individually, such as defense, foreign affairs, currency, and immigration. The issues sub-national governments have control over vary widely across countries, however, but often include issues that benefit from policies tailored to the specific needs of different areas of a country, such as health, education, gambling, marriage, roads and transportation, etc..

Finally, regional parties are parties that compete and win votes in one region of a country. Regions are conceptualized in this paper as the political regions of a country, which represent the level of government directly below the national level of government in a country. In the United States, these regions are constituted by the US states. I define regions in this way

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2Political decentralization, as it is defined here, is sometimes known by different names, including federalism (Riker, 1964), policy decentralization (Rodden, 2004), or decision-making decentralization (Treisman, 2002). Increasingly, scholars are replacing the term federalism with the term decentralization for various reasons, including the desire to consider countries that do not describe themselves as federal, such as Spain or Italy, but which have regional governments with independent decision-making powers, as decentralized.
because the political regions of a country coincide with the boundaries of regional legislatures. This is important since decentralization increases the strength of regional parties through regional legislatures and regional legislatures reduce ethnic conflict and secessionism by giving groups control over their own political, social and economic affairs.

Besides competing in only certain regions of countries, regional parties tend to focus their agendas on issues affecting particular regions of countries. Regional parties stand in stark contrast to state-wide parties, which compete and win votes in every region of a country and tend to focus their agendas on national issues. Parties, like the Quebec Party in Canada, the Basque National Party in Spain (PNV), or the Dravida Munnetra Kazagham (DMK) in India, are all examples of regional parties. Regional parties are not necessarily ethnic parties. An ethnic party “overtly represents itself to voters as the champion of the interests of one ethnic group or set of groups to the exclusion of another or others, and makes such a representation central to its mobilizing strategy” (Chandra and Metz, 2002, 5). Some regional parties may also be ethnic parties, but all regional parties are not ethnic parties and all ethnic parties are not regional parties. The Basque National Party (PNV) is a regional party, but not an ethnic party since it purports to represent all people living in the Basque Country regardless of their ethnic identity. The Bharatiya Janata Party (BJP), in contrast, is an ethnic party that champions the interests of Hindus in India, but is not a regional party since it competes throughout India.

3. The Contrasting Effects of Political Decentralization

Decentralization is supposed to reduce ethnic conflict and secessionism by giving groups control over their own political, social and economic affairs (Ornstein and Coursen, 1992; 3Unfortunately, it is not possible to separate out the effects of regional parties from ethno-regional parties, because the best available dataset on ethnic parties (Chandra and Metz, 2002) currently only provides data on one election per country.
Kaufman, 1996; Lijphart, 1977, 1996; Tsebelis, 1990; Horowitz, 1991; Gurr, 2000; Stepan, 1999; Lustik, Miodownik and Eidelson, 2004). This reduces ethnic conflict and secessionism by enabling ethnic groups, clustered in certain areas of a country, to pass legislation protecting their different interests at the regional level of government. Groups may protect their identities, for example, if they have control over linguistic and educational policies by lifting bans on local languages and implementing school curricula emphasizing their identities. Groups may also protect their economic prosperity if they have control over development, as well as revenues and expenditures in their regions. Groups may use this authority to devise innovative projects that encourage investment and protect natural resources from outside exploitation. Groups may even protect their physical survival by having control over issues like immigration, health or law enforcement. Authority over these issues enables groups to limit the number of non-locals in their regions, protect themselves against depopulation, and defend against attacks by other groups in a country or by the government.

A number of scholars suggest, however, that decentralization increases ethnic conflict and secessionism and offer various reasons for this effect. Some scholars suggest that decentralization increases ethnic conflict and secessionism because it reinforces ethnic identities by recognizing certain ethnic groups in countries and giving them a sense of legitimacy (Hardgrave, 1994; Kymlicka, 1998). Other scholars argue that decentralization increases ethnic conflict and secessionism by enabling groups to produce legislation that discriminates against regional minorities (Horowitz, 1991; Lijphart and Weaver, 1993; Nordlinger, 1972; Suberu, 1994), while a third and final group of scholars, suggests that decentralization encourages ethnic conflict and secessionism by providing regions with certain resources that make engaging in ethnic conflict and secessionism easier to do, such as regional legislatures, regional forms of media and regional police forces. (Bunce, 1999; Kymlicka, 1998; Leff, 1999; Snyder, 2000; O’Leary and McGarry, 1994; Riker, 1964; Snyder and Ballentine, 1996).

These two contrasting arguments can be reconciled, however, by looking at the interven-
ing effect of regional parties. Political decentralization reduces ethnic conflict and secessionism *directly*, as other scholars have observed, by enabling territorially-concentrated ethnic groups to pass legislation at the regional level of government that protects their political, social and economic interests. Political decentralization, however, increases ethnic conflict and secessionism *indirectly* by increasing the strength of regional parties in countries. Regional parties intensify ethnic conflict and secessionism by reinforcing ethnic and regional identities, by producing legislation that causes groups to feel threatened in a country, and by mobilizing groups to engage in ethnic conflict and secessionism or by supporting terrorist organizations that participate in these activities.\(^4\) Scholars, who argue that decentralization increases ethnic conflict and secessionism, are, by and large, observing the effect of regional parties on ethnic conflict and secessionism, although they are not associating these effects with regional parties but with decentralization itself. These negative effects, however, operate through regional parties. That is, these negative effects would not result were it not for regional parties.

[Insert Figure 1]

Decentralization encourages the growth of regional parties, as scholars have noted, through the opportunities it provides regional parties to win elections at the regional level of government and influence policy (Brancati, 2005; Chhibber and Kollman, 1998, 2002). Chhibber and Kollman argue that both political decentralization and fiscal decentralization increase the number of parties that do not compete in every district of a country during national elections.\(^5\) According to the authors, decentralization does this by giving parties fewer incentives to merge with each other at the national level of government in order to control

\(^4\)See (Riker, 1964) and (Mikhail Filippov and Shvetsova, 2004) for a discussion of the importance of national party systems in the maintenance of federal systems.

\(^5\)Chhibber and Kollman do not measure the effect of decentralization on regional parties in particular. Their measurement of parties includes state-wide parties that do not compete in every constituency of a country, as well as regional parties.
decisions made at this level of government.

In a separate study (2005), I demonstrate that political decentralization promotes regional parties because regional parties have a much better chance of governing at the regional level of government - where the ability of parties to govern is constrained by the number of seats they win in a certain region of a country - than at the national level of government - where the ability of parties to govern is constrained by the number of seats parties win in a country overall. The presence of regional parties at the regional level of government carries over to the national level of government in decentralized systems of government because regional parties benefit electorally at the regional level from participating in elections at the national level, and because regional legislatures often elect or appoint upper houses of legislatures at the national level of government.

In this study I also show that decentralization promotes regional parties more in some countries than in others depending on different features of decentralization. This fact is the key reason why decentralized systems of government are more successful in reducing ethnic conflict and secessionism in some countries than in others. These features of decentralization include the size of regions, the number of regional legislatures in a country, the method used to elect upper houses of government, and the sequencing of national and regional elections. Having large regions, many regional legislatures, upper houses of government elected or appointed by regional legislatures and non-current national and regional elections increases the strength of regional parties in countries.6

In this paper, however, the focus is not on the effect of decentralization on regional parties, but on the effect of decentralization and regional parties on ethnic conflict and secessionism. Regional parties increase ethnic conflict and secessionism by reinforcing ethnic identities, passing legislation that is harmful to regional minorities and mobilizing groups to

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6In related work, Gary Cox (1997) shows that non-concurrent executive and legislative elections decrease the overall number of of parties in national legislative elections.
engage in ethnic conflict while utilizing the resources decentralization provides them to do so. Several scholars have noted how particular regional parties may produce some of these effects (Banerjee, 1984; Bhatnagar and Kumar, 1998; Gassah, 1992; Kumar, 1986). Some scholars have even recognized how regional parties, in general, may reinforce ethnic identities (de Winter and Türsan, 1998; Keating, 1998). But, no one has recognized the link between decentralization and regional parties.

Regional parties reinforce regional and ethno-regional identities by making people who possess certain physical characteristics or live in certain geographic locales think of themselves as a group with shared needs and goals (de Winter and Türsan, 1998; Keating, 1998). Not all countries with strong ethnic or regional identities experience ethnic conflict and secessionism. Nonetheless, strong ethnic identities are the basis for all forms of ethnic conflict, and strong regional identities are the basis for all forms of secessionism. Intense competition between regional parties may also facilitate ethnic outbidding when ethnic and regional boundaries overlap, since regional parties competing for the same electorate may adopt increasingly extreme views in order to attract votes away from other regional parties (Horowitz, 1985; Rabuska and Shepsle, 1972).

The Northern League, a regional party in Italy, has successfully reinforced regional identities in this way. In order to make people living in Northern Italy think of themselves as Northern Italians, the Northern League produced and distributed special identification cards for residents of the “Free Republic of Padania,” published its own paper focusing on issues affecting only Northern Italy, and invented a flag of a green sun set against a white field to represent Padania. The Northern League even formed a human chain in one demonstration along the Po River to delineate the physical boundaries of Padania from the rest of the country. The Northern League did not invent the term Padania. The term describes the plain area surrounding the River Po and is derived from the name of the river. The Northern League did, however, appropriate the word to describe the people of Northern Italy as a
State-wide parties, in contrast, do not reinforce regional identities because they strive to make people living in a whole country feel united in a common fate. They make appeals based on issues that cut-across regional boundaries, such as class, health care, or national security. To underscore this difference, one need only look at the issues Forza Italia (Let’s Go Italy) campaigned on the year it shared control of Italy’s national government with the Northern League. In this year (2001) Forza Italia, a state-wide party, as well as the largest party in the national legislature, campaigned on issues affecting all Italians, such as crime, education, health care and immigration. The Northern League, in contrast, campaigned on issues relating to independence and immigration in Northern Italy.

Regional parties also promote ethnic conflict and secessionism by producing policies at the regional level of government that threaten regional minorities. In 1977 the Quebec Party, a regional party in Canada, adopted a law that threatened English-speakers in Quebec by allowing only children whose parents attended English schools in Canada to attend English-language schools in Quebec. The law also prohibited all languages other than French on public and commercial signs. The Supreme Court of Canada declared the latter part of this law unconstitutional ten years later. Similarly, in Moldova in 2004, regional parties elevated tensions among Romanians and Russians in Transnistria by passing a law preventing Romanians in Transnistria from being educated in their own language. The language policy calls for all schools in the region to be closed if they do not use the Cyrillic alphabet. Unlike, the Quebec law, this law has not been declared unconstitutional, at least not yet.

State-wide parties, meanwhile, are much less likely than regional parties to pass legislation harmful to regional minorities if these minorities have a significant presence in other areas

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7 State-wide parties may reinforce ethnic identities when ethnic groups are not territorially concentrated. Decentralized systems of government have no effect, however, on ethnic conflict when ethnic groups are not territorially concentrated in the first place.
of a country.\footnote{If the minority groups do not have a presence in any other region of a country, both state-wide parties and regional parties may produce legislation that is harmful to minority groups in these regions.} By doing so, state-wide parties risk losing the support of these minorities in the rest of the country. The Congress Party, a state-wide party in India, did not support legislation advocated by the People’s Democratic Party (PDP), a regional party in Jammu and Kashmir, for this reason. The legislation, known commonly as the Daughter’s Bill (2004), prevents a woman who marries a non-Kashmiri man from passing on immovable property to her husband or children upon her death. The law was intended to prevent an influx of immigrants into the Muslim majority region of Jammu and Kashmir and to preserve Muslim culture. The Congress Party did not vote for the bill, however, because it had considerable support from non-Muslims and women outside the region, who were either directly harmed by the law or who viewed the law as discriminatory against their people. State-wide parties are also unlikely to pass legislation heavily favoring one region of a country over another at the national level of government because they risk losing the electoral support of the neglected region by doing so. Whether state-wide parties do or not, depends of course on the electoral importance of a region, as well as the particular ethnic groups within a region.

Finally, regional parties may increase ethnic conflict and secessionism by mobilizing groups to engage in ethnic conflict and secessionism, while using the resources decentralization provides them to achieve these goals, such as regional legislatures, regional forms of media and regional police and militia forces. In the former Yugoslavia, regional parties in Croatia and Slovenia used regional militia forces to fight for independence in the 1990s. Regional parties support terrorist organizations that engage in these activities as well. In Northern Ireland and Spain regional parties, such as Sinn Féin and Herri Batasuna, have supported terrorist organizations, such as the Irish Republic Army (IRA) and Euskadi Ta Azkatasuna (ETA) respectively. Batasuna has supported ETA financially by collecting the proceeds of ETA’s “revolutionary tax,” a local tax that businesses must pay if they do not
want ETA to attack them. Batasuna also uses the Basque media to support ETA and its goals and even uses its offices to store guns and ammunition for ETA.

4. Causal Direction

An alternative explanation, however, for this relationship suggests that the presence of ethnic conflict and secessionism causes countries to adopt decentralized systems of government, not vice versa. According to this view, countries that are more prone to experience ethnic conflict and secessionism, not only have deeper regional cleavages and stronger regional parties, but are also more likely to adopt decentralized systems of government than countries less prone to experience ethnic conflict and secessionism. While the potential for conflict and secessionism, as well as the presence of regional parties in a country may contribute to decentralization, they cannot fully account for why countries adopt decentralized systems of government in the first place.

While many decentralized systems of government have strong regional cleavages, decentralization cannot be completely attributed to strong regional cleavages. Many decentralized systems of government have weak regional cleavages, including Australia, Czechoslovakia and the United States, while many centralized systems of government have strong regional cleavages, including Bolivia, Romania and Sri Lanka. Regional cleavages are strong when the political, social and economic differences between regions are significant. Conversely, regional cleavages are weak when these differences are small. Regional cleavages are weaker in Czechoslovakia than in Romania because Czechs and Slovaks speak mutually-intelligible languages and practice the same religion (Catholicism), while in Romania, Hungarians and Romanians speak very distinct languages and practice different religions although both are sects of Christianity.

Many countries with strong regional cleavages are not decentralized because national
leaders are unwilling to relinquish power in order to decentralize, or because national leaders fear that decentralization will increase ethnic conflict, not decrease it (O’Neill, 2003; Eaton, 2004). Sri Lanka, Madagascar and Uganda are all examples of countries reluctant to adopt decentralization because of its potentially negative consequences on ethnic conflict and secessionism. Many countries in the world have also experienced high levels of ethnic conflict for these reasons, but do not have decentralized systems of government.

Many countries, moreover, have adopted decentralization for reasons other than the need to manage ethnic conflict and secessionism. Some countries, like the United States and Canada, have adopted decentralized systems of government in order to unite different territories into a single country, protect themselves against external military threats (Hamilton, Madison and Jay, 1987; Riker, 1964), and achieve economies of scale (Hamilton, Madison and Jay, 1987; Alesina and Spolare, 1997; Bolton and Roland, 1997). Some countries also have decentralized systems of government because they are large and cannot be easily managed from a single central government located far away from most of its constituents (Panizza, 1999; Treisman, 2002).

Other countries, like Nigeria and South Africa, have decentralized systems of government because they are former colonies of the United Kingdom. The United Kingdom used decentralization to maintain control over its colonies - many of which have continued to use decentralization after gaining independence because decentralization entrenched regional elites, who were unwilling to relinquish power once their colonies gained independence (Young, 1994; Herbst, 2000). Other colonial powers, including France and Spain, did not use this system of government to maintain control over their colonies, even though their colonies were very diverse ethnically and religiously.

Moreover, even if countries with decentralized systems of government experience higher levels of ethnic conflict and secessionism than countries with centralized systems of government, decentralization should still diminish the intensity of the ethnic conflict and secession-
ism once it has been adopted. In the United Kingdom, inter-communal conflict decreased according to the *Minorities at Risk (MAR) Project* from ‘sporadic violent attacks’ to ‘political agitation’ after this country decentralized by extending autonomy to Northern Ireland in 1998 and Scotland and Wales in 1999. The extension of autonomy to Transnistria and Gaugauz in 1994 also quelled ethnic conflict and secessionism in Moldova. Prior to 1994, Moldova experienced ‘local rebellions’ and ‘small-scale guerilla activity’ according to the MAR project, while after the country decentralized, Moldova did not experience any forms of anti-regime rebellion. In Spain, public support for ETA also declined sharply after Spain decentralized in the early 1980s, while a number of other violent secessionist groups in Catalonia and Galicia also disbanded.

A second possible alternative explanation for this relationship suggests that regional parties do not have an intervening effect on ethnic conflict and secessionism, but that regional parties cause decentralization in the first place. Decentralization cannot be completely attributed to regional parties, however. Regional parties may pressure countries to decentralize politically and credibly threaten to secede if they do not (Meguid, 2002; de Winter and Türsan, 1998; Rokkan and Urwin, 1982). Not all countries, however, that are decentralized, including Australia, the United States and India (pre-1990s), have strong regional parties, while not all countries that have strong regional parties are decentralized, such as Mauritius or Trinidad and Tobago. For decades regional parties in Northern Ireland, Scotland and Wales adamantly demanded either autonomy or independence from the United Kingdom - demands which successive Labour and Conservative governments ignored, that is, until the late 1990s when the Labour Party embraced decentralization, suggesting that pressure from regional parties is not enough to cause a country to decentralize. The Labour Party also suspended Northern Ireland’s legislature in 2001 despite pressure from regional parties, suggesting that pressure from regional parties is not enough to prevent a country from centralizing either.
While regional parties may support political decentralization, they usually do not have the political power to force countries to decentralize. In most, if not all countries, state-wide parties are responsible for adopting decentralization. In India, the Congress Party adopted decentralization. In Eastern Europe, communist parties in Czechoslovakia, Yugoslavia and the Soviet Union, adopted decentralization – although decentralization was not genuine in these countries until after they democratized. And, in Latin America, various state-wide parties have initiated decentralization reforms, believing that their electoral prospects are greater at the regional level of government than at the national level of government (O’Neill, 2003; Eaton, 2004; Escobar-Lemmon, 2003).

Finally, when countries decentralize because of pressure from regional parties, decentralization can still exert an independent effect on regional parties once countries decentralize. At the time Spain decentralized, regional parties had a very weak presence in the regions of Spain that did not have ethno-linguistically distinct identities. After Spain decentralized, however, regional parties emerged in these areas. In some cases, the presence of regional parties in the non-distinct regions of Spain today is comparable in size to the presence of regional parties in the distinct regions of Spain.

5. Data and Measurements

In order to evaluate the effect of decentralization and regional parties on ethnic conflict and secessionsism, I conduct a statistical analysis of thirty countries around the world, drawing on two major datasets for this analysis. The first is the *Minorities at Risk* dataset, which provides data on ethnic conflict and secessionism for ‘at-risk’ groups within countries on a yearly basis from 1985 to 2000 (CIDCM, 2002). At-risk groups are ‘all non-state communal groups that collectively suffer or benefit from systematic discriminatory treatment vis-à-vis other groups, and/or groups that collectively mobilize in defense or promotion of
their self-defined interests’. The MAR dataset codes varying intensities of ethnic conflict and secessionism within countries, and, thus, provides a more nuanced measure of ethnic conflict and secessionism than other datasets that simply measure conflict in terms of whether or not a civil war has occurred in a country.

The second is an original dataset of constituency-level election results for fifty democracies around the world from 1945-2002. This dataset is unique in that it reports data at the constituency-level of government. A constituency or district is the level at which seats are distributed in a country. Most datasets on elections only report results at the national level and cannot be used for this project because this study requires information on where parties win votes throughout a country in order to measure the strength of regional parties.

The combination of these two datasets yields a study of twenty-seven democracies from 1985 to 2000. These countries include: Argentina, Australia, Bolivia, Bosnia-Herzegovina, Botswana, Canada, Colombia, Costa Rica, Estonia, Germany, Greece, Hungary, India, Indonesia, Latvia, Lithuania, Malaysia, Mexico, Niger, Romania, South Africa, Spain, Switzerland, Turkey, the United Kingdom, the United States, and Venezuela. I eliminate, however, from this set of countries all countries that do not have regionally-concentrated ethno-linguistic groups, as well all groups within countries that are not regionally-concentrated. This excludes Australia, Germany, Hungary and Latvia from the analysis. I drop these

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9I collected this data by contacting every country in the world that met the following two requirements: 1). Its elections are democratic, scoring a five or higher on the Polity Index (0-10), and 2). It held at least two consecutive elections under the first requirement so that there is a potential for a turnover in power. Seventy-five countries met this requirement, and I was able to acquire data for 50 of them.

10Of these fifty countries it is only possible to measure regional party strength in thirty-seven countries because the constituency-level of government is larger than the regional level of government in thirteen countries. A constituency or district is the level of government at which electoral seats are distributed in a country. In thirteen countries in this dataset, the constituency-level of government cuts across more than one political region of a country. I do not expect, however, the exclusion of these countries to bias the results because the size of an electoral constituency is not related to decentralization or ethnic conflict and secessionism.

11Some scholars may object to the inclusion of Bosnia-Herzegovina in this analysis since BiH was under NATO control in the 1990s. The substantive conclusions one draws from the analyses to follow are the same, however, whether or not Bosnia-Herzegovina is included.
countries from the analysis because decentralization cannot reduce ethnic conflict and secessionism among groups that are not regionally-concentrated, since decentralization cannot provide these groups with control over their own political, social and economic affairs.

I determine the regional concentration of each group in the dataset using the group concentration index of the *Minorities at Risk Project*. The group concentration index places ethno-linguistic groups into four different categories: 1. widely dispersed, 2. minority in one region or primarily urban, 3. majority in one region and dispersed in others, and 4. concentrated in one region. Using various different resources, I divide the second category of this index into two different categories - one representing groups that are primarily urban and one representing groups that are a minority in one region. This distinguishes groups like the Irish, who form a minority in Northern Ireland, from Asians and Afro-Caribbeans in the United Kingdom, who live primarily in urban areas of the country. I then eliminate from this study all groups that are either widely dispersed or primarily urban, and all countries containing only these types of groups.

At the same time, I add data to the analysis for seven countries with regionally-concentrated ethno-linguistic groups that are not contained in the MAR dataset, but are included in my election dataset, in order to correct for country-based selection bias in the MAR dataset. These countries include Belgium, Czechoslovakia, Finland, Norway, Poland, Slovenia and Sweden. In total, this study looks at the effect of decentralization on ethnic conflict and secessionism in thirty democracies around the world from 1985-2000. Although these countries are not exhaustive of all the democracies in the world, they provide a representative sample of the larger population. These countries hail from every region of the world and include developed as well as developing countries, heterogeneous as well as homogenous coun-

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12 I determine the level of inter-communal conflict and anti-regime rebellion in these countries based on newspapers accounts available from Lexis-Nexis, Human Watch reports, and other resources.

13 All of these countries are not represented every year of the period because some countries do not exist for this entire period (Bosnia-Herzegovina), and because some countries did not become democracies until the early 1990s (Niger, Romania and South Africa) or the late 1990s (Indonesia, Mexico).
tries, and consolidated as well as newly emerging democracies. Not only are these countries very diverse socially and economically, but they also have very different types of political systems and differ, most importantly, in terms of decentralization and regional party strength.

**Dependent Variables**

I measure the intensity of ethnic conflict and secessionism in this study using two variables from the MAR dataset - anti-regime rebellion and inter-communal conflict. Anti-regime rebellion encapsulates ‘all conflicts between minority groups and states and between minority groups and dominant groups exercising state power’. The MAR dataset provides data on anti-regime rebellion for ‘at-risk’ groups on a yearly basis from 1985 to 2000, recording the highest form of anti-regime rebellion experienced by a group in a country per year. Anti-regime rebellion is divided into seven categories, ranging from low to high levels of rebellion (see Table 1). The rebellion variable, however, is an imperfect measure of secessionism because it only includes violent forms of secessionism. Acts of violence, moreover, carried out by terrorist organizations may not necessarily have the widespread support of people in a country, like most terrorist organizations in Spain and India.

[Insert Table 1]

The level of anti-regime rebellion varies considerably within and across countries in this study, while the most intense forms of anti-regime rebellion in this study have occurred in India and Turkey. In Turkey, the Kurds were involved in a ‘protracted civil war’ against the government for most of the 1990s, while in India, the Assamese, Kashmiris and the Sikhs have been involved in ‘large-scale forms of guerrilla activity.’ The least intense forms of anti-regime rebellion in this study have occurred in Argentina, Botswana, Canada, Estonia, Malaysia, Romania, South Africa, the United States and Venezuela. These countries have not experienced any forms of anti-regime rebellion.
Inter-communal conflict includes ‘any and all incidences of open conflict among minority groups and between minority and majority groups.’ The MAR dataset provides data on inter-communal conflict for ‘at-risk groups’ on a yearly basis from 1990 to 2000. Inter-communal conflict is divided into six categories, ranging from low to high levels of conflict (see Table 2).

[Insert Table 2]

The level of inter-communal conflict varies considerably within countries, but the most intense forms of inter-communal conflict in this study have occurred in Bosnia-Herzegovina, India and Indonesia. Each of these countries has experienced ‘large-scale inter-group violence.’ In Bosnia-Herzegovina the violence involved all three of the country’s major ethnic groups - the Croats, Muslims and Serbs. In India and Indonesia, the violence involved only Muslim and Chinese ethnic groups respectively. The least intense forms of inter-communal conflict in this study have occurred in Bolivia, Botswana, Estonia and Turkey. These countries have not experienced any forms of inter-communal conflict. The average level of inter-communal conflict in this study is presented in Table 2, along with the summary statistics for the remaining variables in this study.

Independent Variables

Political decentralization is measured in several different ways in this study. The first is with a dichotomous variable in which countries are coded 1 for decentralized if they have regional legislatures with independent decision-making power over at least one issue area, and 0 for centralized if they do not. The coding is based on how countries distribute powers between national and regional legislatures according to their constitutions, and is consistent with other coding schemes (Elazar, 1994; Gerring and Thacker, 2005). The de-
centralized countries in this study are: Argentina, Belgium, Bosnia-Herzegovina, Canada, Czechoslovakia, Finland, India, Malaysia, Mexico, South Africa, Spain, Switzerland, the United Kingdom, the United States, and Venezuela.

I also measure decentralization according to the level of decentralization in a country. To do this, I created a four-point index based on whether or not regional legislatures are elected and the types of issues over which regional legislatures have control. I carefully selected these issues - tax authority, education and public order or police - for three different reasons. First, these powers reflect powers that are central to all governments. Second, these powers are also very general and likely to be included in a country’s constitution instead of determined by subsequent legislation. Third, these issues address the three major types of issues over which ethnic conflict and secessionism erupt - economic issues, political/social issues and security issues, and because sub-national control over these issues may be very effective in reducing ethnic conflict and secessionism in countries. Control over education, for example, allows groups to protect and promote their languages, culture and histories. Meanwhile, control over taxes allows groups to finance all types of legislation they adopt, while control over public order and police allow groups to protect themselves against threats to their physical security.\footnote{Each of these powers are included in the only other index of decentralization that I am aware of which measures decentralization in terms of types of policies that are decentralized to regional legislatures (Henderson, 2000)}

According to this index, countries receive one point if they have regional legislatures that are democratically elected. They receive a second point if these regional legislatures can raise or levy their own taxes. Countries receive a third point if regional legislatures have either joint or exclusive control over education. And, finally, they receive a fourth point if regional legislatures have either joint or exclusive control over public order or police in their country.

I also created a second version of this index by adding a fifth factor to the index for
whether regions must approve constitutions or constitutional amendments in order for them to become law in a country. This arrangement not only increases the degree of decentralization in a country, but it also increases the overall power and influence of regional parties in a country. I include this measure in a separate index because this power should only be important in certain periods of a country’s history. In Czechoslovakia, regional parties thwarted the adoption of a new constitution, which led to the dissolution of the country, since regional parties controlled Czechoslovakia’s regional legislatures, which had veto power over the national constitution. In other countries, including Spain and India, regional parties have not had the same opportunity as those in Czechoslovakia, since regional legislatures in these countries cannot veto the national constitution.

The strength of regional parties is also measured in several different ways in this study. I first define regional parties narrowly as parties that compete in only one region of a country. This definition of regional parties does not include information about the programs or agendas of parties. With over five thousand political parties in this dataset and with limited information on all but the largest parties in the dataset, it is impossible to code parties based on their programs and agenda. Coding parties in this way also introduces a significant amount of subjectivity into the analysis.

I operationalize regions in this study as the political regions of a country, which represent the level of government directly below the national level of government. This operationalization fits my argument the best because I claim that decentralization increases the strength of regional parties by means of regional legislatures (which coincide with the political regions of a country), and that decentralization reduces ethnic conflict and secessionism by means of regional legislatures. In order to test, however, the robustness of my findings, I also operationalize regions according to the geographic regions of a country. I identify the political and geographic regions in each country of this study based on national census data. Geographic regions are areas of usually-contiguous land considered to be a unit based on
common physical characteristics, such as mountain ranges, plains, bodies of water, etc.

Having defined regional parties and operationalized regions, I evaluate the strength of regional parties in this study in three different ways. They are: 1. the percentage of parties competing in an election that are regional parties, 2. the percentage of votes received by regional parties in an election, and 3. the percentage of seats won by regional parties in an election. Each of these measures ranges between 0 and 100 percent. I evaluate the strength of regional parties using these three different measures and the two different operationalizations of regions (political regions and geographic regions) for a total of six different measures of regional party strength, although the main analyses, because of space constraints, focus on the only one measure, regional party vote.

I also explore in this analysis a possible interaction effect between decentralization and regional parties using these different measures. An interaction effect suggests, however, a different relationship between decentralization and regional parties. It suggests that the direct effect of decentralization decreases anti-regime rebellion and inter-communal conflict if regional party vote is low and increases anti-regime rebellion and inter-communal conflict if regional party vote is high. I argue, however, that the direct effect of decentralization always decreases anti-regime rebellion and inter-communal conflict, regardless of the strength of regional parties, but that the overall effect of decentralization on anti-regime rebellion and inter-communal conflict is only negative when regional party vote is low, because of the deleterious effects of regional parties on anti-regime rebellion and inter-communal conflict.

**Control Variables**

I also include a number of control variables in this analysis to take into account other

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15In an election where there are four parties competing and only one of these parties is a regional party, the value of the first measure is 25 percent. If this party wins 10,000 votes out of a possible 40,000 votes and 10 out of a possible 40 seats, the values of the second and third measures are also 25 percent.
factors that may affect ethnic conflict and secessionism. The first set of controls represents socio-economic factors that influence ethnic conflict and secessionism, such as GDP, economic development, and ethno-linguistic heterogeneity. Ethno-linguistic heterogeneity is one of the most basic elements of ethnic conflict. That is, countries must have more than one ethnic group for ethnic conflict to occur within them. Beyond this, however, it is not clear that increasing heterogeneity will increase or decrease ethnic conflict and secessionism. Previous studies of civil war have not found a significant relationship between heterogeneity and conflict (Fearon and Laitin, 2003). I control for ethno-linguistic heterogeneity in this study using the ethno-linguistic fractionalization (ELF) index, which ranges from 0 to 1 with a score of 0 indicating that every person in a country belongs to the same ethno-linguistic group and a score of 1 indicating that everyone belongs to a different ethno-linguistic group. The data on the ELF index comes from the *Ethno-Linguistic Fractionalization (ELF) Indices, 1961 and 1985*.

Economic development, in contrast, may reduce ethnic conflict (Lipset, 1963; Fearon and Laitin, 2003; Miguel, Satyanath and Sergenti, 2004). Economic development may reduce conflict by increasing the capacity of states to suppress insurgencies (Fearon and Laitin, 2003). It may also reduce ethnic conflict by improving education and social welfare, which makes people less vulnerable to extremist ideologies (Lipset, 1963). Economic development, however, if it is uneven, may increase ethnic conflict and secessionism (Anderson, 1983; Gellner, 1983; Hechter, 1975; Hechter and Levi, 1985).

Economic development may not necessarily reduce secessionism. Secessionism has occurred in well-developed countries, like Canada, Spain, and the United Kingdom, as well as less developed countries, like India, Nigeria, and Sri Lanka. Secessionism has also affected wealthy regions of countries, like Croatia and Slovenia in Yugoslavia, as well as poor regions, like Slovakia in Czechoslovakia (Bookman, 1991; Horowitz, 1985). In these countries secessionism has not been motivated by the overall development of a country or a region of a
country, but by the belief that a particular region is better off economically as an independent state (Herrara, 2004).

I measure economic development in this study using two different measures. The first is the log of a country’s GDP (current US dollars). The second is an index of economic development based on how advanced is the technology and communication sector of a country. This index is based on the number of internet users (per 1,000 people) in a country, as well as the number of mobile phones, telephone mainlines and television sets (per 1,000 people) in a country. I obtained this data from the World Bank’s World Development Indicators Online with the idea that the economic development is higher in countries in which the telecommunications sector is more advanced (Bank, 2002). I created the index using principal-components factor analysis (PCF). Each of these variables loaded highly (.85 or above) on a single factor. I explored the possibility of including other variables in this index, such as life expectancy, literacy and unemployment, but ultimately did not include these variables because they did not load highly on the same factor and significantly reduced the number of observations in this study.

Fiscal decentralization is thought to reduce secessionism in developed regions of countries because it allows these regions to raise their own revenue and to minimize their financial contributions to the national government (Bookman, 1991; Buchanan and Faith, 1987). Fiscal decentralization, though, may not reduce secessionism in poor regions, that lack the ability to raise many taxes on their own. In weak democracies, moreover, like Nigeria, everyday citizens may not benefit from fiscal decentralization because regional governments do not distribute their funds to the general population. I measure fiscal decentralization in two different ways in this study using the International Monetary Fund’s Government Finance

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16 Unfortunately, I am unable to directly test the hypothesis that inequality among ethnic or regional groups increases ethnic conflict and secessionism directly because cross-national data on this subject is not available. Cross-national data on economic inequality overall is also inadequate.

17 This index is not logged because the index takes on negative values.
Statistics (1972-2000). They are: 1. regional expenditures (as a percentage of total government expenditures), and 2. regional revenues (as a percentage of total government revenues).

The second set of controls in this study relates to different aspects of a country’s political system. Ethnic conflict and secessionism should be less intense in countries where democracy is extensive and political and civil rights are well protected. In these countries groups should have fewer grievances with the government (Fearon and Laitin, 2003). They should also be better able to resolve their grievances with the government through peaceful means, including protest.\textsuperscript{18} I measure democracy using Freedom House’s ratings of political rights and civil liberties protection. Freedom House measures political rights and civil liberties separately on a yearly basis. In this study I use Freedom House’s measures of political rights and civil liberties, which range from 1 (free) to 7 (not free), because I do not expect separate effects for political rights and civil liberties. The composite measure is based on the mean level of political rights and civil liberties in a country per year.

In addition to the degree of democracy, the type of executive system and the type of electoral system in a country may also affect the likelihood of ethnic conflict and secessionism in countries and help explain why increasing social and economic heterogeneity does not necessarily produce ethnic conflict. Presidentialism, which is a system of government in which voters directly elect the chief executive as opposed to parliamentary systems of government in which the national legislature elects the chief executive, is thought to increase ethnic conflict and secessionism because executives are less likely to represent multiple ethnic groups in presidential systems of government than in parliamentary systems of government (Linz and Valenzuela, 1994). In parliamentary systems of government, the executive branch may include more than one ethnic group in a country through coalition governments.

The effect of presidentialism is much more nuanced than this, however. Presidents can

\textsuperscript{18}I do not control for democracy using the Polity IV index, which measures the existence of free and fair elections, because this analysis is already restricted to democracies scoring a 5 or higher on the Polity Index.
belong to more than one ethnic group in a country. They may also appeal to different ethnic
groups in a country by wearing clothing or symbols of these different groups, as President
Hamid Karzai has done in Afghanistan. They can also appoint people of different ethnic
groups to their cabinets. In Bosnia-Herzegovina the presidency itself rotates among three
different presidents that (de facto) represent the three major ethnic groups in the country.
Presidents can also reach out to different ethnic groups through the policies they produce. At
the same time, however, presidents can also antagonize certain groups by producing policies
that harm their interests. I measure presidentialism in this study with an indicator variable
coded 1 if citizens directly elect the chief executive of a country, and 0 otherwise.

Proportional representation systems, in contrast, are thought to reduce ethnic conflict
and secessionism more than plurality or majority systems, since proportional representation
systems are more inclusive of small parties representing different ethnic or religious groups
than majoritarian or plurality systems (Lipset and Rokkan, 1967; Lijphart, 1977; Saideman
et al., 2002). At the same time, however, proportional representation systems are more open
to regional parties, which may increase ethnic conflict and secessionism. In this study I
represent the type of electoral system in a country using two indicator variables represent-
ing mixed electoral systems and majority/plurality systems. Proportional representation
systems are the base category.

Elections, however, whether they occur under a proportional representation system or
a majoritarian system of government, may increase ethnic conflict and secessionism (Brass,
1997; Saideman et al., 2002). Some groups engaged in ethnic conflict or supportive of se-
cessionism may increase their activities during election times to extract concessions from
political parties. Some groups may also increase their activities prior to an election to pre-
vent elections from taking place at all, as insurgents tried to do in Iraq. Parties, for their
part, may ignore the violence perpetrated against certain groups unless political competition
is intense and the support of certain groups is needed to control the government (Wilkinson,
Other groups, however, may suspend their activities during election times to prevent parties supportive of their views from losing votes to more moderate parties. The Basque terrorist group, ETA, has limited attacks during election times in Spain so as not to alienate moderate voters away from Herri Batasuna, the political wing of ETA. I measure elections in this study with an indicator variable coded 1 if an election occurs in a given year, and 0 otherwise.

Democratization may also encourage ethnic conflict and secessionism because democratization weakens national governments, making it difficult for governments to prevent ethnic conflict and secessionism militarily, while creating power vacuums where competition among politicians is intense and temptations to resort to ethnic appeals are profound (Snyder and Mansfield, 1995; Snyder, 2000). I measure democratization as the first elections in a country although democratic transitions may extend beyond the first democratic elections in some countries. This variable is coded 1 if an election is the first democratic election in a country, and 0 otherwise. Elections that are not the first ever democratic elections in a country, but are the first democratic elections in a country after a prolonged period of non-democratic rule are also coded 1. The 1990 elections in Czechoslovakia are coded 1, for example, even though Czechoslovakia held democratic elections between WWI and WWII, because the 1990 elections in Czechoslovakia are the first elections following communism’s almost fifty-year rule in the country.

6. Results of the Analysis

The analysis presented in this paper is an ordered logit analysis since the dependent variables in this study are categories of conflict and rebellion ordered from low to high forms of conflict and rebellion.\textsuperscript{19} This type of analysis does not assume that the categories of inter-

\textsuperscript{19}In separate models (not shown), I include fixed-effects for years and regions of the world. One draws the same substantive conclusions about decentralization and regional parties from these models as those without
communal conflict and anti-regime rebellion are equally spaced, although it does assume that the effects of the explanatory variables are the same for all categories of the dependent variables. For this analysis, I aggregate the group level data to the national level using the maximum level of anti-regime rebellion among ‘at-risk’ groups in a country per year, and the maximum level of inter-communal conflict among ‘at-risk’ groups in a country per year as my dependent variables.\textsuperscript{20}

I aggregate the data to the national level using the maximum value of conflict or rebellion in a country because this method of aggregation overcomes group-based selection bias in the MAR dataset. Since the MAR dataset does not measure anti-regime rebellion and inter-communal conflict for all groups in a country but only ‘at risk’ groups, any measure that aggregates across groups, like the median level of conflict or rebellion in a country, is biased by the absence of groups not deemed ‘at risk’. Using the maximum level of conflict or rebellion in a country overcomes this problem because it does not aggregate across groups. The absence of groups from this study that are not ‘at risk’ does not bias this measure because groups that are not ‘at risk’ have not experienced conflict or rebellion greater than that of ‘at-risk’ groups in this study.\textsuperscript{21}

\textsuperscript{20}It is necessary to aggregate the group-level data in this study to the national level because none of the variables in this analysis vary at the group level and because groups and regions do not coincide perfectly. In separate models, I also aggregate the data according to the median level of conflict or rebellion in a country. One draws the same substantive conclusions from these analyses as those using the median level of conflict or rebellion in a country per year. In other models, I aggregate the data based simply on whether there is any form of conflict or rebellion in a country, and analyze this data using a logit model. One also draws the same substantive conclusions from these analyses as those using either the median or maximum level of conflict or rebellion in a country per year. I present the ordered logit results over the logit results because they capture information about degrees of conflict or rebellion in a country, while the logit results do not.

\textsuperscript{21}Most groups, excluded from the analysis because they are not ‘at risk’ are not violent at all, including French and Dutch-speakers in Belgium, French and Italian-speakers in Switzerland, and the Samis in the Nordic countries among others. Only a few of the groups excluded from the MAR dataset, including the Galicians in Spain and the Toubous in Niger, have experienced conflict or rebellion, but the level of conflict of these groups is lower than that of groups included in the MAR dataset.
**Anti-Regime Rebellion**

The ordered logit results for anti-regime rebellion are presented in Table 3. In Model 1, I test the effect of decentralization on anti-regime rebellion controlling for different social and economic variables. According to this model, total GDP and the ELF index, both increase anti-regime rebellion while the economic development index decreases anti-regime rebellion. Political decentralization also decreases anti-regime rebellion according to this model, but its effect is not statistically significant, without a control for regional parties.

[Insert Table 3]

In Model 2, I introduce controls for different political factors that may also affect anti-regime rebellion including regional party vote.\(^{22}\) In this model political decentralization decreases anti-regime rebellion while regional parties increase it.\(^{23}\) Also, according to Model 2, weak civil and political rights protection increase anti-regime rebellion, while elections and the type of electoral system in a country have no effect on anti-regime rebellion.\(^{24}\) Presidentialism also decreases anti-regime rebellion in this model.

In separate models (not shown), I include an interaction effect between decentralization and regional party vote. The interaction effect suggests the regional party vote increases anti-regime rebellion in decentralized systems of government, but not in centralized systems.

\(^{22}\) I exclude the ELF index from this and all other models due to collinearity between it and certain control variables included in Model 2. One draws, however, the same substantive conclusions about decentralization and regional parties if the ELF index is included, and these control variables are excluded.

\(^{23}\) To explore the robustness of my findings on regional parties, I replace regional party vote with two variables - one representing the percentage of parties that are regional parties in an election, and the other representing the percentage of seats received by regional parties in an election. The coefficients of these variables are both positive and statistically significant at the .01 level. In other models (not shown), I measure the strength of regional parties, according to the geographic, not the political regions, of a country. In these models, regional parties measured in terms of the percentage of regional parties competing in an election, as well as the percentage of votes and seats the receive decrease anti-regime rebellion at the .10 level or better.

\(^{24}\) In separate models (not shown), where I substitute elections in general for the first elections in a country, elections in general have no effect on anti-regime rebellion.
of government, and that decentralization decreases anti-regime rebellion when regional party vote is low, and increases it when regional party vote is high. The effects are not robust, however. The interaction effect, that is, and the main effect for regional party vote are significant, but the main effect for regional party vote is not significant. The interaction and main effects are not jointly significant either.

The graphs in Figure 2 illustrate these results. The graphs indicate the predicted probabilities that anti-regime will equal either 0 (no incidences of anti-regime rebellion) or 7 (protracted civil war). These values represent the lowest and highest values of anti-regime rebellion in this study. In these graphs political and civil rights, majority/plurality systems, first elections and presidentialism are set to one, mixed electoral systems are set to zero, while GDP is set to its mean. The line denoted by diamonds represents the change in the predicted probabilities for decentralization when regional party vote is varied from 0 to 100 percent. The line denoted by squares represents the change in the predicted probabilities for centralization when regional party vote is varied from 0 to 100 percent. In these graphs political and civil rights, majority/plurality systems, first elections and presidentialism are set to one, while mixed electoral systems are set at zero, and GDP is set to its mean.

![Figure 2](image.jpg)

According to the first graph, countries with decentralized systems of government are less likely to experience anti-regime rebellion than countries with centralized systems of government. The likelihood of countries with either decentralized systems of government or centralized systems of government experiencing anti-regime rebellion declines, however, sharply as regional party vote increases.

The second graph depicts a similar relationship between decentralization and regional party vote. According to this graph, the likelihood of countries experiencing ‘protracted civil war’ is lower for decentralized systems of government than for centralized systems of
government, and the likelihood of either centralized systems of government or decentralized systems of government experiencing ‘protracted civil war’ increases as regional party vote increases, more so for centralized systems of government than decentralized systems of government.

In Model 3, I add a control to the model for fiscal decentralization measured in terms of total sub-national expenditure (as a percent of total expenditure). In this model, fiscal decentralization decreases anti-regime rebellion, but is not significant. In separate models (not shown), I measure fiscal decentralization in terms of sub-national revenue (as a percent of total revenue). Fiscal decentralization decreases anti-regime rebellion in this model and is significant at the .01 level.

In Model 4, I measure decentralization as a four-point index. Decentralization decreases anti-regime rebellion in this model as in the previous models, while regional party vote increases anti-regime rebellion, suggesting that more decentralization decreases anti-regime rebellion over less decentralization. In Model 5, I replace the four-point measure of decentralization with the five-point measure of decentralization, the effect of which is negative and significant confirming the results of the previous model.

**Inter-Communal Conflict**

The ordered logit results for inter-communal conflict are presented in Table 4. In Model 1, I explore the effect of decentralization on inter-communal conflict while controlling for different social and economic variables that may also affect inter-communal conflict. In this model - where I do not control for the effect of regional parties on inter-communal conflict - the effect of political decentralization is negative, but not significant. The effect of the economic development index, meanwhile, is negative and significant as expected, while the effect of total GDP is positive and significant in contrast. The ELF index is also positive
and significant in this model – indicating that heterogeneous countries are more likely to experience inter-communal conflict than less heterogeneous countries.

[Insert Table 4]

In Model 2, I introduce control variables for different political factors that may affect inter-communal conflict, including regional party vote. In this model, when I control for regional party vote, decentralization is negative and significant while regional party vote is positive and significant. The fact that decentralization only has a significant effect on inter-communal conflict when regional party vote is controlled for lends considerable support to the argument that the overall effect of decentralization on ethnic conflict depends on the strength of regional parties. According to Model 2, first elections and majority/plurality systems also increase the likelihood of inter-communal conflict. The effects of political and civil rights, mixed electoral systems and presidentialism are not statistically significant.

In separate models (not shown), I add an interaction effect to the model between decentralization and regional party vote. The interaction effect suggests that regional party vote increases inter-communal conflict in decentralized systems of government but not in centralized systems of government, and that decentralization decreases inter-communal conflict when regional party vote is low, and increases it when regional party vote is high. The interaction effect, however, is not significant on its own, nor is the main effect for regional

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25I exclude the ELF index from this and all other models due to collinearity between it and certain control variables included in Model 2. One draws, however, the same substantive conclusions about decentralization and regional parties if the ELF index is included, and these control variables are excluded.

26In separate models (not shown), I also replace regional party vote with two variables - one representing the percentage of parties that are regional parties in an election, and the other representing the percentage of seats received by regional parties in an election. In these models, only the seats variable is positive and significant at the .01 level, suggesting that the effect of regional parties on inter-communal conflict operates more through parties in government than those outside of government. In still other models (not shown), I measure the strength of regional parties according to the geographic, not the political regions, of a country. The effect of regional parties on inter-communal conflict is not significant in these models.

27In separate models (not shown), I include a control variable for all elections rather than the first elections in a country. This variable is not significant.
party vote, although both these variables are jointly significant with decentralization, which has a significant effect on inter-communal conflict.

The graphs in Figure 2 illustrate the results of Model 2. The graphs show the predicted probabilities that inter-communal will equal either 0 (no incidences of inter-communal conflict) or 5 (communal rioting and armed attacks). These values represent the lowest and highest values of inter-communal conflict in this study.\textsuperscript{28} In these graphs political and civil rights, majority/plurality systems, first elections and presidentialism are set to one, mixed electoral systems are set to zero, while GDP and the economic development index are set to their means. The line denoted by diamonds represents the change in the predicted probabilities of inter-communal conflict for decentralization when regional party vote is varied from 0 to 100 percent. The line denoted by the squares represents the change in the predicted probabilities for centralization when regional party vote is varied from 0 to 100 percent.

[Insert Figure 3]

According to the first graph, countries with decentralized systems of government are less likely to experience inter-communal conflict than countries with centralized systems of government. Both decentralized systems of government and centralized systems of government, however, are more likely to experience inter-communal conflict as regional party vote increases. The change in the likelihood of a country experiencing inter-communal conflict as regional party vote increases is more dramatic in decentralized systems of government than in centralized systems of government.

The second graph shows a similar relationship between decentralization and regional party vote in terms of a country’s likelihood of experiencing ‘large-scale inter-group violence’. In this graph, the probability of a country experiencing this type of violence is lower

\textsuperscript{28}No country in this study experienced the highest possible level of inter-communal conflict, large-scale inter-group violence.
for decentralized systems of government than for centralized systems of government. The probability of experiencing ‘large-scale inter-group violence’ increases, however, for both centralized and decentralized systems of government as the vote for regional parties increases. The likelihood of ‘large-scale inter-group violence’ seems to increase, however, more dramatically for centralized systems of government than for decentralized systems of government as regional party vote increases.

In the next three models, I measure decentralization in terms of degrees of decentralization. In Model 3, I include a variable for fiscal decentralization in terms of total sub-national expenditures (as percentage of total expenditures). This variable is not significant. In separate models (not shown), I measure fiscal decentralization in terms of sub-national revenue (as a percent of total revenue). This variable is negative and significant, suggesting that increasing level of fiscal decentralization decrease inter-communal conflict.

In Model 4, I measure decentralization as a four-point index. This index is negative and statistically significant – indicating that an increase in the degree of decentralization in a country reduces inter-communal conflict. In Model 5, I measure decentralization as a five-point index - the effect of which is also negative but not significant.

### 7. Causal Direction - Instrumental Variable Regression

Thus far, however, the statistical analysis has not addressed the question of endogeneity. To explore this question, I use instrumental variable regression. In this procedure I create new variables to substitute for the endogenous variables in the model based on instruments, which are variables that affect one, and only one, of the endogenous variables in the model. This method corrects for the problem of endogeneity because the new variables are not related to the error terms of the other variables in the model. If the model with instrumental variables, however, is not significantly different from the model without instrumental variables, as
determined by a Hausman specification test, then the relationship between two variables is not endogenous.

In order to implement this procedure, I first aggregate the group-level data to the national level according to the mean level of anti-regime rebellion and inter-communal conflict in a country per year. This method of aggregation allows me to use linear specifications of my models. I then estimate the models presented in the previous section using the mean level of anti-regime rebellion and inter-communal conflict as my dependent variables instead of the maximum level of anti-regime rebellion and inter-communal conflict. I estimate these models using ordinary least squares (OLS) regression. The results of these analyses produce the same substantive conclusions about decentralization and regional parties as the previous ordered logit models. I then re-estimate the linear models, replacing the endogenous variables in question with the instrumental variables.

In the first set of IV regressions, I study the effect of political decentralization on both anti-regime rebellion and inter-communal conflict, using whether or not a country is a former colony of the United Kingdom, the surface area of a country and territorial contiguity as instruments for decentralization. According to Sargan and Hansen J-tests, these instruments are valid instruments for decentralization. I use whether or not a country is a former colony of the UK as an instrument for decentralization because the UK used decentralization in colonial times to control its territories through a strategy of “divide and rule,” and because these colonies continued to use decentralization as their state structure once they gained independence. I measure this variable with a simple indicator variable coded 1 if a country is a former colony of the United Kingdom and 0 otherwise.

I do not expect this instrument to be correlated with regional party vote or the presence of conflict or rebellion in countries today. The UK did not use this system of government

\[29\text{In alternative specifications (not shown), I aggregate the data by the weighted mean and dichotomize the data into whether or not there is conflict or rebellion in a country. I draw the same substantive conclusions from these results as those presented in the paper.}\]
because of the presence or absence of regional parties in their colonies, or because the po-
tential for conflict or secessionism was greater in its colonies than in other colonies. Many
colonial powers, like France and Spain, did not use this strategy of "divide and rule," even
though their colonies were as diverse ethnically and religiously as those of the UK. (Young,
1994; Herbst, 2000). Moreover, whether or not a country was a colony of the UK during
colonial times is unlikely to affect the presence or absence of inter-communal conflict and
anti-regime rebellion in countries between the years 1985 and 2000. Not surprisingly, the
correlation between inter-communal conflict and anti-regime rebellion in this study is very
low.

I also use surface area and territorial contiguity as instruments for decentralization since
large countries often adopt decentralized systems of government because they are not eas-
ily managed by a single central government located far away from most of its constituents
(Treisman, 2002). All of the large democracies in the world today are decentralized, includ-
ing Canada, India, Russia and the United States. I do not expect either of these instruments
to effect regional party vote or inter-communal conflict and anti-regime rebellion. The cor-
relation among these variables is quite low, as is the correlation between these instruments
and ethno-linguistic heterogeneity.

In the second set of IV regressions, I estimate the relationship between regional parties
and my two dependent variables – anti-regime rebellion and inter-communal conflict, using
indicator variables for the concurrency of executive and legislative elections as instruments for
regional party vote. These instruments are valid instruments for decentralization according
to Sargan tests of over-identifying restrictions. I use non-concurrent executive and legislative
elections as instruments for regional parties because non-concurrent elections increase the
strength of regional parties in national legislatures due to executive coattails effects. Since

\[30\text{See Brancati (2005) for a more detailed discussion of the effects of these variables on regional parties.}
\]

\[31\text{See Shugart and Carey (1992) for a discussion of the coattails effect.}\]
regional parties are less likely to control executive branches than legislative branches, when executive and legislative elections occur at the same time, regional parties should have a weaker presence in the legislative elections than when they occur at different times. The concurrency of executive and legislative elections is measured in this study with two indicator variables - one for presidential systems of government with concurrent elections and one for presidential systems of government without concurrent elections. Parliamentary systems of government, which always have concurrent executive and legislative elections, are the base category.

The concurrency of executive and legislative elections should not be related to either decentralization or conflict and rebellion. In my research on constitutional design, I have not heard the sequencing of executive and legislative elections discussed by policy makers in relation to ethnic conflict and secessionism or decentralization. In many countries, moreover, the sequencing of elections varies in countries over time, suggesting that the sequencing of executive and legislative elections is not something predetermined by policy makers because of its relation to either decentralization or conflict and secessionism.

And, in the third set of analyses, I estimate the relationship between decentralization and regional parties using the same instruments for decentralization and regional parties already mentioned, with one addition. In this analysis, I include population (log) as an instrument for decentralization because I have no theoretical reason to expect regional party vote to be related to population. However, populous countries are likely to be decentralized since they may be more easily managed through multiple tiers of government (Treisman, 2002). Many, albeit not all, of the world’s most populous democracies are decentralized, including India, the United States, Brazil, Pakistan and Russia.

I present the results of these analyses in Table 5, as well as the associated Hausman tests. Using the Hausman specification tests I compare the models with instrumental variables with models of the same kind without instrumental variables. The null hypothesis of the Hausman
test is that the difference in the coefficients is not systemic. Rejecting the null indicates that the OLS estimates are biased and that the relationship between the variables is endogenous. I cannot reject the null hypothesis of the Hausman test for any of the models presented in this table and, therefore, conclude that the relationships between these different variables are not endogenous. That is, that decentralization reduces inter-communal conflict and anti-regime rebellion, and that regional parties increase inter-communal conflict and rebellion.

[Insert Table 6]

Conclusion

Characterizations of ethnic conflict and secessionism as inevitable expressions of hatred among groups are rife among political and journalistic accounts of intra-state conflicts, and some scholarly accounts as well (Chua, 2003; Petersen, 2002). As this paper shows, however, ethnic conflict and secessionism are not inevitable in diverse societies. Both ethnic conflict and secessionism can be managed through political decentralization. The effects of decentralization can be undermined, however, by the presence of regional parties. This situation is not hopeless, however, since decentralized systems of government may be designed in order to reduce the strength of regional parties in countries.

A number of different features of decentralization may affect the strength of regional parties in countries, including the size of regions, the number of regional legislatures in a country, the method used to elect national upper houses in a country and the concurrency of national and regional elections (Brancati, 2005). By limiting the size of regions and the number of regional legislatures in a country, by not allowing regional legislatures to elect or appoint national legislatures, and by holding regional elections concurrently with national elections, countries can reduce the strength of regional parties. Certain other institutions,
like presidentialism, majority/plurality systems and cross-regional voting laws, may also reduce the strength of regional parties in countries.

But, as this paper also shows some of these institutions, including majority and plurality systems, may have direct, negative effects on ethnic conflict and secessionism. That is, while majority/plurality systems decrease regional party vote, they also seem to increase conflict and secessionism. Some of these institutions are also easier to manipulate than others. Changing the sequencing of national and regional elections seems much easier and much less controversial to accomplish, for example, then changing the internal borders of countries. Countries must be very careful, therefore, in designing their political systems in order to take into account both the direct and indirect consequences of institutions. The choice, however, of just how to do this remains an open question for countries.
Bibliography


Figure 1 Path Analysis

Political Decentralization \rightarrow \text{Ethnic Conflict} 

Regional Parties \rightarrow \text{Ethnic Conflict} 

Regional Parties \rightarrow \text{Political Decentralization}
Table 1: Anti-Regime Rebellion and Inter-Communal Conflict Measures

<table>
<thead>
<tr>
<th>Anti-Regime Rebellion</th>
</tr>
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<tbody>
<tr>
<td>0 None evident</td>
</tr>
<tr>
<td>1 Political banditry and sporadic acts of terrorism</td>
</tr>
<tr>
<td>2 Sustained campaigns of terrorism</td>
</tr>
<tr>
<td>3 Local rebellions</td>
</tr>
<tr>
<td>4 Small-scale guerilla activity</td>
</tr>
<tr>
<td>5 Intermediate forms of guerilla activity</td>
</tr>
<tr>
<td>6 Large-scale forms of guerrilla activity</td>
</tr>
<tr>
<td>7 Protracted civil war</td>
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</table>

<table>
<thead>
<tr>
<th>Inter-communal Conflict</th>
</tr>
</thead>
<tbody>
<tr>
<td>0 None evident</td>
</tr>
<tr>
<td>1 Harassment against people or property and no fatalities</td>
</tr>
<tr>
<td>2 Political agitation including campaigns urging authorities to impose restrictions on certain groups</td>
</tr>
<tr>
<td>3 Sporadic violent attacks</td>
</tr>
<tr>
<td>4 Anti-group demonstrations, rallies and marches</td>
</tr>
<tr>
<td>5 Communal rioting and armed attacks</td>
</tr>
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<td>6 Large scale inter-group violence</td>
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Table 2: Descriptive Statistics

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Standard errors are in parentheses. The significance levels are *p=.10, **p=.05, ***p=.01,
Figure 2 Predicted Probabilities for Anti-Regime Rebellion
## Table 4: Inter-communal Conflict (Ordered Logit)

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Standard errors are in parentheses. The significance levels are *p = .10, **p = .05, ***p = .01
Figure 3 Predicted Probabilities for Inter-Communal Conflict

![Graph showing predicted probabilities for inter-communal conflict.]
Table 5: **Instrumental Variable Regression**

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<th>Model 3</th>
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<td>(.38)</td>
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Standard errors are in parentheses. The significance levels are *p=.10, **p=.05, ***p=.01