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# On the Viability of Potentially Divided Multi-Ethnic States

By Andreas P. Kyriacou

# Abstract

This paper examines the viability of inter-ethnic co-operation from the perspective afforded by the economic approach to institutional analysis. Four factors are seen to affect viability namely, the relative strength of each ethnic group in the non co-operative setting, the perceived fairness of the terms of co-operation, the continuing influence of informal rules which may be inimical to co-operation and finally, the judicial enforcement and legislative maintenance of the terms of co-operation. The discussion generates a number of insights into the desirable nature of the institutions of potentially divided multi-ethnic states.

*Key words and JEL codes*: institutional viability or maintenance, conflict resolution (JEL Classification: D72, D74)

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#### 1. – Introduction

The fragility of multi-ethnic societies can be evidenced from the number of inter-ethnic conflicts across the globe. Despite pointing to a decline in such conflicts in the 1990s, Gurr [2000] still identifies around 95 violent ethnic conflicts at the decade's end. In Europe alone one can point to the gradual disintegration of Yugoslavia, the Northern Ireland and Cyprus problems, the violent separatist movements in the Basque country and Corsica and, finally the numerous minority problems across Central and Eastern Europe, the Baltic States and Turkey.

The viability of multi-ethnic states has been the object of extensive analysis by political scientists and sociologists. In general, scholars have pointed to the importance of the effective protection of ethnic group rights and have suggested numerous institutional structures which may facilitate this result including, a degree of self government, minority vetoes on important issues, proportionality (of parliamentary representation, bureaucratic appointments and state financial benefits) or electoral rules which foment cross-ethnic alliances (see Hechter [2000] and Snyder [2000] for recent reviews of these institutional prescriptions).

Insofar as these analyses are concerned, what is of particular interest for me here is their basic insight that the viability of multi-ethnic states depends to a considerable extent on the institutional environment within which ethnic groups interact. In this light, an interesting research question which emerges is what are the possible lessons which may be drawn from the economic approach to institutional analysis? To this end, in this paper I will employ the Constitutional Economics literature which deals specifically with the issue of institutional viability or maintenance.

The normative purpose of the Constitutional Economics research program is the search for mutually agreed-upon rules for social interaction, something which requires the analysis of the workability of alternative sets of rules [BUCHANAN, 1990]. My analysis of the factors which may affect the viability of rules or institutions aims to inform the citizens of potentially divided multiethnic states in their search for those rules which would allow them to live together in a lasting and durable peace. I have employed the approach taken in this paper elsewhere in an attempt to consider the likely elements of a viable resolution of one particular inter-ethnic conflict [KYRIACOU, 2000b]. This paper represents an attempt to generalize the insights obtained in that study and as a result the discussion here is basically of a theoretical nature.

The paper is structured as follows. In section 2 I will describe the basic dilemma which confronts potentially divided societies. In sections 3 to 6 I look at those factors, identified in the relevant literature which may influence the durability of the cooperative solution. I will close the paper with section 7 by pointing to the institutional implications of the discussion for potentially divided societies.

## 2. – The Social Dilemma

Consider the dilemma facing two ethnic communities or groups A and B, in a potentially divided bi-ethnic state. My use of the word dilemma is deliberate since I will draw from the literature dealing with the social dilemma facing two individuals in the spirit of Bush [1972], Tullock [1974] and especially Buchanan [1975]. Although I focus here on a simple

bi-ethnic case, my discussion can be generalized without any loss of deductive content to a multi-ethnic setting.

Figure 1 below represents the standard  $^{1}/_{N}$  Prisoner's dilemma where  $t_{i}>r_{i}>p_{i}>s_{i}$  for each ethnic group i=A and B. In this simple model, the two ethnic communities are faced with two options namely, the possibility to 'cooperate' within the context of a multiethnic state, and 'defect' which entails the rejection of such co-operation and the real possibility of a Hobbesian state of war. The structure of the model represents the idea that both ethnic communities would be better off cooperating in a multiethnic state rather than arming themselves to the teeth in a divided one.

# - Figure 1 here -

The movement from a situation of a volatile military stand-off (cell IV) to one where both ethnic communities cooperate (cell I) basically reflects the existence of a peace dividend. However, the social dilemma emerges given either ethnic group has a unilateral incentive to defect – which in the extreme could take the form of an aggressive military action – as the other ethnic group cooperates. As a result, the danger exists that the mutual co-operation outcome and the resultant higher payoffs will be unsustainable as both ethnic communities cheat thereby moving society to cell IV. The relevant question which therefore arises is what determines the sustainability of the cooperative outcome? In other words, what factors determine the durability of inter-ethnic co-operation?

# 3. – Relative Capacity to Impose Costs in the Non-Cooperative Setting

The viability of the inter-ethnic co-operation is enhanced given one ethnic group fears the costs which the other group may impose upon it in the non-cooperative setting. Costs may emerge when ethnic groups respond to non-cooperative behavior by other groups by either defecting themselves (reciprocity) or breaking off interactions completely (exit). If ethnic groups can credibly reciprocate or exit then this fear is grounded and, a-priori, non-cooperative behavior may be eschewed. Conversely, if ethnic groups can neither credibly reciprocate nor exercise an exit option, then the party with the greater ability to impose costs in the non-cooperative setting may either adopt the non-cooperative option or cooperate under terms which are highly biased to its benefit and to the detriment of the 'weaker' party. The following two sections will both develop and qualify these ideas.

# 3.1 - The Costs from Reciprocity

An ethnic group which defects, may expect to be punished by likewise behavior by the other group and as a result may refrain from doing so. The threat of reciprocity can make the cooperative solution self-enforcing insofar as it generates a set of stable and self-generating expectations, which are common knowledge [ORDESHOOK, 1992]. The likelihood of reciprocal behavior is reinforced if we consider the potential coordinating efforts of political entrepreneurs seeking electoral gains from the mobilization of their

ethnic group [ROBACK, 1989], coupled with the idea that the prospects of survival can be improved by preemptively suppressing other ethnic groups [HARDIN, 1995]<sup>1</sup>.

The disciplining effect of reciprocity is related to the issue of what type of security guarantees should be set in place to enforce the mutually agreed co-operative solution. Niskanen [1990] has argued that a government is less likely to change the constitution the greater the threat of military intervention by adjacent states – implicitly composed by fellow ethnics. However, the problem with such reasoning is that it assumes that the mechanism of reciprocal punishment by the adjacent state in the case of non-cooperative behavior, is perfect. There are several reasons that cast doubt on this assumption.

First and as previously stated, the threat of intervention must be a credible one so that it generates a set of stable and self-generating expectations. This may not necessarily be the case in practice and as such 'mistakes' can occur. Second, the sustainability enhancing capacity of a threat of unilateral intervention in response to non-cooperative behavior by one ethnic group may be compromised by the very existence of such expectations or in other words by the credibility of the threat. This would be the case in the presence of extremist individuals in either ethnic group. Armed with the expectation of likely reciprocal reactions to non-cooperative behavior on their part, such individuals may choose to defect so as to provoke a widening spiral of violence, the intervention of adjacent states and ultimately as a result, the breakdown of co-operation. Third, the ability of this mechanism to enhance co-operation between the two groups may be distorted by the wider (for

<sup>&</sup>lt;sup>1</sup> "Spiralling' is especially likely to emerge in the absence of in-group policing such that if some individuals defect, they will neither be identified nor sanctioned by other members of their ethnic group [FEARON – LAITIN, 1996].

example, strategic) interests of adjacent states. This is especially so considering the possible incentive on the part of electoral entrepreneurs in adjacent states to instrumentalize ethnicity in the multiethnic entity so as to gain office or to shore up domestic support.

If the effectiveness of unilateral intervention by adjacent states is flawed, the question which emerges is whether alternative security guarantees can be adopted. Arguably, these can either be provided by internal security forces or by the international community. In either case, the use of force must be a result of decisions that are made by political processes involving checks and balances thereby increasing the likelihood that the outcome will reflect considered judgment and broad consensus.

Notwithstanding this, the real danger exists that the particular and divergent interests of the members to the domestic or even the international security arrangements may distort their effectiveness. This possibility points to the need to set up such guarantees made up of processes which minimize the capability of any one member to manipulate them for partisan interests. In the case of domestic security arrangements this points to the need for the inclusion of all ethnic groups in the relevant security institutions. In the case of international security arrangements, the need to avoid their manipulation by participating states suggests the endowing the international security force with a clear mandate to respond decisively (credibly) to violent non-cooperative behavior by radical members of either ethnic group.

# 3.2 - The Costs from Exit

Rather then respond to defection by doing likewise, a cheated ethnic group may instead choose to withdraw completely from interactions with the cheating group and to seek to establish interactions with other players. The possibility of completely withdrawing from interactions with the other ethnic group eliminates the prisoner's dilemma since «[i]f you choose the non-cooperative solution, you may find that you have no one to cooperate with.» [TULLOCK, 1985, p. 1081]. In this vein, Niskanen [1990] has pointed to the threat of secession by a disaffected minority as a factor promoting constitutional maintenance. Thus sustainability may be enhanced by the threat that the cheated party reciprocates in kind or withdraws from the game completely. But this is only part of the full picture. While the availability of exit makes constitutions 'self-enforcing' there may be a trade-off between the availability of exit and credible commitment [LOWENBERG – YU, 1992]. The lower the cost of exit, the less credible the commitment to the contract agreed to. Arguably, this is especially so within the context of multi-ethnic states for at least three reasons.

First, recall that the expectation of likely reciprocal reactions to non-cooperative behavior may provide an incentive for extremist members of an ethnic group to defect through violent acts and thus bring co-operation between ethnic groups to an end. In the context of an exit option, if now these extremist groups are also separatists, they may ultimately do so to precipitate a complete break in interactions between 'their' group and the other or in other words to provoke the eventual exercise by their group of an exit option. Second, a viable exit option is likely to be politicized in the context of electoral competition. Third, a group can strategically employ a right of exit as a way of benefits, in its favor [SUNSTEIN, 1991; MUELLER, 1996]. Again, this is more likely the more viable or credible is the threat of exit.

## 4. – The Perceived Fairness of the Terms of Co-operation

The viability of co-operation may be seen to be affected by the perceived fairness of the terms of co-operation. While it may be in the interest of individuals to set up rules to govern individual action and thus escape from the Hobbesian jungle, it may also be in their interest based on a benefit/cost calculus, to disobey these rules once set up [NORTH, 1981]. Beyond the disciplining effects of reciprocity, this last author argues that the higher the perceived fairness of an agreement, the less likely people are to defect from it once set up and so the lower the costs of maintaining or enforcing it. Indeed, he suggests that the more unfair or unjust an individual's perception of the system, the higher the private cost he/she is likely to incur in attempting to change it. With this in mind I can point to two broad factors which may affect individuals' perceptions of fairness and thus, their willingness to comply with the system. Firstly, the degree of voluntariness when entering into the cooperative agreement and secondly, the ideologies of the individuals involved<sup>2</sup>.

<sup>&</sup>lt;sup>2</sup> North [1981, p. 50] lists four specific factors which he argues may alter one's perceptions of justice or fairness; an alteration in property rights which denies individuals access to resources which they had come to accept as customary or just; a decline in the terms of exchange in a factor or product market away from what had come to be regarded as a just exchange ratio; a decline in the relative income position of a particular group in the labor

# 4.1 - The Degree of Voluntariness

The first factor which may influence individual perceptions of fairness is the extent to which the terms of co-operation were entered into voluntarily, or in other words, in the absence of coercion. Insofar as an individual considers any agreement which is coercively imposed to be unfair he/she would be less likely to comply with its provisions. This concept of fairness is in step with the normative content of the contractarian vision which considers just that result or outcome which reflects the voluntary agreement of participants. Similarly, it is in line with the Lockean vision which considers illegitimate any non-consensual crossing of 'natural boundaries' to individual rights which are assumed to be definitive and well understood [BUCHANAN, 1977].

A constitution which is voluntarily agreed upon by all the parties involved and which moreover is so openly and explicitly, will induce greater compliance because «[k]eeping promises is dictated undoubtedly by all moral codes» [MUELLER, 1996, p. 69]. Indeed, this author has argued that overt agreement to the constitution enhances compliance with its provisions and enhances both it effectiveness and its durability. More generally, 'promise keeping' may be seen in terms of an external ethical constraint which may limit defections from the cooperative agreement even in large number groups [BUCHANAN, 1975]. This said, the effectiveness of ethical constraints limiting non-cooperative behavior in large groups may decrease over time if «sons no longer feel themselves ethically committed to the initial contract terms.» [BUCHANAN, 1975, p. 77]. However, compliance

force and; a reduction in information costs that results in individuals perceiving that different and more favorable terms of exchange may prevail elsewhere.

may be fostered by those who did not vote for the original constitution by having them agree to its provisions, in return for the right to vote when they come of age [MUELLER, 1996]. That individuals may voluntarily agree to cooperate under certain constitutional arrangements may depend on several factors.

First, voluntariness may be inversely related to the degree of certainty faced by individuals over their own specific roles in the post-constitutional period. Thus, the smaller this degree of certainty – or the thicker the veil of uncertainty, – the easier it may be to attain unanimous and voluntary agreement [BUCHANAN – TULLOCK, 1962]. If moreover the degree of uncertainty is seen to be positively related to the generality and the durability of rules and to the lag between their approval and their implementation [BRENNAN – BUCHANAN, 1985], then we can see how people are more likely to reach voluntary agreement over (and therefore comply with) rules, the longer they are expected to be in effect, the greater the time which passes between their approval and subsequent implementation and the more general, impartial or fair these are<sup>3</sup>.

It is interesting to consider the consociational or power sharing systems which have been normally advanced for the resolution of ethnic conflict in divided societies, in this light (the classic reference is Lijphart [1977]). Because these institutional solutions attribute political rights to individuals on the basis of their ethnicity, they minimize the level of uncertainty facing individuals over their own specific roles in the post-constitutional period. Individuals can be absolutely certain that they will continue to be members of their ethnic

<sup>&</sup>lt;sup>3</sup> This is especially so if the individual is assumed to behave *as if* he/she were risk averse or, in other words, has a natural bias towards the avoidance of worse case prospects [KYRIACOU, 1998].

group in the future and that they will enjoy certain political rights as a result. Consequently, one would predict that, all other things being equal, it would be relatively more difficult to reach unanimous and voluntary agreement over such systems, relative that is to a system which rather than attribute political rights on the basis of ethnicity, it does so on the basis of some other more general and universal criteria such as citizenship<sup>4</sup>.

Having said this, the possibility must also be admitted that people negotiating the structure of a consociational democracy and who are therefore relatively certain of their future positions may, nevertheless, take the moral action of stepping behind a Rawlsian veil of ignorance to ensure that their choices are impartial [MUELLER, 1996]. Moreover, uncertainty may be increased through the adoption of a constitution which leaves scope for a wide range of constitutional structures. As Brennan and Pardo [1991] have pointed out, such flexibility may have facilitated the adoption of the Spanish Constitution by securing popular and political consensus. On the other hand, these authors recognize that under such a constitution citizens are playing a political-economic game without rules.

Second, voluntariness may depend on the availability of an exit option at the time of negotiating an agreement or, in other words, at the constitutional stage. Even in the absence of uncertainty about the relative positions of parties under different terms of co-operation, individuals may voluntarily enter into the agreement insofar as they *all* possess viable alternatives to the contract toward which they are negotiating [LOWENBERG – YU, 1992]. In this situation, no party would be able to coerce another to accept terms of co-operation which are less favorable than the best terms which may be obtained by striking cooperative

<sup>&</sup>lt;sup>4</sup> The 'other things' here could include the relative capacity of each system to protect ethnic group rights which is likely to be a basic precondition for entering into agreement.

agreements with others. For my purposes here, the viability of co-operation would in principal be enhanced insofar as the availability of exit at the constitutional stage leads to the voluntary adoption of the agreement.

An important qualification here is that, arguably, the exit option available at the constitutional stage should be accepted by all the parties to the agreement. This is more likely in the case of confederal systems which are the fruit of component parts coming together voluntarily in the first place. It is less likely in centralized multi-ethnic states since the 'centralists' there are unlikely to recognize the right of exit of ethnic groups. In addition, it is less likely in situations where the granting of an exit option to a party in the form of international recognition, would legitimize any territorial gains obtained by this party in the past by violent means at the expense of other ethnic groups.

Third, the possibility exists of the adoption of a complex network or 'package deal' of compromises, side payments, compensations, bribes, exchanges and trade-offs, which aim to offset the predictable adverse distributional properties of the proposed changes [BRENNAN – BUCHANAN, 1985, p. 140]. Even without uncertainty over future positions, the possibility of a package deal may lead to agreement [MUELLER, 1991: p. 330]. Having said this, the possibility should be admitted that some of the potential parties to the agreement may be unwilling to trade within the greater context of package deal with those who are favored by the status quo distribution of entitlements, because they perceive this status quo distribution to be unjust [BRENNAN – BUCHANAN, 1985, p. 142]. The possibility of a non-voluntary change of this status quo (either through democratic channels or, because of uncertainty and ambiguity about the distribution of political property rights, through non-democratic, violent means), may lead the holders of these 'unjust' entitlements to

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voluntarily agree to constitutional changes that involve fewer concessions from the other side.

#### 4.2 - Ideological Conviction

One's perception of the system's fairness can also be affected by one's ideological conviction [NORTH, 1981]. Indeed, ideologies may be designed to get people to conceive the system as just and successful counter-ideologies are those that convince people that the existing system is unjust and that a just system may emerge from one's selfless participation in efforts to change the status quo.

The divergent experiences – which may emerge from differential geographical location and occupational specialization and survive in the form of ethnic diversity – may generate contrasting and conflicting views of ideologies and thus the fairness and justice of institutions [NORTH, 1981; 1988]. On the other hand, consensus ideologies and thus conceptions of fairness may evolve when people have similar experiences. In this vein it has been argued that a consensus over classical liberal ideas has exercised a positive influence on the sustainability of the US Constitution [NORTH, 1987].

#### 5. – The Influence of Informal Rules

The viability of a cooperative agreement may also be seen to be affected by the continuing influence of informal rules or, to put it differently, because of the emergence of path dependence. While the formal rules may be changed by a revolution, the informal norms (such as customs and traditions) which provide legitimacy to a set of rules change only

gradually [NORTH, 1994]. The legitimacy of the new rules in the post-revolutionary period may initially be small thereby increasing the cost of maintaining the post-revolutionary status but this legitimacy increases as informal norms gradually adjust to the new formal rules and so the costs of maintaining the new order fall through time<sup>5</sup>. More generally, it can be said that the cost of maintaining and enforcing the prevailing institutional environment depends on the interaction of formal and informal rules – these costs are reduced when both sets of rules are in tune and they increase when they are not [PEJOVICH, 1996].

Thus, the influence of informal rules on individual behavior may be high when different formal rules are initially adopted, but will fall over time. But this may not necessarily be the case. In particular, informal rules may, compete with formal rules in the coordination of social action. Thus, in it has been suggested that, «because social action is coordinated also by a variety of informal norms or undescribed evolutionary processes that can coincide with more insidious things such as ethnicity, language, and race [constitutions] must be designed to compete with other things for the political-economic organization of society.» [ORDESHOOK, 1992, p. 148].

Two questions arise here. Firstly whether it is important for the viability of the system that the formal rules which regulate co-operation should be designed to compete with informal ones and, if so, secondly how formal rules should be designed so that they can be more competitive? The answer to the first question is, surely, yes, since it is clear that insofar as informal rules regulating intra-ethnic relations promote ethnic identification, they

<sup>&</sup>lt;sup>5</sup> This reasoning helps explain Olson's [1984] assertion that the longer a constitution has been enforced the more it is respected and therefore the more likely that it will be followed.

may lead to sub-optimal outcomes. Ethnic identification may lead ethnic groups to coordinate their actions to the detriment of other ethnic groups. This obviously represents a threat to the cooperative solution since it points to the existence of forces which may facilitate the coordination of defection and thus the break down of co-operation. The possibility that inter-ethnic co-operation may be undermined by the exercise of informal rules points to the need for competitive formal rules for co-operation.

This still leaves the question of how formal rules which promote inter-ethnic cooperation can be designed to out-compete informal rules which promote the intra-ethnic kind. Arguably, formal rules should aim to solve basic social, political or economic exchange problems among participants [NORTH, 1990]. This points to the desirability of efficient and ethnically neutral enforcement of property rights something that would be relatively easier when dealing with economic or market exchange.

More generally, the viability of inter-ethnic co-operation will be enhanced to the extent that formal rules increase the cost of ethnocentric behavior, reduce the attractiveness of ethnic politics as a source of income and decrease the likelihood of majority tyranny of ethnic minorities [KYRIACOU, 1999]. Relevant institutional features here include: an effective competition policy in the market and a widening of the sphere of market choice relative to that of political choice<sup>6</sup>; the avoidance of both a system of 'structural redistribution' from wealthier ethnic groups to relatively poorer ones and 'proportionality

<sup>&</sup>lt;sup>6</sup> This stems from the idea that, on the one hand, ethnocentric behaviour limits one's range of choice and in the presence of competition may lead to one being priced out of the market [FRIEDMAN, 1962] and, on the other, that the more opportunities available in the market the less one will resort to ethnic politics as a source of income [HARDIN, 1995].

rules' which allocate public and even private resources on the basis of ethnicity; the setting up of efficient systems of social security, unemployment insurance and subsidized retraining (efficient, in the sense that they do not make ethnicity a basis for entitlement); institutional restrictions on the differential treatment of individuals on the basis of ethnicity and; decentralized collective decision-making<sup>7</sup>.

# 6. - Formal Institutional Enforcement

As the ability of reciprocity or exit to promote viability falls, as the perceived fairness of the terms of the co-operation does so as well (either because of a low degree of voluntariness in entering into the original agreement or an ideological schism among individuals) and as ethnicity-based informal rules continue to exert a competing influence on individual perceptions of legitimacy, then the sustainability of the co-operative solution may increasingly rely on a fourth factor namely, that of formal institutional enforcement.

Two complementary institutional approaches to maintaining the original agreement, that is, judicial enforcement and the legislative maintenance of the original constitution. Insofar as judicial enforcement is concerned, one way to determine whether a Constitutional Court decision revises or amends the constitution or simply interprets it is

<sup>&</sup>lt;sup>7</sup> I have argued elsewhere in favour of a functional federation where, moreover, people are not defined as members of this or that ethnic group as a basis of assigning political rights and obligations and where, in addition, a constitutionally enshrined 'generality rule' generalises the legislative outcomes obtained by any one ethnic group to other groups [KYRIACOU, 2000a].

the extent to which judges are consensually selected and, in particular, to the extent that they are chosen by the agreement of the participants and are subject to on-going reaffirmation [WAGNER, 1993]. Just as individuals would not consciously agree to the appointment of a referee who was known to be biased in his enforcement of the rules of the game, then one would expect an enforcement agency which is mutually agreed to by all individuals to be characterized by 'precepts of neutrality' [BUCHANAN, 1975].

With respect to the legislative maintenance of constitutional order, a compound republic of countervailing constitutional guardians has been proposed [WAGNER, 1993]. In particular this refers to a federal system where the executive, legislative and judicial branches are separated, with the legislature itself divided into different branches and with representatives elected to each chamber on a different basis and through a system of proportional representation and multi-member constituencies rather than plurality voting and single member ones (see also, Lowenberg and Yu [1992] and Ordeshook [1992]).

## 7. – Conclusions

My aim in this paper was to apply the economic approach to institutions to the issue of the viability of multi-ethnic states. I will conclude here by bringing together the institutional implications which emerge.

The analysis suggests that, a unilateral right of intervention by adjacent states in the case of a breakdown of inter-ethnic co-operation is undesirable. Instead, security guarantees should be provided either internally or by the international community. In the case of the former, the relevant body should be composed by members of each ethnic

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group. In the case of the latter, the need emerges for endowing the relevant force with a clear and credible mandate to keep the peace.

Moreover, I have found that although the institution of an exit option for each ethnic group may, in principle, be desirable both at the constitutional and postconstitutional stages, there are also problems. Insofar as the former was concerned, its suitability depends on the extent to which such exit options are accepted by all ethnic groups. In the case of the latter, one must consider the possibility that such an option may be manipulated by extremists who may reject the very notion of inter-ethnic co-operation or, simply, by political entrepreneurs engaged in electoral competition. It may moreover be used strategically as a way of renegotiating the terms of co-operation.

The paper also suggests that the constitution of multiethnic states should assign political rights on the basis of universal criteria such as citizenship, rather than ethnicity. Ethnicity should not be made a basis for entitlement in the context of the welfare state. The constitution should avoid setting up both a system of 'structural redistribution' from wealthier ethnic groups to poorer ones and 'proportionality rules' which allocate public service jobs on an ethnic basis. Moreover, both the institution of an effective competition policy in the market as well as a widening of the sphere of market choice relative to that of political choice are suggested.

This said, the general institutional context established by the constitution must include effective checks on the majority's capacity to tyrannize the minority in the normal course of democratic politics. In general terms, this points to the need for institutional restrictions on the differential treatment of individuals on the basis of ethnicity by the central government as well as the adoption of decentralized collective decision-making in areas over which ethnic groups may feel strongly about. More specifically, the discussion

points to the desirability of instituting a compound republic of countervailing constitutional guardians. The case has also been made for the ethnically neutral provision of property right protection and, more generally, for the consensual and on-going affirmation of judges in the Constitutional Court.

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Figure 1: Inter-ethnic co-operation versus inter-ethnic conflict

		Ethnic Group B	
		Cooperate	Defect
Ethnic Group	Cooperate	$I \\ (r_A, r_B)$	$II \\ (s_A, t_B)$
A	Defect	$\begin{array}{c} \text{III} \\ (t_A, s_B) \end{array}$	IV (p <sub>A</sub> , p <sub>B</sub> )