

Development and Nationalism: An Analytical Model on Economic Growth to Social Preference and Party System.

By Caroline Law

Introduction

The purpose of this paper is to examine the thesis that civic nationalism is more likely to flourish in high-income multi-ethnic countries while ethnic politics is more likely to occur in multi-ethnic countries with low social and economic development. The term “civic nationalism” in this paper is used to denote the phenomenon that a single overarching shared identity exists regardless of the ethnic and other divisions in the society. Although there is an absence of statistical correlation between income and ethnic nationalism, countries with the most successful record of building civic national identity are high-income states. On the other hand, although not all low-income multi-ethnic states resorts to ethnic politics, the most divided ethnic party systems can be found in low-income countries. To explain this phenomenon, one must explore the causes of ethnic nationalist politics. The formation of an ethnic party system is the combination of top-down and bottom-up reasons. Ethnic politics are often promoted by elites from top-down, to mobilize the population for political gains. This elite-initiated nationalism must also be matched by a concomitant bottom-up movement. The population can only be mobilized if a sense of insecurity prevails in the society. The example of the dissolution of Yugoslavia is used to illustrate this dichotomy of the rise of nationalism. This can shed light onto the question of why civic national identity is more likely to develop in industrialised countries. This paper argues that when a country’s income increases, its social activities would also increase which creates cross-cutting cleavages to replace ethnicity as the predominant political agenda. When there is an absence of extreme inequality between different groups in terms of economic resources and political power, it is much harder for the elites to capitalize on the abstract nationalist feeling of the people. When the population secures a relatively high living standard, they have much higher stake to disrupt the status quo and to engage in ethnic conflicts. Moreover, ethnic politics itself is based on pre-existing ties of people, not objective, meritorious competition as in a non-ethnic multi-party system. The fact that election outcome is pre-

determined by demographics affects the efficacy of the system and leads to poor development in a country. Ethnic politics and poor development, therefore, form a vicious cycle. By knowing how both ethnic and civic nationalism emerge, one can search for means for a country to transit from ethnic to civic politics. This is of paramount importance because the latter tends towards political stability while the former is often the cause of conflicts. This issue of building a viable shared identity in multi-ethnic countries is exceptionally crucial for some newly independent countries in South Eastern Europe. The paper would conclude by assessing the likelihood of economic growth in eroding the role of ethnic politics in this region. Throughout the discussion, an original model is proposed to illustrate the parallel but threaded evolution of the party system and voting pattern (Figure 5). Income change leads to changes in social structure, which affects voters' preferences. The party system then adapts to this change accordingly.

Empirical Analysis

Empirical evidence suggests that multi-ethnic countries with higher social and economic development tend to be more successful in building a civic national identity. Ethnic and linguistic diversity in these highly industrialised countries seems to be more manageable than their less developed counterparts. This is not to suggest that a correlation in the strict statistical sense exists between income level and ethnic politics. On the contrary, empirical evidence suggests that anomalies exist. Canada, for example, being the country with the third highest human development index in the world, has a strong separatist party that won over 12% of seats in the 2000 election (see Chart 1). Nevertheless, politics with ethnicity as the main political cleavage is more likely to be found in lesser developed countries or regions.

The United States and Switzerland are multi-cultural societies that have successfully created a national identity based on shared political values. Both countries are very high in their human development. The per capita GDP of the United States was

\$34,142USD in 2002, whereas Switzerland has a per capita GDP of \$28,769USD.¹ The United States is composed of citizens with different racial, ethnic, and cultural background. Yet, the idea of a shared identity of being American is deeply entrenched in the society. The American nation is strongly patriotic in spite of its cultural diversity. This strong sense of American identity is built and reinforced by citizenship literature and school curriculum.² Voters, regardless of their ethnic origin, predominantly support the two major political parties—Democratic Party and Republican Party. These two parties differ mostly in their economic and social policy platform. In the case of Switzerland, the country is divided into 26 cantons. Each canton has its distinct cultural characteristics and legal tradition to accommodate its multi-cultural population. The population is divided into three major linguistic groups: French, German, and Italian. Within a linguistic group, there is sometimes a religious sub-division. This cultural diversity is institutionalized in the country's constitution.³ However, despite all these cultural differences, a single Swiss identity exists. The Swiss political parties are divided along the traditional left-right continuum.

Canada and Belgium are examples of countries of which diversity is being managed successfully. The two countries rank third and fourth in terms of human development in the world. The per capita GDP of Canada is \$27,840USD in 2002 while that of Belgium is \$27,178USD.⁴ The Belgium population is divided into the Flemish and French speakers. The country is also geographically divided to reflect the differences of the two groups. The Flanders region is inhabited mostly by Flemish speakers while Wallonia is inhabited mostly by French speakers. Regionalist movement was strong in the 60s and 70s. It led to the increased decentralisation of the country, which gradually turned into a full-fledged power-sharing system between the two groups.⁵ However,

¹ UNDP, *Human Development Report 2002--Deepening Democracy in a Fragmented World* (New York and Oxford: Oxford University Press, 2002), p. 149.

² Will Kymlicka, *Multicultural Citizenship*, (New York: Oxford University Press, 1995), p. 189.

³ Lidija R. Basta Fleiner, "Minority and Legitimacy of a Federal State—An Outsider Perception of the Swiss Model". In Lidija R. Basta Fleiner and Thomas Fleiner (ed.), *Federalism and Multiethnic States—The Case of Switzerland* (Institut du fédéralisme Fribourg Suisse: 2000), p. 99.

⁴ UNDP, p. 149.

⁵ Ulrich Schneckener, "Making Power-Sharing Work—Lessons From Successes and Failures in Ethnic Conflict Regulation", *InIIS-Arbeitspapier Nr. 19/2000*, (Institut für Interkulturelle und Internationale Studien: 2000), p. 6

recent election results do not suggest a strong support on regionalists or separatist parties. The majority of the voters vote according to their policy preferences instead of their ethnicity. Class and religious issues are well-represented in the party system, which had impeded the growth of ethnically-based parties.⁶ In the case of Canada, division exists between the French and English speaking population. Although over 75% of votes in the 2000 election went to non-ethnic political parties, the French separatist party (Bloc Québécoise) won 38 seats in the 2000 Parliamentary election (see Chart 1). Federalism is adopted to manage cultural diversity in Canada. The Provinces are given a great amount of autonomy to preserve their (the provinces') own cultural characteristics. They can also opt out from federal programmes. The province of Quebec, therefore, has its own language law, immigration policy, legal code and so forth. The most recent secession attempt of Quebec was conducted in the form of a referendum, and the entire process was undertaken peacefully. The diversity in Canada is being successfully managed by these institutional mechanisms to prevent physical violence.

Bosnia-Herzegovina and The Former Yugoslav Republic of Macedonia are the epitome of an ethnic party system, and both states belong to the less developed countries in the world. In Bosnia-Herzegovina, the majority of voters vote for the party that represents their respective ethnicity. Bosniaks constitute 44%⁷ of the population while about 32.4% of the total votes went to the two Bosniak nationalist parties in the 2002 House of Representatives election. Serbs constitute 31%⁸ of the population, and 14% of the total votes in the election went to the Serbian nationalist party (see Chart 1). Similar electoral results can be found in the TFYR Macedonia. The voters of the Social Democratic League of Macedonia and Liberal-Democratic Party are mostly Macedonians. On the other hand, the Albanian minority often vote for the three Albanian parties (Democratic Union for Integration, Democratic Party of Albanians, and Democratic Prosperity Party). Albanians constitute 22.7%⁹ of the population in Macedonia, and

⁶ Donald L. Horowitz, *Ethnic Groups in Conflict* (Berkeley & Los Angeles, California: University of California Press, 1985), p. 303-304.

⁷ Ioan Hosu, Camil Postelnicu, and Daniela Tarnovschi, *Youth Issues and Challenges In South-Eastern Europe*, (Civitas Foundation for Civil Society: 2002), p. 59. Figures concerning population are subject to error due to the dislocation caused by the recent war.

⁸ Ioan Hose, p. 59.

⁹ Ioan Hose, p. 161.

19.4% of the total vote cast in the 2002 Assembly election went to the Albanian minority parties (see Chart 1). Different minority groups have their own ethnic party: the Democratic League of Bosniaks for the Bosniaks; the United Party of Romas in Macedonia for the Roma minority; the Democratic Party of Serbs for the Serbian minority; the Democratic Party of Turks for the Turkish minority; the Democratic Union of Vlachs for the Vlachs minority. Both Bosnia-Herzegovina and TFYR Macedonia belong to the low to medium income group of countries. The per capita GDP of Bosnia-Herzegovina is estimated to be \$1657USD,¹⁰ and the GDP per capita of Macedonia is \$5,086USD.¹¹

Theory of Ethnic Nationalism in Politics: Dissolution of Yugoslavia as Example

The cause of ethnic nationalist politics can be examined from the top-down and bottom-up dichotomy. When the actors of the two levels interact, it usually evokes ethnic nationalism in politics. The top-down approach focuses on the political elites. Very often political elites use nationalist rhetoric to mobilize the mass public in order to attain specific political goals. This tactic is used remarkably often when there are pervasive social or economic problems in the society.

In the example of Yugoslavia, some elites from the republics used nationalist rhetoric to achieve their own political goals. Slobodan Milošević began his populist campaign of raising the nationalist feelings among Serbs in Kosovo in 1988. He organized a large number of mass rallies throughout Serbia to publicize the grievances of the Kosovo Serbs.¹² This led to mass demonstrations of patriotism. Thousands of Serbs showed up for these skilfully managed rallies, which had promoted the popularity of Milošević.¹³ In 1989, Milošević capitalized on his image of being the patriotic national

¹⁰ See footnote 13.

¹¹ UNDP, p. 149.

¹² Metta Spencer, "The Breakup of Yugoslavia" in *Separatism: Democracy and Disintegration*, edited by Metta Spencer (Rowman & Littlefield Publishers, Inc., 1998), p. 173.

¹³ Metta, p. 173.

hero to win the presidential election in Serbia with a landslide victory.¹⁴ On the other hand, anti-Serbianism also helped Franjo Tuđman to gain popularity in Croatia. In the first free multi-party elections in Croatia in 1990, parties promoting separatism were big winners.¹⁵ Moreover, since Slovenia was the most economically developed republic of Yugoslavia, nationalist politics of Milošević also gave rise to nationalist feelings in Slovenia which led to conflict between Serbia and Slovenia.¹⁶ The Slovene communist elites used this conflict to promote national homogenisation in the country. Protests were organized to demonstrate against the Serbian and federal oppression of the Kosovo Albanians.¹⁷ The Serbian elites in return, used this conflict with Slovenia to intensify ethnic mobilization.¹⁸ Nationalist euphoria could sideline any negative social economic news. Passionate nationalist platform can easily transform a politician from being a poor manager of the economy to a national hero. Unemployment in Yugoslavia had reached 16.6 percent by 1986,¹⁹ and the country's debt had also hit \$20 billion in 1982.²⁰ The true scale of the country's debt was only discovered in 1982 because the republics had been spending money recklessly without even informing the federal government.²¹ Nationalism was, in part, used in the Yugoslav case to divert the people's attention from unpopular policies and economic mismanagement.

In this case, since nationalism is orchestrated by the elites in the different republics, it can be easily institutionalized by the ethnic party system. Theoretically, if one party turned into an ethnic party, other political parties also tend to become ethnic-based parties. The rationale behind this being once a party turns into an ethnic political party, it takes away voters from the other non-ethnic parties as ethnicity overlaps with other social, political identities. Therefore, the stake for any party in losing the ethnic votes is too high. And once a party becomes an ethnic party, it would be too risky for it

¹⁴ Metta, p. 173

¹⁵ Metta, 174

¹⁶ Dušan Janjic, "The Spread of Ethnic Conflicts in Europe: Some Comparative—Historical Reflections" in *The International Spread of Ethnic Conflict. Fear, Diffusion and Escalation*. Edited by David A. Lake and Donald Rothchild, p. 21.

¹⁷ Janjic, p. 21

¹⁸ Janjic, p. 21

¹⁹ John R. Lampe, *Yugoslavia as History—Twice There was a Country* (Cambridge, UK; New York; USA: Cambridge University Press, 2000), p. 333.

²⁰ Lampe, p. 322.

²¹ Metta, p. 169

to change its line of politics into a non-ethnic one.²² Usually ethnic parties represent exclusively members of an ethnic group. Voters are unlikely to vote for parties of the other ethnicities.²³ Voters also face the pressure that if they do not vote for their own ethnic party and members of the other ethnicities do, they would be put into a disadvantaged position. This further reinforces voting patterns along ethnic lines. So, the formation of one ethnic party is likely to produce a chain reaction that leads to the formation of an ethnic political party system. This is basically what happened in the first Yugoslav multi-party election.

The bottom-up analysis focuses on the population. Mass nationalist mobilization often occurs when a sense of insecurity prevails in the society. This insecurity is usually generated by a sudden occurrence of social, economic and political uncertainty and instability. Furthermore, the existence of severe regional disparity also causes the increase of ethnic nationalist awareness.

Yugoslavia, upon its dissolution, was encountering economic difficulties. The country had accumulated a significant amount of debt. Borrowing was the means to sustain the per capita GDP growth. Growth averaged 5.1% in Yugoslavia between 1970-79 although foreign debt grew by 20% a year in the same period.²⁴ The population soon realised that their real income was actually declining because of the high inflation rate. Real income was down by one-quarter from 1983 to 1988.²⁵ The oil crisis caused worldwide recession and affected the Yugoslav economy. About 80% of the household found their savings diminishing.²⁶ Unemployment had gone up from 13.8% to 16.6% from 1981 to 1986.²⁷ Strikes had become more and more frequent. The population was unprepared for this sudden drop in living standards. This caused insecurity and fear among them. To an extent, nationalism provided some sort of certainty for the people. Moreover, the population was frustrated by the failed attempt of the party to modernize

²² Horowitz, p. 342.

²³ Horowitz, p. 324.

²⁴ Lampe, p. 322.

²⁵ Lampe, p. 333.

²⁶ Metta, p. 169.

²⁷ Lampe, p. 334

the political system. When the multi-party system was finally introduced in 1991, grievances had already reached an insurmountable level.

Inter-republic income inequality was also conducive to nationalist politics. There was a great disparity of income between the richest (Slovenia) and the poorest (Kosovo) regions. In 1988, the per capita gross material product (goods without services) of Slovenia was 7.5 times more than that of Kosovo.²⁸ Kosovo depended heavily on subsidies from the federal state while Slovenia was a net contributor to the federal budget. The poor economy and high unemployment in Kosovo inevitably created a sense of frustration and alienation in the region. The rise of Milošević had alarmed the Albanian population in Kosovo. The Albanians felt threatened by the nationwide Serbian nationalist movement and the abolition of their autonomy by Milošević. So, they started their own separatist movement to call for Kosovo to become a republic. On the other hand, the economic superiority of Slovenia also gave rise to nationalism and the wish for more autonomy in the republic. Therefore, fear and insecurity (bottom-up factor) together with the nationalist rhetoric of the politicians (top-down factor) resulted in the revival of each republic's own national identity.

Ethnic Politics and Underdevelopment

Underdeveloped countries are more prone to ethnic politics; while ethnic politics is more likely to occur in poor countries. It is because ethnic politics actually create poor economic development and poor economic development often leads to the rise of ethnic nationalism. Some countries are trapped by this vicious cycle of ethnic politics and underdevelopment.

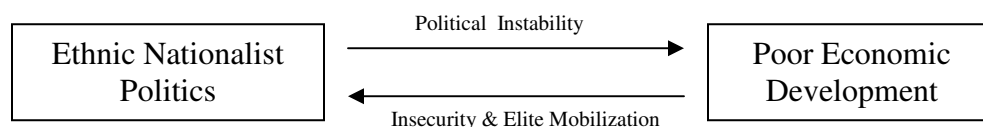


Figure 1: The Relationship of Ethnic Politics and Poor Economic Development

²⁸ Lampe, p. 336.

An ethnic political party system creates stable electoral outcomes but produces unstable politics. An unstable government does not provide a healthy environment for economic development. When voters vote according to their ethnic affiliation, the outcome of an election will depend on the demographics of the country. Demographics do not change in a short period of time, consequently, nor do electoral outcomes. Ethnic politics tend towards conflicts because of this low voter fluidity. Voters rarely vote for any other parties besides their own ethnic one. This sometimes produces a permanent majority or a permanent minority in government, which is inherently antagonistic. Party policy that is based on rigid ethnic lines is not conducive to compromises between political parties and often leads to stalemate. When new ethnic parties are formed, it is usually because they advocate more radical policies than the existing ones.²⁹ They are often splinter groups from an existing nationalist party with more extreme views. Therefore, the direction of competition in an ethnic party system tends to be centrifugal.³⁰ Furthermore, ethnic politics emphasizes primordial ties and kinship. Politics as such tends to be nepotistic instead of meritorious. Since the election result is predetermined by demographics, competition is limited. An ethnic political party system is potentially undemocratic. This lack of competition damages the quality of policy. As mentioned in the previous section, economic crisis is often a cause of the rise of ethnic nationalism. Underdevelopment breeds social insecurity and elites often capitalize on this insecurity. They mobilize the public for their own political gains by attaching an enemy-identity to a particular group and divert the attention of the public from internal problems of the country. Therefore, underdevelopment and ethnic politics affect each other and form a vicious cycle.

Civic Nationalism and Economic Growth

The most successful record of civic national identity building can be found in highly industrialised multi-ethnic states. Although there is no causal relationship that shows that civic nationalism leads to economic growth, the two affect each other.

²⁹ Horowitz, p. 347.

³⁰ Horowitz, p. 347.

Economic growth facilitates the building of a civic national identity while a non-ethnic political party system tends to be more stable and is conducive to economic growth.

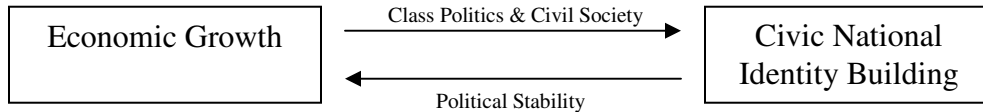


Figure 2: Relationship Between Economic Growth and the Building of Civic National Identity

Industrialisation often changes the social structure of a society. Historically, modernization leads to the emergence of a class system. Class politics often replaces ethnic politics as the basis of electoral competition in high-income multi-ethnic countries. For example, class and religious issues formed the core of Belgium politics, which has stifled the growth of regionalist parties.³¹ Once ethnicity is being eroded by class division, civic national identity is more likely to take hold. Besides the forming of class structure, economic growth also increases the complexity of the society. Media, transport, and communication systems tend to improve when income increases, which establishes closer links between different groups. When social activities increase, citizens tend to develop various identities besides their ethnic one. Rise in living standard allows people to pursue their different interests. Civil society is more developed in high-income countries because of the diversity of interest that comes with income growth. Various forms of social clubs and interest groups draw people together, allowing them to discover commonality with others besides ethnic affiliation. In the case of Yugoslavia, a civil society that creates cross-cutting cleavages and links the different republics together was lacking. The feminist movement, for example, was attacked in Yugoslavia as being elitist and encouraged the love of power.³² Spectator sport was probably the leading intra-Yugoslav activity.³³ Due to the absence of strong civil society and class division, the primordial ethnic identity remained, and the Yugoslav common identity, promoted by Tito, failed to take hold. Moreover, high national income level generates post-modernist political demands. Once a high living standard is reached, voters tend to develop

³¹ Horowitz, p. 304.

³² Leslie Holmes, *Post-Communism: An Introduction* (Cambridge: Polity Press, 1997), p. 276.

³³ Lampe, p. 341.

interests on post-modernist, non-material issues such as education, environment, gender and so forth. Therefore, the above analysis shows that economic growth tends to produce a non-ethnic voting pattern which allows the building of a single national identity in the country.

Below is a scale that shows the likely preference change of voters when income level changes:

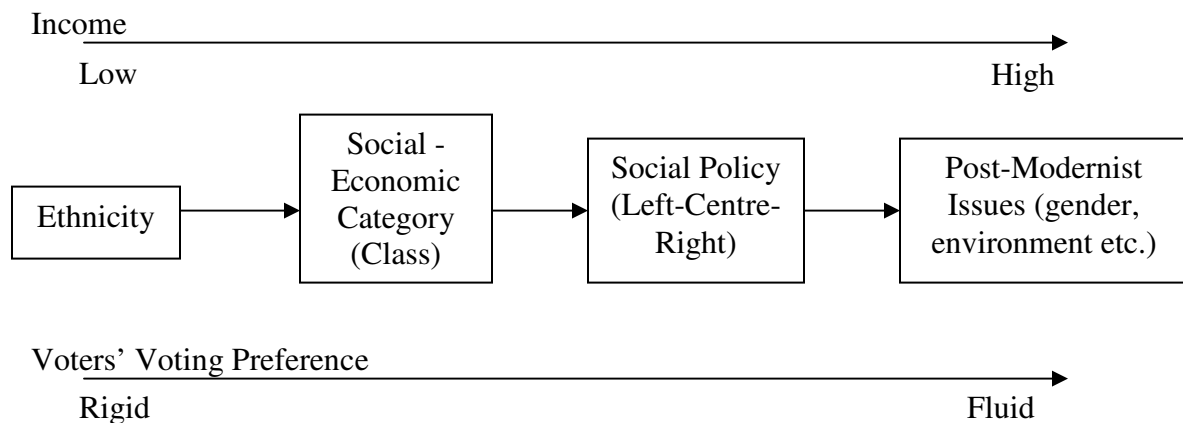


Figure 3: The Scale of Political Preferences

When the society is still in its pre-modern state, ethnicity is the most important social identity for the population. When the country modernizes, it often produces income inequality, which leads to the emergence of a class system. After the initial state of modernization, this inequality reduces due to higher social mobility. The reduction of severe inequality means fewer grievances from the people and leads to a lesser likelihood of one group to feel oppressed. Since the living standard of the general public improves, people are more concerned with social policy that affects their existing living conditions. The role of the state then becomes a salient issue in politics, and political parties are usually located along the left-right continuum. Once the majority of the population have attained a satisfactory living standard, the quality-of-life issues such as the environment become important in politics. Nevertheless, ethnic issues sometimes revisit even when income level is high in a country. In reality, there is usually a mixture of parties from the different stages of development co-existing in the political arena.

As the income of a country increases, voter fluidity also increases. When the party system is based entirely on ethnicity, the party system is rigid. Vote transferability from one party to another is extremely low. Voters usually vote for their own ethnic party, and electoral result is pre-determined by demographics. Once economic growth increases, a class system develops. Class politics produces more fluid voters than that of ethnic politics because people can get richer or poorer but they cannot change their ethnicity. Vote transferability increases with the emergence of a class system. When the party system is divided along policy lines, voting patterns become issue-based. The voters are most fluid in such a party system, and voting patterns are rather volatile. High voter fluidity means that parties would attempt to capture the floating voters. The floating, undecided voters often prefer moderate policy that is in between the two parties' agenda. This gives incentives for the political parties to move closer to each other in terms of political platform. Thus, non-ethnic political party systems tend to be centripetal.³⁴ This absence of severe political conflicts provides a healthy environment for economic growth. When government administration is not based on ethnic favouritism, the quality of policies tends to improve. This forms the virtuous cycle of growth and civic nationalism as depicted in Figure 2.

Moreover, high a living standard provides a disincentive for people to disturb the status quo. It provides incentives for people to manage differences peacefully. Allowing diversity in a country is often costly. Switzerland has the population of 6.3 million³⁵ and is divided into 26 different cantons each of which has its own distinct institutions according to its cultural needs. With all these institutions, administration costs in the Swiss case are obviously higher than those in a unitary state. A country needs a developed economy in order to successfully sustain territorial and non-territorial power sharing arrangements.

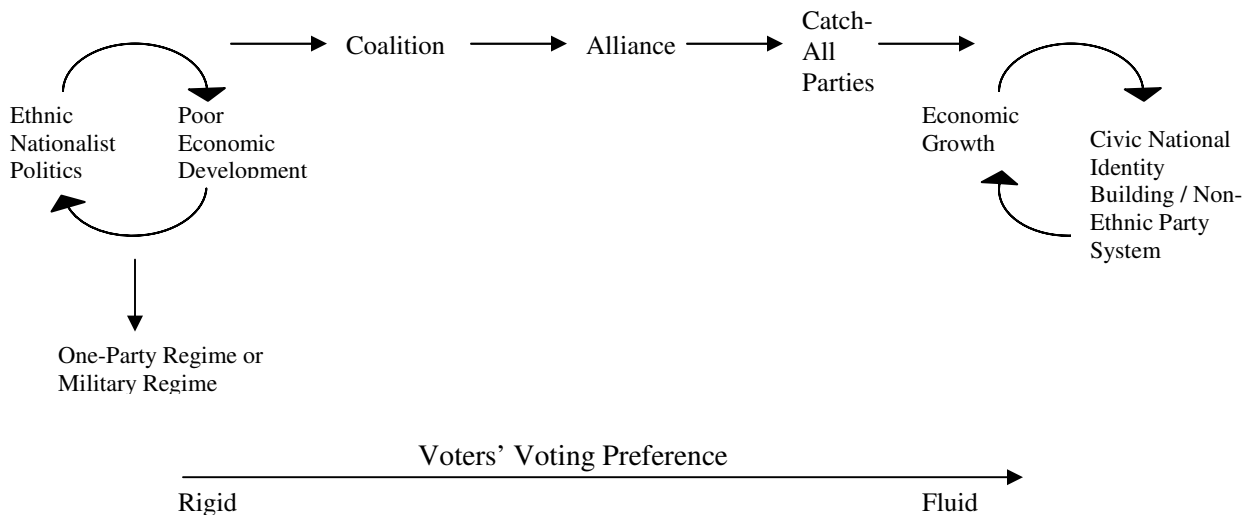
Moving From Ethnic To Non-Ethnic Politics

³⁴ Horowitz, p. 346.

³⁵ Fleiner, p. 103.

Very often countries are trapped in the vicious cycle of ethnic politics and poor economic development. There are three likely directions toward which an ethnic party system is likely to move: one-party authoritarian regime, military regime, or the formation of multi-ethnic parties and coalitions.³⁶ An ethnic party system often results in a one-party system because there is often a minority that has a permanent minority status. Naturally, the minority is continually dissatisfied and this causes tension and instability. If the ruling party tries to reduce tension or to use this instability as a pretext to limit party rivalry, a one-party system is resultant.³⁷ The same political tension can be crushed by military intervention, resulting in a military dictatorship.³⁸ The third option, the forming of multi-ethnic parties and coalitions, is likely to move the country out of the vicious cycle of ethnic politics towards economic development and the building of a civic national identity.

Figure 4: Three Trajectories of Ethnic Nationalist Party System



Coalition is formed between different parties when there is an electoral advantage to do so. Sometimes government cannot be formed by one ethnic party alone; it requires

³⁶ Horowitz, p. 363.

³⁷ Horowitz, p. 363.

³⁸ Horowitz, p. 363.

the co-operation between ethnic parties or between ethnic and non-ethnic parties. Co-operation between ethnic parties is only possible if they have agreed on at least some policy compromises.³⁹ This compromise is more likely to reach if the voting pattern of the society is gradually “de-ethnicized”. If the society continues to be severely divided along ethnic lines and ethnic lines alone, coalition between parties is either impossible or is short-lived. Therefore, the trajectory for an ethnic party system to move towards a non-ethnic one must progress side by side with the change of political preference (see Figure 5). If this coalition is successful in election, over time it develops into a permanent alliance. Once the voting pattern becomes more fluid, these alliances evolve into non-ethnic catch-all parties to correspond to the voters’ preferences.

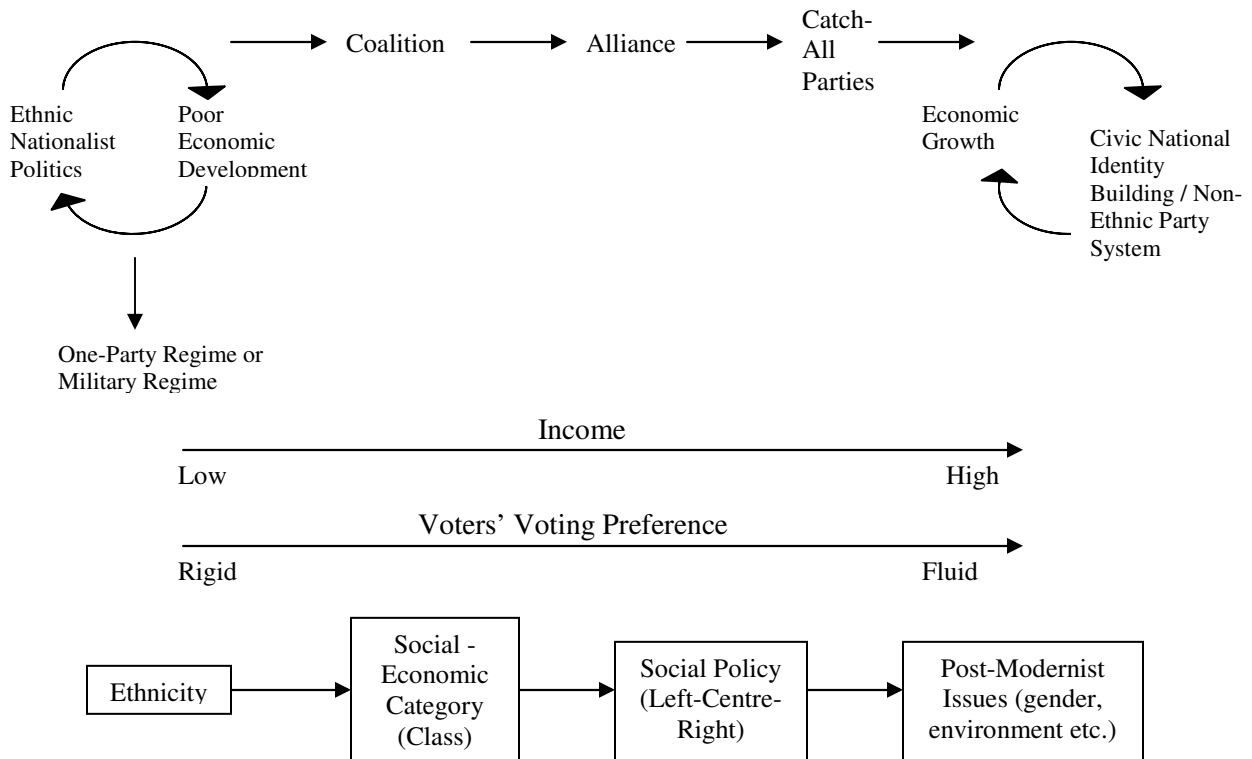


Figure 5: Model of Progression From Ethnic to Non-Ethnic Politics

Ideally, this is the trajectory for a country to move from having an ethnic party system to a non-ethnic one. Yet, in reality, the party system often does not follow a

³⁹ Horowitz, p. 368-369.

linear progression as depicted in the model, it regresses or digresses from time to time. While social structure is changing parallel to the party system, diversity management mechanisms can be used to allow for a peaceful transition. These mechanisms can be territorial (such as federalism or the designation of an autonomous region) or non-territorial (power-sharing/consociationalism or minority protection). The growing of civil society and the forming of alliances between parties can promote a culture of compromise and co-operation.

The final stage of consolidating a non-ethnic party system is to develop a common national identity. The previous analysis shows that the growth of civil society as a result of economic development can help the building of shared values. Shared values are a necessary condition for nation building. However, shared values alone are not sufficient. Swedes and Norwegians are culturally similar and share a lot of values, yet they are separate nations.⁴⁰ Shared identity is what fulfills the sufficient condition.⁴¹ According to Renan, a nation consists of two things: the past and the present.⁴² In a multi-ethnic country, a shared past is absent, so the present is what counts. The existence of this kind of nation is “an everyday plebiscite,”⁴³ its survival depends on the desire of its citizens to live together. Although economic development helps the growth of shared values in a society, it does not guarantee the forming of a shared national identity. However, this shared national identity or the willingness to live together is more likely to be formed over time, if shared values exist and the citizens live in a harmonious society with a decent living standard.

Conclusion

The conflict-prone nature of ethnic politics has profound implications for countries governed by the ethnic party system. To achieve successful political reform - to move from ethnic to non-ethnic politics, parallel economic reform is necessary. Both

⁴⁰ Kymlicka, p. 188.

⁴¹ Kymlicka, p. 188.

⁴² Ernest Renan, “Qu’est-ce qu’une nation?” in *Nationalism*, edited by J. Hutchinson and A. Smith (Oxford University Press: 1994), p. 17.

⁴³ Renan, p. 17.

the economy and the civil society of a country must be strengthened. Ensuring an even distribution of income between different groups and different regions in the country is extremely important. Reducing inequality can ameliorate the grievances of the disadvantaged groups. If any group feels severely disadvantaged in economic or political terms, the political system is potentially unsustainable. However, in countries that had just suffered from ethnic conflicts, economic development is extremely challenging. This is the case in the former Yugoslav republics. Most of these newly formed states found attracting foreign investment difficult, while their domestic infrastructure had been destroyed or damaged by the war. To break away from the vicious cycle of ethnic politics and poor economic development, these countries require help from external forces - such as investment programmes promoted by international organizations. Since economic development takes a prolonged period of time, while political instability takes much less time to surface, external monitoring might be needed for a country's political restructuring.

To build a non-ethnic political party system that lasts, developing a common national identity is the most effective way. Diversity can be managed by various mechanisms such as consociationalism, federalism, and the protection of minority rights, while an overarching common identity takes root. Diversity and a common national identity are not two mutually exclusive concepts. Nonetheless, the problem for a deeply divided society is that there is usually a general lack of will for the different groups to live together. The development of cross-cutting cleavages can erode ethnicity as the main social identity, and the building of the social thread can link different groups together. A good living standard and economic stability can make the process less tenuous. Yet, developing shared values might not be enough to keep a country together. The missing ingredient might be capable leadership or civic education programmes. The United States is a good example that civic education programmes yield a desirable result in the building of a single national identity. The prospect of developing a shared national identity in a divided society is not as pessimistic as believed. History has shown that identity changes over time. At different periods in history people prefer to identify with different forms of political entity. Sometimes the trend points towards regionalism; at other times the nation state is fashionable; in recent times, supranational identity, like that

of the European Union, is becoming increasingly popular. Although identity shaping does not necessarily follow a linear evolution as depicted in this theoretical analysis, national identity is not immutable. Optimism and creativity is needed in order for differences to co-exist.

Chart 1: Comparing Development and Party System in Multi-ethnic and Multi-cultural Countries From Selected Elections⁴⁴

Country	Major Political Parties	Description	Share of Popular Vote in Latest National Election
Party System Based on Predominantly Ethnic Cleavages			
Bosnia-Herzegovina - Zastupnički dom (House of Representatives) Election Date: 5 October 2002 GDP per capita in 2002: \$1,657 USD ⁴⁵	Party of Democratic Action (SDA) - Stranka Demokratski Akcije	A Bosniak nationalist party	21.9%
	Serb Democratic Party (SDS) - Srpska Demokratska Stranka	A Serbian nationalist party	14%
	Party for BiH (SbiH) - Stranka za Bosnu i Hercegovinu	A moderate Bosniak nationalist party	10.5%
	Social Democratic Party (SDP) - Socijaldemokratska Partija Bosne I Hercegovine-Socijaldemokrati	A social democratic party	10.4%
	Party of Independent Social Democrats (SNSD) - Stranka Nezavisnih Socijaldemokrata	A social democratic party	9.8%
	Croatian Democratic Community (HDZ) - Hrvatska Demokratska Zajednica	A Croatian nationalist party	Coalition with the Christian Democrats received 9.5% of the vote

⁴⁴ Chart 1 is a compilation of data from various sources. Chris Cook and John Paxton, *European Political Facts 1990-1996*, (New York: St. Martin's Press Inc., 1998); *Election Around the World* available at www.electionworld.org; UNDP, *Human Development Report 2002—Deepening Democracy in a Fragmented World* (New York, Oxford: Oxford University Press, 2002); and Ioan Hosu, Camil Postelnicu, and Daniela Tarnovschi, *Youth Issues and Challenges In South-Eastern Europe*, (Civitas Foundation for Civil Society: 2002).

⁴⁵ The total GDP of Bosnia-Herzegovina in 2002 is estimated to be \$6.5 billion USD with a population of 3,922,205. However, a large unaccountable black economy exists in the country and figures concerning population are also subject to error due to dislocation caused by the recent war. Data taken from Ioan Hosu, Camil Postelnicu, and Daniela Tarnovschi, *Youth Issues and Challenges In South-Eastern Europe*, (Civitas Foundation for Civil Society: 2002), p. 60.

TFYR Macedonia - Sobrańie (Assembly) Election Date: September 5, 2002 GDP per capita in 2002: \$5,086 USD Human Development Index: 0.772	Social Democratic League of Macedonia - Socijaldemokratski Sojuz na Makedonija	A social democratic party	A coalition of the 10 parties formed Together for Macedonia (Za Makedonija zaedno) and won 40.5% of vote	
	Liberal-Democratic Party - Liberalno-Demokratska Partija	A liberal party		
	Democratic League of Bosniaks - Demokratska Liga na Boshnjacite	Party representing the Bosniaks		
	United Party of Romas in Macedonia - Obedinita Partija na Romite na Makedonija	Party representing the Roma community		
	Democratic Party of Serbs - Demokratska Partija na Srbite	Party represents the Serbian community		
	Democratic Party of Turks - Demokratska Partija na Turcite	Party representing the Turks		
	Democratic Union of Vlachs - Demokratski Sojuz na Vlachte	Party represents the Vlachs		
	Labor-Agricultural Party - Rabotnicka Zemjodenska Partija	Minor labour party		
	Socialist-Christian Party of Macedonia - Socialisticka Christijanska Partija na Makedonija			
	Green Party of Macedonia - Zelena Partija na Makedonia	Minor ecology party		
	Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity - Vnatrešno-Makedonska Revoluciona Organizacija-Demokratska Partija za Makedonsko Nacionalno Edintsvo	A conservative party	Coalition of the two parties won 24.4 % of vote	
	Liberal Party of Macedonia (LMP)- Liberalna Partija na Makedonije	Advocates liberal policies		
	Democratic Union for Integration (DUI) - Demokratska Unija za Integracija	An Albanian minority party		11.9%
	Democratic Party of Albanians (PDS) - Partia Demokratike Shqiptare/Demokratska Partija na Albancite	An Albanian minority party		5.2%
	Democratic Prosperity Party (PDP) - Partia e prosperiteti demokratike /Partija za Demokratski Prosperitet	An Albanian minority party	2.3%	
Party System Based on Both Ethnic and Non-Ethnic Cleavages				
Canada - House of Commons Election Date: November 27, 2000 GDP per capita in 2002: \$27,840 USD Human Development Index: 0.940	Liberal Party of Canada	Advocates social democratic policies	40.8%	
	Canadian Reform Conservative Alliance	A centrist party	25.5%	
	Progressive Conservative Party	A conservative party	12.2%	
	Quebecers Bloc - Bloc Québécois	Advocates the secession of Quebec	10.7%	

Party System Based on Cleavages Other than Ethnicity			
Austria - Nationalrat (National Council) Election Date: November 24, 2002 GDP per capita in 2002: \$26,765 USD Human Development Index: 0.926	Sozialdemokratische Partei Österreichs (SPÖ) - Social-Democratic Party of Austria	A social democratic party	36.5%
	Österreichische Volkspartei (ÖVP) - Austrian People's Party	Conservative policy with Catholic influence.	42.3%
	Die Grünen (Grüne) - The Greens	An ecologist party	9.5%
	Freiheitliche Partei Österreichs (FPÖ) - Freedom Party of Austria	Pursues nationalist, anti-immigration policies	10%
	Liberales Forum (LIF) - Liberal Forum	Advocates liberal policies.	1% - no seats
Belgium - Kamer der Volksvertegenwoordigers/Chambre des Représentants (Chamber of People's Representatives) Election Date: June 13, 1999 GDP per capita in 2002: \$27,178 USD Human Development Index: 0.939	Vlaamse Liberalen en Democraten (VLD) - Flemish Liberals and Democrats	Advocates conservative to liberal policies	14.3%
	Christelijke Volkspartij (CVP) - Christian People's Party	A Christian democratic party	14.1%
	Parti Socialiste (PS) – Socialist Party	A Social Democratic Party	10.1%
	Parti Réformateur Libéral - Liberal Reformist Party	A conservative to liberal party	A coalition of the three parties received 10.1% of popular vote
	Front Démocratique des Francophones - Democratic Front of Francophones	A Brussels regionalist party	
	Mouvement des Citoyens pour le Changement - Citizens' Movement for Change	A Christian democratic party	
Switzerland – Nationalrat/Conseil National/Consiglio Nazionale/Cussegl Naziunal (National Council) Election Date: October 24, 1999 GDP per capita in 2002: \$ 28,769 USD Human Development Index: 0.928	Swiss People's Party (SVP) - Schweizerische Volkspartei	A conservative party	22.5%
	Social-Democratic Party of Switzerland (SPS) - Sozialdemokratische Partei der Schweiz	A social democratic party	22.5%
	Freethinking-Democratic Party of Switzerland (FDP)- Freisinnig-Demokratische Partei der Schweiz	A liberal party	19.9%
	Christian Democratic People's Party, Christlich (CVP)- Demokratische Volkspartei der Schweiz	A Christian democratic party	15.8%

United States - House of Representatives Election Date: November 5, 2002 GDP per capita in 2002: \$34,142 USD Human Development Index: 0.939	Republican Party		51%
	Democratic Party		46.2%

Source: Chris Cook and John Paxton, *European Political Facts 1990-1996*, (New York: St. Martin's Press Inc., 1998); *Election Around The World* available at www.electionworld.org; UNDP, *Human Development Report 2002 – Deepening Democracy in a Fragmented World* (New York, Oxford: Oxford University Press, 2002); and Ioan Hosu, Camil Postelnicu, and Daniela Tarnovschi, *Youth Issues and Challenges In South-Eastern Europe*, (Civitas Foundation for Civil Society: 2002).

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