Diversity, Conflict and Democracy: Some Evidence from Eurasia and East Europe

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Does diversity endanger democracy? Ethnic composition is often thought to affect democracy by means of its influence on the probability of violent civil conflict. According to such thinking, more diverse societies are more prone to conflict, which in turn makes them less hospitable to democracy. How sound is this idea? This article tests it, performing quantitative analysis on data from the post-communist region. The study finds that conflict is negatively associated with democracy, but finds no empirical evidence that social fractionalization influences civil conflict or democratization. In fact, a concluding case study on Bulgaria suggests that diversity may actually 'impose' certain opportunities for – not just obstacles to – the emergence of practices and institutions that promote open politics.

Key words: conflict; democracy; ethnicity; fractionalization; polarization

Introduction

Does diversity endanger democracy? According to many analysts it does, especially in fledgling neo-democracies. Few would argue that diversity rules out democratization. But greater uniformity is often considered an advantage. Expressing a widely held view, David Welsh states: 'Establishing and sustaining democratic institutions in ethnically divided societies is a difficult task'.[1]

The belief that heterogeneity imperils democracy is even more salient in public discourse than it is in scholarly writing. Discussion in the media and among policy-makers on the failure of this or that experiment with democracy often mentions ethnic fractionalization or plurality of different ethnic groups as a culprit, just as poverty or the absence of a tradition of democratic governance also are often mentioned as culprits.

Social composition is normally seen as affecting democracy via its influence on the probability of violent civil conflict. According to such thinking, more diverse societies are more prone to conflict, which in turn dims democracy's prospects.

Countries in the post-communist region are sometimes viewed as social collages that are particularly prone to inter-group conflict. Democratization in the region is seen as especially vulnerable to the ill-effects of diversity. Writing in the early 1990s, Donald Horowitz remarked: 'Democracy has progressed furthest in those East European countries that have the fewest serious ethnic cleavages (Hungary, the

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Czech Republic, and Poland) and progressed more slowly or not at all in those that are deeply divided (Slovakia, Bulgaria, Romania, and of course the former Yugoslavia).'[2]

How sound are these arguments? Here we test them, with focus on the post-communist region. The first section of the article reviews the literature. The second introduces data and subjects the data to statistical tests. It finds support for some conventional assumptions: economic development, religious tradition, oil, and the international environment all appear to affect democratization. More importantly for the present article, however, it finds no empirical evidence that social fractionalization influences democratization. Conflict is found to be negatively associated with democracy, but the analysis does not find a link between fractionalization and conflict or between fractionalization and democracy. The third section of the article concludes with an illustrative case study.

Thinking about Diversity, Conflict and Democracy

The notion that social heterogeneity or diversity complicates democracy has a distinguished pedigree. Writing in the mid-19th century, John Stuart Mill asserted that 'free institutions are next to impossible in a country made up of different nationalities'.[3] Mill believed that tension would be endemic in multinational societies, posing a permanent irritant to civil peace and therefore to open government.

Prominent works in contemporary social science have supported the thesis that ethnic diversity predisposes a society to civil conflict and thus undermines democracy. In the mid-1950s, Gabriel Almond argued that the probability of conflict rose with increasing ethnic diversity.[4] A quarter-century later, Bingham Powell published statistical analyses that showed a negative relationship between ethnic fractionalization, on the one hand, and governmental stability, civil peace, and the prospects for democracy, on the other.[5] Other studies presented similar findings.[6]

Such arguments are not universally embraced, however. James Fearon and David Laitin hold that diversity does not predispose societies to civil war. They find that physical factors, and particularly the size of the population and the proportion of the country that is mountainous, contribute to civil conflict but ethnic diversity does not.[7]

A handful of writers have argued that ethnic multiplicity may actually be good for controlling conflict and promoting democracy. In a recent study of Papua New Guinea, Benjamin Reilly asserted: 'The primary reason for PNG's democratic success is the sheer diversity of its ethnic structure, which virtually guarantees that no one group is able to single-handedly monopolize political power'.[8] Robert Hardgrave has made a similar argument with regard to India.[9]

The relationship between fractionalization and strife – and, by association, democracy – may be complex and nonlinear. Donald Horowitz has hypothesized that diversity and conflict may be linked in a manner that is not monotonic. The danger zone for conflict may lie between very high and very low fractionalization. Horowitz expects that conditions in which a majority group faces a sizable minority – a 'divided society' – may carry the greatest potential for violence.[10] Other scholars have subsequently found empirical evidence to support this prediction. In their conclusion to an empirical investigation, Paul Collier and Anke Hoeffler

asserted: 'Highly fractionalized societies are no more prone to war than highly homogeneous ones. The danger of civil war arises when the society is polarized into two groups'.[11] José Montalvo and Marta Reynal-Querol, using an index of polarization rather than fractionalization, find empirical evidence to support this thesis.[12]

These hypotheses are tested below using data from the post-communist region, meaning the countries of the former Soviet Union, East Europe (including the former Yugoslavia), and Mongolia. We analyse the post-communist period, specifically the 14-year interval from 1991 to 2004. This region during this period provides fertile ground for analysis. It has known both civil wars and dramatic cross-national variation in patterns of democratization. Writing in the mid-1990s and expressing a common view, David Lake and Donald Rothchild asserted: 'The early 1990s have witnessed a wave of ethnic conflict sweep across parts of Eastern Europe, the former Soviet Union, and Africa. Localities, states, sometimes whole regions have been engulfed in convulsive fits of ethnic insecurity and violence'.[13]

Since the demise of communist-party regimes, major civil conflicts have indeed broken out, including in the sub-regions of the southern Caucasus, the northern Caucasus of Russia, the Balkans, and Central Asia. What is more, the region has been the site of a remarkable variety in trajectories of democratization. In other places, such as Latin America, polities have tended to experience regime change on a region-wide basis and have exhibited relatively moderate within-region cross-national variation in democratization. The post-communist area has been strikingly varied by comparison. Some polities there experienced swift, thoroughgoing, and robust democratization, others underwent little or no democratization at all, and still others vacillated between popular rule and authoritarianism. These conditions make for ample variation on the dependent variable.

The analysis proceeds in three steps. First, it assesses the effects of social diversity on democratization. Next it evaluates the effects of diversity on violent civil conflict, since diversity is often regarded as influencing democracy by means of its influence on the probability of conflict. It then considers the effects of violent conflict on democratization. To anticipate the general results, the study finds that social diversity affects neither democratization nor propensity for conflict, though conflict does, in accordance with conventional assumptions, dim the prospects for democracy.

Empirical Analysis

Fractionalization and Democracy

Our first set of analyses treats *openness of the political regime*, meaning the degree of democratization, as the dependent variable. It is measured using the scores from Freedom House's survey of Freedom in the World (hereafter referred to as FH scores). These scores, which are issued annually for each country in the world, are an average of ratings for each country on 'political rights' and 'civil liberties.' Scores range from 1 (most free) to 7 (least free).[14]

The variables whose effect on democratization we seek to test are types of social *fractionalization*. Measuring fractionalization is difficult. Recently, Alberto Alesina *et al*. have produced useful new measures that are more differentiated and

cover more countries than other available data. Alesina *et al*. furnish separate scores for each country for ethnic, linguistic, and religious fractionalization. Fractionalization scores range from 0 (most homogenous) to 1 (most heterogeneous).[15]

Fractionalization may influence democracy, but in a way that is not linear and that may not be fully captured in Alesina *et al*.'s fractionalization scores. As discussed above, some writers have argued that fractionalization per se is not conducive to violence or authoritarianism; rather, *polarization*, understood as the division of society into two substantial groups, may be the problem. To test this hypothesis, we follow James Fearon and David Laitin in coding a dichotomous dependent variable indicating whether a country's largest and second largest ethnic groups exceed 49 per cent and seven per cent of the population, respectively. This coding captures roughly whether or not there is one predominant group and another sizable one. Fearon and Laitin's data on this variable are not readily available, and these authors do not code countries for linguistic and religious as well as ethnic polarization. We generate these data ourselves.[16]

To assess the effect of social fractionalization and polarization on democratization, the analysis must control for other factors that might influence democratization as well. It therefore includes several controls. The first is *economic development*,[17] measured here by Gross Domestic Product (GDP) per capita in constant 2000 dollars.[18] One would expect richer countries to have more open political regimes.

Scholars have also hypothesized that *Islam* may affect democratization.[19] The fusion of sacred and secular in jurisprudence, the subordination of women, and scepticism about liberal institutions are sometimes regarded as common in Islamic political thought and practice, and these characteristics may be inimical to democracy. To control for the influence of Islam, the analysis employs a dichotomous variable that indicates whether Islam is the country's predominant religious tradition.[20]

An abundance of raw materials – and especially *oil* – has sometimes been regarded as a bane for democracy.[21] It may enable the state to buy off society with low taxation and high welfare spending and thereby allay popular demand for political accountability. So too may it exacerbate corruption and reduce political competition to a fight over control of the agencies that manage the distribution of oil rents. It may enable the state to sustain a large and powerful internal security apparatus capable of repressing challengers. Resource abundance may also distort modernization, spurring expansion of national income without inducing the socioeconomic changes that favour democracy. To control for the influence of oil, we follow Fearon and Laitin and use a dichotomous variable indicating whether fossil fuels accounted for one-third or more of export revenues.[22]

In the post-communist region, candidacy for accession to the European Union (EU) is often considered a crucial determinant of democratic prospects.[23] Countries that had a reasonable chance of EU membership are often regarded as having had a powerful international incentive to keep democratization on track. Membership was eagerly desired for the access to broader European markets and the development assistance it would bring. In addition to providing such tangible economic benefits, EU accession was regarded as a prestigious symbol of a 'return to Europe' after four decades of Soviet hegemony. Since the EU makes democracy a strict

precondition for membership, countries that had a chance of securing accession may have had a particularly enticing incentive to maintain progress in democratization. Thus, the analysis includes a dichotomous variable dividing the region into the countries that were courted by the EU and that began negotiations with it before or immediately following the collapse of their communist-party regimes, and countries that did not have such an experience.[24]

To analyse the data, we use Prais-Winsten regressions, controlling for first-order (AR1) autocorrelation. As is conventional in analysing time-series cross-section data, we use panel-corrected standard errors and include a lagged dependent variable (here, FH scores lagged one year) to control for temporal dependence. We also include a set of 13 dummy variables, one for each year the data cover (1991–2004) less one to mitigate autocorrelation.[25]

Table 1 shows the results. Focusing first on the control variables, the findings show that the coefficients for the dummy variables for Islam and oil are positive and statistically significant. The dummy variable for EU accession is negative and statistically significant. Since FH scores are scaled low (most free) to high (least free), the results suggest that oil and Islam counteract political opening and the promise of EU accession reinforces it. The results are consistent with initial expectations. Higher GDP per capita, also in line with expectations, is associated with more democratic political regimes. This variable is not statistically significant in the fully specified models, however, due mainly to the high correlation between it and the dummy variable for EU accession.

Turning to the indicators for diversity, whose effects are our main concern here, we find that fractionalization is a poor predictor of FH scores. Models 1, 2, and 3 include only the variables for ethnic, linguistic, and religious fractionalization, respectively, along with the lagged dependent variable and the year dummies. Models 4, 5, and 6 add the control for level of economic development, and models 7, 8, and 9 present the models with all controls. Taken as a group, the coefficients for fractionalization do not have consistent signs, and none of the variables is statistically significant in any of the regressions. The analyses provide no evidence that fractionalization affects democratization.

Still, as discussed above, some authors have argued that polarization complicates democratization, even if simple fractionalization does not. In the regressions presented in Table 2, we repeat the operations presented in Table 1 but substitute polarization for fractionalization. In the models, neither ethnic, nor linguistic, nor religious division is a predictor of democratization.

Fractionalization and Conflict

These results suggest that social heterogeneity does not directly endanger democracy. Still, perhaps a more fine-grained analysis is needed to disentangle the relationship. Scholars have argued that democracy is difficult in diverse societies because the latter are more prone to civil strife. To test this hypothesis, the effect of fractionalization on conflict is explored.

To measure conflict, here the dependent variable, we use a dichotomous variable indicating whether or not *civil conflict* was present in a country in a given year. For the

TABLE 1
MULTIPLE REGRESSIONS OF FREEDOM HOUSE SCORES ON HYPOTHESIZED DETERMINANTS, POST-COMMUNIST REGION, 1991–2004

Independent Variable	Model								
	1	2	3	4	5	6	7	8	9
Ethfrac	0.095			−0.008			0.030		
	(0.219)			(0.249)			(0.252)		
Lingfrac		0.277			0.224			0.275	
		(0.204)			(0.226)			(0.218)	
Relfrac			−0.135			−0.167			−0.131
			(0.114)			(0.132)			(0.125)
GDP *per capita*				−0.059**	−0.053**	−0.061**	−0.031	−0.029	−0.033
				(0.018)	(0.017)	(0.020)	(0.018)	(0.018)	(0.021)
Islam							0.253***	0.266**	0.250**
							(0.073)	(0.088)	(0.084)
Oil							0.245 **	0.268***	0.243***
							(0.079)	(0.072)	(0.061)
EU							−0.329**	−0.355**	−0.339**
							(0.127)	(0.119)	(0.121)
FHlag	0.970***	0.966***	0.976***	.921***	0.919***	0.922***	0.809***	0.786***	0.806***
	(0.022)	(0.024)	(0.017)	(0.035)	(0.037)	(0.033)	(0.046)	(0.052)	(0.048)
Constant	0.010	−0.038	0.086	0.360**	0.271*	0.438*	0.657***	0.650***	0.757***
	(0.049)	(0.043)	(0.068)	(0.136)	(0.125)	(0.172)	(0.183)	(0.178)	(0.202)
R^2	.909	.912	.911	.897	.901	.900	.907	.907	.912
N	359	346	346	354	342	342	354	342	342

Note: *p < .05; **<.01; ***p < .001. The dependent variable is Freedom House scores coded from 1 (most free) to 7 (least free). Panel-corrected standard errors are in parentheses. Prais-Winsten regressions performed using Stata 9.0; corrected for first-order (AR1) autocorrelation. Each regression is run with dummy variables for every year (but one) covered by the data.

TABLE 2
MULTIPLE REGRESSIONS OF FREEDOM HOUSE SCORES ON HYPOTHESIZED DETERMINANTS, POST-COMMUNIST REGION, 1991–2004

Independent Variable	Model								
	1	2	3	4	5	6	7	8	9
Ethpol	−0.005			−0.044			0.013		
	(0.035)			(0.034)			(0.032)		
Lingpol		0.064			0.033			0.096	
		(0.076)			(0.076)			(0.065)	
Relpol			−0.025			−0.024			0.023
			(0.053)			(0.054)			(0.050)
GDP				−0.061**	−0.056**	−0.058**	−0.031	−0.021	−0.031
per capita				(0.020)	(0.019)	(0.020)	(0.021)	(0.017)	(0.022)
Islam							0.258***	0.247***	0.255***
							(0.075)	(0.076)	(0.075)
Oil							0.245***	0.254***	0.247***
							(0.065)	(0.070)	(0.064)
EU							−0.330**	−0.382***	−0.333**
							(0.125)	(0.109)	(0.121)
FHlag	0.972***	0.970***	0.972***	0.920***	0.922***	0.922***	0.809***	0.801***	0.808***
	(0.020)	(0.022)	(0.020)	(0.033)	(0.033)	(0.034)	(0.046)	(0.047)	(0.046)
Constant	0.038	0.011	0.048	0.396*	0.332*	0.365*	0.661***	0.641***	0.661***
	(0.054)	(0.050)	(0.059)	(0.156)	(0.140)	(0.157)	(0.172)	(0.169)	(0.175)
R^2	.906	.907	.906	.898	.897	.898	.907	.906	.907
N	354	354	354	354	354	354	354	354	354

Note: *p < .05; **<.01; ***p < .001. The dependent variable is Freedom House scores coded from 1 (most free) to 7 (least free). Panel-corrected standard errors are in parentheses. Prais-Winsten regressions performed using Stata 9.0; corrected for first-order (AR1) autocorrelation. Each regression is run with dummy variables for every year (but one) covered by the data.

period 1991–1999 we use data from Fearon and Laitin.[26] The data are extended to 2004 drawing on the Armed Conflict and Intervention (ACI) project's comprehensive list of major episodes of political violence.[27] The ACI list includes information on interstate, civil, and communal violence. Since the hypothesis we seek to test is whether social heterogeneity affects the probability of domestic (not international) strife, our measure excludes data on interstate conflict. It includes conflicts coded by the ACI as communal or civil conflict.

Degree of social heterogeneity is again the condition whose effects are of greatest interest. It is measured as in the preceding analyses, using the *fractionalization* and *polarization* variables described above.

The analysis controls for other factors that also may influence the incidence of civil conflict. Scholars have argued that conflict is more likely in countries with *rough terrain*, which may offer rebels a safe haven from government forces. Following Fearon and Laitin, roughness of terrain is measured as the proportion of the country that is mountainous.[28]

Population size may also affect the probability of conflict. Larger states may experience more conflict because larger populations are more difficult for a central government to control and offer a larger number of potential recruits for rebel forces.[29] Furthermore, since definitions of civil conflict set a threshold on the number of deaths, population should be controlled for as a scale factor.[30] We therefore include size of population as an independent variable.[31]

Some studies have also argued that civil conflict is more likely in countries with weak states, and that the level of *economic development* reflects the state's strength and ability to keep the peace.[32] One might also hypothesize that greater material deprivation engenders greater risk of violent conflict. Wealthier countries would have the advantage of being less prone to social strife arising from material want. To control for the level of economic development, the analysis uses GDP per capita in constant 2000 dollars. The data are the same as those used in the previous analysis.[33]

We employ logit models. Logit is able to model dichotomous dependent variables. The dependent variable in this analysis is dichotomous; it is the presence or absence of major civil conflict in a given year in a given country. We use Nathaniel Beck, Jonathan Katz, and Richard Tucker's approach to correct for temporal dependence in the dependent variable.[34] Robust standard errors are adjusted for clustering by country.

The findings are presented in Table 3. Beginning with the control variables, we find, consistently with the claims of Fearon and Laitin, that population size and rough terrain are associated with the presence of conflict. In all of the models, both variables are statistically significant and have positive coefficients. However, unlike Fearon and Laitin, who find that conflict is less likely in wealthier countries, we find that level of economic development is not associated with conflict. The coefficient for GDP per capita is negative, as expected by theory, but is not statistically significant in any of the models.

Turning to diversity variables, we see that social heterogeneity is seen to be a poor predictor of civil conflict in either the bivariate regressions presented in models 1, 2,

TABLE 3
LOGIT REGRESSIONS OF CIVIL CONFLICT ON HYPOTHESIZED DETERMINANTS, POST-COMMUNIST REGION, 1991–2004

Independent Variable	Model 1	2	3	4	5	6
Ethfrac	−1.115			−3.616		
	(2.431)			(3.088)		
Lingfrac		−0.436			−4.989	
		(1.751)			(2.581)	
Relfrac			0.364			0.688
			(1.826)			(1.023)
GDP *per capita*				−0.074	−0.197	−0.009
				(0.349)	(0.356)	(0.313)
Population				0.016**	0.018***	0.019***
				(0.006)	(0.005)	(0.005)
Terrain				0.037***	0.046***	0.028**
				(0.009)	(0.012)	(0.009)
Constant	−0.019	−0.288	−0.633	−0.597	−0.376	−2.268*
	(1.126)	(0.802)	(1.022)	(1.543)	(1.260)	(0.933)
N	383	369	369	370	358	358

Note: *p < .05; **<.01; ***p < .001. The dependent variable is coded "1" for country years in which a civil war was present and "0" in all others. Robust standard errors are in parentheses and are adjusted for clustering by country. Estimations performed using Stata 9.0. The model is estimated after including spline corrections for temporal dependence.

and 3, or the multivariate regressions that include the controls, shown in models 4, 5, and 6. The negative coefficients for ethnic and linguistic fractionalization mean that greater diversity is associated with less civil conflict; the positive coefficients for religious fractionalization mean that greater diversity is associated with more civil conflict. In no model, however, is the coefficient for fractionalization statistically significant.

Does polarization, rather than simple fractionalization, spark conflict? In the analyses shown in Table 4, we repeat the operations presented in Table 3 but substitute polarization for fractionalization. There is no evidence that polarization promotes conflict. The only coefficient representing polarization that is statistically significant is the one for linguistic polarization in the regression that includes the controls (model 5). Yet the sign of the coefficient is negative, meaning that the likelihood of conflict is actually lower in societies that are polarized by language than it is in those that are not.

Conflict and Democracy

We have already seen that ethnic diversity does not complicate a country's prospects for democracy or peace, but is civil strife democracy's antagonist? To test this claim we return to the models presented in Table 1, which treat FH scores as the dependent variable, and add the dummy variable for civil conflict as an explanatory variable. The results are presented in Table 5. The findings presented in Table 1 are robust to the introduction of the additional independent variable. Islam, oil, and EU association

TABLE 4
LOGIT REGRESSIONS OF CIVIL CONFLICT ON HYPOTHESIZED DETERMINANTS, POST-COMMUNIST REGION, 1991–2004

Independent Variable	Model 1	2	3	4	5	6
Ethpol	−0.736			−0.554		
	(0.799)			(1.386)		
Lingpol		−0.939			−1.437*	
		(0.740)			(0.650)	
Relpol			0.381			0.058
			(0.812)			(0.686)
GDP *per capita*				−0.025	−0.126	−0.011
				(0.330)	(0.317)	(0.306)
Population				0.017*	0.016**	0.020***
				(0.008)	(0.006)	(0.005)
Terrain				0.032***	0.038***	0.030***
				(0.009)	(0.010)	(0.009)
Constant	0.010	−0.097	−0.754	−1.644	−1.388	−2.100**
	(0.686)	(0.462)	(0.599)	(1.328)	(0.910)	(0.814)
N	385	385	385	372	372	372

Note: *p < .05; **<.01; ***p < .001. The dependent variable is coded "1" for country years in which a civil war was present and "0" in all others. Robust standard errors are in parentheses and are adjusted for clustering by country. Estimations performed using Stata 9.0. The model is estimated after including spline corrections for temporal dependence.

are still substantively and statistically significant, while the diversity variables remain poor predictors. We also find that the coefficient for the conflict variable is consistently positive and statistically significant. The results suggest that civil strife does complicate democratization. Yet, as shown in the previous analyses, neither civil strife nor authoritarian politics is the result of social fractionalization or polarization.

Concluding with a Brief Discussion of Cases

Do the analyses suggest that diversity never poses a challenge to peace or democracy? Not necessarily. Georgia is more fractionalized than the regional mean in ethnic, linguistic, and religious terms. It is also polarized on all three dimensions. Georgia experienced civil wars during the 1990s, and some conflicts indeed ran along fault lines of ethnicity, language, and/or religion. Georgia's social composition may have rendered the country prone to violence and resistant to democratization. Yet the statistical findings suggest that we must not lose sight of the countries that are socially fractionalized and/or polarized where conflict did not break out and where vigorous democratization occurred. For example, Latvia is much higher than the regional mean on all three dimensions of fractionalization, and it is polarized in ethnic and linguistic terms. Still, it experienced no major violent conflict and underwent rapid, lasting democratization.

But the implications of the findings are potentially more radical than that diversity usually does not countervail democracy. Assuming that there are cases where

TABLE 5
MULTIPLE REGRESSIONS OF FREEDOM HOUSE SCORES ON HYPOTHESIZED DETERMINANTS, POST-COMMUNIST REGION, 1991–2004

Independent Variable	Model 1	2	3	4	5	6
Wars	0.298**	0.300**	0.328**	0.308**	0.315**	0.297**
	(0.102)	(0.102)	(0.105)	(0.102)	(0.103)	(0.102)
Ethfrac	0.039					
	(0.248)					
Ethpol		0.022				
		(0.031)				
Lingfrac			0.290			
			(0.215)			
Lingpol				0.102		
				(0.064)		
Relfrac					−0.135	
					(0.130)	
Relpol						0.015
						(0.052)
GDP *per capita*	−0.034	−0.034	−0.033	−0.024	−0.038	−0.035
	(0.018)	(0.021)	(0.018)	(0.017)	(0.021)	(0.022)
Islam	0.275***	0.282***	0.296***	0.266***	0.284***	0.278***
	(0.076)	(0.080)	(0.091)	(0.078)	(0.088)	(0.079)
Oil	0.196**	0.197***	0.216***	0.201***	0.195***	0.195***
	(0.068)	(0.054)	(0.060)	(0.056)	(0.051)	(0.053)
EU	−0.294***	−0.294*	−0.314**	−0.345***	−0.305**	−0.297*
	(0.125)	(0.123)	(0.116)	(0.106)	(0.118)	(0.119)
FHlag	0.805*	0.804***	0.780***	0.799***	0.796***	0.804***
	(0.046)	(0.046)	(0.052)	(0.047)	(0.049)	(0.046)
Constant	0.653***	0.653***	0.646***	0.628***	0.777***	0.664***
	(0.178)	(0.168)	(0.176)	(0.165)	(0.207)	(0.173)
R^2	.911	.911	.912	.911	.915	.911
N	354	354	342	354	342	354

Note: *p < .05; **<.01; ***p < .001. The dependent variable is Freedom House scores coded from 1(most free) to 7(least free). Panel-corrected standard errors are in parentheses. Prais-Winsten regressions performed using Stata 9.0; corrected for first-order (AR1) autocorrelation. Each regression is run with dummy variables for every year (but one) covered by the data.

diversity may inhibit democratization–Georgia may be such a case, as least at certain moments–the lack of a correlation between diversity and democracy in the data suggests logically that there may be countervailing cases where social fractionalization or polarization *facilitates* open politics. In other words, if ethnic diversity ever encourages conflict and blocks democratization, there must also be cases where it reduces conflict and aids democratization.

Bulgaria may be such a case.[35] Its ethnic and religious fractionalization is higher than the post-communist mean. It is polarized in ethnic, linguistic, and religious terms. Its population is divided mainly between ethnic Bulgarians who speak Bulgarian and identify as Orthodox Christians, and ethnic Turks who speak Turkish and are Muslims. It also has substantial populations of Roma (Gypsies) and Pomaks (ethnic Bulgarians who speak Bulgarian but are Muslims). It is the kind of country that one might regard

as especially vulnerable to civil conflict and the democratization-inhibiting effects of diversity and/or polarization. Indeed, Bulgaria has a recent history of ethnic tensions. Todor Zhivkov, the long-time communist-era ruler (1954–1989), initiated a bizarre, brutal campaign in the waning years of communist rule to force Bulgaria's ethnic Turks to shed their identities and adopt Bulgarian names. The campaign included violence and massive movement of population. Over a quarter of a million Bulgarian Turks fled to Turkey during the late 1980s.

Yet, despite the persistence of some ethnic tension, inter-communal violence has not erupted in the post-communist period. The Movement for Rights and Freedoms (MRF), a largely Turkish party that has effectively integrated Turks into national politics, has consistently won 10–15 per cent of parliamentary seats in elections that are conducted on the basis of proportional representation.[36]

By the year 2000, most of the ethnic Turks who had fled to Turkey during Zhivkov's campaign against them had returned to Bulgaria. Elections have been open and incumbent parties have turned over power peacefully to their victorious opponents four times. The political transformation came about under unfavorable economic conditions: Bulgaria's GDP per capita shrunk by an average of three per cent each year during the 1990s. Economic distress, often regarded as a spark that may set tribes at war, did not thwart democratization.

Bulgaria's social heterogeneity and polarization not only did not thwart democratization; it may have actually aided it. Ethnic politics and the questions posed by the existence and strength of the MRF dominated the political agenda in the early post-communist period. Politicians spent early 1990 hammering out a law that enabled Muslims to restore the personal and family names that the government had taken from them in the late communist period. The remainder of 1990 and the beginning of 1991 were devoted to drafting the new constitution, which was passed in July 1991. The fundamental document protected basic minority rights, which went hand-in-hand with provisions guaranteeing freedoms of conscience and religion. In the fall of 1991, Turkish pupils received legal guarantees of their new constitutional right to study their mother tongue in public schools. In mid-1992, after over two years of bargaining, parliament enacted a law to return property to the ethnic Turks who had hastily sold off their holdings as they fled to Turkey during the late 1980s. Unlike in many other countries in East Europe, little economic policy reform was carried out during this time; the restitution of the Turks was arguably the most important economic policy initiative of the early 1990s in Bulgaria. Efforts at ethnic reconciliation dominated Bulgarian politics during the early post-communist period.

The politics of the early 1990s, which centred on addressing inter-communal matters, established vigorous but peaceful competition and the practice of compromise as standard fare. It also gave birth to a relatively sturdy party system that facilitated democratization. The Bulgarian Socialist Party (BSP, the successor to the Bulgarian Communist Party) was initially divided on the Turkish issue. On the one hand, the old regime's harsh policies toward the Turks discredited the communists among liberals at home and abroad. Change was necessary to legitimate the party and enhance the reputation of the country in the world. On the other hand, the communists-turned-socialists could not execute a 180-degree turn for fear of alienating

their supporters, most of whom lived in rural areas and small towns where some anti-Turkish sentiment persisted. The BSP therefore simultaneously supported a constitutional ban on political parties formed on ethnic, racial, or religious bases and participated in the 'Tacit Agreement' that allowed the MRF, a party that was ethnic in all but name, to register and compete in the 1991 parliamentary elections. While inter-ethnic compromise facilitated democratization, the dynamic also worked in reciprocal fashion. Once free elections were on the horizon, the BSP had an interest in allowing ethnic Turks to form their own party, because the MRF promised to draw Turkish support away from the liberal opposition that coalesced in the Union of Democratic Forces (UDF). The BSP occasionally resorted to vaguely anti-Turkish rhetoric but avoided actions or language that might incite violence and undermine the party's attempt to gain respectability in the post-communist environment. The BSP's strategy of neither inflaming inter-ethnic tension nor completely eschewing Bulgarian ethnic nationalism limited the appeal of more overtly nationalist parties, which failed to gain a foothold in parliament.

In contrast, the MRF has regularly been a partner in coalition governments. The other major parties, namely the BSP, the UDF, and the Simeon II National Movement (SNM), led by the king who returned from exile, have often courted the MRF in order to build governing coalitions. The MRF has assumed the role of broker and peacemaker. It fostered not only ethnic inclusion but also habits of compromise and coalition. Bulgarian political elites' habituation to and skills in rigorous but peaceful competition, which have ended up serving democratization well, were acquired and forged in the negotiations over minority issues in the early 1990s.

The danger of ethnic conflict is not extinguished in Bulgaria, any more than it is anywhere else in Europe, and democracy's permanence can be taken for granted nowhere, including in the West. Still, Bulgaria's experiment with open politics has been remarkable. It started its transition at the end of the 1980s with a low level of economic development, little history of open politics, and a legacy of particularly rigid communist-party rule. At the time, it was not widely regarded as a prime candidate for lasting political opening. Yet is has authored one of the region's most notable success stories in democratization.

Social diversity in Bulgaria has served as a structural condition that encouraged a politics of accommodation and adjustment. As such, it created distinct advantages for democratization. Diversity may present special challenges. But Bulgaria shows that diversity may also 'impose' certain opportunities for – not just obstacles to – the emergence of practices and institutions that promote open politics.

NOTES

1. David Welch, 'Domestic Politics and Ethnic Conflict', in Michael E. Brown (ed.), *Ethnic Conflict and International Security* (Princeton, NJ: Princeton University Press, 1993), p. 55.
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8. Benjamin Reilly, 'Democracy, Ethnic Fragmentation, and Internal Conflict: Confused Theories, Faulty Data, and the "Crucial Case" of Papua New Guinea', *International Security*, Vol. 25, No. 3 (2000/01), p. 168.
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14. Freedom House, 'Freedom in the World, Comparative Rankings, 1975–2005', online at freedomhouse.org (accessed May 2006).
15. Alberto Alesina, Arnaud Devleeschauwer, William Easterly, Sergio Kurlat, and Romain Wacziarg, 'Fractionalization', *Journal of Economic Growth*, Vol. 8, No. 2 (2003), pp. 155–94. Though the scores provide more differentiated and comprehensive data than previously available measures, they of course have their limitations. Defining ethnic, linguistic, and religious categories is an inexact enterprise, and uncontroversial measures of fractionalization are probably not possible. For example, the scores of Alesina *et al*. do not fully capture what some specialists on identity call 'sub-ethnic' categories, which may in some cases be politically salient.
16. For numbers on ethnic, linguistic, and religious composition, we draw on the Central Intelligence Agency, *The World Factbook 2003* (Washington, DC: Brassey's, 2003). As we conceive of this variable, if one group exceeds 49 per cent of the population but no other single group makes up more than seven per cent, there is *dominance* by a single group. If one group accounts for more than 49 per cent and another more than seven per cent, there is *polarization*. If no one group accounts for as much as 49 per cent, there is *dispersion*. According to the hypothesis we are testing here, neither dominance nor dispersion are inimical to democracy, but polarization is. Thus, dominance and dispersion are both coded as 0; polarization is coded a 1. For example, in Albania one finds dominance in ethnic and linguistic composition; some 95 per cent of the population is classified as ethnic Albanians and speakers of Albanian, while less than five per cent are ethnic Greeks and Greek-speakers. Yet Albania is polarized in religious terms, since about 70 per cent of Albanians are Muslims and about 30 per cent are Christians. Thus, Albania is coded as 0 for ethnic polarization, 0 for linguistic polarization, and 1 for religious polarization. In contrast, Latvia is polarized in ethnic and linguistic terms, with about 58 per cent of the population identifying as ethnic Latvians and a roughly similar percentage speaking Latvian as their first language, while about 30 per cent identify as ethnic Russians and are Russophones. But Latvia is dispersed, rather than polarized, in religious terms, with roughly a third of the population adhering to each of the three major confessional groups (Lutheranism, Catholicism, and Orthodoxy). In religious terms, then, no one group approaches half of the population in proportion of adherents. Latvia is therefore coded as 1 for ethnic polarization, 1 for linguistic polarization, and 0 for religious polarization. A final example: Uzbekistan is four-fifths ethnic Uzbeks, six per cent ethnic Russians, and five per cent ethnic Tajiks. One group is overwhelmingly predominant, but no single other group is made up of as much as seven per cent of the population. Uzbekistan is therefore coded 0 for ethnic polarization. But 74 per cent are primarily Uzbek-speakers and 14 per cent are primarily Russian-speakers, meaning that Uzbekistan qualifies as linguistically polarized. What is more, 88 per cent of inhabitants are Muslims and nine per cent are Orthodox Christians, which means that the country is also polarized in religious terms. For both linguistic and religious polarization, therefore, Uzbekistan is scored as 1.
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20. The predominantly Islamic countries in the post-communist region are Albania, Azerbaijan, Bosnia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. These countries are coded as 1 and all other countries as 0.
21. Michael Ross, 'Does Oil Hinder Democracy?', *World Politics*, Vol. 53, No. 3 (2001), pp. 325–61; M. Steven Fish, *Democracy Derailed in Russia: The Failure of Open Politics* (New York: Cambridge University Press, 2005).
22. Fearon and Laitin, 2003. The major hydrocarbon exporters, which are coded as 1, are Azerbaijan, Kazakhstan, Russia, and Turkmenistan. All other countries are coded as 0.
23. Milada Anna Vachudova, *Europe Undivided: Democracy, Leverage, and Integration after Communism* (New York: Oxford University Press, 2005); Marcus Kurtz and Andrew Barnes, 'The Political Foundations of Post-Communist Regimes: Marketization, Agrarian Legacies, or International Influences', *Comparative Political Studies*, Vol. 35, No. 5 (2002), pp. 524–53.
24. The countries that had good prospects of EU membership, which are coded as 1, are Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia. All other countries are coded as 0.
25. Nathaniel Beck and Jonathan Katz, 'What to Do (And Not To Do) With Time-Series Cross-Section Data', *American Political Science Review*, Vol. 89, No. 3 (1995), pp. 634–47; Nathaniel Beck, 'Time-Series Cross-Section Data: What Have We Learned in the Past Few Years?' *Annual Review of Political Science*, Vol. 4 (2001), pp. 271–93. We did not include country dummies because the diversity variables are time-invariant (perfectly multicollinear with the country dummies). The results are not appreciably affected when we omit the lagged dependent variable and when we do not control for first-order (AR1) autocorrelation.
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28. Fearon and Laitin (note 7).
29. Ibid.
30. Montalvo and Reynal-Querol (note 12).
31. Data are from World Bank, *World Development Indicators*, 2006 (note 18).
32. Fearon and Laitin (note 7).
33. World Bank, *World Development Indicators*, 2006 (note 18).
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35. For relevant information, see Venelin Ganev, 'Ballots, Bribes, and State Building in Bulgaria', *Journal of Democracy*, Vol. 17, No. 1 (2006), pp. 75–89; Antonina Zhelyazkova, 'The Bulgarian Ethnic Model', *East European Constitutional Review*, Vol. 10, No. 4 (2001): pp. 62–6; M. Steven Fish and Robin S. Brooks, 'Bulgarian Democracy's Organizational Weapon', *East European Constitutional Review*, Vol. 9, No. 3 (2000), pp. 63–71.
36. Bulgaria has a party list-based proportional representation system.

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