



## **Federalism and Consociationalism in Divided Societies: Comparative Evidence and Implications for Nepal's Federal Future**

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### **Abstract**

**Background:** Federalism and consociationalism are two prominent institutional frameworks for managing diversity in divided societies. However, the relationship between them remains contested: does federalism require consociationalism to succeed, or can federalism function effectively without a formal power-sharing mechanism?

**Objective:** This study critically examines the proposition that "federation cannot succeed without consociationalism" and assesses its relevance for Nepal's federal experiment, implemented since 2015.

**Methods:** A qualitative comparative research design was employed, analysing secondary sources (journal articles, books, constitutional documents, policy reports). Successful federations (India, Germany, Switzerland, Belgium, Canada) and troubled federations (Nigeria, Ethiopia, Somalia, South Sudan) were compared against Nepal's ten-year federal experience.

**Results:** Federalism alone is often insufficient to maintain political stability in deeply divided societies. Successful federations incorporate consociational practices – grand coalitions, proportionality, minority vetoes, segmental autonomy – either formally (Belgium, Switzerland) or informally (India). Troubled federations exhibit centralisation, exclusion, weak power-sharing, and corruption. Nepal's constitution includes inclusive norms but lacks robust consociational mechanisms, leading to implementation gaps, central dominance, and fragile institutions.

**Conclusion:** In highly diverse societies, federalism requires consociational principles to function effectively. Nepal should institutionalise coalition governance, proportional



representation (already partially present), minority protection mechanisms, and a cooperative political culture to stabilise its federal system.

**Implications for Policy:** Strengthen intergovernmental councils, adopt formal grand-coalition requirements in the provinces, and ensure fiscal equity to prevent re-centralisation and minority disaffection.

**Keywords:** Consociationalism; divided Societies; federalism; Nepal; political stability; power-sharing

## **1. Introduction**

The relationship between federalism and consociationalism is a key topic in comparative political discourse, particularly in debates about managing diversity, power-sharing and democratic stability in deeply divided societies (Elazar, 1985; Lijphart, 1985; Guenette, 2021). This paper critically examines the relevance and consequences of consociationalism for sustained federalism and political stability under democratic governance in highly divided societies. This study also critically assesses the idea that federations cannot succeed without consociationalism by examining Nepal alongside examples of successful and failed federations.

Federalism itself may not adequately address issues of diversity or ensure political stability in pluralistic states unless its principal features are embedded alongside those of consociational democracy rather than majoritarian democracy. Furthermore, this article discusses the relevance of consociationalism to a federation's success and stable politics. First, it defines the two concepts of federalism and consociationalism. Then, it assesses the relevance of consociationalism through a comparative analysis of successful federations such as India, Germany, Switzerland, Belgium and Canada, as well as failed federations such as Nigeria, Ethiopia, Somalia and South Sudan. Employing a comparative analytical method, this study assesses the functional dynamics of Nepali federalism by comparing and contrasting it with both successful and troubled federations.

Implementing Nepali federalism over the past ten years has not only been a pleasant experience, but it has also been marked by many ups and downs in managing the federal democratic system. The federal journey has been characterised by uncertainty due to Nepal's highly diverse society, marked by differences in ethnicity, language, territorial identity, religion, and culture, as well as an unstable political culture. Even after two and a half centuries of unification, Nepal continues to face challenges in managing diversity and achieving political stability under the current federal democratic system. Essentially, managing social, cultural, and political diversity is key to achieving political stability, democratic consolidation, and economic prosperity. Therefore, this study posits that a federal republican democracy with embedded consociational characteristics would offer a solution to the current political turmoil and determine the future direction of the federation.

However, this study has several limitations. First, this study adopts a qualitative and comparative approach to analyse selected federal cases, and it does not employ quantitative



methods to measure the relationship between consociational institutions and federal stability. Second, the findings are derived from secondary sources in scholarly literature, legal and policy documents, rather than empirical evidence obtained through field research or interviews. Third, the analysis is narrowed to a selected group of successful and challenged federations and therefore does not cover the full range of federal experiences worldwide. Fourth, the study identifies broad lessons from comparative experiences, institutional arrangements, but those applied to one country may not be directly transferable to Nepal due to its historical, political, social and cultural context. Finally, this study focuses basically on power-sharing mechanisms and institutional design, but it gives less attention to other factors influencing federal success, such as state capacity, geopolitical context, economic and social development, political leadership, and informal political practices.

However, despite these limitations, questions of minority rights and majoritarian democracy/dictatorship are of great significance to multinational/multiethnic federations and are considered the main driving force behind the notion of 'consociationalism'. The study concludes by summarising the extent to which 'consociationalism' can be considered a defining factor in the success or failure of the federal state.

## **2. Literature review**

A literature review reveals that, although various scholars widely discuss federalism, there is no single universally accepted definition. However, several common elements appear across the literature. In general, federalism is defined as a system in which executive and legislative power is divided between central or federal and regional or territorial governments, enabling each to function independently within constitutional provisions.

### **Federalism**

According to Wheare (1963), federalism is defined as "the method of dividing powers so that the general and regional governments are each, within their respective spheres, coordinate and independent". Similarly, Riker (1975) defined federalism as a political organisation in which governmental activities are divided between central and regional governments, with each level having final authority in certain areas. Furthermore, Daniel J. Elazar explores the key components of federalism as a balance between 'self-rule' and shared rule through constitutional arrangements. According to Elazar (1987), federalism is therefore the 'constitutional diffusion of power', combining self-rule and shared rule among constituent units and a general government. Consequently, the renowned professor Roland L. Watts defined federalism as a system combining 'shared rule and self-rule', in which multiple levels of government have constitutionally defined responsibilities (Watts, 2008). Subsequently, Professor Michael Burgess described federalism not only as an institution, but also as a political principle and process (Burgess, 2006). According to Burgess (2006), federalism is a 'value concept and political principle' that structures political life through negotiated authority shared between levels of government.

According to Stepan (2005), federalism broadly refers to a political arrangement in which two or more autonomous governing units coexist and exercise authority within a



common political framework. In such systems, individuals simultaneously belong to their respective constituent units and to the overarching federal polity, thereby holding dual political membership within the federation (Karmis & Norman, 2005).

The image and perception of federalism are often shaped by two key factors. The first is its institutional structure, which constitutionally divides authority between a central government and constituent units. The second is its ability to accommodate and sustain multiple identities within a shared political framework, enabling citizens to maintain allegiance to both their subnational community and the broader federal state (Burgess, 2006; Elzar, 1987; Stepan, 2005). According to Karmis and Norman (2005), Throughout much of the history of federalist thought, the answer to the basic question "Why federate?" has been that it gives a self-governing political community the best of both worlds: the advantages of being a relatively small, homogeneous polity, along with the advantages of being part of a stronger, more secure, larger state or alliance, while avoiding some of the worst disadvantages of being either too small or too large.

Michael Burgess (2006) states that the moral basis of federalism derives from certain inherent virtues, such as respect, tolerance, dignity, and mutual recognition, which lead to a particular form of human association: the federal state or federation (Burgess, 2006). This characterises the inherent relationship between 'federation' and 'consociationalism'.

### **Consociationalism and Consociational Power-Sharing**

Consociationalism is a form of government involving guaranteed group representation and is often suggested as a means of managing conflict in deeply divided societies. Consociational democracy, meanwhile, is characterised as an "elite cartel" government in fragmented societies, necessitating cooperative elites and cross-subcultural collaboration (Bhandari, 2023). In Nepal, power-sharing during the transitions of the 1950s, 1990s and 2006 involved new political and bureaucratic structures and electoral redesign, but without a stable grand coalition (Bhandari, 2023). Arend Lijphart (1977) defines the concept of 'consociational democracy' in terms of four characteristics (Lijphart, 1977). These are:

1. Governing by a grand coalition of the political leaders of all significant segments of a plural society. Lijphart (1977) considers this to be the most important element and explains that it can take several forms, such as a grand coalition cabinet in a parliamentary system, a grand council or committee with important advisory functions, or a grand coalition of a president and other top officeholders in a presidential system.
2. The mutual veto, or 'concurrent majority' rule, which provides additional protection for vital minority interests.
3. Proportionality as the principal standard for political representation, civil service appointments and the allocation of public funds.
4. Each segment has a high degree of autonomy to run its own internal affairs.

Consequently, consociationalism is more closely associated with the representation and management of power-sharing arrangements in countries with "plural societies".

Despite its significant influence, consociationalism has been subject to substantial criticism. Brian Barry (1975) argued that consociationalism describes the institutional



characteristics of stable plural societies rather than explaining why stability emerges, thereby questioning its causal explanatory power. Subsequently, Ian Lustick (1979) contended that elite accommodation is inherently fragile and may reinforce communal divisions instead of promoting durable political integration. Similarly, Donald Horowitz (1985) challenged the consociational approach by proposing a centripetal model, which emphasises electoral encouragements that substitute interethnic vote pooling, moderation, and cross-group political cooperation, rather than relying on a formal power-sharing system among ethnic elites to maintain democratic stability. These critiques underline important limitations and demonstrate that consociationalism is not a universal solution for all divided societies.

### **Coalition party governance**

One feature of consociational democracy is grand coalition governance, in which parties representing different segments of society jointly form the central government and executive. Although such coalitions are often criticised for weakening executive stability due to shifting alliances, they are widely regarded in plural societies as a necessity to prevent dominance by a single party and to ensure inclusive governance.

Ash Narain Roy (2007) argues that coalition governance significantly contributes to the strengthening of unions and federal systems. He notes that India's transition from a one-party dominant to a multi-party arrangement has reinforced its federal structure. Although the Indian National Congress has remained an important political force, the system now accommodates the Bharatiya Janata Party (BJP) and many state-based parties, many of which have become key partners in federal coalitions since 1996 (Roy, 2007). Roy further argues that coalition governments are inherently more representative than single-party governments, which enhances their legitimacy. As a result, coalition-based central governments are better placed to make decisions affecting sub-national units, including policies related to devolution.

Roy (2007) highlights that since the mid-1990s, India has experienced successive coalition arrangements - the United Front (1996-1998), the BJP-Led National Democratic Alliance (1998-2004), again the Congress-led United Progressive Alliance (2004-2014), since 2014 the BJP-led National Democratic Alliance has been ruling the country and which have gradually consolidated coalition governance as a stable feature of its political system. The United Front government's alternative model of governance, which devolved greater economic and administrative autonomy to the states, set the tone for change in the federal polity. Coalition governments have become a permanent feature, and India has learned to live with this. Over time, coalition politics has strengthened India's federalism by increasing state autonomy and shifting centrally sponsored programmes to subnational governments.

Roy further observes that Indian federalism has evolved through continuous negotiations between the centre and states, marked by constitutional revisions, policy disputes, and shifting political alliances. between centralists and seekers of autonomy, as well as between federal and state governments. While autonomy demands were once treated as secessionist, they are now integrated within mainstream governance through coalition participation. In this context, the central government increasingly relies on negotiation rather



than unilateral authority, reflecting a broader maturation of the federal system and enhanced empowerment of regional actors (Roy, 2007).

In today's multi-party coalition, the central government often has to cajole and negotiate with the states, whereas it would once have bullied its way through (Roy, 2007). In the case of India, consociationalism has therefore been seen as a factor that has contributed to the maturing of the federal system, as well as to the empowerment of subnational units and parties.

### **Protection of Minority Rights**

In explaining why democracy should be combined with federalism, Wolf Linder questions the legitimacy of compelling "a minority with different opinions and interests... to comply with the decision of the majority" (Linder, 1998, p. 16). Drawing on the Swiss model, Linder compellingly illustrates the significance of federalism in addressing the concerns of minority groups whose "values and interests are inherently different from those of the majority" (Linder, 1998, p. 16). He argues that French-speaking populations cannot be transformed into German-speaking ones, nor can Catholics become Protestants simply through democratic processes. When such fundamental differences exist between majority and minority interests, democracy alone cannot resolve the problem of permanently fixed 'frozen' or 'eternal' minority or majority positions (Linder, 1998).

Arend Lijphart (1999) further argues that majority rule democracy in plural societies is "not only undemocratic, but also dangerous", because minorities that are consistently excluded from power may feel marginalised and discriminated against, which can weaken their loyalty to the political system (pp. 22–23).

### **Relevance of Consociationalism**

From the above discussion and definitions of federalism and consociationalism, it can be deduced that the concept of consociationalism is more relevant to a given state's society than to a federation. A federation with a heterogeneous society will certainly require consociational democracy to function effectively, whereas those with homogeneous societies may not need it and can function without it, as is the case with Austria and Germany.

Consociationalism is not solely linked to federalism. Unitary states with divided societies also appear to use the system to maintain cohesion and stability within their polities. The problems of divided societies, whether in unitary or federal states, tend to be similar, as do their solutions. Osaghae and Suberu (2005) analyse Federal Nigeria as a deeply divided state and explain that 'the issues that generate the fiercest contestation include those that are considered fundamental to the existence and legitimacy of the state, over which competing groups tend to adopt exclusionary, winner-take-all strategies'. These include control of state power, resource allocation and citizenship. Consequently, deeply divided states tend to be fragile and unstable, as there are generally fewer points of convergence and consensus among the constituent groups than are required to effectively mitigate or contain the centrifugal forces tearing society apart (Osaghae & Suberu, 2005). One of the main reasons behind Nigeria's decentralisation, in terms of state creation, is to minimise conflict by devolving power from dominant ethnic groups to wider segments of the population.



From the above discussion and definitions of the concepts of federalism and the constitution, Article 14 of the Austrian Constitution granted the 'Länder' competence in all areas not explicitly mentioned in the Constitution, including those of the federal government. However, the 'Länder' have been permitted to relinquish their constitutional powers in favour of centralisation, "without large-scale political opposition" (Erk, 2004, p. 2). This suggests that conflicts in homogeneous societies are not as deep or life-threatening. They can often be addressed within state structures and general democratic principles and rights attributed to individual citizens.

Consociationalism emphasises grand coalitions, proportionality, group autonomy, and majority vetoes among segmental elites (Lijphart, 2017; Kelly, 2019). Consequently, federalism decentralises power across territories and is used to manage diversity and prevent disintegration (Yimenu, 2023). The post-2015 federation in Nepal and a range of successful and failed federations (e.g., Switzerland, Nigeria and Pakistan) provide empirical evidence on which to base an assessment of this proposition (Bahl, Timofeev & Yilmaz, 2002). The analysis concludes that, in a deeply divided society, federalism alone is often insufficient to maintain political stability and resolve dissatisfaction with governance regarding political representation, social exclusion, and power-sharing. Consociational democracy is an essential component of this political phenomenon.

### **Criteria for Success and Failure or Troubled Federation**

This study adopts explicit analytical criteria to distinguish between successful and troubled federations. Drawing on the comparative federalism and democracy literature (Elazar, 1987; Lijphart, 1999; Watts, 2008), a federation is considered successful if it demonstrates three interrelated characteristics: 1. The preservation of territorial integrity without violent secession or state collapse; 2. The maintenance of democratic governance, constitutional continuity, and effective federal institutions over an extended period, generally exceeding 25 consecutive years; and 3. The effective accommodation of ethnic, linguistic, religious, or regional diversity through inclusive political institutions and peaceful mechanisms of conflict management (Lijphart, 1977, 1999; Stepan, 1999; Watts, 2008).

In contrast, troubled federations are those characterised by persistent institutional instability, violent internal conflict, state fragmentation, authoritarian interruption, or the inability of federal institutions to manage diversity and sustain political cohesion (Erk & Anderson, 2009; McGarry & O'Leary, 2009). These classifications are used as analytical rather than normative categories and serve solely to facilitate systematic comparison of institutional performance across selected federal systems.

### **3. Methodology**

This article adopted a qualitative and comparative research design to examine patterns of federalism and institutional stability across selected countries. The qualitative approach is employed to enable an in-depth interpretive understanding of political institutions, historical



trajectories, and governance practices, while the comparative design allowed for systematic cross-national analysis of similarities and differences.

Data for the study are drawn from secondary academic literature, constitutional documents, policy reports, and comparative political analyses. The analytical focus is on identifying recurring institutional patterns, governance challenges, and mechanisms of accommodation in divided societies.

A comparative case study method was applied to analyse successful and failed federations in different socio-political and geographical contexts. The cases have been selected using a most-different system logic, including both established and emerging federations as well as cases of consociational and non-consociational arrangements. Countries such as Germany, Switzerland, the United States, Canada, and Australia are included as mature federations, while Nigeria, Ethiopia, and South Africa represent more contested or transitional federal experiences. Nepal is included as a key case of the recently adopted federal system undergoing institutional consolidation. This variation allows the study to identify how different institutional designs, political cultures, and power-sharing arrangements influence the sustainability and effectiveness of federal governance.

This study uses thematic and interpretative analysis to examine the complex dynamics of federal governance and power-sharing. It explores the theoretical relationships between federalism and consociationalism, focusing on how these frameworks intersect in divided or diverse societies. It assesses institutional arrangements for diversity management and evaluates mechanisms of political inclusion and power-sharing. The analysis also investigates patterns of elite cooperation and conflict management.

Against this background, the study seeks to examine the relationship between consociationalism and federal stability through a comparative analysis of selected federations. Particularly, it is guided by the following research questions: 1. Under what conditions does consociationalism contribute to the stability and effectiveness of federal systems? 2. What lessons can Nepal derive from comparative federal experiences for strengthening institutional stability, inclusion, and democratic governance within its federal framework?

Finally, the study identifies and interprets the key factors that contribute to the success or failure of federal systems, linking these outcomes to institutional design, political practices and the broader socio-historical context.

#### **4. Findings: Comparative Cases Analysis**

This chapter presents the study's key findings by examining the implementation of federalism in Nepal. Particular attention is given to institutional design, inclusion, identity politics, power-sharing arrangements and governance challenges. The analysis explores how federalism and consociationalism have been employed, both independently and in combination, to accommodate social, ethnic, linguistic, religious and regional diversity in divided societies. Drawing on the experiences of successful federations, the chapter identifies the factors that contribute to political stability, democratic inclusion, conflict management and



the longevity of federal systems (Anthony, 2025). Particular attention is given to the role of consociational mechanisms, such as grand coalitions, proportional representation, minority vetoes and segmental autonomy, in fostering trust among diverse groups, thereby enhancing the legitimacy and effectiveness of federal governance.

This section examines cases of political stability, state disintegration, and governance crises in established federations to identify institutional shortcomings and unresolved divisions that have undermined their sustainability. Through this comparative analysis, the study derives key lessons for strengthening federalism and promoting inclusive governance in Nepal.

**Federalism: Success, Failure, and the Role of Power-Sharing**

Federalism is not merely a constitutional design; it is also a political strategy for uniting diverse societies. Comparative studies emphasise that the success of federal systems is multidimensional, encompassing durability, territorial integrity, conflict management, and the accommodation of diversity (Watts, 1996). Studies show that the success or failure of federations depends on the interaction between power-sharing institutions, democracy, party systems, and patterns of intergovernmental relations (Burgess, 2006).

A comparative study of the Swiss, the USA, German, Belgian, Indian, Malaysian, and Spanish federations assesses success in terms of territorial integrity, diversity management, durability, and conflict resolution (Watts, 1998). These analyses examine how social diversity, the distribution of political powers and resources, and the flexibility or rigidity of institutions shape outcomes over time. By contrast, in Africa, federalism helps to maintain territorial integrity, but does not always reduce conflict. South Africa has achieved better outcomes than Nigeria and Ethiopia, largely due to its commitment to democratic principles, limitations on excessive centralisation, and sustained adherence to federal values (Yimenu, 2023). The following table illustrates the country's experiences clearly.

Table 1: Constructing outcomes of federal designs across cases

<b>Country/Region</b>	<b>Main achievements</b>	<b>Main failures/risks</b>
Nigeria	Territorial integrity, cross-cutting identities, and reduced inter-group inequality	Corruption, over-centralisation, weak development, and persistent conflict
South Africa	Reduced conflict, improved access to power for diverse groups	Success is still contingent on democratic practice
Ethiopia	Cultural and linguistic pluralism	Limited conflict reduction, continued exclusion
Mature federations: Germany, Switzerland, the USA, Australia, Canada, Belgium, Spain, Malaysia	Flexible adjustment, varied but generally stable accommodation of diversity	Pathologies where rigidity or imbalance emerge



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Nepal	Ethnic and cultural Implementation weakness, pluralism, constitutional tendency towards centralised inclusion, establishment of a power, fragile in terms of federal governance institution-building framework
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*Source: Author's compilation based on reviewed literature, 2026.*

Note: Although the United States is not typically considered a consociational democracy, it is included among mature federations due to its enduring federal stability and institutional resilience. Its success is largely explained by historical path dependence and the gradual evolution of constitutional-democratic institutions rather than formal consociational mechanisms or power-sharing (Elazar, 1987; Lijphart, 2012; Pierson, 2000).

Most successful federations are developed countries with established democracies and strong institutional mechanisms for power sharing, intergovernmental relations, and diversity management. A comparative analysis of Ethiopia, Nigeria, Somalia, South Africa and South Sudan reveals that, while federalism reliably supports territorial integrity, its impact on conflict reduction is mixed (Yimenu, 2023). Nigeria's 36-state federation has prevented disintegration and managed diversity through cross-cutting identities; however, corruption and distorted decentralisation fuel antagonism and hinder development (Suberu, 2009).

In the case of Nepal, diversity is multi-layered and includes caste, ethnicity, language, culture, religion, and territorial and regional identities. However, its constitution is notable for its commitment to inclusion, proportional representation, federalism and democratic values. Despite these progressive constitutional provisions, the federal system is struggling to establish and consolidate effective institutions. In practice, Nepal faces significant implementation challenges, with policies and constitutional provisions not being fully translated into effective governance outcomes. The persistent tendency to centralise power undermines the spirit of federalism, limiting the autonomy of subnational governments. Consequently, the overall system remains fragile in terms of institution-building, with gaps between constitutional aspirations and administrative and political realities.

In contrast, however, studies of Germany, Switzerland, the USA, Canada, Australia, India, Belgium, Austria, Spain and Malaysia highlight the importance of flexible intergovernmental relations, balanced fiscal arrangements and context-specific institutional adaptation for stability. Burgess (2006) notes that consociational and centripetal practices may coexist, reinforce or contradict each other, suggesting multiple pathways to managing diversity within federal or quasi-federal systems.

### **Consociationalism: Conditions, Merits, and Limits**

According to Adeney and Swenden (2019), consociational theory posits that deeply divided societies can sustain democracy through elite power-sharing, group autonomy, proportionality and minority veto. Lijphart (2017, pp.1-9) identifies several background conditions necessary for the success of consociational democracy, including the absence of a dominant majority segment and relative socio-economic equality. O'Leary emphasises that



consociation remains a relevant tool, citing successful examples such as Belgium and Switzerland, as well as more ambiguous experiences in Austria, the Netherlands, Northern Ireland, the EU, India, and the USA (Burgess, 2006).

Power-sharing experiments in Africa show mixed outcomes: Rwanda is considered a failed power-sharing case, and the Democratic Republic of the Congo (DRC) is considered unsuccessful. It is stressed that the socio-political context is often more decisive than technical adherence to consociational formulas (Lemarchand, 2007). The cases of Czechoslovakia, Serbia and Montenegro demonstrate that, when applied during democratisation, consociational structures may magnify divisions, weaken federal authority, and facilitate a break-up when elites mobilise ethnic sensitivities and lack incentives to cooperate (Macek-Mackova, 2001).

### **Nepal's Federalism: Inclusion without Formal Consociation**

In response to demands for ethnic, regional and linguistic inclusion, as well as to address historical inequalities, Nepal's 2015 Constitution created a three-tier federation (Bahl, 2022). Key findings include:

1. Normative strength, implementation weakness: Although Nepal's federal design is robust, it is hindered by deficits in implementation, weak institutional capacity, elite capture, legislative delays, and poor intergovernmental coordination (Aryal, 2026; Bahl, 2019; O'Leary, 2019).
2. Central dominance: Despite constitutional autonomy, the federal government retains control over key resources and policy areas, while provinces remain fiscally dependent and shared-rule mechanisms are ineffective (O'Leary, 2019).
3. Inclusion and identity: Federalism was driven by mobilisation based on ethnic and territorial identity, respectively ethnic in the Eastern Hills and territorial in the Madhes/Terai. However, the constitution constrained provincial powers and diluted ethnic identity provinces, creating tensions between ethnic and territorial principles (Pokhrel, 2022).
4. Peace, but a fragile settlement: Although the constitution ended the long-running conflict and has maintained peace, it does not fully reflect the underlying distribution of power. Implementation could lead to either inclusive decentralisation or re-centralisation (O'Leary, 2019).
5. Cultural and governance challenges: Nepal faces bureaucratic duplication, fiscal burdens, capacity gaps and the risk of ethnic division if the federation is not carefully managed and integrated with a shared multicultural identity.

Nepal is generally not regarded as a fully consociational federation, but its constitutional framework integrates several institutional provisions that reflect substantial consociational principles. The Constitution of Nepal (2015) incorporates a federal structure with mechanisms envisioned to promote social inclusion and power-sharing in socially diverse groups. For example, Article 84 ensures a mixed electoral system in which members of the house of representatives are elected through both first-past-the-post and proportional representation, requiring political parties to ensure the inclusion of women at 33 per cent and Dalits, Indigenous Nationalities, Madhesis, Muslims, Disabled and other marginalised groups in the proportional representation lists. Similarly, Article 176 adopts a mixed electoral system



for Provincial Assemblies, reinforcing inclusive representation at all provincial levels. Similarly, the Upper House provides representation for all 7 provinces, reflecting the federal principle of shared rule. These constitutional provisions demonstrate that Nepal has incorporated elements of proportionality and territorial representation commonly associated with consociational democracy. Thus, the system's origins lie in negotiations between the major political parties, ethnic groups and historically marginalised groups (Bahl, 2022). Federalism in Nepal emerged in response to the rule of the privileged elite and the long-standing exclusion of Dalits, Janjatis, Madhesis and people from remote regions (Bhul, 2024).

However, compared with classical consociational federations such as Switzerland and Belgium, Nepal lacks several core institutional safeguards. The Constitution does not accommodate a grand coalition, and it does not provide formal minority veto mechanisms to protect the vital interests of disadvantaged communities.

### **Informal and Hybrid Power-Sharing in Federal Settings**

India's informal consociationalism within a non-consociational constitutional framework is an example of informal and hybrid power-sharing in federal settings. Despite its Westminster-majoritarian constitution, India has displayed grand coalitions, cultural and linguistic autonomy, proportional representation of groups and limited minority vetoes. This has led Lijphart to classify India as consociational, though this is contested (Adeney & Swenden, 2019). Adeney and Swenden trace the growth and potential decline of such informal power-sharing alongside the rise of Hindu majoritarianism (Adeney & Swenden, 2019).

Broader comparative work emphasises that many federal and quasi-federal systems combine territorial federalism with consociational or other power-sharing practices to varying degrees e.g., Belgium, Switzerland and India (Anthony, 2025). The success of these systems often depends on how well institutions align with social cleavages and political settlements, rather than on a single model.

## **5. Discussion**

### **Evaluating the proposition**

The evidence does not clearly support the claim that 'federations cannot succeed without consociationalism' in a strict or universal sense. Instead, three nuanced points emerge: stable federations such as the USA, Germany, Australia and Canada are not conventionally categorised as consociational, although they may exhibit certain inclusive practices or elite bargains (Mueller, 2018). This suggests that society exhibits more homogeneity than heterogeneity. The success of a federation does not depend on consociational power-sharing in a diverse society, whereas consociationalism is an essential factor for the success of a federation in a highly diverse, heterogeneous society.

However, contrary to the general assumption about the factors of successful federalism, India demonstrates how a majoritarian constitution can be mediated by informal, evolving power-sharing that approximates consociational features (Adeney, 2018). Although India lacks an institutional provision for nationwide proportional representation in its electoral laws and



constitution, it implements proportionality through affirmative action and reserved seats for the Scheduled Castes (SCs), the Scheduled Tribes (STs), and the Other Backward Classes (OBCs). These reserved seats are secured in the federal parliament, state legislatures, local governments, and educational institutions. Similarly, federalism in India involves states with substantial powers over education, health services, agriculture, local government and public order. Consequently, many states are recognised along linguistic lines under the State's Reorganisation Act 1956. Unlike Belgium, India does not provide a formal minority veto. Still, several constitutional mechanisms function as indirect safeguards, including an independent judiciary, fundamental rights, judicial review, a bicameral legislature and federal institutions.

In deeply divided, multiethnic states, some form of power-sharing is often essential. Several cases in Africa suggest that federalism alone is ineffective in managing conflict unless accompanied by democracy, limits on centralism, and a genuine commitment to shared rule (Yimenu, 2017; Suberu, 2009). While Nigeria's federalism has prevented disintegration and encouraged inter-regional integration, its shortcomings demonstrate how ineffective power-sharing and corruption can undermine the advantages of federalism (Yimenu, 2023; Suberu, 2009). Burundi's relatively more consociational approach offers some hope compared to the failures in Rwanda and the DRC, but contextual factors remain crucial (Lemarchand, 2007).

Consociationalism is neither sufficient nor inherently stabilising for federations. For instance, both Czechoslovakia and Serbia-Montenegro met the criteria for consociationalism, yet they still broke apart. During the process of democratisation and EU-driven change, consociational rules amplified divisions and incentivised ethnic outbidding (Macek-Mackova, 2011). Lijphart himself stresses that success requires favourable background conditions, including an absence of a dominant majority group and socio-economic quality (Lijphart, 2017).

### **Nepal's Experience and the Power-Sharing Puzzle**

Nepal's federalism can be seen as a response to identity-based mobilisation, relying more on territorial restructuring and inclusion norms than classical consociational institutions. The country's experience indicates that inclusive territorial federalism can promote peace, even without robust consociational mechanisms, provided that political elites are committed to inclusion and cooperative federalism (O'Leary, 2019; Bahl, 2022).

However, the weak institutionalisation of shared governance, central dominance and underpowered provinces risks a slide towards re-centralisation and renewed conflict, particularly where ethnic aspirations are only partially met (Bahl, 2022). Nepal's challenges reflect the broader understanding that in divided societies, federalism requires not only territorial restructuring, but also genuine power-sharing, fiscal equity and effective conflict management mechanisms (Anthony, 2025).

### **Conditions Shaping Whether Consociation Helps or Hurts**

A comparative analysis of different federations suggests that the effectiveness of consociational arrangements in supporting federal success depends on several critical factors. One of the most important factors is the nature of the political settlements and the incentives facing political elites. If elites perceive greater political benefits in mobilising ethnic, linguistic



or regional grievances than in pursuing intergroup cooperation, consociational and federal institutions may fail to promote unity and stability. Instead, such arrangements can become arenas for political competition and separatist mobilisation, ultimately contributing to state fragmentation. The cases of Czechoslovakia and Serbia-Montenegro demonstrate how, in the absence of genuine elite commitment to cooperation, power-sharing and federal frameworks may facilitate rather than prevent political disintegration (Macek-Mackova, 2011). Constitutional framers did centralise key powers to neutralise the potential risk of secession, but this prioritised territorial integrity over robust autonomy and self-determination, which in turn fuels minority discontent.

Federalism is most effective when incumbent political elites and governing institutions demonstrate a strong commitment to democratic principles. The success of federalism hinges not only on formal constitutional arrangements, but also on political actors' willingness to respect power-sharing, uphold institutional checks and balances, and prevent excessive centralisation of authority. Federal systems are more likely to be stable and effective where democratic commitment is strong and cooperative governance has been practised. Comparative evidence suggests that South Africa's commitment to democratic governance has led to relatively better performance. In contrast, Ethiopia and Nigeria have faced persistent challenges linked to centralisation tendencies, weak governance, and limited adherence to democratic power-sharing norms (Mason & Stephenson, 2011). This demonstrates that constraining centralism through democratic norms and ensuring genuine shared governance are essential for the success of federal systems in divided societies.

#### **Socio-economic equality and absence of a dominant majority**

According to Lijphart (2017), severe inequality or majority dominance can undermine consociational bargains. A consociational arrangement is more likely to function effectively in societies where social and economic resources are distributed relatively evenly, and no single group can permanently dominate the political system. Lijphart emphasises that extreme socio-economic inequality or the presence of a clearly dominant majority can significantly weaken the viability of consociational bargains by undermining trust, compromise and incentives for elite cooperation. In deeply unequal societies, dominant groups may have little motivation to engage in genuine power-sharing, while marginalised groups may lose confidence in institutional arrangements. This increases the risk of political instability and conflict. Conversely, where socio-economic disparities are moderate, and no group can unilaterally control state power, conditions are more favourable for inclusive governance, elite accommodation and stable democratic institutions (Lijphart, 2017).

#### **Institutional flexibility and context**

There is no such thing as a model of federalism or consociationalism that can be adopted in the same form in different contexts. Comparative studies of federalism show that federations and consociational arrangements succeed when they reflect the unique historical, cultural, social and political realities of a society. Institutions that function effectively in one country may be ineffective, or even counterproductive, in another if they fail to address local patterns of diversity, identity and political competition. Consequently, successful federations tend to



adopt flexible, adaptive institutional arrangements that respond to changing circumstances and societal needs. Scholarship on comparative federalism highlights that rigidly imitating established federal or consociational models rarely produces sustainable outcomes. Instead, institutional designs must be carefully tailored to specific histories, cultures and societal divisions to ensure legitimacy, stability and effective governance (Yimenu, 2023; Anthony, 2025). This suggests that the long-term success of federalism in diverse societies depends not only on the design of its institutions, but also on their contextual relevance and capacity for adaptation.

Comprehensive evidence demonstrates that federalism is neither inherently successful nor inherently unsuccessful. Its outcomes depend significantly on political institutions, elite behaviour, and broader political culture. Successful federations generally combine territorial and political power-sharing, whereas failed federations often suffer from exclusion, mistrust, and an absence of cooperative mechanisms.

The findings support the argument that federalism and consociationalism should be viewed as complementary rather than competing approaches. In deeply divided societies, federalism may provide the institutional framework, but consociational practices often supply the political glue necessary for stability and cohesion.

### **Key Clams and Evidence**

The findings suggest that the relationship between federalism and consociationalism is neither absolute nor consistent. Evidence from a comparative study shows that successful federations do not generally require the full institutional framework of traditional consociational democracy. Indeed, many stable federations have achieved national cohesion, political stability and democratic governance without adopting core features of consociationalism. Conversely, some consociational arrangements have encountered institutional deadlock, political fragmentation or instability (Anthony, 2025; Burgess, 2006; Mueller, 2018; Yimenu, 2023).

Cases such as those of India, Burundi, Nigeria, and numerous African federations demonstrate that federal provisions are more likely to endure when accompanied by power-sharing mechanisms, democratic norms, inclusive political institutions, and assurances of shared governance. These elements help to build trust among competing groups, foster cooperation and reduce fears of exclusion - all of which are necessary for maintaining national unity and political stability (Andeney & Swenden, 2019; Lemarchand, 2007; Yimenu, 2023). The Nepalese case reflects this broader comparative overview: the long-term sustainability of federalism in Nepal depends on the establishment of a consociational political culture that promotes cooperation, proportional representation, minority inclusion and mutual trust among diverse communities (Rahman, 2018). Rahman (2018) further argues that a strong administrative state is essential for maintaining constitutional governance and promoting democratic inclusion and equality. Federalism and consociationalism should therefore be understood as complementary pillars of democratic governance in plural societies. Strengthening this relationship offers a promising pathway towards a more stable, inclusive, and resilient federal Nepal.



Furthermore, the experiences of countries such as Switzerland, Belgium, Canada and India demonstrate that successful federal systems often rely on consociational practices, including power-sharing, minority inclusion and consensus-based governance. In contrast, the collapse of federations such as Yugoslavia and Pakistan highlight the dangers of centralised and exclusionary political structures. Similarly, Nepal's federal experience suggests that constitutional federalism alone is insufficient for sustainable federal governance; this requires stronger intergovernmental cooperation, political inclusion, trust, and power-sharing.

## **6. Conclusion**

This article concludes that research into comparative federalism alone is inadequate to sustain political stability, democratic governance and national unity in highly divided societies. The most durable federations to date have successfully balanced self-rule with shared rule by combining constitutional federalism with inclusive, representative, and democratic power-sharing arrangements. This study suggests that successful federations incorporate significant elements of consociationalism, including inclusive and proportional representation, power-sharing, minority protection, elite accommodation and consensus-based political decision-making. Therefore, federalism in diverse societies is most effective when supported by consociational principles with institutions that encourage cooperation, inclusion, and political compromise.

Accordingly, this study recommends the following policy measures for Nepal: 1. Encourage a culture of consensus-based politics through institutional reforms, parliamentary dialogue mechanisms, and interparty cooperation frameworks that prioritise negotiation and accommodation over majoritarian competition. 2. Strengthen institutionalised intergovernmental coordination by establishing a permanent and capable Intergovernmental Council with clear objectives and mandates to enhance cooperation among federal, provincial, and local governments. 3. Promote inclusive coalition-based governance, notably in provinces where no single party commands a stable majority, through constitutional or legislative provisions that incentivise broad-based coalitions. 4. Ensure greater fiscal equity and autonomy by improving the transparency and predictability of fiscal transfers, expanding subnational revenue authority, and reducing excessive dependence on the federal government, thereby preventing re-centralisation and regional grievances.

This means that the institutionalisation of inclusive and cooperative political practices is essential for the long-term success of a federal system. This study argues that federalism without consociationalism is often insufficient to maintain political stability and social harmony.

**Transparency Statement:** The author confirms that this study has been conducted with honesty and in full adherence to ethical guidelines. The study is based exclusively on the review and analysis of publicly available documents, policies, legal provisions, and scholarly literature. No human participants, personal data, or confidential information were involved in the research. Therefore, ethical approval and informed consent were not required.

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