Political Consensus, Economic Reforms, and Democratic Transitions: Evidence from voting Tunisian reform bills¹

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ABSTRACT:

This study investigates the role of political consensus in accelerating economic reforms. We examine the role of unregular political mechanisms represented by the political consensus in correcting regular political institutions. In particular, we analyze the success or failure of accelerating a reform vote in the parliament to identify the causal effect of the consensus. Using a novel and original database of reforms between 2012 and 2019 in Tunisia, we compare economic and social reforms to political reforms before and after the consensus. We find a significant negative effect of consensus on the probability to accelerate reform votes. Additionally, consensus is likely to delay economic and social reforms more than political reforms. This effect is driven first by a decrease in the number of reforms channeled to the parliament through informal mechanisms created by the consensus. Second, it is driven by the mistrust caused by a wrangling political instability and anticorruption war that prevailed after the consensus, which delayed the adoption of reforms by different stakeholders. We conclude that consensus has a subversive effect on democratic institutions in Tunisia by creating informal processes that reduced public oversight, transparency, and enforcement law.

JEL- classification : D02, D72, D78, P51, P16. Key words: Institutions, Policy Reforms, Political Economy, Consensus.

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1. Introduction

The concept of consensus is part of the cooperative behaviors and political compromise literature. It may be used to resolve some of the obstacles in economic reforms in the new democratic transitions (Haggard & Kaufman, 2018). New democracies face high distributive pressures from new political actors and high uncertainty due to political turbulence. Since sequencing and compensating transfers are key factors to creating extensive support for reforms, a consensus might encourage discussion and cooperation among different actors (Roland, 2002; Black et al., 2000; Acemoglu & Robinson 2000). In particular, the role of consensus is important in addressing political problems, especially when regular political institutions fail to resolve them through regular processes (Helmke & Levitsky, 2006). It brings all relevant players to the table, including those who have an effective veto, such that they can discuss how each group will benefit from the reform packages. However, there is a real risk of susceptibility to collusion by supporting reforms that promote rent-seeking and are subject to power games undertaken by the ruling elite (Sonin, 1999; Putnam, 1993; Black et al., 2000; Alexeev, 2003; Polishchuk, 1999).

This study investigates the power dynamics of political consensus in Tunisia and its role in accelerating reforms. It questions the failure of regular institutions to advance

economic and social reforms since the Arab Spring in 2011 and attempts to examine the "interface" between unregular political mechanisms (consensus) and regular political mechanisms. Using a novel and original database of reforms, we ask whether the political consensus accelerated reforms and helped the legislative to vote reform bills and overcome political conflicts. We compare this effect between economic and social reforms versus political reforms to understand the variation of incentives and constraints relative to each reform type and the resulted policy outcomes.

Our hypothesis builds on a well-established political economy literature of reform. Extant literature shows that the connection between political systems, reform policies, and the need to build a broad majority to support reforms has given political consensus a key role in advancing reforms. Some of these studies demonstrate that the nature of political systems affects economic reform paths and their acceleration. It has been found that a *majoritarian democracy* is likely to favor liberal reforms while *consensus* political systems favor coordinated market production policies (Arsenault, 2017). Institutional structures may give political power to one group at the expense of another group. In addition, majoritarian systems favor center-right parties while consensus systems favor center-left parties (Iversen & Soskice, 2006; 2009; Korpi, 1983; 2006). Furthermore, from a collective action perspective, cooperative action is more straightforward in consensual systems than majoritarian systems with more adversarial politics (Huber & Stephens, 2000 ; Iversen & Stevens 2008 ; Manow, 2001 ; Martin & Swank, 2008).

However, some studies have highlighted the importance of the electoral system in enhancing government efficiency and shaping the political path and economic policies (Cusack et al., 2007 ; Iversen & Stevens, 2008 ; Katzenstein, 1985 ; Korpi, 2006 ; Martin & Swank, 2008). For example, a proportional electoral system usually results in dispersing power as multiple parties gain legislative representation, obligating them to coordinate and compromise to enact policies (Iversen & Stevens, 2008). In comparison, electoral systems resulting in dominant political parties give little incentive to opponents to cooperate.

Some studies have focused on the importance of power distribution in policymaking and how it affects policy reforms and changes (World Development Report, 2017). Greater inclusion of actors is associated with a higher level of legitimacy and cooperation, and actors have more incentives to participate and comply with agreements. Moreover, building consensual institutions with consensual management of social conflict is likely to be a political asset for policy implementation as they favor a cohesive policy-making style as compared to majoritarian institutions (Bovens et al., 2001; Nagel, 1998).

Our hypothesis builds also on insights from political science mainstream studying the interaction between informal institutions⁴ and formal institutions. We examine the capacity of consensus as unregular mechanism to whether reinforce or subvert reform

⁴ Informality includes unwritten compromises, informal coalitions and power-sharing arrangements

process through democratic institutions. The consensus might reinforce formal institutions by lowering information cost and streamlining co-decision making. Conversely, it subverts formal institutions by stimulating corruption, clientelism and patrimonialism (Helmke & Levitsky, 2004 ; 2006).

To test our hypothesis, we explain the success or failure of accelerating a reform vote to identify the causal effect of consensus using an original database of reforms between 2012 and 2019. We compare two periods before and after the political consensus of 2016 and argue that the political consensus of the "Carthage Agreement" in 2016 and the consequent dynamics have negatively impacted reform implementation. While this impacted political reforms to a lesser extent, its role in decelerating economic reforms was more severe. We only considered reform projects that were passed in the parliament plenary session to control for the quality of the reforms⁵ and their efficiency and analyzed only the process of decision making inside the parliament. This study presents arguments from the literature explaining the reasons behind these mitigated results. It informs policymakers about the preconditions required to make the consensus an opportunity to implement economic reforms, rather than a chance to escape accountability or control the policy agenda only for the ruling coalition's benefit.

⁵ Rejected reforms are excluded from the analysis as rejection might be due to the quality and the goodness of the reform.

Empirical findings from previous literature indicate contradictory results regarding the role of consensus and compromise in advancing reforms. First, a weak executive or a broad coalition poses an obstacle to reform (Roubini & Sachs, 1989 ; Grilli et al., 1991 ; Alesina & Perotti, 1995). Alternatively, other studies conclude that a stronger executive branch of government is associated with less reform progress (Hellman, 1998 ; EBRD, 1999). The same controversial discussion persists in the literature concerning the Poland experience, which suggests that building a coalition and compromises around deep reforms is a waste of time (Sachs, 1994) as opposed to the benefit of forging a consensus for the sake of economic reform (Bresser et al. 1993 ; see discussion in Rodrik, 1996). Further, the literature on politics highlights a real threat posed by power-sharing that results in a loss of representation and accountability (Jung & Shapiro, 1995 ; Kriger, 2012) and rise of collusion politics (Cheeseman & Tendi, 2010).

The role of consensus remains an empirical issue and strongly depends on the economic, social, and political preconditions prevailing during the transition. Empirical findings regarding the Middle East are scarce and do not tackle power distribution and reform during political transitions. The experience of Tunisia constitutes an opportunity to analyze the reform outcomes in the aftermath of the 2011 political change. Since it has achieved a certain political maturity, the Tunisian experience offer an opportunity to study different political economy hypotheses and predict preconditions required for the success of reforms. Accordingly, the political elite's

commitment to consensus, notably, its role in making the economic transition successful, is an interesting topic to analyze.

To our knowledge, this is a novel empirical contribution to literature concerning the Middle East. The study contributes to the literature on comparative political reform and the role of institutions of capitalism in advancing economic outcomes. It also contributes to the literature on political regimes and their capacity to shape economic policies. In addition, it complements the literature on power distribution in the policy arena and the impact on policy reforms and changes. Our findings help understand the mechanisms by which political agreements influence reforms, and how the distribution of power triggers a collusion or a competition process. Finally, this study contributes to the new public management literature by highlighting the roles of governmental leadership, governance of democratic institutions, and political leaders in shifting reform agenda.

The remainder of the paper is structured as follows. Section 2 gives some background on the consensus agreement in Tunisia. Section 3 presents an argument regarding how consensus improved the preconditions for the political transition but failed to enhance the preconditions for economic transition. Section 4 discusses the data and provides descriptive statistics. Section 5 discusses the empirical design and results. Section 6 examines the potential channel of the consensus impact propagation. Lastly, Section 7 provides recommendations and concluding remarks.

2. The journey to political consensus in Tunisia

The political landscape after the revolution was very fragmented. The resulting insufficient political support posed a significant barrier to passing most of the parliament's reform bills. The changes among political majorities and coalitions coupled with frequent movement of deputies between blocs impeded the government in obtaining a simple majority to vote in reforms (Kubinec & Grewal, 2018; Yerkes & Ben Yahmed, 2019). Moreover, political instability in the aftermath of the 2010 Tunisian revolution was influenced by a high degree of polarization among two camps whose composition has varied over time—one camp was led by the Islamic party Ennahda and another camp comprised secular parties including political figures from the old regime, the business elite, human rights groups, social activists, and labor unions.

The national dialogue in October 2013 marked the beginning of a consensus process aimed at overcoming a serious deterioration in the political environment; discord between political rivals could have led to civil strife (Murray & Stigant, 2017). The consensus also aimed to attenuate waves of demonstrations, which had strong economic and social demands, and had engulfed the country. These "political arsonists" only needed terrorist attacks to derail the state's sustainability. The consensus was formally translated into a policy pact, the Carthage Agreement, on July 13, 2016. It was signed by the main political parties, Nidaa Tounes and Ennahda, and several political formations, in addition to the workers union (UGTT), and the employers' union (UTICA). The pact endorsed security and structural economic reforms as strategies for the coming period (McCarthy, 2019). It also stipulated the formation of a government of "national unity"⁶ led by the prime minister Youssef Chahed and the creation, for the first time, of a "minister of major reforms." Although the Carthage Agreement stipulated six priorities,⁷ notably addressing the lack of economic opportunities, Tunisia's heavy dependence on international financial institutions led to the imposition of reforms that were directly linked to alleviating a fiscal deficit by reducing subsidies and number of public sector employees.

It is notable that the power-sharing process helped overcome the political turmoil without necessarily resolving conflicts at the legislative level. Political polarization remained strong within the parliament, and efforts to build a stable majority during a complete parliamentary cycle have fallen short between 2016 and 2019. The number of roll call votes as a measure of legislative activity and performance have declined following the Carthage Agreement. Evidence of delay on important legislation can also be observed in existing votes (Kubinec & Grewal, 2018). Moreover, the literature on politics highlights a real threat from power-sharing, which could undermine democratic institutions and their consolidation due to loss of representation and accountability (Jung & Shapiro, 1995 ; Kriger, 2012) and the rise of collusion politics

⁶ The government includes minsters from Nidaa Tounes (8), Ennahdha (6), Afek Tounes (4), social democrats (1), republican party (1), Alliance democrats (1).

⁷ The six priorities are: combatting terrorism; encouraging development, growth, and work; fighting corruption; ordering public finances; enforcing decentralization; and increasing government efficiency.

(Cheeseman & Tendi, 2010). Owing to the reasons mentioned above, Tunisia's political consensus appears to fall within the category of "the politics of collusion" rather than that of moderation and tolerance (Cheeseman & Tendi, 2010).

3. Conceptual framework: expected results from the literature

According to the literature, a successful reform transition depends on solving problems of distributive conflicts (compensation), conflict action (interest seeking), and time horizon problems (sequencing). This requires sufficient resources, leadership, and institutional mechanisms, and some degree of security of tenure (Haggard & Kaufman, 2018). This section tries to answer these questions in the context of Tunisia after the consensus. It describes the changes that the consensus had stimulated in power dynamics and how this affected reforms. We theoretically expect that consensus will decelerate the legislative reform process because the new informal mechanisms (adhocly created) reduced public oversight, transparency, and law enforcement. Additionally, we expect that consensus in Tunisia is likely to delay economic and social reforms more than political reforms.

Clearly, consensus was effective in facilitating a political transition through voting on key political reforms such as constitutional reforms and many others in areas such as transitional justice, public rights, electoral law, legal immunity, and the parliament's

internal policy⁸. Conversely, the path to economic reform was completely different, and consensus did not help accommodate reforms such as investment law, protection of personal data law, banking sector law, pension reform, and SOE reform. Some of the reforms were passed under pressure from IFIs in the context of funding agreements, such as the investment or banking reform laws. The consensus was not followed by thoughtful plans to implement reforms and answer complex questions that are subject of political instability. The following arguments that explain these facts are rooted in extant literature.

An analysis of the consensus' dynamics reveals that this political agreement removed many obstacles by *compensating newcomers* in the political arena. The consensus saved some political groups from political exclusion,⁹ although secular political parties considered them offenders and delinquents. The integration of these newcomers into the political system paved the way for the election of many radical figures who were rehabilitated by parties in the 2019 legislative election. Thus, political groups belonging to old regimes benefited from a loophole in the exclusion law that banned these old-regime figures from political life.

⁸ Other important reforms were still not voted such as the committee for transitional justice and the committee for monitoring the constitutionality of laws, and some temporary committees like the audiovisual committee

⁹ This includes for example Leagues for the Protection of the Tunisian Revolution and radical Islamist figures.

The situation is totally different for economic reform¹⁰. A comprehensive compensation strategy was completely ignored on the economic side. First, the fiscal space has fallen short in meeting the redistribution demands made by the previous regime's victims and people adversely affected by the reforms. For example, the budget failed to finance employment departure from the public sector, recapitalization of public enterprises, or even social security reforms. Second, a budget analysis shows that the poor as a socioeconomic group benefited the most from redistribution after the revolution, as poverty was reduced by 5 percent between 2010 and 2015. However, the middle class and the rich lost the most (Jouini et al., 2018). This has a profound implication for the political economy of reform since those who can veto the process are impacted the most, while those who gained do not participate in the decision-making process. Most of the proposed reform measures seriously affect the interests of the middle class, including plans to reduce the number of civil servants and employees in the public sector and increase social security contributions. However, the enrichment of connected entrepreneurs and investors in the informal sector makes it difficult to justify any severe reform measures that target other classes.

Further, the *sequencing of political reforms* helped rivals find common ground. The consensus was a tool to dismantle the main obstacles hindering the validation of the constitution and other agreements, such as the first chapter of the 1959 Islamic

¹⁰ Economic reforms projects are conducted under five different reform pillars, namely economic and institutional reforms, finance and banking reforms, public finance reforms, social reforms, and cross-cutting reforms

Constitution¹¹, and facilitate voting on transitional justice law. Additionally, there was sequencing in non-consensual political reforms, especially those dealing with difficult topics, which helped ease tensions¹². On the economic side, *reform sequencing was offset by the absence of a complete vision.* For example, there is no consensus currently on how privatization should be part of the reform agenda or which enterprises should be privatized first. The situation is worse in dismantling monopolistic structures like port services and tobacco, and the commerce of distribution.

Since the consensus, the government turnover resulting from an unstable coalition in parliament has not afforded the authorities enough time to understand and prepare a complete vision to meet reform challenges¹³. It is not coincidental that the current government leaders have lesser negotiation power than the social institutions that are impeding reform compromise. Third, a lack of political leadership has given high-level bureaucrats more power to subjugate regulatory bodies and seek rent and/or become complicit with political leaders to sustain illegal personal activities.

Finally, the consensus' political leadership failed to accelerate economic and social transitions for many reasons. First, the political coalition led by Beji Caid Essebsi, Rachid al-Ghannouchi, and civil society organizations was mobilized to discuss mainly political reforms and, to a lesser extent, economic reforms. At the time, political reforms were

¹¹ This chapter states that Islam is part of the country's identity, its people, their history, and culture, but it is not a state religion to be used as an apparatus of government.

¹² These delays mean that the constitutional court has not yet been validated and revisions to electoral laws and the establishment of a media communication body have not been undertaken.

¹³ Between 2016-2019, there were three government reshuffles.

a priority, and it was challenging to negotiate economic questions that might affect the coalition's ability to pass political reforms. Second, ad-hoc processes of coordination that were created inside the parliament and government were not efficient. These processes also failed to stimulate social dialogue and reduce uncertainty by sharing information about the sustainability of the reforms. Specifically, the coordination unit that was intended to resolve conflicts inside the parliament delayed the process of voting on reforms. This process consumed more time than expected in systematically establishing consensus on conflictual reform projects¹⁴ before passing them to the plenary session. Often, projects that ended with consensus in this commission got rejected in the plenary session. The absence of a clear policy¹⁵ for decision making and attendance¹⁶ delayed the process further. It is even more complex to discuss conflictual reform projects since they are technical.

4. Methodology and data

This section assesses the causal effect of the consensus on the process of reform validation. Specifically, we used a model to test whether the political consensus accelerated voting reforms. The dependent variable was binary and took the value of 1 if the reform was passed according to the set agenda without any delay either in commissions or the plenary session. The variable took a value of 0 if the reform was

¹⁴ The coordinating commission reviewed the financial law, local communities law, independent constitutional bodies, social responsibility law, human rights commission.

¹⁵ These sessions are not recorded. Minutes are not taken, and vote rules are not clear.

¹⁶ The attendance of participants in the coordination unit was not regularly.

delayed and the number of days accumulated were greater than 0. In this study, we focused on the parliamentary voting phase. This choice was motivated by the fact that successful reform projects during this phase were based mainly on political determinants while successful reform conception at the ministry level depended on technical and political determinants simultaneously. The list of reforms included 468 reforms adopted between 2012 and 2019; non-adopted reforms were excluded to control the quality of the reform and focus on those that were delayed only because of consensus. It is noteworthy that proposed reforms deposited in parliament are processed according to a specific agenda with a timetable set by the Parliament's Bureau. In this exercise, we recorded the delays in number of days at both the commission and the plenary session level. Explanatory variables included first a dichotomous variable, CONSENSUS, to mark the beginning of the consensus phase. This variable took a value of 1 for consensus years after 2016 and 0 for previous years not marked by consensus. This strategic variable underwent different scenarios depending on the effective date of consensus to check for the robustness of the results. To control for the technical complexity of the reforms, the model included a variable to quantify the number of articles in each reform project. The main specification included a time variable to record the deposit date of the reform at the parliament and mark the arrival date before and after the consensus. To differentiate between types of reforms, two dummy variables were created to control whether a reform is political, social, or economic. To eliminate other factors inducing reform progress, which are aggregate in nature, the main specification included annual economic control variables such as real growth rate, electricity consumption and inflation. These variables were included to capture whether improvement in voting reforms was attributable to changes in the economic situation rather than consensus. Further, we included a dummy variable to quantify the years of the government tenure between 2012 and 2019 to control for the government leadership's capacity to advance reforms. To control for government tenure, we included a variable for measuring the total days of tenure under which each reform was voted on. Finally, to control for capacity of governance within the government, a variable regarding control of corruption was included.

4.1. Summary statistics

The database used in this paper is an original dataset collected by Al Bawsala, a Tunisian NGO that defends the concept of citizen empowerment by enabling the monitoring of elected representatives and decision-makers' activities. The primary dataset included 468 reforms voted and validated between 2012 and 2019. In addition, each reform provided information about the delay encountered, number of articles, theme, and type of reform. Additional variables from different sources were included in the database. The Terrorism index and data on tenure were taken from the International Institute of Peace and the Tunisian government website, respectively. The total number of laws voted on (laws) and meetings effectuated each year (meeting) were complemented from the Al Bawsala website. The annual economic variables of GDP growth, inflation, and electricity consumption were retrieved from World Development Indicators database.

Budget reforms accounted for 30 percent of the total number of reforms with 100 percent acceptance. The other economic and institutional reforms constituted 13 percent of the total number of reforms. Social reforms represented 13 percent. Political reforms represented 20 percent, and thus were second to budget reforms in quantity. Transversal reforms represented 15 percent of the total, and financial and banking reforms accounted for 8 percent.

[SEE TABLE 1]

Table 1 summarizes the average, standard deviation, and the minimum and maximum values of each variable and the significance of the differences between the pre- and post-consensus periods. The number of reforms was high after the consensus period than before the consensus. However, the distribution over time shows the decline trend in voting reforms after the consensus except for social reforms.

Time needed to vote on a reform increased after the consensus. All variables except the number of reform projects (laws) were not balanced before and after the consensus as shown by the mean differences significance results in Table 1. The variable laws, representing the number of reform projects per year, was balanced between the two periods. The quality and depth of reforms was higher and more complex before the consensus than after, and remained unbalanced between the two periods, as indicated by the mean difference significance of the variable articles in each reform project. The economic conditions deteriorated after the consensus, and the difference in averages of economic variables is significant.

5. Capturing the effect of consensus: empirical design and results

This section investigates the causality effect of consensus on accelerating reforms. To identify this effect, we employed a dependent variable that was a dichotomous measure of whether a reform was validated successfully without any delay. The delay was measured by the number of days for which the reform voting exceeded the planned date. Only successful reforms were considered to exclude the impact of technical or quality factors on delayed reforms. The focus on delayed rather than rejected reforms helps understand how this unregular process supported the passage and adoption of reforms by reducing barriers. We included a strategic explanatory variable, CONSENSUS, which was a dichotomous variable that indicated whether a reform was validated before or after the consensus agreement. Since the consensus in Tunisia was initiated by a national dialogue in 2013 followed by the Carthage Agreement in 2016, different specifications were used to test the sensitivity of keeping various dichotomous dates. In our main specification we estimated a probit regression of the form:

$y_{it} = \beta \text{ CONSENSUS} + \delta X_{it} + \mu W_{it} + \epsilon_{it}$ (1)

where i refers to the reform proposal; t is the year the reform was sent to the parliament; and y_i is the probability of voting the reform without delay. CONSENSUS is the treatment explanatory dummy variable, which took the value of 1 if a reform was validated after the consensus agreement, and 0 otherwise. X is the vector of the reform agenda setting control level variables. These included the reform type, number of articles per reform project, number of official meetings made by deputies in plenary sessions, and government tenure. We included these variables to control for factors that might affect the probability of delaying a reform while being totally exogenous to the consensus process. The W_i variable included economic precondition control level variables such as growth rates per capita, inflation, and electricity consumption. These variables control for any changes in the future trajectories of the economy that could facilitate the consensus agreement and affect the probability of delaying a reform the economy that could facilitate the consensus agreement and affect the probability of delaying a reform at the same time. Accordingly, the following conditions hold:

E(ϵ |CONSENSUS, X,W)=0.

The average treatment effect is represented by :

 $\beta = E[y|success = 1, X, W] - E[y|success = 0, X, W].$

The estimation of the beta coefficient helps identify the difference in probability of the timely voting of reforms, before and after the consensus. If the hypothesis of beta being equal to 0 is rejected, then the consensus will significantly accelerate economic reforms. The key identification assumption is that CONSENSUS is uncorrelated with the error term in the different specifications. However, in this case the consensus treatment effect may involve endogeneity bias. Endogeneity is particularly important in policy setting because policy should be explained by more than one variable. In general, the consensus agreement results from a deterioration of political and economic environments. In this case, the consensus' marginal effect on the probability of delaying a reform is confounded by unobservable variables such as economic and social preconditions, political conflict, reform characteristics, and governance process. In addition, reforms were not randomly introduced for vote before and after the consensus, which may create a selection bias problem. One strategy to reduce the effect of the bias on the conditional mean independence condition is to include as many control variables as possible under ordinary least squares (OLS) estimation. The other viable strategy is to estimate a two-step endogenous treatment effect model. This model specifically resolves the selection bias created by the endogenous binary treatment effect of consensus. A further discussion of this strategy is included in the Robustness checks section.

To investigate the relationship between consensus and other observable variables, we first needed to understand whether the political consensus was determined by the

deterioration in economic indicators such as electricity consumption, growth, and inflation. Additionally, we analyzed the role of other variables in predicting consensus. To examine whether exogenous variables were balanced between the consensual and non-consensual periods, we performed a two-sided test for the equality of these variables' mean under both periods. Table 1 presents the mean difference significance of all variables except the number of reform projects, laws (see Table 1 above). One corollary of this result is that the reform sample differs between the two comparative periods, which indicates a suspected selection bias sample problem. To confirm the endogeneity problem, Table 2 presents regression results to test the relationship between the consensus variable and other exogenous variables simultaneously.

P(CONSENSUS)= Cte+ μ X

where X includes all variables included in Equation (1)

[SEE TABLE 2]

It is clear from the results obtained in Table 2 that all variables can predict the probability of signing a consensus agreement. However, the variable "reform type" was significantly associated with consensus' probability prediction with a significant average difference between economic and social reforms as compared to political reforms. This result was expected given that the transition was mainly political during the constitutional phase and consensus was expected to have less effect on economic

and social reforms. Furthermore, there was a high association between consensus and economic variables including GDP growth and electricity consumption. This is because the consensus resulted from a political turmoil that negatively affected economic conditions. Variables representing voting process characteristics such as meetings, cycle, and tenure, were also correlated with the consensus. This demonstrates that these control averages were different before and after the consensus. Likewise, variables of reform characteristics such as laws and articles had averages that were significantly different before and after the consensus.

In this study, the empirical framework was designed to investigate the source of this endogeneity and reduce the bias by running and comparing two different models. First, we used a probit OLS model that assumed an exogenous consensus treatment. Second, we used an IV two-step model augmented with a binary endogenous treatment effect of consensus to resolve the selection bias.

5.1 Results and discussion

Table 3 presents the analysis results, including an estimation of the average treatment effect and other parameters of a probit linear regression model with an exogenous binary-treatment variable. Columns (1)-(3) of Table 3 present full sample estimates of the consensus effect on the probability of delaying a reform. Column (1) presents a basic model including the treatment variable. Column (2) shows the effect of each type of reform. Column (3) presents additional voting process control levels' variables. Column (4) restricts the sample to all reforms excluding budget reforms (including budget laws and credit borrowing laws). We excluded budget reforms to test the exogeneity of these reforms because they must be voted on to avoid political crises and hinderance to the government's stability. Hence, their acceleration might be motivated by other factors such as deputies' self-interest to continue their mandate and keep their positions. Column (5) excludes the constituent parliamentary phase, which makes it possible to compare relatively homogenous before and after phases. Column (6) presents an alternative treatment effect variable of consensus that considers an additional categorial period between 2013 and 2016 as a phase of national dialogue.

The results in Columns (1) and (2) show a positive and significant effect of consensus on the probability of delaying reforms. Once controlled for adjustment factors, the results exhibit a negative and significant coefficient for consensus that is stable over the specifications of Columns (3) and (4). Thus, this change in the consensus variable coefficient can be attributed to endogeneity bias that is controlled for, once we convert unobservable factors to observable ones. If voting process specificities are controlled for (Columns (3)-(4)), *the consensus is likely to increase the probability of delaying reforms by 61 percent on average as compared to nonconsensual phase*. The probability of delaying economic and social reforms is on average higher than that of political reforms by 14 percent. For the restricted sample, this coefficient is stronger in absolute terms. It decreased by 3.9 percent, showing that the probability of delaying a reform increased when budget reforms are excluded. This decrease was expected as the government has an obligation to validate the budget, making the consensus' impact on delaying other reforms stronger as compared to budget reforms.

The control variables' coefficients are all significant with expected signs. The negative sign of the variable Laws indicates that a higher number of reform projects is likely to delay reforms as the agenda becomes busy. Moreover, a higher number of meetings is expected to accelerate the probability of timely reform voting.

Column (6) presents the results regarding the introduction of a new categorial consensus variable instead of a dichotomous variable. This was done to check the robustness of the results if the consensus phase is considered since 2013. Hence, for this test the CONSENSUS variable took a value of 0 before 2013, 1 between 2013 and 2016, and 2 between 2016 and 2019. The results show that on an average the consensus effect is negative. The consensus between 2013 and 2016 increases the probability of a delay in reform voting by 67 percent as compared to the period before 2013, while the consensus after 2016 increases the probability of a delay in reform voting by more than 85 percent as compared to the same period before reform.

[SEE TABLE 3]

Table 4 includes an interactive term between reform type and consensus. We performed this step to compare the marginal effect of consensus on different types of

reforms, specifically, economic and social reforms versus political reforms. It serves also to verify one important hypothesis based on previous literature regarding collusion politics, wherein deep and painful reforms are delayed. The interaction term takes a value of 1 for political reforms voted before consensus; 2 for political reforms voted during consensus; 3 and 4 for economic reforms voted before and after consensus, respectively; and 5 and 6 for social reforms before and after consensus, respectively. The coefficient of the interactive term captures the treatment effect of consensus on different categories of reforms. Table 4 presents the main results from Equation 2.

[SEE TABLE 4]

Columns (1)-(6) present comparisons between voting on different types of reforms (economic and social reforms) without delay before and after the consensus. For example, Column (1) indicates that the probability of voting on economic reforms before the consensus (Consensus value equals 0) is lower than that of political reforms before the consensus. However, the probability of voting on economic reforms after the consensus is higher than that of political reforms before the consensus. Likewise, Column (2) indicates that the probability of timely voting of political reforms is higher the different results that are presented in Table 4.

[SEE Fig-1 and Fig-2]

Accordingly, we found that consensus has decelerated reform voting for all types of reforms. For both periods (before and after the consensus) political reforms have the highest probability of not being delayed, followed by the economic reforms, and then the social reforms. Figure 1 shows that economic reform has decelerated after the consensus, making all other marginal coefficients superior to the economic reform marginal coefficient (see red dots). As compared to economic reforms, the consensus increased the probability to accelerate the vote of political reforms and social reforms. Likewise, Figure 2 shows that political reform has decelerated after the consensus. All marginal coefficients are negative and below the political reform marginal coefficient. No significant impact of consensus was registered regarding social reform.

5.2 Robustness check

This section investigates the robustness of previous findings by running a number of tests. Table 5 reports the results of a two-step augmented model with an endogenous binary-treatment variable. We used this model to examine the endogeneity hypothesis of the treatment and correct for the selection bias when the potentially endogenous variable is binary. The bias comes from comparing treatment and control groups of reforms with different reform averages. In other words, reforms within the two groups were not voted randomly. This selection bias might be upward (downward) if the easy reforms were voted after (before) the consensus and reform deceleration is more attributed to their nature. Literature recommends using instrumental variables 2SLS and comparing it with an OLS regression that assumes a treatment is exogenous (see Basinger and Ensley, 2010).

[SEE TABLE 5]

For purpose of comparison, the same specifications presented in Table 3 are reproduced in Columns (1)-(5) of Table 5. The instrument used to replace the variable CONSENSUS is the terrorism index between 2012 and 2019 taken from the Institute of Conflict and Peace. This variable is likely to significantly predict the consensus given that consensus in Tunisia was negotiated after two political assassinations and several terrorist attacks. This movement of terrorism was more linked to an international agenda in conflictual countries such as Libya and Syria. It aimed to destabilize the whole democratic process, and thus helped to push local actors to accept consensus. It is notable that the first article of the Carthage Agreement established combatting terrorism as a priority. However, the terrorism threat is considered exogenous to the probability of delaying specific reforms as compared to others. Terrorists want to destroy the whole process, so the impact will be the same across all reforms. The correlation between the terrorism index and the binary dependent variable (delay to vote reforms) is weak and approximately 0.09. Hence, terrorism index is expected to impact the probability of reform acceleration through consensus. Results indicate a negative and significant coefficient for consensus that is stable across all specifications.

The instrument significantly predicts the consensus' endogenous treatment with a high chi-squared of independence test. The results in Columns (3)-(5) in Table 5 are very comparable to those of Columns (3)-(4) in Table 3, in which control variables are included. The invariance of results with respect to the inclusion of controls confirms that the identification assumption is plausible.

[SEE Fig-3]

Figure 3 shows a structural change of probability before and after the consensus agreement indicating a significant coefficient of the treatment Consensus. The predictive margins of time reveal a structural change after the consensus as compared to the period before the consensus.

6. Potential mechanisms

This section investigates potential mechanisms through which the consensus delays reform votes. One mechanism in particular was identified through which consensus decreased the number and quality of reform projects. Surprisingly, the number of projects sent to the parliament for voting dropped significantly after the consensus although it was expected to increase. Moreover, the number of articles for each project dropped significantly indicating that consensus does not help political actors to increase and discuss heavy reforms. Although consensus helped establishing unregular processes via the coordination commission at the parliament, but the latter failed to accelerate the process and resolve all conflicts. Many conflictual reforms that were

passed by this commission failed to pass at the plenary session vote. Among other things, this mechanism was accused of absence of policy and informality and being highly political and less technical. Table 6 shows that the variable laws controlling for the number of projects is balanced before and after the consensus. However, this balanced number after the consensus is considered illusive. Figure 4 shows that when number of articles by project is considered, the total number of articles per year drop dramatically after the consensus.

[SEE Fig-4 and Fig-5]

One possible explanation for this drop might be the existence of collusion such that protagonists agree to pass light reforms and postpone heavy and complicated reforms with more articles. This drop concerns mainly economic and political reforms and to a lesser extent social reforms. Table 6 shows that the negative coefficient sign of total reform projects per year (laws) changes when an interactive term between CONSENSUS and laws is included. This shows that after consensus reform acceleration depends on increasing the number of reform projects. Unfortunately, this number dropped significantly which resulted in a delay in reforms' adoption.

[SEE TABLE 6]

The second mechanism driving our result is related to the capacity of consensus to favor a good environment for economic recovery and stability. Advancing economic reforms requires an environment free of any political instability or security issues that adversely influence economic actors' involvement. It was expected that consensus and government tenure would improve the environment and reduce political instability. However, agonistic debates continued, public administrators became hesitant, and many investors were arrested under the anticorruption war waged by the Government (see Figure 5). This anti-corruption war was accused as being selective and one that targeted investors, which made it difficult to pave the way for business representatives to accept economic reforms (Cherif, 2017). Figure 5 indicates an increase of the control of corruption index since 2016. This increase is explained by the adoption of the national strategy concerning the fight against corruption and money laundering during the 2016-2020 period. The government conducted a campaign that ended by imprisoning a famous businessman based on fiscal audits. In a nutshell, fighting corruption was at the heart of the political instability during this period and it made the political environment unconducive for reform. All these incidents contributed to the creation of an environment hostile to reform, characterized by fear and hesitation through polarization and exclusion of investors, among others. Column (2) in Table7 indicates a highly significant, negative coefficient for the control of corruption variable, which confirms that the anticorruption war conducted by the government after the consensus, increased the probability to delay reforms. Column (1) in Table 6 shows that when control of corruption is excluded, consensus delays reforms and decreases the probability to vote by 87 percent. However, when control of corruption variable is included, this probability decreases to 55 percent, meaning that consensus' impact will be stronger when the control of corruption is considered.

7. Conclusion

Exploring reform experience in the aftermath of the Arab Spring will help extend the literature on comparative economic reform. The case of Tunisia achieved a level of maturity that is required for evaluating the first experience of democratization in the Arab world. Furthermore, the unique consensus experience since 2016 is an opportunity to test the efficiency of compromise and cooperation in advancing reforms and transforming political changes into tangible outcomes.

According to our analyses, the consensus in Tunisia reduces the probability of advancing reforms by more than 50 percent, regardless of the nature of the reform. This probability increases significantly when the first constituency parliamentary cycle or budget reforms are excluded.

The consensus is likely to delay economic and social reforms more than political reforms. The chance of delay is 15 percent lesser for economic reforms than for political reforms, and 16 precent lesser for social reforms than for political reforms.

The negative impact of consensus is driven by two mechanisms. First, it creates a collusion behavior, which reduces the number and quality of reform projects. Second,

if the consensus is not rooted, it creates a hostile environment through anti-corruption war and political instability, making it difficult to advance reforms.

These results show that creating a parallel process to regular institutions may generate negative externalities due to a lack of regulation and informality. In this case, the marginal cost overweights the marginal benefit, and the impact on the reform progress by regular institutions will be negative.

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SAMPLE Before the Consensus		After the Consensus				Mean					
											Difference
VARIABLES	Ν	mean	sd	min	max	Ν	mean	sd	min	max	
Timely voted reforms	208			0	1	260			0	1	0807692***
(dummy)											
Consensus (dummy)	208			0	0	260			1	1	
Terrorism index	208	4.539	0.536	2.050	4.960	260	4.006	0.149	3.860	4.620	.533173***
Electricity consumption (kwh)	208	14,913	186.4	14,065	15,006	260	15,819	653.6	15,006	17,007	-905.52***
Cycle (dummy)	208			0	1	260			1	2	2942308***
Working hours	208	460.2	151.3	35	570	260	533.6	72.33	412	607	-73.42596***
Laws	208	111.2	29.90	27	135	260	106.2	41.31	39	151	4.982692
Meetings	208	72.88	19.58	10	83	260	90.83	26.17	46	116	-17.95192***
Reform type (dummy)	208			1	3	254			1	3	1555118***
Inflation	208	4.256	0.489	3.629	5.316	260	6.240	1.012	3.629	7.308	-1.983894***
GDP growth (per capita)	208	0.527	0.786	0.0499	2.990	260	0.793	0.598	-0.0760	1.495	2659198***
GDP growth	208	1.592	0.759	1.160	3.998	260	1.943	0.617	1.043	2.664	3506057***
Articles	208	17.87	38.31	1	221	253	9.209	30.37	1	363	8.660706***
Tenure (days)	208	262.4	164.1	8	546	260	558.9	295.2	93	1,074	-296.4981***

 Table 1: Descriptive statistics-comparison before and after consensus

Notes: *** p<0.01, ** p<0.05, * p<0.1

	(1)
VARIABLES	D_CONSENSUS
Laws (reform projects per year)	-0.00942***
Zame (colorin projects per jets)	(0.000188)
Government tenure	-0.000334***
	(3.19e-05)
Meetings	0.0181***
C C	(0.000243)
Cycle	-1.250***
-	(0.0145)
GDP growth	0.0337***
	(0.00901)
Electricity consumption	0.00112***
	(1.15e-05)
Reform types	
Economic reforms	0.0403***
	(0.0110)
Social reforms	0.0175
	(0.0163)
Constant	-15.82***
	(0.171)
Observations	462
R-squared	0.940

Table 2: The effect of control variables on consensus

Note: The dependent variable takes 1 if reform is voted without delay and 0 if it is voted with delay. CONSENSUS is a dichotomy treatment variable takes 1 if a reform is validated after the consensus agreement in 2016 and 0 before the agreement. Robust standard errors in parentheses *** p<0.01, ** p<0.05, * p<0.1

	(1)	(2)	(3)	(4)	(5)	(6)
VARIABLES	Timely	Timely	Timely	Timely	Timely	Timely
	Reform	Reform	Reform	Reform	Reform	Reform
	Voting	Voting	Voting	Voting	Voting	Voting
	Full	Full	Full sample	Budget	Constituent	Full sample
	sample	sample		reform	phase	
				excluded	excluded	
CONSENSUS_1	0.0040*	0 112**	0 59/***	0 665***	0 504***	
(2016-2019)	(0.0648)	(0.0442)	(0.0344)	(0.003^{+++})	(0.0333)	
(2010-2017)	(0.0490)	(0.0442)	(0.0344)	(0.0470)	(0.0555)	
CONSENSUS (index)						
Consensus=0						(base)
(2012-2013)						
Consensus=1						-0.673***
(2013-2016)						(0.0540)
Consensus=2						-0.856***
(2016-2019)						(0.00275)
Laws			-0.0162***	-0.0189***	-0.0157***	-0.00300***
			(0.000803)	(0.00103)	(0.000766)	(0.000135)
Articles			0.000493**	0.000491*	0.000506**	0.000500**
			(0.000233)	(0.000260)	(0.000238)	(0.000236)
Meetings			0.0184***	0.0222***	0.0323***	0.00526***
			(0.00103)	(0.00133)	(0.00159)	(0.000659)
Net foreign asset			-5.3/e-11***	-5.40e- 11***	-0***	-8.61e-11***
			(0)	(0)	(0)	(0)
GDP growth			-0.716***	-0.816***	-0.463***	-0.344***
			(0.0332)	(0.0384)	(0.0215)	(0.0153)
Inflation			0.385***	0.429***	0.187***	0.0440***
G 1			(0.0186)	(0.0229)	(0.00931)	(0.00498)
Cycle			-1.121^{***}	-1.310^{***}		
Reform types			(0.0555)	(0.0007)		
			<i></i>		<i></i>	
Political reforms		(base)	(base)	(base)	(base)	(base)
Economic		-0.178***	-0.145***	-0.135***	-0.137***	-0.152***
reforms						
		(0.0288)	(0.0274)	(0.0267)	(0.0267)	(0.0273)
Social reforms		-0.169**	-0.143**	-0.124*	-0.137**	-0.149**
		(0.0675)	(0.0674)	(0.0666)	(0.0698)	(0.0689)
Observations	468	468	461	288	447	461
Note: The demendent y			1 :f 41 f	· · · · · · · · · · · · · · · · · · ·	41	1 0 41 4

Table 3: The effect of consensus on accelerating reforms

Note: The dependent variable takes a value of 1 if the reform was voted without delay, and 0 otherwise. CONSENSUS is a dichotomous treatment variable that takes a value of 1 if a reform was validated after the consensus agreement in 2016, and 0 otherwise. CONSENSUS (index) is a categorial variable that takes a value of 0 if the reform was voted before 2013, 1 if the reform was voted between 2013 and 2015, and 2 if the reform

was voted in 2016 and afterward. Standard errors in parentheses are clustered by year. *** p<0.01, ** p<0.05, * p<0.1

	(1)	(2)	(3)	(4)	(6)	(7)
VARIABLES	Accelerate	Accelerate	Accelerate	Accelerate	Accelerate	Accelerate
	Reform	Reform	Reform	Reform	Reform	Reform
	Voting	Voting	Voting	Voting	Voting	Voting
	0	6	0	0	0	0
Laws	-0.108***	-0.108***	-0.108***	-0.108***	-0.108***	-0.108***
	(0.00532)	(0.00532)	(0.00532)	(0.00532)	(0.00532)	(0.00532)
Articles	0.00322*	0.00322*	0.00322*	0.00322*	0.00322*	0.00322*
	(0.00165)	(0.00165)	(0.00165)	(0.00165)	(0.00165)	(0.00165)
Meetings	0.122***	0.122***	0.122***	0.122***	0.122***	0.122***
	(0.00734)	(0.00734)	(0.00734)	(0.00734)	(0.00734)	(0.00734)
Inflation	2.585***	2.585***	2.585***	2.585***	2.585***	2.585***
	(0.117)	(0.117)	(0.117)	(0.117)	(0.117)	(0.117)
GDP growth	-4.818***	-4.818***	-4.818***	-4.818***	-4.818***	-4.818***
	(0.202)	(0.202)	(0.202)	(0.202)	(0.202)	(0.202)
Net of foreign asset	-3.69e-	-3.69e-	-3.69e-	-3.69e-	-3.69e-	-3.69e-
	10***	10***	10***	10^{***}	10^{***}	10***
	(0)	(0)	(0)	(0)	(0)	(0)
Cycle	-7.552***	-7.552***	-7.552***	-7.552***	-7.552***	-7.552***
	(0.322)	(0.322)	(0.322)	(0.322)	(0.322)	(0.322)
Reform						
type×Consensus						
	(base)	4.138***	0.994***	4.750***	4.561***	4.642***
consensus=0		(0.193)	(0.279)	(0.125)	(0.118)	(0.535)
	-4.138***	(base)	-3.144***	0.612***	0.422***	0.504
consensus=1	(0.193)		(0.390)	(0.142)	(0.150)	(0.534)
	-0.994***	3.144***	(base)	3.756***	3.567***	3.648***
consensus=0	(0.279)	(0.390)		(0.349)	(0.336)	(0.636)
	-4.750***	-0.612***	-3.756***	(base)	-0.190***	-0.108
consensus=1	(0.125)	(0.142)	(0.349)		(0.0195)	(0.517)
	4 5 (1 * * *	0 400***	25(7***	0 100***	(heee)	0.0017
	-4.301****	-0.422	-3.30/****	0.190****	(base)	0.0817
consensus=0	(0.118)	(0.150)	(0.336)	(0.0165)		(0.518)
	-4.642***	-0.504	-3.648***	0.108	-0.0817	(base)
consensus=1	(0.535)	(0.534)	(0.636)	(0.517)	(0.518)	
Constant	5.555***	1.417***	4.561***	0.805***	0.995***	0.913
Constant	(0.276)	(0.328)	(0.262)	(0.310)	(0.304)	(0.614)
Observations	461	461	461	461	461	461

Table 4: The effect of consensus on different reform types

Note: The dependent variable takes 1 if reform is voted without delay, and 0 otherwise. CONSENSUS is a dichotomy treatment variable that takes 1 if a reform is validated after the consensus agreement in 2016, and 0 before the agreement. Interactive term controls for the impact of consensus (1 after 2016 agreement) on specific reform type (1 denotes political reforms; 2 economic reforms; 3 social reforms). Standard errors in parentheses are clustered by year. *** p<0.01, ** p<0.05,

Table 5: The effect of consensus on accelerating reforms using a two-stependogenous binary treatment effect model

	(1)	(2)	(3)	(4)	(5)
VARIABLES	Timely	Timely	Timely Reform	Timely	Timely
	Reform	Reform	Voting	Reform	Reform
	Voting	Voting		Voting	Voting
	Full	Full sample	Full sample	Full sample	Budget
	sample				reform
					excluded
CONSENSUS	0.138**	0.159***	-0.550***	-0.568***	-0.642***
	(0.0694)	(0.0437)	(0.0853)	(0.0938)	(0.121)
Government tenure			0.000323***	0.000334**	0.000253*
			(0.000123)	(0.000131)	(0.000132)
Control of corruption			-0.0288**	-0.0301**	-0.00820
			(0.0132)	(0.0145)	(0.0157)
Laws			-0.00568***	-0.00571***	-0.00896***
			(0.00118)	(0.00125)	(0.00155)
Meetings			0.00558***	0.00560***	0.0129***
			(0.00168)	(0.00179)	(0.00264)
Cycle			-0.202***	-0.207***	
			(0.0587)	(0.0612)	
Inflation			0.0954***	0.0995***	0.0834**
			(0.0299)	(0.0325)	(0.0370)
Reform types					
Political reforms		(base)	(base)	(base)	(base)
Economic reforms		-0.154***	-0.155***	-0.152***	-0.142***
		(0.0455)	(0.0480)	(0.0482)	(0.0464)
Social reforms		-0.148	-0.175**	-0.173**	-0.165**
		(0.0925)	(0.0752)	(0.0753)	(0.0745)
CONSENSUS		First stage			
terrorism_index	-1.411	-1.413***	-1.332***	-1.338***	-2.150***
	(0.872)	(0.245)	(0.262)	(0.274)	(0.281)
Government tenure	0.00267	0.00262***	0.00211***	0.00211***	0.00170***
	(0.00177)	(0.000286)	(0.000272)	(0.000271)	(0.000287)
Constant	5.088	5.109***	4.958***	4.978***	8.582***
	(4.351)	(1.099)	(1.140)	(1.187)	(1.188)
athrho	-0.193	-0.194*	1.042***	1.044***	1.119***
	(0.141)	(0.105)	(0.125)	(0.122)	(0.208)
lnsigma	-1.197***	-1.220***	-1.098***	-1.086***	-1.103***
	(0.115)	(0.0597)	(0.0650)	(0.0655)	(0.0800)
Constant	0.0261	0.139***	1.572***	1.620***	0.295
	(0.0407)	(0.0469)	(0.559)	(0.613)	(0.690)

Observations	468	462	462	440	448	
--------------	-----	-----	-----	-----	-----	--

Note: The dependent variable takes 1 if a reform is voted without delay, and 0 otherwise. CONSENSUS is a dichotomy treatment variable takes 1 if a reform is validated after the consensus agreement in 2016 and 0 before the agreement. Government tenure denotes the period (number of days) of government tenure under which reforms are voted. Control of corruption variable is an index measured in percentile rank terms ranging from 0 (lowest) to 100 (highest). Interactive term controls for the impact of consensus (1 after 2016 agreement) on specific reform type (1 denotes political reform; 2 economic reform; 3 social reform). Standard errors in parentheses are estimated from a robust two-step linear regression model that accommodates endogenous sample selection with an endogenous binary treatment effect. *** p<0.01, ** p<0.05, * p<0.1

	(1)	(2)
VARIABLES	Timely Reform	Timely Reform
	Voting	Voting
	Full sample	Full sample
CONSENSUS	-0.874***	-0.550***
	(0.202)	(0.0853)
Government tenure	0.000359***	0.000323***
	(0.000118)	(0.000123)
Laws	-0.00601***	-0.00568***
	(0.00119)	(0.00118)
Consensus x Laws	0.00306**	
	(0.00149)	
Control of corruption		-0.0288**
		(0.0132)
Meetings	0.00504***	0.00558***
	(0.00164)	(0.00168)
Cycle	-0.462***	-0.202***
	(0.0897)	(0.0587)
Electricity consumption	0.000343***	
	(0.000105)	
Inflation		0.0954***
		(0.0299)
Reform types		

Table 6: Effect of consensus on potential mechanisms

Political reforms	(base)	(base)
Economic reforms	-0.159***	-0.155***
	(0.0479)	(0.0480)
Social reforms	-0.176**	-0.175**
	(0.0751)	(0.0752)
CONSENSUS	First stage	
Constant	5.090***	4.958***
	(1.148)	(1.140)
Terrorism index	-1.363***	-1.332***
	(0.263)	(0.262)
Government tenure	0.00210***	0.00211***
	(0.000282)	(0.000272)
athrho	1.039***	1.042***
	(0.127)	(0.125)
Insigma	-1.097***	-1.098***
	(0.0646)	(0.0650)
Constant	-4.164***	1.572***
	(1.426)	(0.559)
Observations	462	462

Note: The dependent variable takes 1 if reform is voted without delay and 0 if it is voted with delay. CONSENSUS is a dichotomy treatment variable that takes 1 if a reform is validated after the consensus agreement and 0 before the agreement. Control of corruption variable is an index measured in percentile rank terms ranging from 0 (lowest) to 100 (highest). Interactive term controls for the impact of consensus (1 after 2016 agreement) on specific reform type (1 denotes political reform; 2 economic reform; 3 social reform). Standard errors in parentheses are estimated from a robust two-step linear regression model that accommodates endogenous sample selection with endogenous binary treatment effect. *** p<0.01, ** p<0.05, * p<0.1

Figure 1: Marginal coefficients plot of interactive term (base category economic reform)

Figure 2: Marginal coefficients plot of interactive term (base category political reform)



Note: The dots represent marginal coefficients of the interactive term between consensus and reform type. The vertical axis includes various categories of the exogenous interactive term. The horizontal axis includes coefficient values. The reform type variable takes a value of 1 if the reform is political, 2 if the reform is economic, and 3 if the reform is social. The dichotomous variable consensus takes a value of 1 if the reform was voted after 2016 consensus, and 0 otherwise. All coefficients in Figure 1 should be interpreted by comparison to the economic reform base category. All coefficients in Figure 2 should be interpreted by comparison to the political reform base category.



Figure 3-: Probability of delaying reforms over time.

Note: The dependent variable takes 1 if a reform is voted without delay and 0 if it is voted with delay. The graph (a) plots coefficients of the interaction of the binary treatment dummy with the corresponding year's dummy from a probit regression that only uses a consensus dummy. The graph (b) plots coefficients of the interaction of the binary treatment dummy with the corresponding year's dummy from a probit regression that uses consensus and reform type dummies. The vertical lines represent the 95 percent confidence interval of each of the estimates obtained from robust standard errors. *** p<0.01, ** p<0.05, * p<0.1.





Notes: The red and blue lines represent the annual number of reform projects and annual number of articles rollcalls votes, respectively. The primary axis denotes the total number of articles per year and the second axis indicates the number of reform projects per year



Source: Worldwide Governance Indicators of the World Bank