

# ***Insincere Public Discourse, Inter-Group Trust, and Implications for Democratic Transition: The Yugoslav Meltdown Revisited***

## **Summary**

*By integrating insights from the literatures on trust, cascade theories of interdependent choices, democratic transition, and ethnic-religious conflict, this article develops a parsimonious explanation for violent breakdowns of socioeconomic mixing in ethnically or religiously diverse communities. The application to Yugoslavia sheds light on several insufficiently explained aspects of the Yugoslav conflict. First, it offers a simple explanation for cross-regional variations in trust between ethnic-religious communities, and in*

*vulnerability to violent breakdown. Second, it describes how an insincere public-political discourse under communism, and institutions and policies that insufficiently promoted socioeconomic cooperation across ethnic-religious divisions, contributed to the pace and intensity of the Yugoslav meltdown. Third, the argument explains why the most violent cases of disintegration occurred in areas with high levels of trust, although ethnic polarization gained momentum first in regions with low levels of trust, as*

*the model predicts. Finally, the article develops a simple taxonomy of the characteristics that influence the likelihood of violent social disintegration. These characteristics are discrepancies between public and private levels of trust, and the social importance of ethnic-religious identities. Based on this taxonomy, policy implications for countries in transition to democracy and market economies are discussed.*

## **1. Introduction**

A Western observer described the Balkans as “a time-capsuled world: a dim stage upon which people raged, spilled blood, experienced visions and ecstasies. Yet their expressions remained fixed and distant, like dusty statuary.”<sup>1</sup> According to this ‘ethnic hatred’ view, former Yugoslavs of different ethnic stripes were mental strangers and culturally conditioned rivals; they never overcame their historically produced differences sufficiently to ensure long-lasting coexistence.<sup>2</sup> Others dismiss the notion that Yugoslav communities were inherently susceptible to violent ethnic disintegration. One writer wrote that “it was a mistake for journalists to use ‘ethnic’ to describe the things that happened in Bosnia, but [they] fell into

habit and became addicted to it.”<sup>3</sup> According to this view, which can be summed up as the ‘unscrupulous elites’ view, the upsurge of ethnic-religious chauvinism in Yugoslavia in the 1990s was primarily elite-engineered. Which one of these seemingly opposite viewpoints is correct?

This article maintains that the truth is somewhere in the middle. As argued by a considerable body of writing, the choices that Yugoslav elites made in response to economic crises, constitutional stalemates, security dilemmas, and a changing international environment, significantly contributed to the Yugoslav meltdown.<sup>4</sup> But Yugoslavia was not simply destroyed by the rise to power of opportunistic politicians. Large segments of ordinary Yugoslavs were

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<sup>1</sup> Kaplan (1994: xxi).

<sup>2</sup> See Connor (1993) for a theoretical defense of this view. For critiques, see Laitin (1998) and Fearon and Laitin (1996).

<sup>3</sup> Maass (1996: 69-71).

<sup>4</sup> Cohen (1993), Glenny (1993), Posen (1993), Gagnon (1994/95), Mojzes (1994), Woodward (1995), Malcolm (1998), Doder and Branson (1999), Udovički and Ridgeway (2000).

evidently responsive to ethnonationalist discourse and chauvinistic politics, and susceptible to ethnic-religious breakdown.

In order for this observation to have any explanatory power, one has to account for cross-sectional variations in resilience to ethnic-religious (henceforth only ethnic) breakdown. Which characteristics make communities more vulnerable to mutually defensive breakdowns of ethnic relations in response to, for example, changed economic-political incentives, inflammatory events, or an antagonistic-provocative political discourse fanned by ethnic activists? When are 'moderates' who favor mixing and coexistence less likely to be heard? Research has paid insufficient attention to explaining cross-regional variations, and existing studies have primarily focused on political institutions or civil society as explanatory factors.<sup>5</sup> The focus of this study is on popular beliefs, public-political discourse, and socioeconomic relations among individuals within and across groups. By theorizing the mechanisms through which these variables are interconnected, one can explain a great deal of cross-regional variation in inter-group trust, mixing, and proneness to violent breakdown.

In this article I attempt to do just that. I develop, first, a parsimonious explanation for interethnic trust based on individual incentives for socioeconomic mixing. Second, I explain how a shifting public-political discourse affects people's information on risk and their decisions to break up relations with ethnic outsiders. Third, I offer a taxonomy of measurable characteristics that can be used to compare propensity for violent breakdowns across communities. A conceptual-theoretical contribution of the article is to integrate insights from the literatures on trust, cascade or threshold models of interdependent choices, democratic transition, and ethnic-religious conflict. In particular, the article applies Hardin's (2001) theory of trust to ethnic breakdown and significantly develops Kuran's (1995 and 1998a) theories of reputational cascades and ethnic disintegration.

The application of the argument to Yugoslavia explains how prior suppression of antagonistic expressions and lack of cross-ethnic cooperation among individuals contributed to the Yugoslav meltdown. This enables one to explain cross-regional variations of interethnic trust. Moreover, the article explains why the most violent cases of ethnic disintegration occurred in areas with high levels of trust, although polarization first began in regions with low levels of trust, as the model predicts.

In comparison to both unscrupulous elites and ethnic

hatred arguments, the argument here provides a more balanced evaluation of empirical evidence on interethnic relations in the former Yugoslavia. Ethnic hatred arguments are focused on the evidence of past hostilities, especially those that occurred during the Second World War. Meanwhile, unscrupulous elites arguments are focused on the evidence of post-war cooperation. Indeed, during the post-war period, Yugoslavs cheered together for the success of the same national teams, seemed to uphold an official ideology of brotherhood and unity, and non-negligible portions of them intermarried and moved into areas with dominant ethnic groups other than their own. According to this essay, all of this attests to significant tendencies towards integration. However, ethnic group membership sustained its social-political significance and mutually suspicious memories of past discords were swept under the carpet rather than being reconciled in an open public-political discourse. These conditions created a fertile ground for rapid ethnic polarization in the late 1980s and 1990s, which culminated in a ferocious civil war.

There is an important reason why scholars who favor explanations based on elite choices or state behavior shy away from addressing the role of popular beliefs in ethnic disintegration. This reason is the potential of lending credibility to unattractive policies. By arguing that ethnic wars have 'complex, historical roots' rooted in popular discourse and beliefs, ethnic hatred arguments tend to encourage international indifference to such wars and the creation of ethnically or religiously homogeneous states. However, popular beliefs can be studied without repeating the shortcomings of ethnic hatred arguments. One can explain how popular beliefs and discourse shift, rather than treat them as if they were historically determined constants, and one can explain which structural factors make multiethnic communities more or less resilient to such shifts. In this case, one can also produce domestic and international policies to increase the resilience of multiethnic states. We may also be able to devise policies to prevent breakdowns in countries in transition from autocracy to democracy, which seem to be especially vulnerable to violent conflicts among ethnic-religious communities.<sup>6</sup>

The second section below presents the theoretical background of the argument and defines key concepts; readers who are less interested in conceptual details and theoretical implications can skip this section without significant loss of understanding of the model that follows. The third section theorizes the formation of private trust, holding the public-political discourse constant. The fourth section discusses the dynamics of the public-political discourse in terms of cascade

<sup>5</sup> A recent, important contribution is Varshney (2001).

<sup>6</sup> Gurr et al. (2001).

theories and the conditions that make societies vulnerable to rapid social disintegration. The fifth section applies the theory to Yugoslavia. The policy implications of this “thick” application of the theory are discussed in the last section.<sup>7</sup>

## 2. Theoretical Underpinnings

As scholars corroborate from different angles, trust, which enables people with different personal, ethnic, religious, or regional identities to enter inclusive relations with minimal transaction costs, is an essential component of development.<sup>8</sup> However, there is no consensus on what trust exactly is and how it is produced.<sup>9</sup> In the next section, I will offer and interpret a notion of interethnic trust based on individual socioeconomic interest and Hardin’s (2001) cognitive definition of trust. Thus, for now, we can think of trust simply as one’s belief that ethnic others on average have sufficient commitment to peace and coexistence.

What makes people in a fully or partially integrating multiethnic society, who seem to trust each other enough to mix and cooperate for socioeconomic purposes, break up these relationships and ethnically disintegrate? Elite interests and “nationalist mythmaking” in a context of weak democratic institutions explain how chauvinistic politics and a provocative public-political discourse can polarize a society ethnically by fueling mutual fears and by eroding trust.<sup>10</sup> Such polarization is easier to create wherever political structures are based on indirect governance through local elites who employ their ethnic-religious ties with the population to disperse patronage.<sup>11</sup>

The weakness of all elite-based accounts, including rational-choice explanations, is that they describe ordinary people as more or less passive receivers who respond to elite-induced incentives and information. It is often understandable how nationalist elites benefit from fomenting ethnic-religious nationalism during periods of economic and political uncertainty; for example, Snyder (2000) rightly maintains that this enables them to draw on popular support without really delegating power. However, the motivations underlying popular participation are much less clear.

How is a chauvinistic discourse sustained once it becomes clear that it threatens peace and people’s livelihoods? Why do moderates, who tend to suffer most from polarization, fail to successfully challenge the discourse of ethnic-religious chauvinism?

An important part of the answer lies in the dynamics underlying the evolution of public discourse, which can give rise to multiple equilibria. Before explaining why, let me clarify my definition of public and private discourses. For the purposes of this article’s theoretical framework, *public discourse* can be defined broadly as the collection of views, beliefs, values and cultural-political references that people feel comfortable to express *publicly*, that is, when they cannot expect to have the ability to restrict their audience. This definition includes the discourse used by mainstream media and mainstream political actors in unrestricted settings. It also includes ordinary people’s discourse when talking or writing to strangers. Notably, what people avoid saying can tell as much about the characteristics of the public discourse in a country as what people do say.<sup>12</sup> The views, beliefs, or preferences that people avoid expressing to strangers are those that conflict with the views, beliefs and preferences expressed in the public discourse. Thus, many views, beliefs, and cultural-political references are only expressed within the *private discourse*, which captures what people feel comfortable to express exclusively in familiar settings, such as one’s home or to bounded audiences who share the speaker’s views. Hence, what separates the private from public according to these definitions is people’s ability to control their audience. Private settings are defined as those settings in which they can control their audience, while public settings are where they cannot. As the reader will soon see, this private-public distinction is consistent with the logic of reputational cascades.

A public discourse can be stable even though the beliefs and expectations it reflects contradict the interests of the majority of people in society. This occurs because of social incentives rewarding compliance with established norms. An example is the public discourse supporting the caste system. Once such a discourse is in place, it is not in the interest of individual opponents to challenge it on their own, unless they can successfully coordinate with others.<sup>13</sup> Similarly, once a chauvinistic public discourse has become the ‘norm,’ moderate group members who

<sup>7</sup> For the merits of, and the methodological issues raised by, applying models to single case studies, see “Introduction,” in Bates et al. (1998).

<sup>8</sup> Among others, Dasgupta (1988), North (1990), Putnam (2000), Zak and Knack (2001).

<sup>9</sup> See various contributions in Cook (2001).

<sup>10</sup> Snyder (2000).

<sup>11</sup> Hechter (2000).

<sup>12</sup> Loury (1994), Kuran (1995).

<sup>13</sup> Akerlof (1976), Kuran (1995), Basu (2000).

venture to challenge this discourse risk being ostracized as traitors or worse. Consequently, the moderates' views become restricted to the private discourse. It remains to be explained, of course, how a chauvinistic discourse becomes the equilibrium in the first place. For example, before polarization, the equilibrium Yugoslav public discourse predominantly reflected values of interethnic peace and harmony.

As the unscrupulous elites arguments would maintain, the transformation of a 'friendly' public discourse can start with changing elite preferences. What causes elite preferences to change may be changes in international economic-political order, a country's external relations, and domestic balance of power, or uncertainties generated by state weakening.<sup>14</sup> In order for the public discourse to move to a new equilibrium that fits the new elite preferences, however, elites need to convince people to change their discourse as well. Suppose that part of the elite in an ethnically integrating society has decided that it is now in their interest to capitalize on ethnic divisions. Kuran (1998a) explains that if they can mobilize a critical mass of people to publicly embrace an ethnonationalist discourse, self-reinforcing reputational pressures can create cascades of interdependent choices that move society from an equilibrium of 'low ethnonationalist activity' to one of 'high ethnonationalist activity'. At the high equilibrium, many individuals would be induced to exaggerate their ethnic loyalties in public, even though they may privately prefer mixing and tolerance.

*Reputational pressures* denote here the exercise or credible threat of social sanctions on individuals who fail to conform to their group; in other words, they denote social status penalties such as shame and ostracizing. This article is focused on reputational pressures as the mechanism that makes individuals interdependently change their behavior. *Cascade or threshold models* have also examined other mechanisms such as informational imperfections and increasing returns. The commonality of all cascade models is that they explain how incentives influencing individual behavior can rapidly change through chain reactions. As a result, the public behavior of a group of people may change significantly, although the information or beliefs that these people hold privately may remain the same.<sup>15</sup>

This article amends and develops Kuran's theory of reputational cascades in three major ways. First, by building on an earlier article, I examine the consequences of suppressed ethnic-religious

expressions, as well as exaggerated expressions, which are Kuran's main concern.<sup>16</sup> Suppressed expressions are essential to understanding the relative vulnerability to rapid disintegration during democratic opening. In many transition countries, elites choose to capitalize on ethnic-religious chauvinism during early democratization precisely because the prior suppression of certain ethnic-religious expressions has created a large depository of rival sentiments open to agitation. From Egypt to Indonesia, authoritarian or semi-democratic governments typically choose to subdue the expression of ethnic-religious rivalries rather than reconcile them within the context of an open discourse.

Second, Kuran's analysis considers the formation of private beliefs as exogenous. The argument here offers an explanation for private beliefs regarding trust in interethnic harmony. Accordingly, private trust depends on one's level of involvement in cross-group relationships, if one holds information about the composition of ethnic others, in terms of reliability, constant. It is assumed that people draw this information from the public discourse.

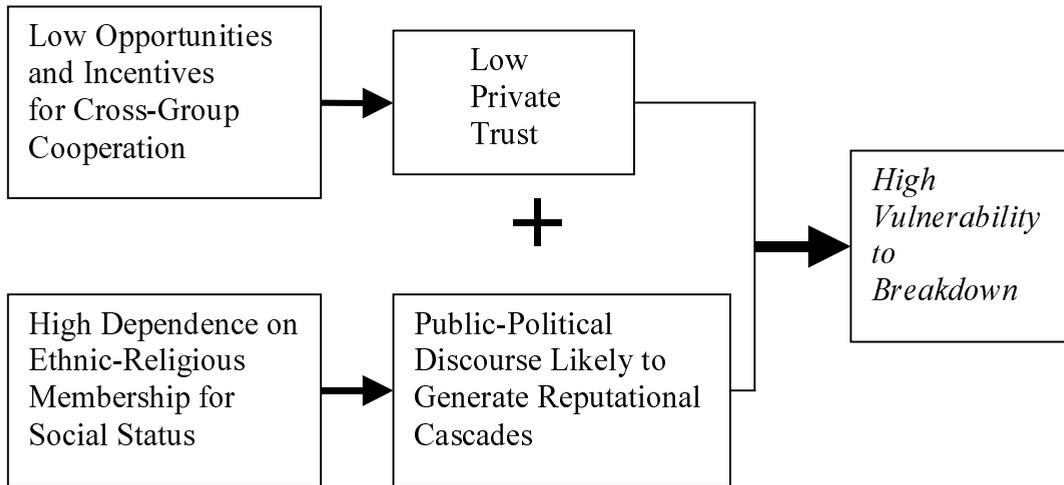
Third, the paper argues that, in order to generate comparative insights, research should focus on finding ways of explaining and measuring which factors make people more or less susceptible to reputational pressures, the key explanatory variable in Kuran's theory. It is argued here that, everything else held constant, a people would be more responsive to reputational pressures generated by ethnic-religious groups the more they depended on their group membership for social status. The reputational 'salience' or importance of group membership thus denotes a type of dependence on group-produced benefits, as discussed by Hechter (2000). Accordingly, Yugoslav institutions increased the likelihood of social disintegration insofar as they maintained the weight of ethnic-religious memberships as a source of social-political status.

Reputational pressures may not be equally important in all stages of ethnic-religious disintegration. Different mechanisms may be at work at different stages, and one can expect reputational considerations to have less weight as the society moves closer to violent conflict. I only argue that reputational considerations contribute to the radicalization of public discourse, which precedes violent conflict. At advanced stages, other mechanisms, such as outright threats, actual use of physical force, and "wishful thinking", may explain more of the individual incentives to participate in

<sup>14</sup> Among others, Linz and Stepan (1996).

<sup>15</sup> See among others Arthur (1994), Lohmann (1994), Laitin (1998), Bikhchandani et al. (1998), Kuran (1995 and 1998a), Petersen (2001) and Somer (2001).

<sup>16</sup> Somer (2001).

**Figure 1. Summary of mechanisms producing vulnerability to social breakdown**

violent disintegration.<sup>17</sup> The theoretical logic of the argument is summarized in Figure 1.

Two of the predictions that result from the following analysis ahead may be useful to mention here. First, the prevalence of private or public distrust is not necessary for violent social disintegration to occur in a diverse society; it can occur even in an apparently integrating society with an equilibrium of friendly public discourse. Second, contrary to what one might expect, severely divided societies, where intergroup hostilities are openly expressed and intergroup divisions run deep, are not the most vulnerable to violent disintegration. The most violent cases should be expected in societies where a friendly dominant discourse conceals existing group rivalries and where group identities have remained socially salient. Within these countries, those regions with highest levels of diversity and a relatively friendly history of intergroup relations are likely to experience more violence and dislocation.

### 3. Private Trust

Trust and inclusiveness are closely linked. Inclusiveness increases one's range of choices beyond

interactions within one's own group.<sup>18</sup> But it also increases one's vulnerability to the actions of ethnic others in periods of conflict. This is because inclusiveness increases one's stake in assets jointly owned with ethnic others, many of which are indivisible and would be lost in the event of an ethnic breakdown. In the absence of sufficient trust, people will choose exclusiveness.<sup>19</sup>

Accordingly, let me tentatively define *private trust* in ethnic others as a sincere belief that ethnic others will behave peacefully and cooperatively whenever one is vulnerable to, and lacks control over, their behavior. Trust depends on a variety of factors, such as the effectiveness of state institutions that ensure interethnic peace. It is also affected by public discourse, from which people draw clues regarding the future intentions of ethnic others, in particular the social-political weight of potential antagonists.<sup>20</sup>

This section models the formation of private trust by keeping variables such as public discourse, reputational pressures, and state institutions constant. The goal is to disentangle the effect of individual economic incentives from the effects of political guarantees, social pressures, and shifting public information regarding ethnic others.

<sup>17</sup> Petersen (2001) offers a theory of different mechanisms in play at different stages of rebellious movements. Also compare his discussion of communities with "low and high status rewards" to this article's discussion of communities with "high and low dependence on group membership for reputation".

<sup>18</sup> From the society's point of view, and under conditions of peace, inclusiveness is superior to exclusiveness because it extends market boundaries beyond one's own group and breeds competition across groups. Wintrobe (1995), Yarbrough and Yarbrough (2000).

<sup>19</sup> Alternatively, people incur high costs to constantly verify other parties' actions. (Zak and Knack, 2001).

<sup>20</sup> People who choose exclusiveness do not necessarily believe that all ethnic outsiders are unreliable or antagonistic. But people need to gauge the number and social-political weight, of potentially antagonistic outsiders before entering inclusive relations. The friendlier the discourse is, the less they predict the weight of antagonists, and the more likely they are to be inclusive.

### 3.1. One-period Game

Assume for now that individuals decide whether or not to be inclusive based on personal economic and psychic benefits only. Also, information regarding the overall composition of ethnic others in terms of reliability is constant. These assumptions will be lifted in the next section.

An individual  $i$  faces a binary choice  $x = \{0,1\}$  in order to maximize the expected value of the objective function<sup>21</sup>

$$V_i: U_i(x; p, S) \quad i = 1, \dots, N \quad (1)$$

subject to a budget constraint  $T \geq C \cdot x$ . The choice variable  $x$  represents the exclusive strategy if  $x = 0$  and the inclusive strategy if  $x = 1$ . The individual takes the probability  $p$  that the outsiders are of type I, the unreliable type, rather than of type II, the reliable type, as exogenously given. The exogenously determined constant  $S$  stands for the effectiveness of government institutions such as a strong treasury and solid fiscal policies, a strong and neutral army, and an effective judiciary enforcing constitutional order and intergroup peace. While breakdowns of such institutions are important instigators of social disintegration,  $S$  will henceforth be neglected since it is immaterial to the argument here.<sup>22</sup>  $U_i(\cdot)$  can take three possible values:

$$U_i(x = 0) = 0, \text{ and}$$

$$U_i(x = 1/p) = \begin{cases} -F & \text{with probability } p \\ (F + \alpha_i) & \text{with probability } (1-p) \end{cases}$$

Consider the following two-stage game with asymmetric information in order to examine the decision problem that gives rise to the objective function. Figure 1 illustrates the decision structure and corresponding payoffs. In period I, an individual who lives in an ethnically diverse environment chooses  $x$ .<sup>23</sup> By choosing  $x = 0$ , she excludes outsiders in her transactions and the game ends with her, and everybody else, receiving zero. This outcome represents one's state of well-being if one cooperates only with one's own group members. By choosing 1 and paying the cost  $C$ , however, the individual can obtain positive but uncertain benefits in period II. The

value of  $C$  represents the cost of gaining the skills necessary to cooperate with outsiders, such as the cost of learning the outsiders' language or customs, and of developing social relationships with outsiders.

In period II, an ethnic outsider decides to cooperate or defect. If the outsider cooperates, the individual receives a net benefit equal to  $(F-C+\alpha_i)$ , which represents the total net value of all of the benefits attainable by cooperating with outsiders. These benefits have two components,  $F$  and  $\alpha_i$ . The former, indivisibles, covers the value of assets that are jointly owned with outsiders, and can only be utilized as long as the outsider cooperates. The latter,  $\alpha_i$ , captures divisible and transferable benefits, which can be recovered even if outsiders defect.

If the outsider defects, the individual is forced to pay a positive penalty that is equal to the value of  $F$ . The individual thus incurs a total loss of  $-(F+C)$ . The outsiders are divided into two groups. Given the opportunity, type I always defects while type II always cooperates, which is ensured by the restrictions  $\beta_c > \beta_d$  and  $\gamma_c < \gamma_d$ . The individual cannot identify these two types a priori but observes  $p$ , the portion of type I within the outsider population. All the payoffs and  $p$  are common knowledge.

Under these circumstances, the individual chooses the inclusive strategy  $x = 1$  only if  $p$  is less than a *threshold level of trust*  $p'_i$ , where

$$p'_i = \frac{(F - C) + \alpha_i}{2F + \alpha_i} \quad (2)$$

The exclusive strategy  $x=0$  is the dominant strategy if  $p$  is greater than  $p'_i$ , and the individual is indifferent between the two strategies if  $p = p'_i$ .

### 3.2. Interpretation and Implications

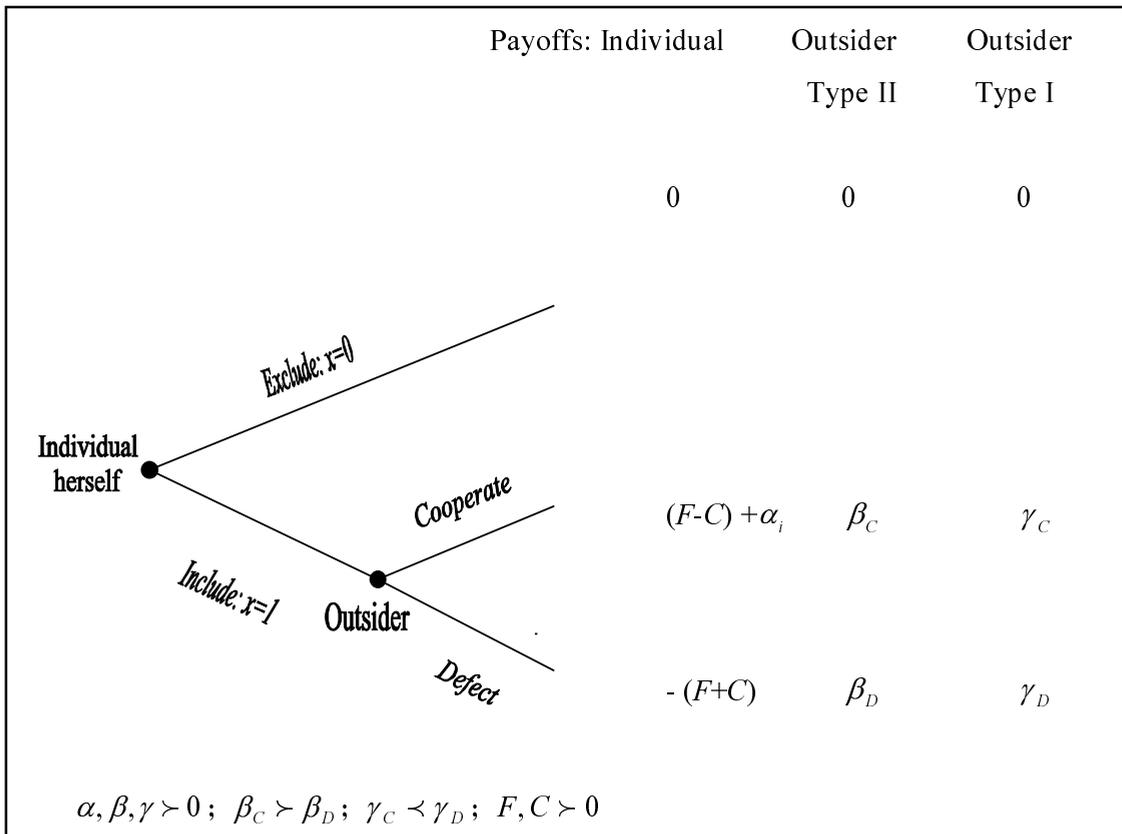
Equation (2) implies that people trust ethnic outsiders more, the more beneficial interethnic cooperation is. They become more skeptical or expect more assurance before choosing inclusiveness, the less beneficial and the more costly such cooperation is. This is consistent with a major finding in social

<sup>21</sup> More precisely, the choice variables can be defined as vectors of inclusive and exclusive activities without any change in the implications for the purposes of this paper.

<sup>22</sup> Hechter (2000) explains Yugoslavia's disintegration primarily with the weakening of the federal state.

<sup>23</sup> That the average person is better off with inclusiveness than with exclusiveness is ensured by the assumption  $(F-C) + \alpha_i > 0$ . Otherwise, the individual always chooses  $x = 0$  regardless of  $p$ .

**Figure 2: Individual decisions to undertake inclusive activities.**



psychology. Even in artificially created group divisions, opportunities for inter-group cooperation nurture inter-group trust, and the absence of cooperation, or competition, facilitates the emergence of distrust and resentment.<sup>24</sup>

Accordingly, a more refined measure of *trust* can be defined for the purposes of this paper. Trust is the maximum perceived portion of antagonistic outsiders that an individual can tolerate in order to maintain the belief that ethnic others will behave peacefully and cooperatively, and, hence, to maintain inclusive behavior. In accordance with Hardin’s (2001) “encapsulated interest” theory of trust, this is a cognitive definition of trust whereby trust results from the truster’s knowledge that the trusted have an interest in fulfilling their trust. In other words, the more there are beneficial opportunities for cross-ethnic cooperation in their environment, the more people are willing to resist negative information about ethnic others and trust them because they know that ethnic others have an interest in fulfilling their trust. Another possible interpretation that deserves separate examination is that trust may follow from the truster’s

self-interest. People may be cognitively more inclined to ignore negative information and to trust, the more they stand to profit from the inclusiveness that trust makes possible.

Thus, everything else held constant, one should expect trust to increase in  $(F-C)$  and  $\alpha_i$ . Ideally, the measuring of these variables requires information that goes beyond the available statistics on diversity. Communities can live side by side yet with little socio-economic interaction and sharing, although they would appear to be heterogeneous in statistics. As a proxy, however, one can expect diverse societies to create more opportunities for cross-ethnic cooperation and the sharing of collective goods, and trust should, therefore, be high in diverse areas. This must be especially true in areas where people have long histories of coexistence and intermingling. Coexistence familiarizes people with the ways and cultures of the neighboring groups, thus decreasing the value of  $C$ . Enduring intergroup “contact” may also lead to the convergence of cultures of neighboring groups, thus further reducing  $C$ .<sup>25</sup>

<sup>24</sup> Sherif and Hovland (1961), Robbers Cave experiment. See also Tajfel and Turner (1986).

<sup>25</sup> Forbes (1997) offers a critical discussion of the “contact hypothesis” in social psychology, which postulates that contact reduces intergroup differences.

The interpretation of the variable  $F$  is crucial. Inclusiveness always involves some sort of shared ownership of indivisible benefits with outsiders. By choosing to live in an ethnically mixed neighborhood, for instance, one shares all the collective goods available in the area with one's neighbors. These collective goods can be tangible benefits, such as access to parks, and intangible benefits, such as personal safety, security of private property, and pride in one's community.

Most of these benefits are indivisible and non-transferable. They disappear once people exit because of a breakdown of interethnic relations. Thus, the value of  $F$ , together with the value of  $C$ , simultaneously represents the losses that inclusive people have to incur in the event of a breakdown in interethnic relations, or ethnic conflict. When interethnic relations collapse, individuals who had been inclusive generally incur greater losses than people who had been exclusive. A significant portion of the former's social relations, including location-specific business partnerships, friendships and marriages, are forcibly broken. The fruits of such relationships, such as companionship and children, are very difficult to divide among the parties involved and to reallocate to alternative uses.

Furthermore, diversity and inclusiveness almost always produce some level of common identity. When an interethnic community breaks up and the common identity associated with it ceases to exist, psychological benefits such as the pride in a shared identity and cultural heritage, and symbolic goods such as the flag of a multiethnic state, become obsolete. An extreme example is that, when ethnic conflict hit mixed neighborhoods in Bosnia, thousands had to part with their neighborhoods and the associated collective identities. On leaving they often only took a minimal of their personal belongings with them. Those who could sell some of their assets, such as their homes or cars, did so for prices drastically less than the real value of those assets. These people also lost their share of the collective benefits that had stemmed from having been able to live peacefully in a multiethnic community, including interethnic social and economic relationships, and the value of cultural-linguistic skills specific to these interethnic relationships.

The individual parameter  $\alpha$  depicts the individual variations in the ability to utilize the opportunities for cooperation in a given environment. For simplicity, these benefits are assumed to be divisible and transferable. Among individuals who share the same environment—a common level of  $(F-C)$ —returns from interethnic cooperation will vary alongside individual differences such as psychological traits, social skills, education levels, and family histories. Individuals with predispositions that facilitate cooperation with

outsiders will observe high values of  $\alpha_i$  and, everything else being equal, will have higher threshold levels of trust, according to (2).

Consider the example whereby  $p$  is generally thought to equal 0.25. In this case, those having payoffs that produce  $p_i$ 's greater than 0.25 will cooperate with outsiders, while those with  $p_i$ 's that are less than 0.25 will exclude outsiders. In a one-period game, 25 percent of outsiders defect, individuals who have cooperated with them incur a net loss of  $-(F+C)$ , the others either receive 0 or enjoy a net benefit equal to  $(F-C+\alpha_i)$ , and the game ends.

### **3.3. Repeated Interactions and Public Discourse**

In real life, people face repeated decisions as to whether or not they should be inclusive. Positive experiences encourage them to be inclusive, while negative experiences induce them to be exclusive. In a repeated game where decisions are updated after each period, outsiders who have defected in one period have revealed their type to others. Assuming that transactions are perfectly observable—or that information quickly spreads across the population—no defector can survive the game for more than one period. Type I individuals who defect soon become identified and excluded from cooperation with others. Knowing this, however, type I individuals have an incentive to cooperate in order to conceal their true type. They will not defect unless they think that the game will end soon. How many periods before the final period they would defect depends on the inequality  $\gamma_C < \gamma_D$ .

Thus, in repeated interactions ethnic antagonists have strong incentives to conceal their true intentions. Outsiders' current cooperative behavior does not rule out the possibility that they may have hostile intentions in the future. This is why public discourse is a vital source of information for inter-group relations. People monitor outsiders' discourse in order to discern signs of hostile intentions and to gauge the possibility of future conflict. In doing so, people screen what outsiders are not saying as much as they screen what they are saying. People remain alert to fluctuations in the discourse, which they interpret as a signal that outsiders' interests and intentions may be changing. A sustained radicalization of the public discourse is interpreted as signaling that the percentage of type I outsiders is rising, or that their true significance is coming out under changing interests.

This may also explain partly why interethnic suspicions may prove resilient, even after long periods of post-conflict cooperation. It may take a long time for

economic and political cooperation to eradicate interethnic suspicions. Knowing the others' incentive to hide any antagonistic intentions, people take the trustworthy deeds of outsiders with a grain of salt.

The next section will demonstrate that public discourse is a highly imperfect updating mechanism for information regarding the intentions of ethnic others. Because of self-reinforcing reputational pressures, public discourse can generate multiple equilibria, which may either downplay or exaggerate outsiders' true intentions. Thus, public discourse can support beliefs that are either overly complacent or overly suspicious. Before we move on, a summary of the relevant implications derived in this section is in order:

- (1) Private trust is a function of *effective* diversity (diversity that offers benefits from inclusiveness that are not too costly to utilize) in one's environment.
- (2) Whatever the perceived level of ethnic-religious outsiders' reliability, one can increase intergroup trust among individuals by encouraging investments in jointly owned assets and by supporting the learning of skills that facilitate intra-group transactions.
- (3) Since, under repeated interactions, friendly behavior on the part of ethnic-religious outsiders need not necessarily imply a lack of ethnic-religious antagonisms, people rely on public discourse to detect signs of the actual level of hostilities and hostile intentions.

#### 4. Public Expressions of Trust and Cascade Effects

Public expressions of trust may differ from private trust because the former's reputational consequences far exceed that of the latter's. In a polarized environment, publicly expressing trust in ethnic others may confer on an individual the reputation of being *nad've* or stupid, or worse, the reputation of being a potential collaborator. Of course, in a different, non-polarized environment in which integrationist ideas are in vogue, the same expressions may bestow on individuals the reputation of good citizenship and high social status. The public discourse in such an environment would reflect values of interethnic mixing and brotherhood. Thus, the direction of perceived reputational pressures depends on the equilibrium public discourse in one's social environment.

Consider a Muslim in Pakistan, who lives in a region that is dominated by radical Islamist groups, in the

aftermath of the 2001 terrorist attacks on the World Trade Center and the Pentagon. Her social environment will be dominated by vocal and militant Islamists who strongly believe that the United States is an imperialist power that is primarily responsible for the plight of Muslims worldwide. The individual may be employed in a business or government job controlled by Islamists; alternatively, she may depend on aid provided by pious Muslim organizations to be able to take care of her children. These benefits are all available on the condition that she maintains her status as a loyal and practising Muslim. Under these circumstances, it is likely that the person will be subjected to strong reputational pressures to adopt an anti-American and pro-bin Laden rhetoric in order to protect her status as a good Muslim. Hence, even if she privately trusts the United States to be a relatively benign superpower, say based on CNN (Cable News Network) news that she follows through satellite television at home, she may employ a public discourse that condemns the United States as an evil force. She may even attend a pro-bin Laden rally to prove her reliability.

This is not to say that there are not people who genuinely distrust the United States and support bin Laden for their own reasons, or because they receive their information from pro-bin Laden organizations. Reputational and informational incentives are often mixed. The more one-sided the information supporting the "group view," the more compelling reputational pressures become to endorse that view, and the more difficult it becomes to dissent without appearing to be a traitor. Following the attacks on the World Trade Center, for instance, Arabic-language media sources, including the Al-Jazeera TV-station, reported conspiracy theories regarding Israel's secret involvement in the attacks, and even rumors that Jews who worked at the Center were told beforehand not to go to work on September 11. This informational environment makes it easier for radical Islamic activists to silence skeptics in Muslim communities by raising suspicions over their reputation as 'good Muslims.'

In an environment that entails such pressures, the public discourse can dramatically misrepresent the underlying private beliefs and preferences in society. Perceived social pressures often push unpopular views to the private realm. For instance, it is possible that private support for radical Muslim groups is much less than their public support, which can be observed, for example, by the rhetoric of Islamist newspapers and level of attendance in anti-American rallies.

An important factor that supports conformism is the perception that individual behavior makes little difference to the aggregate outcome. Activists are, of course, those who do not share this perception and try to 'make a difference.' But most people do not

have hard evidence and strong opinions regarding historical disputes between ethnic groups. If their reputational dependence on group membership is sufficiently great, and if vocal and active group members support an antagonistic discourse, people may go along with a discourse that their private beliefs do not support. Consider an Arab from Israel whose social and economic relationships include non-Arabs. Such a person may or may not have a strong sense of belonging to a Palestinian identity, but he would be more immune to reputational pressures to use an anti-Israeli discourse. By contrast, an Israeli Jew whose relationships exclusively consist of other Jews would feel more pressure to employ an anti-Palestinian discourse than if her relationships included Palestinians.

Surely, people are not chronic conformists. Arguably, everything else being equal, most people would prefer to voice what they privately believe rather than conceal it. Given one's dependence on group membership for reputation, one's resistance to reputational pressures would be greater the more the 'group view' conflicts with one's own, and the stronger one feels about personal autonomy and integrity. In terms of Kuran's (1995) reputational cascade model, this means that every person has a different *reputational threshold* that must be reached before he will undertake "belief falsification," the falsification of one's private beliefs in public through concealment or outward misrepresentation. Thus, a person who privately trusts ethnic others, greatly cares about personal autonomy, and whose social relationships do not much depend on ethnic insiders would have a high reputational threshold of falsifying his private beliefs to go along with an antagonistic public discourse.

If the reputational thresholds of a critical mass of people are reached, the public discourse can undergo a rapid and massive shift from one emphasizing interethnic brotherhood, to one that is antagonistic toward, or at least highly suspicious of, ethnic outsiders. Once a critical mass of people has adopted the latter discourse, two main types of people change their public discourse. First, many individuals who privately distrusted ethnic others but had been undertaking 'downward belief falsification,' that is, the downplaying of one's private belief in public, decide to 'come out.' Second, many individuals jump on the bandwagon and adopt a highly antagonistic discourse even though privately they barely suspect ethnic others' intentions. They thereby undertake 'upward belief falsification,' the exaggeration of one's private

attachment to a belief or discourse.<sup>26</sup> Finally, there will be people who do not have a firm private belief on the question, because of either insufficient interest or knowledge. These people will assume that the discourse used by the perceived majority is the most adequate one and will constantly adjust their discourse so as to make it consistent with the 'politically correct' discourse at that time.

In terms of the model of private trust introduced earlier, a radical shift of public discourse to a more antagonistic discourse brings about a sudden rise in the perceived portion of antagonistic outsiders  $p$ . Thus, substantial portions of people whose threshold levels of trust have fallen below the new  $p$  will abruptly exit inclusive relations. The effects on social disintegration would be much smaller if public discourse were not subject to sudden and large shifts through cascade effects;  $p$  would only change gradually and would allow people to adjust their relations accordingly. Any build-up over time in the amount of downward belief falsification increases the odds of the dominant social discourse undergoing a large shift.<sup>27</sup> If the size of the shift in the public discourse is held constant, the degree of the resulting social disintegration depends on people's threshold levels of trust.<sup>28</sup>

Knowing this, ethnic entrepreneurs who favor disintegration concentrate their efforts on four goals. First and foremost, they try to decrease their constituency's reputational thresholds by increasing people's dependence on ethnic group membership for reputation. Second, they endeavor to lower people's threshold levels of trust through propaganda and persuasion. Third, they attempt to radicalize the public discourse by using social and other pressures. And, fourth, they plot events that would truly or falsely signal to their public that most other people were shifting to a more antagonistic public discourse. If they succeed, they create a highly insincere public discourse that conceals a great deal of downward belief falsification, in which views and beliefs in favor of mixing are silenced.

To differing degrees, all democracies suffer from the possibility of an insincere discourse. Where ethnic group membership is insignificant, ideological, racial, or social class distinctions may be salient, enabling political actors to suppress the plurality of views in regard to these cleavages by using social pressures and an atmosphere of political correctness. Hence, institutions protecting dissenters and an ethic of

<sup>26</sup> Also see Somer (2001).

<sup>27</sup> Ibid.

<sup>28</sup> The effects also depend on the distribution of the thresholds of trust. A society comprising only people with either very high or very low thresholds may be more resilient to shifts in public discourse than a society where most people's thresholds are concentrated around the  $p$  prior to the shift.

candor are essential for the survival of pluralism.<sup>29</sup> Safeguards to pluralism should also include the nurturing of overarching and cross-cutting group memberships, the absence of government or private monopolies over information dissemination, and the existence, and sufficient organizational power of, social-cultural entrepreneurs who favor pluralism and are credited as such by society.

A summary of the implications derived so far from reputational cascade effects in public discourse is in order:

- (4) The public discourse may be a poor predictor of the private level of trust in society.
- (5) Social-political entrepreneurs constantly compete to shift the public discourse through cascade effects. If they can make a critical mass of people simultaneously shift their publicly expressed beliefs, cascade effects can generate rapid and massive shifts in public discourse.
- (6) The greater the previous amount of downward belief falsification, the greater the shift in public discourse, if it occurs.
- (7) The higher the reputational importance of ethnic group membership, and the lower the reputational importance of alternative and cross-cutting group memberships, the easier is for ethnic entrepreneurs to shift the public discourse within their group through reputational cascades.

In the long run, feedback effects should ensure that a public discourse reflecting trust also fosters private trust. However, these positive feedback effects should not be expected to occur automatically and effortlessly. In countries with a history of past conflicts, conscious efforts are necessary to reconcile the different perceptions and memories of members of different ethnic groups within an environment of open and sincere public discourse. Otherwise, private distrust can survive in post-conflict societies for long periods, even among new generations, who are exposed to one-sided representations of past conflicts through their parents, or through underground information resources.

The key to achieving lasting interethnic trust is a truly open public discourse, whereby participants freely express their genuine beliefs and preferences, combined with socioeconomic incentives that nurture trust according to (2) above. The price that society pays for an open and sincere discourse is the short-term increase of interethnic tensions and the increased

likelihood of strife that result from the revelation of biases, prejudices, and hatreds. If society can get past that, however, the possibility arises that hostile beliefs and preferences gradually subside through interethnic dialogue, peace, and cooperation. Opposing representations of painful histories can only be reconciled if they can challenge each other through open discourse. If this indeed occurs, the resulting absence of hostile behavior would be credible and could produce lasting trust.

- (8) Once the public discourse has shifted, through feedback effects, public beliefs will, over time, influence private levels of trust as well. The more open the public discourse is and the more institutional efforts there are to reconcile the memories of past conflicts, the faster the feedback effects should take place.
- (9) For long-lasting peace and integration, socio-economic policies that encourage effective diversity according to implications (1) and (2) should accompany an open discourse. For any given shift of public discourse, that is, an increase in  $p$ , what determines the likelihood of rapid and massive disintegration is individual threshold levels of trust, which are enhanced by effective diversity.

The analytical framework that emerges from the last and present sections is summarized in Table 1, which compares vulnerability to rapid and massive social breakdown across societies.

Accordingly, the reputational importance of group identities is not significant in each case. It is only consequential in societies in which there is a large discrepancy between private and public levels of intergroup trust (cases C through D'). When private distrust is not hidden, socioeconomic mixing is expected to be limited. People are not misinformed by an insincere public discourse. Hence, the magnitude of potential shifts in the public discourse, and the damage this can visit upon socioeconomic relations, are also limited. Conversely, where distrust is hidden and underestimated, the effects can be far-reaching and destabilizing.

Societies that are most vulnerable to rapid and violent social disintegration are those depicted by scenario D', for three reasons. First, the existence of private distrust and the reputational salience of group identities facilitate the radicalization of the public discourse through cascade effects. Second, the existence of downward belief falsification increases the severity of any shift in the event that it occurs. And, third, the fact that trust prevails publicly leads

<sup>29</sup> Kuran (1998b).

**Table 1: Comparative Vulnerability to Disintegration**

Scenario	Private	Public	Reputational dependence on group identities	Outcome
<b>A</b>	<b>Distrust</b>	<b>Distrust</b>	<b>Relatively Irrelevant</b>	<b>Deeply divided (polarized) society</b>
<b>B</b>	<b>Trust</b>	<b>Trust</b>	<b>"</b>	<b>Integrated society</b>
<b>C</b>	<b>Trust</b>	<b>Distrust</b>	<b>High</b>	<b>Society kept divided by divisive ethnic-religious entrepreneurs</b>
<b>C'</b>	<b>Trust</b>	<b>Distrust</b>	<b>Low</b>	<b>Divided society with potential for de-polarization</b>
<b>D</b>	<b>Distrust</b>	<b>Trust</b>	<b>Low</b>	<b>Privately-mentally divided society kept together by compatible (unifying) entrepreneurs. Some likelihood of rapid-massive disintegration</b>
<b>D'</b>	<b>Distrust</b>	<b>Trust</b>	<b>High</b>	<b>Privately-mentally divided society with high likelihood of rapid-massive disintegration and violent conflict</b>

many to invest in cross-group relationships by relying on the misleading public discourse. These relationships have to be broken up violently when social disintegration occurs. Within countries, those regions with more trust and mixing would experience more violent social disintegration and dislocation. This might partly explain, for instance, why, among the numerous periods of ethnic conflicts and ethnic cleansing unleashed by the unmixing of ethnic-religious communities during the disintegration of the Ottoman Empire, some were more violent and painful than others.<sup>30</sup> The regions that were more mixed and integrated appear to have suffered more intercommunal conflict.

For the sake of simplicity, social-political entrepreneurs who advocate ethnic separation and exclusiveness will in the following narrative be called *divisive entrepreneurs*. (In this case pro-Yugoslav) activists and entrepreneurs who advocate ethnic inclusiveness will be called *compatible entrepreneurs*.

## 5. Public Discourse, Trust, and Social Disintegration in Yugoslavia

### 5.1. Private and Public Trust

Yugoslavs stood to gain a great deal from interethnic coexistence and cooperation. As one author argues, Yugoslavia “had made it possible for at least four decades [for the constituent ethnolnational groups] to be proud of their own specific [ethno]national

heritage and to feel at home throughout Yugoslavia.”<sup>31</sup> “It was in their union, a union of Southern Slavs, that they realized their long-sought emancipation from the imperial powers, both of the East and the West,” maintained another.<sup>32</sup> Although different regions by no means benefited from it equally, this union, alongside the country’s ethnic diversity, offered various benefits from interethnic cooperation that must have induced private trust according to implication (1).

The interethnic peace, international respectability, and *relative* economic and political contentment that the former Yugoslavs enjoyed until the 1980s must also have contributed to trust. In terms of GNP per capita in 1990, Yugoslavia was the most prosperous country among communist Balkan states, trailing slightly behind Czechoslovakia among the communist states in Eastern Europe and the Russian Federation. Although its regional distribution was alarmingly unequal, the Yugoslav economy grew at a respectable 6.1% annual rate between 1965-73, and 6.4% between 1973-80.<sup>33</sup>

Furthermore, one would expect the public discourse in the Tito era to have convinced people to invest in interethnic coexistence by reducing people’s perception of *p*, the probability that ethnic outsiders are of type I. These factors explain the existence of significant integrationist tendencies in post-war Yugoslavia, which are ignored by most current observers. For instance, substantial numbers of Yugoslavs of different ethnic backgrounds were intermarrying and self-identifying with the Yugoslav identity.<sup>34</sup>

<sup>30</sup> For one account, see Brubaker (1995).

<sup>31</sup> Denitch (1994).

<sup>32</sup> Akhavan (1995: x)

<sup>33</sup> The World Bank. See also Vojnić (1995).

<sup>34</sup> Petrović (1991), Somer (2001). For a critique, see Botev (1994).

Table 2: Regional Ethnic Diversity in Yugoslavia.<sup>35</sup>

Name of Region	% of largest ethnic group in 1981	Ethnolinguistic Fractionalization Index (ELF) in 1961	ELF in 1971	ELF in 1981
<b>Slovenia</b>	<b>90.5 % (Slovenian)</b>	<b>0.09</b>	<b>0.12</b>	<b>0.18</b>
<b>Serbia Proper</b>	<b>85.4 % (Serbian)</b>	<b>0.15</b>	<b>0.20</b>	<b>0.27</b>
<b>Kosovo</b>	<b>77.4 % (Albanian)</b>	<b>0.49</b>	<b>0.42</b>	<b>0.38</b>
<b>Croatia</b>	<b>75.1 % (Croatian)</b>	<b>0.33</b>	<b>0.35</b>	<b>0.41</b>
<b>Montenegro</b>	<b>68.3 % (Montenegrin)</b>	<b>0.33</b>	<b>0.52</b>	<b>0.50</b>
<b>Macedonia</b>	<b>67.0 % (Macedonian)</b>	<b>0.46</b>	<b>0.48</b>	<b>0.51</b>
<b>Vojvodina</b>	<b>54.3% (Serbian)</b>	<b>0.63</b>	<b>0.63</b>	<b>0.53</b>
<b>Bosnia and Herzegovina</b>	<b>39.5 % (Bosnian Muslim)</b>	<b>0.70</b>	<b>0.66</b>	<b>0.70</b>

Yugoslav republics and autonomous regions (Kosovo and Vojvodina, both within Serbia proper) were generally becoming more mixed, *partly* as a result of ethnic group members moving into regions inhabited by majority ethnic groups other than their own.<sup>36</sup> As Table 2 illustrates, the ethnolinguistic fractionalization index (ELF) rose from 1961 to 1981, with the important exceptions of Kosovo and Vojvodina, where it fell, and Bosnia, where it remained about the same. This suggests that at least the immigrants themselves had sufficient trust in the future of interethnic coexistence.

Certainly, interethnic relations and levels of trust were not uniform across different regions of Yugoslavia. Available indicators are supportive of the thesis here that diversity and mixing should foster trust. Consistent with implication (1), table 3 suggests that, again with important exceptions, more tolerance generally coexisted with greater diversity. As predicted, the highest and lowest levels of tolerance were found in the most and least diverse Yugoslav Republics, Bosnia and Slovenia, respectively. However, the outliers are as informative as those who complied with the predictions. The two regions that exhibited drastically less tolerance than one would predict from their level of diversity, Kosovo and Macedonia, both had substantial ethnic Albanian populations. Indeed, Yugoslavia's unresolved sour relations with its Albanian population, especially those in Kosovo, were among the major catalysts of the Yugoslav conflict. Despite statistical diversity, Kosovar Albanians were

not integrated with Serbs. Hostile relations between the former and the Serbian state became an issue that was amply exploited by ethnonationalist politicians and affected other regions of Yugoslavia as well. The status of ethnic Albanians has remained unresolved to this day, not only in Kosovo but also in Macedonia, which was threatened by violent disintegration but which seems to have successfully managed ethnic tensions for now.

Table 3. Diversity and Tolerance in Yugoslavia in 1989<sup>37</sup>

Name of Region	ELF in 1981	Interethnic Tolerance in 1989
<b>Bosnia and Herzegovina</b>	<b>0.70</b>	<b>3.88</b>
<b>Vojvodina</b>	<b>0.53</b>	<b>3.83</b>
<b>Macedonia</b>	<b>0.51</b>	<b>2.53</b>
<b>Montenegro</b>	<b>0.50</b>	<b>3.45</b>
<b>Croatia</b>	<b>0.41</b>	<b>3.63</b>
<b>Kosovo</b>	<b>0.38</b>	<b>1.71</b>
<b>Serbia Proper</b>	<b>0.27</b>	<b>3.28</b>
<b>Slovenia</b>	<b>0.18</b>	<b>2.67</b>

<sup>35</sup> Calculated using figures in Tables 2-1 and 2-2, in Woodward (1995: 32-35).

<sup>36</sup> Among others, see Vojnić (1995).

<sup>37</sup> National tolerance figures from Hodson et al. (1994).

Tito's rule severely limited the public expression of ethnonationalist views and antagonisms but took insufficient initiative to reconcile them. Tito used mutual guilt to underline the history of ethnonational conflicts and neutralize ethnonationalism: "the expression of [ethno]national interests had to take place in a peculiarly circumscribed fashion. While the Croats were haunted by the Ustasha ghost, the Serbs were haunted by the specter of the accusation of Great Serbian Hegemonism."<sup>38</sup> Any public expression of ethnic distrust was stamped as renegade ethnonationalism. However, no serious attempt was made to 'reconcile' ethnic grudges, as, for instance, the truth and reconciliation commission is attempting to do vis-à-vis the tragic past interracial relations in South Africa.

The resulting public discourse concealed a good deal of downward belief falsification, the signs of which were apparent in the divergent and ethnically biased ways in which people responded to controversial issues. In a typical display, Serbs frequently attributed the origins of the policies on Kosovo to the ethnic origin of the policy makers, as a "punitive truncation of Serbia by the half-Croat, half-Slovene Tito."<sup>39</sup> Downward belief falsification raised the potential for radical shifts in public discourse in the future, in line with (6).

Thus, except for Bosnia, Yugoslavia as a whole displayed the characteristics described in the last two rows of table 1, with low private trust but a misleading public discourse. In order to determine whether it fits the case D or D', we should examine the reputational dependence on group identities.

## 5.2. Yugoslav Institutions and Reputation Effects

Tito's emphasis was on "brotherhood," which implied interethnic equality and mutual respect, but not necessarily the reduction of ethnic identities' importance as a social-political reference. In fact, people who self-identified as Yugoslavs were "mildly discouraged" from doing so.<sup>40</sup> Accordingly, the Yugoslav national identity was defined as a residual in national censuses, one that could be declared if a person had no identifiable [ethno]nationality.

The Yugoslav federal system evolved as a result of a

series of constitutional changes and amendments, which culminated in the 1974 constitution. Following the early 1960s, the system shifted to a socialist version of ethnic multiculturalism and increasingly institutionalized ethnonational differences and recognized the use of ethnonational identities as a social and political asset.<sup>41</sup> The election system was built to produce an equal numerical representation of each republic and autonomous province in the legislature, although the territories and populations of these varied greatly in size. Consequently, the articulation and aggregation of interests in Yugoslav politics was regionalized, and, because regions were associated with ethnic-national categories, ethnicized.<sup>42</sup>

Media policies greatly reinforced this trend. People's information sources were increasingly regionalized. After 1974, media subsidies were transferred from the federal budget to the budgets of the republics, enabling regional politicians to take full control of the media. The daily and weekly press, and TV studios, developed their own networks and relied on local programming. The latter stopped the traditional cross-ethnic coverage and ceased to coordinate their programming to make room for one another's productions.<sup>43</sup> Croats relied on Croat publications to get information, Kosovar Serbs followed Serbian sources, and Kosovar Albanians followed their own media.

Political institutions also fostered reliance on ethnic group membership as a source of reputational benefits. Competition for public office and most governmental positions was limited to group members. Thus, the positions of a vast number of people were closely associated with their ethnonational origin. To quote Denitch (1994: 38-39), "rigid use of an affirmative action ethnic 'key' assured a near-equal distribution of cabinet posts, ambassadorships, and other important federal appointments between cadres from the republics provinces." He argues that the system kept the fact of [ethno]national identity central in determining career paths of at least two generations of politicians and civil servants." These policies reduced the independence of people's occupational identities from their ethnic identities, increasing reliance on the latter for social status. This was all the more so because in Yugoslavia's self-management system, people's occupations determined a good deal of their economic and political relations and associations.<sup>44</sup>

<sup>38</sup> Judah (1997: 145). Also see Woodward (1995: 37).

<sup>39</sup> Malcolm (1998: 329).

<sup>40</sup> Crnobrajna (1994: 69).

<sup>41</sup> Burg (1988).

<sup>42</sup> Ibid: 20.

<sup>43</sup> Milošević (2000: 108-109).

<sup>44</sup> Burg (1988), Woodward (1995: 41-43).

Altogether, these trends suggest that the Yugoslav case fit the characteristics of case D' in Table 1; when the Yugoslav transition began in the 1980s, Yugoslavs were already susceptible to violent social disintegration.

### 5.3. Shifting Discourse and the Breakdown of Interethnic Relations

In the early 1980s, four developments were likely to have bolstered the ranks of divisive entrepreneurs. The first was the consecutive deaths of two prominent figures in Yugoslav history. Kardelj, the Yugoslav Party's leading ideologist and Tito's most prominent successor, died in 1979. Then, Tito, whose name and personality were largely identified with Yugoslavness, and who had become a cult figure supplying the system with cohesion, died in 1980. These deaths had a significant psychological impact on Yugoslavs in that they marked the end of one era and the beginning of another.<sup>45</sup> Second, the gradual, yet remarkable, descent of global communism demonstrated to Yugoslavs that the communist regime was not invincible, leading many Yugoslavs to look for other ideologies to substitute for communism's role in their belief systems and careers. These developments also undermined the authority of the institutions that used to sanction a pro-Yugoslav discourse, gradually but decisively tipping the balance of social-political incentives in favor of adopting an ethnonationalist public discourse. One indicator of the changes was the drop in people's willingness to join the League of Communists of Yugoslavia, which symbolized the cohesiveness of both the political regime and Yugoslavia itself.<sup>46</sup>

Third, as the Cold War approached its end, Yugoslavia's geopolitical importance for the West as a bulwark against Soviet communism gradually disappeared, and the West's willingness to support Yugoslavia economically diminished. Fourth, this erosion in external political-economic support coincided with a severe economic crisis during the 1980s, generating a negative average growth rate and hyperinflation in Yugoslavia.<sup>47</sup> The share of unemployed within the age group of 15 to 65 rose

steadily in this era from 11.9% in 1980 to 14.9% in 1989, and to 16.4% in 1990.<sup>48</sup> Austerity programs impaired the occupational identities of a large portion of society. The reforms may have been economically sound in terms of their long-term results, but their short-term social costs were disastrously high: "reforms had begun to raise questions about people's economic and social identities, which were primarily defined in relation to their landholdings, their co-workers and work communities, and even their social status and standard of living, [which] were largely defined by people's employment."<sup>49</sup> Accordingly, the unemployed evidenced remarkably high levels of intolerance toward the other (ethnic) nationalities relative to the employed.<sup>50</sup>

These developments could not have enabled radical shifts in public discourse and culminated in violent social and political disintegration, if there had been no divisive entrepreneurs ready to capitalize on unresolved intergroup rivalries and to exploit interethnic disputes such as the Kosovo issue. Other former socialist economies experienced similar crises, or even peaceful disintegration, as in the case of Czechoslovakia, but not the rapid and massive social disintegration of Yugoslavia. In particular, the 1981 disturbances in Kosovo caused Serbs and Albanians to become more nationalistic, Serbian authorities to clamp down harder on Kosovo, and people in the other republics to fear that they might meet the same fate.<sup>51</sup> Most observers, however, underestimated the effect of the changing public discourse on interethnic relations because they did not take into account existing downward belief falsification and the possibility of cascade effects.<sup>52</sup>

Divisive entrepreneurs made use of sensational and ostensibly scientific reports in order to fuel reputational pressures under which people who would otherwise be pro-Yugoslav were compelled to adopt an ethnonationalist rhetoric. For years, the Serbian public was exposed to repeated claims that Serbian women were raped by Albanian men in Kosovo. The impression given by some of the Serbian media was that Serbian females of all ages were, frequently and indiscriminately, being raped by Albanian men. In fact, according to statistics, not only was the frequency of this crime unusually low in Kosovo, but also, in most

<sup>45</sup> See, among others, Larrabee (1990/91: 67).

<sup>46</sup> See Cohen (1993: 48). Sekulic et al. (1994) found, based on 1985 and 1989 samples taken in Croatia, Bosnia and Serbia, that actual membership in communist organization increased one's likelihood to self-identify as Yugoslav by a factor of 1.6.

<sup>47</sup> Woodward (1995: 50-58); Hechter (2000: 151).

<sup>48</sup> See *Statistical Yearbook*, United Nations, 1988/89, p. 314, and *Monthly Bulletin of Statistics*, United Nations, May 1996, p. 21.

<sup>49</sup> Woodward (1995: 123).

<sup>50</sup> Hodson et al. (1994: 1550-1551).

<sup>51</sup> Malcolm (1998: 334-336).

<sup>52</sup> See Somer (2001) for examples of failure to predict impending disintegration.

existing cases, the assailant and the victim were from the same ethnonational group.<sup>53</sup>

The breakdown of communication across ethnonational groups, which had already started during the 1970s, was intensified. Regionalization reached such an extent that a new law was passed in 1985 which had the explicit aim of producing more uniformity of the press across republic boundaries. Nevertheless, the regionalization of the press continued and was reinforced by the actions of ethnonationalist leaders. When Milošević seized power in Serbia, one of his first actions was to replace the powerful personnel of the media with those loyal to him.

Detailed accounts of the period of public polarization demonstrate that in the mid-1980s a rapid erosion of the social and political incentives to use a pro-Yugoslav discourse occurred.<sup>54</sup> Long-suppressed issues resurfaced, almost with a vengeance. Serbian poets described the Croats as “pro-Ustasha,” “there was talk of” the Orthodox ancestry of the Croatian Dalmatian population, while the Croats accused the Serbs of “Stalinist” or “Chetnik” leanings. There was a renewed interest in the past and in ethnonational histories. From Ljubljana (Slovenia) to Skopje (Macedonia), underground cultural groups sprung up which appealed to exclusive ethnic audiences and promoted ethnic issues. Best-selling authors, such as Vuk Drašković evoked, “in a bending of scholarship,” hostile stereotypes about Muslims.<sup>55</sup> Simultaneously, the social and political rewards for promoting ethnonationalism increased rapidly. Many members of the Serbian Academy of Sciences came to influential government and academic positions.

It is hard to determine when exactly the balance of incentives was decisively tipped in favor of an antagonistic discourse. Among the watershed developments that significantly affected the public’s perception were Milošević’s rise in 1987 to the presidency of the Serbian League of communists, followed by his widely televised visit to Kosovo, and his withdrawal of Kosovo’s autonomy in 1989. All of these developments are assumed to have generated pressures to undertake upward belief falsification among people who were pro-Yugoslav but sensitive to their ethnic group membership.

One indirect sign of upward belief falsification was that, in 1989, when ethnic polarization had reached an advanced state, anonymous surveys continued to reveal that interethnic tolerance levels were high by global standards.<sup>56</sup> Desertion and call-up evasion were very common during the civil war, which at least suggests that ethnonationalism did not have sufficient support in private to make young people risk their lives for it. When authorities ordered a mass mobilization of reservists, only 10 percent showed up—others avoided the conscription by sleeping in different places every night or by staying abroad.<sup>57</sup>

Similarly, in most of Yugoslavia, voter preference for ethnonationalism was less than one would infer from the public discourse and from the number of seats ethnonationalists received in their respective parliaments. Electoral laws helped the ethnonationalists to acquire more political power than did voter support.<sup>58</sup> Milošević’s Serbian Socialist Party came to control 78 percent of the parliament with 65 percent of those voted and 47 percent of the electorate. Similarly, Tudjman’s Croatian Democratic Union, the party of “all Croats in the world,” translated about 42 percent of the votes to 68 percent of the seats in the powerful lower chamber of the Croat parliament. Such indicators suggest that Yugoslavs were much less distrustful of ethnic others in their minds than in their public deeds: in private opinion surveys and in voting booths, they generally showed less sympathy for divisive entrepreneurs than they did in public.

Once they achieved political clout, of course, divisive entrepreneurs had more compelling means at their disposal to foster upward belief falsification than reputational pressures alone. There are numerous reports of the persecution of disloyal Serbs, some of whom even fought alongside Muslims or Croats, by other Serbs. The rumor goes that when the Serbs laid siege to Muslim-led Sarajevo, Serbs decided that “no Serb, no matter how old or infirm, would remain” in Sarajevo.<sup>59</sup> Similarly, tolerant Muslims or Croats faced social pressures and persecution by their own group. There were many Croats who, before the war, tried to prevent the rising distrust between the Croats and Croatia’s Serbian minority in Krajina from turning into open hostility. They were mysteriously executed. Moderate newspapers were subjected to government

<sup>53</sup> Malcolm (1998: 339).

<sup>54</sup> Among others, Cohen (1993), Ramet (1996), and Malcolm (1998).

<sup>55</sup> Cigar (1995: 24-30).

<sup>56</sup> Hodson et al. (1994).

<sup>57</sup> Glenny (1993: 131), Denitch (1994: 62-63).

<sup>58</sup> Cohen (1993: 79-113), Woodward (1995: 117-132).

<sup>59</sup> *New York Review of Books*, December 18, 1997, p. 66.

pressures and were boycotted by ethnonationalist groups.<sup>60</sup>

Those who had invested in interethnic coexistence suffered the most. People with mixed descent, such as Serbian-Croat or Croat-Muslim, were compelled to make a choice. Spouses in mixed marriages were compelled to either split up or assimilate into their spouse's ethnic group, suppressing their own ethnic identity and thus reducing the possibility of their children being conscious of mixed descent.<sup>61</sup> In Serbia, "the possibility of having Muslims in one's family background eventually became a situation that required countervailing proof." Hence, people whose names appeared Muslim went out of their way to deny that they were of mixed descent.<sup>62</sup>

Table 4 compares Yugoslav regions in terms of diversity, trust in interethnic harmony, and the severity

of social disintegration. Interethnic tolerance levels are reproduced from table 2. Support for the pro-Yugoslav premier Marković is added as another indicator of trust. As predicted by implication (2), both the tolerance levels and support for Marković tend to increase with diversity. Support for Marković was highest in Bosnia, and lowest in the least heterogeneous region, Slovenia. Again as predicted, Bosnia, the most heterogeneous and trusting region was by far the foremost victim of social disintegration. Approximately sixty percent of the population of Bosnia was displaced during the civil war. This was because the relatively high degree of effective diversity there led to relatively high levels of private trust and socioeconomic mixing, which could only be 'unmixed' violently when ethnic disintegration became inevitable as a result of developments outside the region.

**Table 4: Diversity, Displacement, and Support for Marković.**<sup>63</sup>

Name of Region	ELF in 1981	Interethnic Tolerance in 1989	Support for pro-Yugoslav Premier Marković (Spring 1990)	Total Displaced by 1999 / Population in 1981
<b>Bosnia and Herzegovina</b>	<b>0.70</b>	<b>3.88</b>	<b>93</b>	<b>0.60</b>
<b>Vojvodina</b>	<b>0.53</b>	<b>3.83</b>	<b>89</b>	<b>NA</b>
<b>Macedonia</b>	<b>0.51</b>	<b>2.53</b>	<b>89</b>	<b>0.08*</b>
<b>Montenegro</b>	<b>0.50</b>	<b>3.45</b>	<b>NA</b>	<b>NA</b>
<b>Croatia</b>	<b>0.41</b>	<b>3.63</b>	<b>83</b>	<b>0.07</b>
<b>Kosovo</b>	<b>0.38</b>	<b>1.71</b>	<b>42</b>	<b>0.50</b>
<b>Serbia Proper</b>	<b>0.27</b>	<b>3.28</b>	<b>81</b>	<b>NA</b>
<b>Slovenia</b>	<b>0.18</b>	<b>2.67</b>	<b>59</b>	<b>NA**</b>

\* includes number of displaced by February 2001.

\*\* fewer than seventy people died in the brief war with the Yugoslav People's Army in 1991.

If compatible entrepreneurs had been able to convince a critical mass of people to stick to a pro-Yugoslav discourse, they could have prevented violent social disintegration, if not eventual territorial disintegration. However, people who could have played this role seem to have been misled to optimism by the earlier public discourse, which overrated the strength of interethnic ties. In addition, people holding the compatible norms were disadvantaged because of

their preoccupation with the large agenda. Denitch (1994) reports that "major efforts" of people who fought ethnonationalist policies went to labor issues and strengthening democratic institutions. Denitch also admits that his own pro-Yugoslav preferences had led him "to be more optimistic than turned out to have been justified. That was an honest mistake, shared by most non-Yugoslav and Yugoslav analysts up to the mid-1980s."<sup>64</sup>

<sup>60</sup> Glenny (1993: 105-106). Also see *Washington Post*, August 24, 1992.

<sup>61</sup> Glenny (1993: 90).

<sup>62</sup> Cigar (1995: 72).

<sup>63</sup> Calculated from figures in "Refugees," *UNHCR*, No. 124, 2001, and Snyder (2000: 355-60). Fourth column from Woodward (1995: 129).

<sup>64</sup> *Ibid*: 20.

## 6. Conclusions and Policy Implications

Encouraged by the decline of the Soviet threat that accompanied Gorbachev's coming to power, and by the winds of change throughout the communist world, Yugoslavia took a series of simultaneous steps toward economic liberalization and democratization during the 1980s. The period culminated in Yugoslavia's breakup through an ethnic civil war, the brutality of which shocked most observers. Yugoslavia was not alone; most transition countries were ethnically or religiously heterogeneous and vulnerable to intercommunal conflict along ethnic-religious lines due to weak democratic institutions. In such countries, the opening up of the political space can lead to the emergence of political actors who promote exclusionary identities or outright secessionism, which can hinder democratization by making the territory and political unity of the state itself a contested area.<sup>65</sup> Another way that transition can be derailed is when democratic politics turns into a battlefield of militant movements bent on oppressing opposition from rival ethnic-religious groups.<sup>66</sup>

This article adds another hurdle facing democratization. A major reason for transition countries' being especially vulnerable to ethnic-religious conflict is a precarious mixture of past policies that is typical of authoritarian developing countries: the suppression of the public expression of intergroup rivalries, and the employment of ethnic-religious ties to facilitate indirect rule and to disperse patronage. The legacy of the former policy increases the potential for large shifts in the public discourse during early democratization. The latter policy serves to maintain people's dependence on group identities and increases their sensitivity to reputational pressures.

The former Yugoslavia offers crucial lessons as to what needs to be done and what needs to be avoided to stem violent social disintegration during transition. The first lesson is that diversity, mixing, and a sense of shared identity encourage intergroup trust and reduce support for harboring divisive politics. Accordingly, Bosnia, the most diverse, mixed, and tolerant of all Yugoslav regions, shared relatively little responsibility for the escalation of ethnic polarization in Yugoslavia. However, it also became the stage for the most violent social disintegration. This was precisely because Bosnians were more diverse and trusting than other Yugoslavs, and, yet, as in the rest

of Yugoslavia, did not abandon the social-political importance of ethnic-religious identities. Because such regions are especially vulnerable to violent social disintegration once a conflict spreads to them, extra precautions need to be taken in such regions to prevent violent conflict, even if this requires a slowing down of democratization.

The second lesson is that suppressing the public expression of ethnic-religious hatreds does not eliminate them. In fact, the resulting encouragement of downward belief falsification enhances the severity of the shock that society is exposed to in the event that public discourse shifts through cascade processes. Reconciling ethnic antagonisms requires open debate. Moreover, it requires cultural and educational policies that target the divisive effects of intergroup hatreds, without denying the existence of hostilities.

A third lesson pertains to international actors. During tumultuous times such as the 1980s for Yugoslavia, the external world should make a point of supporting compatible ethnic entrepreneurs if it wants to avoid social disintegration. A major flaw of the Yugoslav transition was that it was launched before groups in favor of pluralistic democracy could become sufficiently organized. Accordingly, experienced analysts blame Western governments for failing to provide sufficient funds in support of federal prime minister Ante Marković, who defended pro-Yugoslav reforms, when Yugoslavia's strategic importance declined with the weakening of the Soviet Union.<sup>67</sup> Another implication is that in multicultural societies that are vulnerable to reputational cascades, external actors should rely less on popular protest and uprising as a means of rapid democratization, since popular movements may become suppressive of dissent within themselves.<sup>68</sup>

Fourth, efforts should concentrate on fostering a social-political environment resilient to ethnic-religious social conflict, before employing full-fledged democratization and economic liberalization. These efforts include the nurturing of social and legal institutions that protect the plurality of public opinion, such as effective protections of free speech and measures against governmental and privately owned monopolies of information dissemination. Even the availability of multiple information sources cannot ensure that people will actually utilize them, if the newspaper article or Internet site one cites in a public conversation makes the person suspect in the eyes of other group members. Social pressures can be used to

<sup>65</sup> Linz and Stepan (1996: 24-37).

<sup>66</sup> Snyder (2000), Dalpino (2000).

<sup>67</sup> "What's Good for the Poor is Good for America," Jeffrey Sachs, *Economist*, July 14, 2001, p. 33. Doder and Branson (1999: 107-108).

<sup>68</sup> Dalpino (2000).

control people's sources of information and their perceptions of which information is credible and which information is not. In countries that span a large geography from the Balkans to Central Asia, ethnic and religious group memberships remain major sources of reference in people's economic, social, and political lives. This enables divisive entrepreneurs to subject people who favor mixing and cooperation to public 'shame,' in order to compel them to suppress moderate views and to adopt a radical discourse.

The remedy is to reduce the importance of ethnic group membership by nurturing impersonal, overarching, and cross-cutting identities and social relationships. The establishment of strong and impersonal legal institutions helps to reduce reliance on group membership for contract enforcement.<sup>69</sup> Institutions inducing and protecting private property, combined with welfare state policies, such as unemployment benefits, to compensate displaced groups during economic transformation, can reduce dependence on group ties for social security. The efficient provision of services, such as assistance for the poor and healthcare, which are often supplied by ethnic-religious organizations, can produce the same effect.<sup>70</sup> Educational policies should target the cultivation of individualism, and the common ties between people of different ethnic backgrounds. State protection of individuals against ethnic antagonism would increase interethnic trust. Social and economic policies should also encourage the geographical mixing of ethnic group members, and provide incentives for joint investments by people of different ethnic backgrounds. According to implication (2) above, the effect of these policies would be to increase people's threshold levels of trust, and, thus, to make interethnic relations more immune to fluctuations in public discourse. Improvements in trust would also boost economic development by facilitating cross-group movements of goods, labor, capital and ideas.

Finally, affirmative action and racial profiling policies, and rigid views of multiculturalism that envision distribution of administrative units, government posts, and elected officials based on ethnic group membership should be reassessed by critically examining whether they encourage reliance on ethnic group membership. This does not necessarily imply the promotion of a rigid form of melting pot nationalism and forced assimilation into an imagined, 'homogenous' national culture. Rather, it may imply the promotion of a more complex version of voluntary mixing and cooperation, context-dependent assimilation, and the encouragement of multiple social-

political reference groups, in line with present trends in the Western world.<sup>71</sup>

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<sup>69</sup> Landa (1994).

<sup>70</sup> Wintrobe (1995), Weingast (1998).

<sup>71</sup> Brubaker (2001).

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