Nationalism and rationality

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1995

CAMBRIDGE UNIVERSITY PRESS
CHAPTER 2

Self-interest, group identity

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Self-interest

How far can ethnic and nationalist identification in politics be understood to result from essentially self-interested behavior? At first thought, plausibly not very far. Nationalism and ethnic loyalty are commonly viewed as inherently irrational or extrarational in the sense that they supposedly violate or transcend considerations of self-interest. Surely this common view is correct to some extent. Still, it is useful to draw out the self-interest incentives for such commitments and behaviors. There is yet another category of motivations — those that are arational. For example, you want only to sit on the beach and watch seagulls. This is not strictly a matter of your interest but of your pleasure or whatever in consuming your time and energy that way. Similarly, we all have arational drives that make us want things. When we act from those drives, we may lack reasons that could define our actions as rational. These four terms — rational, irrational, extrarational, and arational — are not strictly parallel.

Throughout this paper I use the term “rational” to mean to have narrowly self-interested intentions, and I do not constantly restate this qualification. Rationality is, of course, typically a subjective or intentional notion, not a purely objective notion. You act rationally if you do what you believe serves your interest. Self-interest might better be seen as an objective notion. Its service is the object of rational action, although one may fail to understand what is in one’s interest. George Washington presumably acted rationally, but mistakenly, when he allowed himself to be bled, perhaps with fatal consequences. I will refer to primordial, atavistic, inconsistent, and other motivations not intended to serve either the individual or the group interest as “irrational”; and I will refer to individual motivations to serve the group- or national-level interest more or less independently of immediate individual costs and benefits as extra-rational. It is possible, of course, that rational and extrarational motivations will lead to similar actions in some contexts. The rational choice account of ethnic, nationalist, or other group loyalty will be compelling if (1) it often happens that self-interest and group identification are congruent and if (2) actions that are costly to the individual but beneficial to the group or nation are increasingly less likely the higher the individual costs.

In some ways, it would be more assertively clear to speak of self-interest rather than of rationality. But there is no simple equivalent of the range of terms we want here: rational, irrational, and extrarational. Moreover, we may often accommodate extra-rational concern for the well-being of others by speaking of it as a concern for others’ interests, and we can then rationally choose best means to fulfill those interests. You may be an altruist or an ethnic loyalist who has a group interest as well as a self-interest. Finally, and most important, self-interest is not generally treated as a subjective notion — even if I like the taste of some poison, it may not be in my interest to eat it and, if I knew enough about it, I would actively prefer not to eat it. Limits to knowledge lead all of us to mistaken beliefs about our interests even when it would be silly to say we had mistaken intentions. George Washington had mistaken beliefs about the benefits of bleeding to treat a bad cold. This fundamental problem of subjectivity often complicates any account of intentional action, as it will complicate our account of group identification.

Much of the work on nationalism is primarily concerned with will, interests, and identity. It is about the cognitive aspects of actors’ being nationalist. Writings on ethnicity may more commonly invoke primordial and other emotional motivations. There are many other identities that might underlie conflict as nationalism and ethnicity seem to do. Many of these, however, do not seem to be of much concern to us in explaining major conflicts up to and including war and internal war. Indeed, many of them seem to be trumped by nationalism in times of war, as identification with class in the Socialist International was, to Lenin’s disgust, widely trumped by nationalist identities at the advent of World War I. In a multiethnic state, nationalist and ethnic identities may clash even while the state goes to war.

Often it is claimed that there is something natural about ethnic identification. As there are arguably genetic grounds for physical identification of a particular ethnic group, so there might be genetic grounds for psychological identification with the group by those who
have the relevant physical characteristics.\(^1\) I will take more or less for granted that this presumptive genetic basis of the psychological identification with one’s particular group is most likely false. Surely it is not merely false but also preposterous, say, the nationalist identification with the United States, such as was displayed at impressive levels during the Persian Gulf crisis and war against Iraq.

Whatever genetic basis we might find for ethnic and nationalist identification is at most a genetic basis for the propensitvity to identify with some larger group.\(^2\) How we might select a group for identification or how identification may just grow up for some group of which we are part is likely still to be a cognitive problem of making choices. Those choices may be about matters other than direct identification with the particular group or nation. But they will have implications for such identification, which may be an unintended by-product. It is such choices and their grounding in self-interest that are of concern here. One might go further than I wish to go to say that even the basic urge to identify is itself a cognitive result. At the very least, the data on such identification may not readily differentiate biological from cognitive explanations.

Throughout the discussion, there will be two partly separable issues: the role of interest in an individual’s coming to identify with a particular group, and the interest an individual has in supporting that group as a beneficiary of the group’s successes. The second issue may seem more readily than the first to be about deliberate action. Of course, one could see that membership in a particular group would be beneficial and could therefore develop an apparent or even real identification with it. But for very many identifications, it would be odd to suppose the individuals had deliberately set out to develop or adopt the relevant identity. Hence, the explanatory concern must be with the rationality of various choices they make that eventually lead them to identification with a particular group, identification that, again, may be an unintended consequence of many rational actions.

There are two main moves in the arguments that follow. First, I consider the rationality of an action given one’s available knowledge, theory, and so forth at the time of choosing. Second, I consider the rationality of coming to have the knowledge and theory one now has. These two moves are independent and one may reject one while

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accepting the other. They seem too sensible to be objectionable, but they are also commonly not overtly made by rational choice theorists or their critics. Both moves enormously increase the demand for data in trying to assess the rationality of actions.

Group identification from coordination

How can we plausibly associate nationalist, ethnic, or other strong group identification with self-interest? Surely, it seems, such commitment is beyond the self, it is a commitment to a community of some kind. To get beneath this superficial appearance, first note that many national and ethnic group conflicts are likely to have outcomes that will favor or disfavor members of the relevant group. Contributing to the potential success of the group to which one belongs therefore benefits oneself. Unfortunately, as we well know from the logic of collective action, such considerations are typically outweighed by the costs of contributing.\(^3\) For example, by voting in an election, I may help my candidate win. But to do so, I have to go to the trouble of voting, trouble that can be substantial in many locations. Unless the probability that my vote will make a real difference in the outcome is extremely high, I cannot justify, from my own interest alone, taking the trouble to vote. Then how can I justify contributing to the collective purpose of my nation or ethnic group?

The first answer is that there may be no costs of my joining in the relevant activities of my group. The second answer is that, even if there are costs, I may also expect specific rewards or punishments that will be tailored to whether I contribute. The first answer will apply to many contexts that essentially involve coordination but no expenditure of resources by many of us. The second answer will apply to many contexts in which there are real costs of contributing – so that the problem is not simply one of coordination – but in which rewards of leadership or spontaneous punishments by one’s peers are possible.

Of course, a nationalist or ethnic commitment might be purely ideal or normative in that it might involve only ideal-regarding and other-regarding motivations. But it might also be strongly correlated with individual interests. Suppose the commitment is to a nation or ethnic group in conflict with others and with a prospect of success in that conflict. Then it is likely that the nationals or the ethnic group mem-

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us alone. Hence, each of us has incentive to try to be a free-rider. (This is what Mancur Olson calls the logic of collective action.)

Many other problems of political mobilization are more nearly generalizations of the structure of the simple two-person coordination game represented here. In such problems, all that is needed to achieve successful mobilization is relevant communication to coordinate on doing what we would all want to do if only we were sure others were also doing it. In what follows, most of my account of group identification, as opposed to action on behalf of a group, will argue or assume that the central strategic problem is merely one of coordination.

There is something objective and something subjective in the idea of an ethnic group or a nationality. This is true in general of coordination points. There are good objective reasons for me to coordinate on X rather than fail to coordinate by choosing Y. But there may be no a priori objective reason for the choice of X rather than of Y apart from knowledge of how you and others are choosing. Hence, group coordination is an achievement that likely turns on highly subjective considerations such as the psychological prominence of particular points in the set of all possible coordination points.

A peculiarity of explanations from coordination is that they often have an important chance element. We might have coordinated on driving on the left, as the English do, or on the right, as North Americans do. There might be no rational ground for the original selection or, rather, for the early pattern of order that turns into a hard coordination. Similarly, we might coordinate on linguistic, religious, or ethnic affinity. If all of these come together to define our group, we may be much more likely to succeed in adopting a strong commitment to the group. If they do not come together, some of us may nevertheless define ourselves as a group on the basis of some attribute that excludes others with whom we might have associated. But the chance element may be more fundamental than this. We might simply fail to coordinate at all in any active sense, even if we have language, religion, and ethnicity in common. Whether we coordinate might turn in part on whether there is someone urging us to recognize our identity and coordinate on it. I may fully identify with my group but take no action on its and my behalf until an Alexander Herzen, Adolph Hitler, Martin

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4 Olson, *The Logic of Collective Action*.
Luther King, or Ruhollah Khomeini mobilizes those of us with similar identifications.

Moreover, successful mobilization may be a tipping phenomenon in large part. What would not make sense for a self-interested individual when very few are acting might begin to make sense when many others are acting. At that point the relationship changes from a potentially risky prisoner’s dilemma to a virtual coordination involving very nearly no risk. Both before and after tipping, the interaction might be successful in providing the group with a collective good whose benefit is distributed among group members. It is such distributed collective goods that give individuals direct interest in identifying with the relevant group.

A prisoner’s dilemma can tip into a coordination problem in at least two ways. First, when the number acting on behalf of the group interest becomes large enough, the possibilities of punishment and suppression of individual coordinators may dwindle. When too few are acting, the prospects of punishment may be great enough to make participation costly, as in the logic of collective action. If enough are acting, however, the state’s capacity to respond might be swamped and the state might let the crowd go while its police or military concentrate their attentions on channeling the crowd rather than suppressing it outright.

Second, an interaction might tip when those who are cooperating can impose retribution on those not cooperating by inflicting harm on them. It might be supposed that the costs of punishment are somehow closely related to the disvalue of the punishment, as though the act of punishing were potentially a constant-sum game. For example, to impose a ten dollar sanction on you might cost me about ten dollars. This relationship might hold in some cases, but there is no reason to suppose it holds generally. Sanctions can be radically cheaper than the harm they cause. The costs of producing a sanction and the costs of suffering one need not be in any way logically related. The story of Lebanon and Somalia is one of how cheaply terrifyingly deadly harms. William Rees-Mogg wrote that, in an Irish Republican Army (IRA) bombing in the City of London, a hundred pounds of Semtex did a billion pounds of damage. One of the threats – seldom actualized – of antiwar groups in the United States during the Vietnam

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War was to do grievous damage to corporate and university installations. The people who did or threatened the harms in Lebanon and the United States arguably could not have done as much good for their efforts as they did harms. This may be typically true of virtually all of us. Indeed, if there is a very important element of seeming irrationality or extra-rationality in nationalist and ethnic commitments, it is the fact that many people derive great pleasure from inflicting harms on certain others, including those of their own group who seem treacherously not committed to the group’s ends.

This insight, that harming can be cheap, is a central underpinning for Hobbes’s theory of government and its great value. It also undergirds Robert Axelrod’s theory of meta-norms for punishing those who fail to punish defectors in collective actions. Indeed, one might suppose Axelrod’s punishment schedule of bearing a cost of two units for nine units of punishment inflicted is not steep enough for many contexts. When harming is intended to be deterrent, so that it need not be coherently related in kind to the action it is to punish, the form it takes can be specifically selected for its effectiveness and cheapness. The nuclear deterrent of the Cold War era was ridiculously cheap in comparison to the harms it could have inflicted, and that is a major reason for our resorting to nuclear deterrence: We could afford it. Moreover, in collective action contexts, effective punishment can be decentralized to one-on-one and small-group actions, often more easily than effective rewards can be.

Information through coordination

Joining a coordination with a group of people who share one’s interests in some way can also produce information that makes further identification rational. To see this most clearly, we should consider a case in which there can hardly be any argument that the coordination or identification is somehow intrinsically related to the group or the object of its identification. Let us therefore consider loyalty to a sports team, which afflicts remarkably many people but seldom afflicts all those it might.

Why is anyone loyal to any sports team, such as the Chicago Cubs baseball team? Clearly, this is not a biological or in any sense native or primordial identification. Perhaps the urge to identify, to put us
interest is directly in the availability of others with similar pleasures and in successful coordination with them.

In a similar way, I might have an interest in the workings of my national or ethnic group, with which I might be especially comfortable for the simple reason that I know it well. But there is also a quite different way in which I have an interest in the workings of my national or ethnic group. From the fact that, say, my ethnic group prevails politically, I may personally benefit because I may get a better job. Hence, I have an interest in the participation of others not because that participation directly gratifies me, as it does in the case of a sports team. I have that interest because I have an interest in what can be accomplished by substantial coordination. I share with others of my ethnic group in the benefits that may flow from our achieving greater political power. In this latter case, the coordination is itself a means to an end. Therefore, as is typically true of means, it may turn out finally not to lead to the benefits that the members of the group hope to get – it may fail. Coordination around the home team, on the contrary, is immediately beneficial to the individual who joins in the coordination. We may therefore expect coordinated action for ethnic or national interests will be harder to motivate than coordination on support for the local sports team.

Indeed, we may even go further to suppose recoordination around a new team will often be easy for one who moves from one city to another. This seems especially likely if the role of the particular team is merely as a coordination point as a means to the pleasure of being a sports fan. The role of a particular ethnic identification is clearly much stronger, it is constitutive of the collective good that will benefit the loyal individual. And it cannot easily be replaced for the individual by coordination on participation in some other group that might provide an alternative route to distributed collective benefits.

Nationalism is intermediate between identification with a sports team and identification with an ethnic group. For example, French, German, and Japanese national identifications might continue to motivate those who migrate from France, Germany, and Japan; they might even be hard to give up after a generation away from home. That may in large part turn on the facts that these identifications involve ethnic as well as nationalist coordinations and that family members may still be in their original home countries. But clearly many people find it relatively easy to become American nationalists, not to say superpatriots, when they migrate to the United States. They can do so because they can plausibly see their personal interests as now associated with the successes of the United States.
Conflict from group coordination

Explanations of ethnic conflict often invoke emotions. Unfortunately, explaining it at all may be explaining only aspects of it. Given that emotion is the only way both parties to a conflict can be brought to see each other's point of view, why is it that we tend to see conflict as separate? What happens when we consider the way emotions are expressed and how our attitudes are formed? The explanation might be that we tend to see conflict as separate, because we are not aware of the emotional processes involved. And we need to understand the emotional processes involved because the way we think about conflict is often very different from the way we feel about it.

The way we think about conflict is often very different from the way we feel about it. Our perceptions of the world are shaped by our experiences, and our experiences are shaped by our perceptions. This means that our understanding of conflict is likely to be biased by the way we perceive the world, and our perceptions are likely to be biased by the way we think about conflict.

What is the source of conflict? Suppose two groups have formed different ethnic identities. Suppose their language adopted by the official language group has become the dominant language in the society. Each of their coordinate strategies may be taken by the group as a whole. Each group has a strategy of its own, and so does every group in the society, although the strategy of each group is different. The strategy of a group is often a group of people who are related to each other by a common interest. The strategy is what each group perceives to be the best way to achieve collective resolutions of various issues, including political action against the other group. A political action against the other group may be taken by a group who is not related to each other. If two groups have similar concerns, they may come together to achieve collective resolutions of various issues. If two groups have different concerns, they may come together to achieve collective resolutions of various issues, but they may also come together to achieve collective resolutions of various issues that are not related to each other.

We need to understand the emotional processes involved because the way we think about conflict is often very different from the way we feel about it. Our perceptions of the world are shaped by our experiences, and our experiences are shaped by our perceptions. This means that our understanding of conflict is likely to be biased by the way we perceive the world, and our perceptions are likely to be biased by the way we think about conflict.

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Tutsis might wish to hold power in Burundi because a large percentage of available jobs—positional goods—are government jobs that must be filled but that are likely to be filled by the winners in the political conflict. They might also wish to receive certain benefits—distributional goods—from government, such as support for the expenses of maintaining cattle. And, finally, they might wish to hold power and to fill many government positions because the government has control over certain distributional goods.

Consider positional goods of public office. When Rwanda gained independence, it was to begin with a majority Hutu government. Prior to that moment, Tutsis had favored access to native offices under the colonial administration, just as they had dominated control of the nation before colonial domination. Tutsis seemingly spontaneously rose to attempt to block the transfer of power to Hutus, and Rwanda had a bloody civil war that ended with the expulsion of many Tutsis and the dominance of Hutus. The response might not have been spontaneous, however, because among those whose positions were threatened were many in positions to organize and lead a rebellion. When, a generation later, Burundi had its first democratically elected majoritarian government, thereby switching central power from Tutsis to Hutus, Tutsis again rebelled under the leadership of the Tutsidominated military. There have been many similar explosions in other states. For example, majority Buddhist Sinhalese governments in Sri Lanka adopted many preferences for Sinhalese. When a later government began to reverse these policies in order to equalize opportunities for Tamils in state-controlled jobs, Sinhalese rioted against the slight reduction in their status. All of these actions were focused on control of positional goods.

Conflict over distributional goods is a commonplace of political life. The standard example in American politics for most of United States national history is conflict over tariffs. Agrarian interests (especially in the south and west) long wanted low tariffs on industrial goods (which they needed to buy and for which they naturally preferred to pay low prices), while industrial interests (especially in the north) wanted high tariffs to protect their domestic markets. In Nigeria, Yoruba from the northern region benefited from regional control of agricultural (especially cocoa) revenues and state control of mineral (especially oil) revenues, while the Igbo from the eastern region would have benefited from the opposite arrangements. The Igbo attempted to secede as Biafra, but were crushed in the ensuing civil war.

In Yugoslavia, disproportionately many of the positional goods of military and governmental leadership have gone to Serbians, who have also done well in receiving distributional goods allocated by the government. The latter have reputedly been disproportionately funded by the more productive Croatians and Slovenians, who therefore subsidize Serbia. That the distributional result follows in part from the positional advantages of the Serbs is a natural inference. In any case, when the Serbs under Slobodan Milosevic changed the rules and expectations on the sharing of positions, the Yugoslav civil war and breakup were virtually secured. Similarly, when the Croats chose to change the status of Serbs in Croatia, removing them from positions in the police force and reducing their status to “protected minority” rather than full citizens, the Serbo-Croatian war over Krajina was virtually secured.

Note that in good economic times, state-managed distributional goods matter less because private opportunities are very good. Indeed, in very good times, even the positional goods of government may be far less attractive. But in harsh times, when the prospects of individual achievement are dim, the possibility of using government to transfer goods from others to one’s own group may offer better hope of improving one’s position. Failing to provide an economy that generated private opportunities, one of the great failures of socialist governments in the former Soviet Union and eastern Europe, was almost ordained by definition. But it helped to set the stage for massive ethnic conflict upon the end of the Soviet Union. Giving a former republic autonomy opens opportunity to fill extant positions—hence, to offer positional goods. From the Baltics to the Urals to the Steppes, ethnic groups have wanted to seize government in order to allocate positions.

A similar malaise befell many, perhaps most, newly decolonized states, as in Africa. In an act of gross cynicism or stupidity, the Portuguese government transferred power in Angola to the Angolan people rather than to a government. They thereby invited the three

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15 Fred Hirsch distinguishes between positional and material goods and their interaction in a growing economy. Hirsch, Social Limits to Growth (Cambridge: Harvard University Press, 1976), esp. ch. 3. The roles of positional and distributional goods in ethnic conflicts were analyzed earlier by Daniel Bell in “Nationalism or Class? Some Questions on the Potency of Political Symbols,” The Student Zionist, May 1947 (cited in Moynihan, Pandaemonium), 59.

16 See further cases in Donald Horowitz, Ethnic Groups in Conflict (Berkeley and Los Angeles: University of California Press, 1985).


18 See further in, Hardin, Contested Community, ch. 6.

19 Moynihan, Pandaemonium, 37.
main groups to fight out the definition of that people. Many formerly colonial states have chosen to follow the statist path to economic and political development and have therefore made their populations too dependent on government for their own opportunities. The statist path might have been almost unavoidable in underdeveloped nations, because it immediately offered positions to enough people to build support for the new native governments. Alas, it may also be a sad accident of history that many of these states gained independence at the apex of belief that the Soviet Union had a better way.

Ethnic conflict often cannot be defused through control over complementary functions. The members of one group might be virtually perfect substitutes for the members of another. Hence, they may benefit best from the group’s achieving full control over the allocation of positions. In general, when benefits are provided through government, they can have a strongly conflictual quality. Any policy that benefits one group through a general tax or regulatory scheme typically harms some other group relative to its position before or without the policy. Consider two forms of discrimination on the basis of group identity, one that is quite deliberate and one that is largely accidental. Both, however, are conflictual.

First, on Gary Becker’s account of its economics, ethnic discrimination in employment and sales can only occur where markets are not fully competitive because discrimination is not efficient and is costly to firms that practice it.20 Ethnic conflict in parts of the former Soviet Union is in areas from which the market is nearly absent. In some of these there may be active opposition to the market for ethnic reasons. If the opportunities from market reorganization were believed to be great enough, dominant groups and their leaders might relax their grip and let the market allocate positions, thus undercutting discrimination. If the gains from market organization do not seem compelling, then the economy offers a straight conflict between two groups, each of which would be best served by having its members given preference by government. Giving preference to members of my group reduces prospects for members of your group.

Second, when two groups speak different languages, they have in fact each coordinated on a language. If one of the groups gains a dominant position in politics or in the economy, it may discriminate against those who speak any language other than its own. This discrimination need not be economically inefficient, as straight racial discrimination typically may be. Indeed, it could be driven chiefly by self-interest, group identity concern with productivity, which is likely to be greater if members of the firm can coordinate more easily with each other and if they can communicate better with the principal clientele of the firm. Letting the two languages be used without any government regulation in favor of either may lead to the disadvantage of the speakers of the minority language. Their job opportunities may turn heavily on whether they master the majority language.

To impose rules against racial discrimination can enhance economic productivity. This may not typically be true for rules against language discrimination. To impose such rules might benefit the current generation or two of the minority language speakers. But it is likely to reduce economic efficiency. Language policy is inherently conflictual because different policies differentially affect relevant parties. The current two or three generations of speakers of the minority language will be losers if their language loses its utility. The present generations of speakers of the majority language will be losers if the minority language is kept viable.

From conflict to violence

Suppose we face limited, relatively fixed resources. If some of us can form a group that gains hegemony over our society, we can extract a disproportionate share of total resources for members of our group. The remainder of the society has incentive to counter-organize against us to protect its welfare. If it does so, we are now two groups in manifest conflict. Any would-be political leader may find that asserting the predominance of a particular group is key to gaining substantial support. All that is required to make the conflict between the two groups manifest are plausible definitions of group and counter-group memberships. Slight differences might suffice. More dramatic differences, such as race or ethnicity, language, or religion, might allow for easy mobilization. No one in group A need be personally hostile to anyone in group B for the two groups to be politically hostile simply because they have a conflict of interest. Their conflict is one over which there may be perfect agreement: both groups want the same thing, namely, the available resources.

Shortly after Tito’s death, Milovan Dijas said that the Yugoslav system could only be run by Tito:

Now that Tito is gone and our economic situation becomes critical, there will be a natural tendency for greater centralization of power. But this centralization will not succeed because it will run up against ethnic-political power bases in the republics. This is not classical nationalism but a more dangerous, bureaucratic nationalism built on

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Self-interest, group identity

In 1991, virtually all political leaders in Yugoslavia must have seen the potential for the breakup of the Yugoslav regime in the morass of post-Tito and post-Communist politics. The two most prosperous republics, Slovenia and Croatia, wanted independence. Unfortunately, Croatia included within its borders a large Serb community. If Croatia seceded from Yugoslavia, the resident Serbs could wonder about their minority status in the new nation. Because Serbs dominated the national government and the army, there was some prospect of Serbian intervention in a rebellious Croatia. But there could not soon have been a more propitious moment for Croatia to hope to secede successfully, because the central Yugoslav government and economy were weak. The Croatian government opted for secession and then it preemptively turned on the Serbs within Croatia. Croatians have paid dearly for attacking the Croatian Serbs, but they have also been made partner in the subsequent destruction and dismantling of Bosnia. The bloody collapse of Yugoslavia has been a product of this series of opportunistic grabs and pre-emptive violence.

The Hobbesian view seems to fit ethnic conflicts that have turned violent in Lebanon, Azerbaijan and Armenia, Rwanda and Burundi, Iraq, and many other societies, as it fits Yugoslavia. Destabilized governments, brought to weakness by war, economic failure, or fights over succession, cannot maintain adequate barriers to violence. Conflicts that are already well defined then escalate to violence. Once the violence is underway, as in Yugoslavia, preemption becomes an unavoidable urge. One need not hate members of another group, but one might still fear their potential hatred or even merely their threat. Hobbes’s vision of the need of all to preempt lest they be the victims of the few who are murderous still fits even in the relatively organized state of ethnic conflict, except that it applies at the group level.

Incidentally, this modified Hobbesian view also fits the apparent results of the various rebellions: Almost all are worse off in the short run. Hobbes supposed that revolution against a going government is inherently harmful even to those who rebel, as seems to be true for the mass of people in, for example, Yugoslavia. Only certain leaders

Self-interest, group identity

the Romanian Hungarians under control. But for most of the violent conflicts of our time, it seems likely that the outcomes are severely negative-sum. And, if it would be mutually beneficial to all three groups to transfer part of formerly Hungarian Transylvania to Hungary, then the situation between Hungary and Romania is not conflictual but is misunderstood.

It is common in the literature on nationalism to assert that the underlying issues are not economic and that the events are not matters of rational choice. As in the discussion of ethnic hatred below, the real motivators are metaphors and likely false beliefs that define the world. Many strong nationalists suffer the solipsistic and egotistical belief that they are the chosen people. This belief can coexist with reasoned understandings of its irrationality.

Although it might be a benign belief, it has a natural tendency to include the further belief that other peoples are inferior, even bad. It is very hard to disprove a metaphorical thesis, which in the end is at best a form of description of the matter we would like to understand. But even for one who accepts the metaphorical thesis, it merely pushes back the matter to be explained: How and why do people come to have such systematically odd beliefs?

Walker Connor seems to hold that it is nationalist beliefs which cause the behaviors associated with nationalist movements and that various economic explanations can be shown not to be "essential prerequisites for ethnonational conflict." Unfortunately for showing their irrelevance, the way economic issues matter is not merely through a linear causal effect. Economic issues (in the broad sense that includes politicians' career incentives and citizens' comforts) merely construct the range of possibility of conflict. Violence is then a separ-


25. Connor (Ethnonationalism, 203) quotes a Ukrainian nationalist who believes his people are chosen by God:

I know that all people are equal.
My reason tells me that.
But at the same time I know that my nation is unique . . .
My heart tells me so.

Living with contradictions may be especially common for rubid nationalists. Greek nationalists think it only natural that the Greek part of Albania should be made autonomous or part of Greece, but also natural that minorities inside Greece should have no recognition (Hugh Poulton, The Balkans: Minorities and States in Conflict, (new ed. London: Minority Rights Publications, 1993 [1991]), 225.


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(and perhaps occasional others) may have improved their lot and their prospects. Oddly, these leaders have improved their lot not by raising the level of welfare for their groups but through individually specific rewards of leadership. They are unlike the Jimmy Hoffas of the labor movement. Hoffa extracted wealth from his teamsters but he more than made up for his extractions by raising the level of welfare for the bulk of the members of his union (while lowering the welfare of some teamsters and of vast numbers of people not in his union). For the short run, at least, Franjo Tudman, Slobodan Milosevic, and Radovan Karadzic lack Hoffa's saving grace. They are merely parasitic on their societies. They use ethnic differences to justify murder, mass rape, the destruction of cities, and even genocide while reducing the lives of their own ethnic compatriots. As Faoud Ajami and many others remark, they call on "brotherhood and faith and kin when it is in their interests to do so."

For Hobbes's reason, it would be wrong to say, in the sloppy way some people talk about Yugoslav and other conflicts, that real-world conflicts are zero-sum. They might be fixed-sum in one limited sense or another. For example, when Croatians and Serbs have a conflict over some bit of land, there is a fixed supply of land available. But if they fight over control of the land, they destroy resources and people on both sides and the resulting outcome is one in which total gains are swamped by total losses. It is not fixed-sum, it is negative-sum. Latent conflicts may be zero-sum, but manifest conflicts must typically be negative sum, at least in the short run. In game theoretic language, all that we need say is that, in a pure conflict, any change that makes one party to a conflict better off must make the other party worse off. It is possible for both to become worse off in a pure conflict, but not possible for both to become better off or for one to become better off without harm to the other.

One could imagine a manifest, even violent, conflict that could lead to net gains in the somewhat longer run. For example, one state might seize part of another because the inhabitants are all of the nation of the first state. This is a pristine variant of the conflict between Romania and Hungary over the Hungarian nationals in Romania. If these Romanian Hungarians became part of Hungary, they might immediately become more productive and prosperous and the welfare of all three of the groups – Romanians, Romanian Hungarians, and the original Hungarians – might rise. The welfare of Romanians might rise only to the extent Romanian resources no longer were spent to keep

rate matter that very likely depends on tipping phenomena. Among the tipping events might be the death of Tito, the struggle a few years later of Milosevic and his fellow failed Communists to hang onto power despite their demonstrated incapacity to run the Yugoslav economy, and the desire of leaders in Slovenia and Croatia to be free of the economic losses of greater Yugoslavia. The worst excesses of nationalism in Yugoslavia followed these events - they did not precede or cause these events. Indeed, the worst excesses followed only after a period of harsh warfare, as discussed below under "Ethnic hatred."

The order of beliefs and events is important because the content of the falsehoods of nationalism may be determined or manipulated by their fit with political agendas. Connor asks, "What is a nation?" He answers that it is "the largest group that can command a person's loyalty because of felt kinship ties." Emphasis is on felt, because I might be led to feel a tie that I cannot objectively claim to have. Connor speaks of intuitive, in contrast to objective, conviction. The distortion of history, the distortion of reports from the battle zones, distortions of claimed ethnic and linguistic differences, and distortions of leaders' intentions can all be used, especially in a nation with centrally controlled television, to instill an intensity of nationalist commitment that did not cause the events that brought about such intensity but that may then be put to use in other events. It is because these odd beliefs must be manipulated into being that mass nationalism is a strictly modern phenomenon - it requires extensive communication, the very communication that also spreads the cosmopolitan vision of humanity. Perversely, we may see grotesquely violent assertions of ethnic superiority just because extensive communication has been laid onto the ignorance of village culture.

Ethnic hatred

Robert Kaplan quotes a 1920 story by the Bosnian Croat, Ivo Andric, the 1961 Nobel Prize winner in Literature: "Yes, Bosnia is a country of hatred. That is Bosnia. . . . [In] secret depths. . . . hide burning hatreds, entire hurricanes of tethered and compressed hatreds. . . . Thus you are condemned to live on deep layers of explosive, which are lit from time to time by the very sparks of your loves and your fiery and violent emotion." This sounds like Dostoevsky, Kafka, or

27 Ibid., 202, 212.
28 Quoted in Robert D. Kaplan, "A Reader's Guide to the Balkans," New York Times Book Review, 18 April 1993, p. 31. Kaplan quotes Andric in order to refute the common claim that Bosnians could not hate so much if they were as thoroughly intermarried and as neighborly as in Sarajevo.

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Poe on a particular fictional person, a person worthy of fictional treatment just because the character is so dramatically unlike the normal. It does not sound like the characterization of a whole people. But Kaplan and Andric evidently take it as characterizing Bosniians in general, and Kaplan takes it as definitive of Yugoslav culture. Further, the view that "visceral hatred of the neighbors" is "the main ingredient" in violent ethnic conflict is a commonplace in journalistic accounts. The view that the peculiarities of Balkan hatred drives the Yugoslav horrors infuriates humane Yugoslavs who write on the sufferings of their fellows. The thesis of ethnic hatred cannot be established by anecdote, not even by the fictional musings of a Nobel laureate. If it systematically underlies history, it must be systematically evident. The overwhelming problem of the thesis that ethnic hatred motivates the ethnic conflict we see is that, for most of the groups in conflict, relations have generally been good through most of history. In the scale of history, the moments of catastrophic breakdown into violence are just that: moments. Between these moments, there is often substantial mixing. For example, in Yugoslavia, Croatians and Bosnians have typically been next-door neighbors of Serbs; they have been cooperative with them in institutional and economic arrangements; and they have even heavily intermarried with them.

Moreover, many of the participants in the grisly Bosnian wars deny that they hate. One of the young killers in a brutal and merciless paramilitary force of several hundred Croatians at Mostar said, "I really don't hate Muslims - but because of the situation I want to kill them all." He had intended to sit the war out, but the "situation in Mostar caught up with him, labeled him, made him choose: stand with your own or leave your city like a dog and a traitor." Perversely, he had either to leave his community altogether or he had to identify with it altogether. He had grown up with Muslims and Serbs among his friends, but when he saw them after the conflict hardened, he had nothing to say to them. Rather than leave his community, he chose to identify altogether with it and he soon became a systematic murderer.
of trapped civilians. He murdered men, women, and children, armed or not, because, after all, in this preemptive world, someone who is not dead might shoot you in the back as you leave. His method was to watch Muslims to determine their patterns of activity in order to know where to lie in ambush to murder them.

The Croatian killer’s alternatives were grim and therefore his choice was grim. But he was not so different from the gentilhomme of centuries past in France who chose to risk committing murder in a duel rather than be banished from his community. The saving grace for the gentilhomme is that we know him primarily from literature, where he is often presented with style and even humanity. The killers have so far not been romanticized in the world at large.

The killer is striking in the extent to which he seems not to have needed to justify his actions morally by anything more than the grim situation. He does not seem to need to make his victims be deserving for wrongs they have done – he evidently knows they deserve none of it, they are merely unfortunately there. For many of the participants in such carnage, their own gruesome actions seem to lead to putative beliefs in the wrongs of the other group. Serbs, say, begin to believe Croats or Muslims or Albanians are guilty of atrocities as a rationalization for their own atrocities. If the claim cannot be grounded in fact, it is simply grounded in myth. But the Croatian killer of Mostar does not need Milosevic’s or Tudman’s lies and mythologies to give him license. He openly confesses to having nothing other than interests at stake.

Ethnic hatred might prevail in some contexts, such as those that involve a long history of overt subjugation of one race or ethnic group to another, as in South Africa, the United States, Guatemala, and many other places, such as Rwanda and Burundi after thirty years of ethnic slaughter. But a genuine hatred that is not reinforced by something from the hated, such as regularly occurring hostile actions, can hardly last over generations. The term “primordial” is often attached to such a seeming impossibility. By labeling it primordial, we seem to have explained something, when we have in fact only labeled it. Thereafter, we can proceed with a know-nothing stance that labels what we do not understand and cannot really believe when it is more fully spelled out.

Durkheim quotes a primordialist statement that is sufficiently lunatic as to be almost charming, especially since it is not invidious: “Woe to the scholar,” writes the nineteenth-century historian of religions, J. Darmesteter, “who approaches divine matters without having in the depths of his consciousness, in the innermost indestructible regions of his being, where the souls of his ancestors sleep, an unknown sanctuary from which rises now and then the aroma of incense.”

Perhaps the fundamental supposition of the primordialists is an unstated Lamarckianism that attributes current human nature to what was learned in earlier generations. On such a theory, the Texan and the Serb, the Australian Aborigine and the Parisian dilettante, the Igbo and the Armenian, the Japanese and the Sri Lankan Sinhalese all have their independent human natures derived from the accidents of their history. Of course, on this theory, some of us are grotesque messes, with such diverse elements tossed together as to create a terribly overdone and botched salad. At least such messes are not likely to abound in adequate numbers of identical types to be capable of ethnic dominance over anyone else.

The quasi-Lamarckian vision of ethnic identification is patently silly, and its silliness pervades much of the commentary on ethnic conflict, both in the press and in more substantial works. Such identification is not primeval, original, primitive, or fundamental – in particular, it is not presocial. Some things about us may reasonably be called primordial. For example, certain instincts, many of which we share with numerous other species, are surely primordial. But nothing that must first be socially learned can be primordial. Ethnic identification is a theoretical, not an instinctive notion. If you have it, you learned it in your own lifetime, you did not somehow learn it at the Battle of Kosovo in 1389. History that predates us may play a role in our concern with ethnic conflict because it may show a range of possibilities that might not have been intuitively obvious. History might well suggest that we have a potential interest in preemptively protecting ourselves.

Assuming they do not learn through Lamarckian mechanisms of genetic inheritance, how do young adult Bosnians come to hate Bosnians of other ethnicities? It is plausible that, say, Muslims could do so in the grim conditions of their civil war, with Serbian soldiers raping Muslim women in evidently well-organized and deliberate attacks condoned by Serbian leaders and with Muslim mosques and homes being systematically destroyed by Serbian and Croatian mortar and rocket fire and even by prosaic and methodical dynamite squads. But how do they do so after more than four decades of peace, cooperation, neighborliness, and intermarriage? Of course, it was this last that

preceded the war of the 1990s and, in turn, it was the war that preceded whatever ethnic hatred there now is. It therefore seems likely a canard on humanity to assert that ethnic hatred played the leading causal role in the Yugoslav violence.

**Group identification and war**

In relatively casual language, nationalism is associated with two very different phenomena involving war. First, it is often associated with national states that go to war against each other. Second, it is often associated with internal “nations” such as Irish Catholics in the United Kingdom, Armenians and Lithuanians in the former Soviet Union, Hutus and Tutsis in Burundi and Rwanda, and Kurds in various countries. In the case of national states, war may often be causally prior to nationalism. In the case of internal nations, civil war is typically caused at least in part by the domestic nationalism.

For the first phenomenon, to say that war is causally prior to nationalism is not, of course, to say that nationalism develops only after a particular war starts. Rather, nationalism is often used as a means to mobilize a population for war, both during war and, often, in preparation for war. For example, the Nazi leadership first used nationalist appeals to mobilize the German people and then went to war. During that war, of course, they continued to use nationalist appeals. The Nazi leaders were presumably themselves acting from nationalist concerns, in which case the war was therefore partly caused by nationalism. But one may still suppose that the popular nationalist intensity was heightened by national leaders as a means to mobilize for war. Such mobilization makes sense because coordination of a large population is a form of power. The ideal level of coordination for a government interested in fighting a war is likely to be at or near the whole-nation level.

In the case of subnationalisms, members of a subnational group may believe they can benefit individually if the group gains at the expense of some other group. Then they may respond to nationalist, ethnic, or religious appeals that come up spontaneously or through the deliberate efforts of potential leaders. The possibility of coordination of an ethnic group entails the possibility of intergroup conflict. If coordination were not possible, so that a particular group could not gain ascendency in government, there would be no ground for conflict.

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35 It was also, no doubt, that nationalist portrayal that forced the withdrawal of the film after the German-Soviet Pact of 1939. See Ephraim Katz, _The Film Encyclopedia_ (New York: Putnam, 1982 [1979]), 383.

36 Herskovits, _Cultural Relativism_, 102–3.


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psychology of nationalist commitment that is not motivated by interest in any central way. But, again, a leadership bent on war can take advantage of Herskovits’s simple reasoning from the is–ought fallacy to amass popular support and to turn the nationalist sentiment militant.

Finally, note that if there are interests in group fates, as outlined above, then it may be virtually impossible to resolve many ethnic and nationalist conflicts directly. If a particular ethnic group or nation is to benefit from some policy, the benefit may be purchased at the cost of another group or nation. The conflict between two groups may not be resolvable through compromise that implies mutual gain over the status quo. Such conflicts might be finally trumped by dramatic economic benefits of cooperation, as in the West European community since sometime in the 1950s when the benefits of trade and open economies may finally have swamped the benefits of nationalist separatism. Québécois business leaders in the 1970s seem to have concluded that cooperative gains from staying in the Canadian federation outweighed potential gains from separation. The woeful irony of the current upsurge of ethnic conflict in the former Soviet Union is that the Soviet economy failed to lead people past the possibility of gaining at each other’s expense. It failed to make the prospect of mutual gain better than that of conflictual gain. If we run up against severe limits to growth around the world, we may expect ethnic conflicts over limited opportunities to become harsher. In part this is for merely opportunistic reasons: Because a supposed ethnic group can proclaim its identity and take action against others, it may do so for the benefit of its members.

Unfortunately, if a group can benefit from gaining ascendancy over another, then the other has incentive to deter the first group. David Hume argued that there were two ways in which the ancient Anglo-Saxons under King Edgar deterred the Danes. They deterred the foreign Danes, who sometimes attacked from the sea, by maintaining navies to destroy them wherever they attacked. And they deterred the domestic Danes by suppressing them where they lived. “The foreign Danes dared not to approach a country which appeared in such a posture of defense: The domestic Danes saw inevitable destruction to be the consequence of their tumults and insurrections.”


Self-interest, group identity against the foreign Danes and deterrence by punishment against the domestic Danes.

The chief form of deterrence that conflicting ethnic groups in the same state have against each other is yet a third variety: They deter through preemptive attack. They strive to suppress members of an opposing group where they are in order to prevent their eventual rise. Against the foreign Danes the Anglo-Saxons needed only to be strong to ward off violent conflict. Against the domestic Danes they had to engage in violence in order to retaliate for violence against themselves. Ethnic groups in almost all quarters of the globe seem deliberately to engage in violence in order to pre-empt violence against themselves. In this, they are like Mafia leaders, who strive to murder rivals for the leadership in order to pre-empt suffering further themselves.

Conclusion

In sum, individual identification with such groups as ethnic groups is not primordial or somehow extrarational in its ascendency of group over individual interests but is rational. Individuals identify with such groups because it is in their interest to do so. Individuals may find identification with their group beneficial because those who identify strongly may gain access to positions under the control of the group and because the group provides a relatively secure and comfortable environment. Individuals create their own identification with the group through the information and capacities they gain from life in the group. A group gains power from coordination of its members, power that may enable the group to take action against other groups. Hence, the group may genuinely be instrumentally good for its members, who may tend, without foundation, to think it is inherently, not merely contingently, good.

Much of the detail of human nature is a social construction in each case. But this means primarily that opportunities and their costs and benefits are largely a function of what others have done or are doing. A North American can become a wealthy lawyer or entrepreneur because the relevant opportunities are there. Such opportunities are far less readily available to a typical Kenyan or Bangladeshi, or in the early 1990s to a typical Bosnian. But there are constraints that seem even more perversely the product of social interaction. For example, people in different societies are seemingly constrained by different norms. Such constraints seem to play a large role in defining the groups to which individuals become committed. In the rise and maintenance of
CHAPTER 3

Some economics of ethnic capital formation and conflict

Ronald Wintrobe

I Introduction

In this paper, I attempt to use simple tools of economic theory to understand ethnicity, ethnic conflict, and nationalism. The starting point of the analysis is a set of circumstances in which there are gains from trade, as in standard neoclassical theory, but that property rights are not costlessly enforceable. Once the latter fiction is discarded, the situation is that people still wish to exchange, but they always have to worry about being cheated. There are reputation mechanisms for solving this problem (Klein and Leffler 1981, Shapiro 1983), but they tend to be expensive. Similar problems arise in politics, interpreted as political exchange in the absence of legal enforcement (one cannot sue a politician in court for breaking a campaign promise), and within families (parents cannot sue their children for not supporting them in their old age).

Indeed, I have argued elsewhere (Wintrobe 1992) that the central barrier in modern economic theory to our understanding of social and economic relationships is arguably the (often implicit) assumption of costlessly enforceable property rights. Once this fiction is discarded, it is possible to interpret much of human behavior—specifically, attempts to form relationships, such as trust, love, authority or power relationships, as rational attempts to provide a foundation for exchange. Behavioral models of this sort are central to much of the recent work which attempts to link economics and sociology [e.g.,

* I am grateful to Joel Fried, Hilton Root, Theo Offerman, Robert Young, and the participants in the Villa Colombella Seminar on Nationalism for helpful comments and suggestions. Previous versions of this paper were also given at the 1993 Public Choice Society and European Public Choice Society Meetings. I wish to thank the Lynde and Harry Bradley Foundation for financial assistance.