# WHO DO YOU TRUST?

# ETHNICITY AND TRUST IN BOSNIA AND HERZEGOVINA

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## Summary

This paper looks at trust in Bosnia and Herzegovina and puts a special focus on the role of ethnicity. We find generalized trust to be low and declining in Bosnia and Herzegovina. Moreover, generalized trust is negatively affected by the degree of ethnic heterogeneity in the region. However, a further examination of trust reveals a more complex relationship between ethnicity and trust: people tend to show low levels of trust in all other people irrespective of their ethnic belongings. We argue that ethnic distribution might capture some other regional specific characteristics that also affect the level of trust.

Keywords: Trust; Social Capital; Ethnicity; Southeast Europe; Bosnia and Herzegovina

JEL codes: Z13; O17; P20

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## 1. INTRODUCTION

The situation in Bosnia-Herzegovina (here in after "Bosnia") has stabilized in recent years with an end to the war (1992-95), and with the growth of the economy. Still, the economic and political situation remains fragile and it is questionable if the conditions for long-term recovery and stability are in place. It is often argued that trust between people positively affects economic and political development (e.g. North, 1990; Putnam, 2000). More precisely, research in different disciplines finds high levels of trust to promote democratization, economic investments and growth, responsive and well-performing institutions, low levels of violence and other criminal behavior, as well as individual health and personal happiness (e.g. Baum, 1997; Knack and Keefer, 1997; La Porta, 1997; Ingelhart 1999; Newton 1999; Putnam 2000; Zak and Knack, 2001; Durlauf and Fafchamps, 2004).

Trust is therefore likely to be of large importance for a sustainable recovery in Bosnia. Trust is fragile in the sense that it is takes a long time and is difficult to build, but it is easily ruined (McGregor, 1967, p.163). There are, therefore, reasons to believe that trust is low and difficult to regain in Bosnia, considering the country's turbulent past. For instance, it is often argued that socialism has a negative effect on trust and that post-socialist countries are characterized by low levels of trust (Seligman, 1992; Nichols, 1996; Holland, 1998; Raiser, 1999, Raiser et al., 2001, Lovell, 2001).[1] Perhaps more importantly, trust in Bosnia can be expected to be low following the 1992-1995 war. The war was partly fought along ethnic lines and the high ethnic heterogeneity of Bosnia might be a difficult obstacle for increasing the level of trust.[2]

The literature gives little guidance to how and if ethnic heterogeneity affects the level of trust. Indeed, whereas the literature on trust and its economic and political outcome is large, there is considerably less written on factors determining individuals' level of trust (Durlauf and Fafchamps, 2004, p.54; Fidrmuc and Gërxhani, 2005, p.2). Accordingly,

considering the importance of trust in Bosnia, there are unfortunately few studies on the issue. One exception is the World Value Survey (1998), which found a relatively high level of trust in 1998. However, there are no studies that examine trust in more recent years or studies that try to explain individuals' levels of trust.

This paper examines individuals' trust through an omnibus survey conducted in Bosnia in 2003. We also try to identify determinants to differences between individuals' levels of trust. Our focus is on both regional and individual specific characteristics, with a special emphasis on ethnicity. Our results suggest that trust is low in Bosnia and it seems to have decreased in recent years. Moreover, trust is particularly low among individuals in ethnically heterogeneous provinces and in relatively poor households. However, the picture is more complex and it seems that individuals show low trust in all other individuals outside of the family, whether or not they belong to the same ethnic group.

The rest of the paper is organized as follows. Section II discusses the theoretical and empirical literature on trust with a special focus on ethnicity and trust. The paper continues with descriptive figures of trust in Bosnia, followed by a statistical analysis of determinants to trust. The analysis continues with a more detailed look at who people trust and the paper ends with some concluding remarks.

## 2. ETHNICITY AND TRUST

### *Theoretical Framework and Hypothesis*

It is valuable to divide trust in generalized trust and partial trust. The former is about trusting people in general, both people you know and strangers, and the latter about trusting people that are perceived as being in "your own" sphere. Ethnic differences might negatively affect both types of trust.

Firstly, social identity theory tells us that the more a person differs from one self, the less likely it is that we will trust this person (e.g. Tajfel, 1982; Messick and Mackie, 1989, and Brewer and Pierce, 2005). Difference is a broad concept and can involve number of different aspects ranging from sexual orientation to political views. Ethnicity is one factor that is likely to be important for trust, with trust being higher between individuals of similar ethnicity. It follows that ethnically heterogeneous societies will show relatively lower levels of partial trust and thereby relatively lower level of overall trust.

Secondly, ethnic differences tend to limit the amount of social interaction and thereby the amount of generalized trusts. Gellner (1994) argues that civil society is promoted by voluntary interactions between individuals whereas societies characterized by "segmentalism" are characterized by interactions being determined by ethnic or religious considerations. Along the same line of reasoning, society-centered approaches see regular social interaction, preferably as membership in voluntary associations, as the most important mechanism for the formation of social capital (Banfield, 1958; Putnam, 1993).[3] Putnam (2000) argues that through affiliation, people learn the basic norms of cooperation and reciprocity and learn to trust each other. However, others argue instead that contacts may increase or decrease ethnic prejudice depending on the conditions in which contact takes place (Allport, 1954; Pettigrew, 1971). Positive effects of contact arises primarily when groups possess equal status, seek common goals, are cooperatively dependent on each other, and interact with the positive support of authorities, laws or customs. Where societies are polarized by ethnic, political, religious or income differences, associations may also be polarized along the same lines. Relatively homogenous associations in heterogeneous societies may strengthen trust and cooperative norms within the group, but weaken trust and cooperative norms between groups (Knack and Keefer, 1997:1278).

To sum up, there are theoretical argument that suggest that trust will be negatively affected by ethnic heterogeneity. In our context, we can state the main hypothesis of our study as follows:

*Ethnic diversity in Bosnian regions is expected to negatively affect the level of individuals' trust.*

*Previous Empirical Studies*

The empirical work on ethnicity and trust is limited but there exist a few relevant studies. At an aggregated level, empirical research finds trust to be relatively low in ethnically heterogeneous countries (Zak and Knack, 2001). Moreover, Alesina and La Ferrara (2002) find that trust in the US is negatively associated with community heterogeneity. On the other hand, Fafchamps (2003) finds little evidence of an effect of ethnicity on trust among traders in a sample of African countries.

In one of the very few studies on ethnicity and trust in Eastern Europe, Dowley and Silver (2002) conclude that determinants of trust might differ between ethnically homogenous and heterogeneous societies. However, Bahry et al. (2005) find no conflict between high levels of trust within ethnic groups and trust in other ethnic groups, in a study on two minority regions of Russia.

## 3. DATA AND DESCRIPTIV STATISTICS

The Social Trust Survey was conducted as a face-to-face interview as part of a bi-monthly Omnibus survey implemented by Prism Research in December 2003.[4] The sample size is 1,858 respondents. In addition to questions on social trust, the survey also collected basic demographic information, as well as the socio-economic status of respondents.

We follow a commonly used approach in the literature on trust and measure trust by the response to the question "Generally speaking, would you say that most people can be trusted or that you can't be too careful in dealing with people?"

-Figure 1 about here -

Figure 1 shows the distribution of responses and the exact figures can be seen in Table A1 in the appendix. It is seen that 14.5 percent of the respondents answered that most people can be trusted and that 85.5 percent thought that one had to be careful in dealing with people. We can compare the results with the World Value Survey (1998), which found 26.9 percent of the respondents to be trusting in Bosnia in 1997. Differences in the construction of surveys can of course lead to different results. However, the two surveys are very similar in the questions asked, sample size, and selection of households. Considering the large difference in trust between the two studies, about 12 percentage points, it leads us to conclude that trust has decreased in Bosnia in recent years. A similar development has been observed in other Southeast European countries (e.g. Mihaylova, 2004, p.69) and in other post-Communist European countries (Howard, 2003). We can also compare our results to the situation in neighboring countries. Trust is generally low in the Balkans, but the figure for Bosnia is low even in comparison with the region. For instance, Mungiu-Pippidi (2005) examines trust in 2003 in five Southeast European countries: Romania, Bulgaria, Serbia, Montenegro, and Macedonia.[5] Trust was highest in Macedonia where 48 percent said that most people can be trusted, and lowest in Montenegro with 19 percent. The figures for Bulgaria, Serbia and Romania were 30, 32, and 42 percent respectively.

The low level of trust shown in Figure 1 is likely to have negative effects on political and economic development in Bosnia. For instance, Zak and Knack (2001) show that

investments are effectively stalled at trust levels below 26%. The level of trust in Bosnia is well below this cut off point.

Trust differs greatly between regions in Bosnia (Figure 1). For instance, more than 50 percent of the population in West-Herzegovina responded that most people can be trusted, a figure that is substantially higher than in any other region. Trust is also relatively high, but well below 50 percent of the population, in regions such as East Pale, and in the Bosniak part of Central Bosnia.[6] On the other end of the distribution, trust is particularly low in regions such as the Una-Sana Canton, where almost no respondents trusted people in general, and in Posavina, Gorazde and Tuzla.[7]

As previously stated, there are reasons to believe that ethnic composition affects the level of trust, and that differences in trust can partly be explained by differences in ethnic homogeneity. We therefore calculated a variable ETHNIC as the standard deviation of ethnic shares in a region to measure the degree of ethnic homogeneity. In other words, the proportions of Bosniak, Serbs, Croats, and Others in each region were calculated from the sample. The standard error for each region was then calculated. This means that if a region has a large standard error, it has a high ethnic homogeneity (one group dominates).[8] The exact value on ETHNIC as well as the proportions of the three main ethnic groups in different regions is seen in Table A1 in the appendix. Moreover, a map with the majority ethnic group in different regions is also found in the appendix. Figure 2 shows the standard error for each region sorted from high ethnic homogeneity to low.[9]

-Figure 2 about here-

All regions are ethnically biased in the sense that they all have more homogenous populations than the total average for Bosnia (last column in Figure 2). Gorazde, Trebinje and

West Herzegovina are the most ethnically homogenous regions, and Brcko, Posavina, and the Bosniak part of Neretva are the most ethnically heterogeneous regions.

The figures in Figure 1 and 2 seem to suggest a positive relationship between the level of ethnic homogeneity and general trust: six out of the nine regions that are found in the upper half in terms of ethnic homogeneity (Figure 2) are also in the upper half in the level of trust (Figure 1).

The picture is, however, far from clear. For example, Gorazde Canton and Trebinje South East Region are calculated as the most ethnically homogeneous regions but have low levels of generalized trust. Gorazde was a Bosniak enclave in a predominantly Serbian area, which might explain the low level of trust if there is a relationship between ethnic homogeneity and trust.[10] The region was the scene of some of the most violent fighting during the war and is today a very depressed part of Bosnia with low incomes and high unemployment.

Accordingly, Trebinje has, during the last years, been characterized by severe conflicts between Bosniak and Serb nationalists. Violent demonstrations and riots have been common, often triggered by, for instance, the renovation or construction of churches and mosques. It can also be noted that the region with the lowest level of trust, Una-Sana (with the most well-known town Bihac) also has a very special history that might explain the low level of trust. The Bosniak regime in Una-Sana under the leader Fikret Abdic did not only fight the Serbs during the war, but also the national Bosniak regime in Sarajevo. This situation led to a situation where Una-Sana became politically isolated and where its citizens are often said to experience a sense of being betrayed by everyone in Bosnia.

The figures and discussion above give some indications of a correlation between ethnic homogeneity and trust. But it is also clear that trust can affected by regional specific factors, or by other factors such as income and employment mentioned above, or by a host of

other factors not discussed, such as corruption, bureaucratic inefficiency, institutional design, and the role of the international community (e.g. McMahon, 2002, 2004). There are at least two implications. One is that it is important to continue with a statistical analysis in order to be able to distinguish between the impacts on trust from different possible factors. We continue in the next section with such an analysis. The second implication is that trust is affected by variables that are not easily measured and quantified and which are therefore not possible to include in statistical analyses. The implication is that this type of analysis should be seen as a complement to qualitative studies.

## 4. STATISTICAL MODEL AND RESULTS

Our statistical analysis is based on a logit model, expressed as:

(1) $$GTRUST = f(Ethnicity, Age, Gender, Education, Income, Rural, Active)$$

Our dependent variable, *Trust,* is measured as in the previous discussion and can take the value 0 (careful) or 1 (trust). Our variable of main interest, *Ethnicity,* is the previously discussed variable on the degree of regional ethnic homogeneity.

There is a number of other variables that are likely to affect trust and which we try to control for in the statistical estimations. The choice of included variables is determined by previous theoretical and empirical work and by the availability of data. For instance, the characteristics and experience of individuals will also affect their level of trust (Platteau, 1994:760; Hardin, 2002). Experience is a broad concept and difficult to assess in empirical studies, but is often controlled for by inclusion of variables such as age, gender, education, and income. Moreover and as previously discussed, active participation in voluntary associations are often argued to be important determinants of trust (e.g. Putham, 1993).

Finally, trust might differ between urban and rural population. One reason is that rural living seems to favor interethnic networks (Varshney, 2001).

We measure our control variables as follows. *Age* and *Education* are divided into three cohorts each, and *Income* is measured as a categorical variable with six different income groups. *Rural* is a dummy variable included to capture differences between urban and rural populations. *Active* is a variable with the value one for persons with active membership in voluntary associations. In addition, we include dummy variables for Serbs and Croats. This means that Bosniak respondents are the group of comparison. The construction of variables is described in more detail in Table 1.

-Table 1 about here-

The results from our logit model are shown in Table 2. Estimation one shows that people in ethnically homogenous regions are more trusting than people in ethnically heterogeneous regions.

As previously discussed, individual characteristics are likely to affect the level of trust and we try to control for such aspects in Estimation 2. Only household income is found to have a statistically significant effect on the level of trust: high household income increases the level of trust. The result is in accordance with most previous studies and it has been argued that trust is negatively affected by an everyday struggle to survive (Foster, 1965). People with secondary or tertiary education do not show higher trust than people with only primary education; rural people do not differ from urban people in trust of other people; males are in the aspect of trust no different from women; and middle aged and old people trust their fellow beings as much, or as little, as young people do. Moreover, the inclusion of individual characteristics does not change the positive and statistically significant effect of *Ethnic*.

-Table 2 about here-

As previously said, social interaction in voluntary associations are sometimes argued to increase trust, but there is also a risk that associations along ethnic lines might serve to decrease trust of other ethnic groups (Rothstein, 2003, p.50). We include a variable for active membership in voluntary associations in Estimation 3 to examine the issue further. The variable is positive and statistically significant, suggesting that members of voluntary associations show a comparable high level of trust. The positive effect of ethnically homogenous regions on trust is not affected by the inclusion of *Active*.

Estimation 4 examines if trust differs between the three main ethnic groups by including dummy variables for Serbs and Croats. Hence, Bosniaks are the group of comparison. Serbs are not found to differ from Bosniaks, but Croats are found to be more trusting. This corresponds to the previous figures where the predominantly Croat region of Western Herzegovina is both highly homogenous and with a high level of trust. *Ethnic* remains statistically significant even after inclusion of the dummy variables. Estimation 5, finally, includes an alternative measure on ethnic homogeneity, *Ethnic2*, measured as the share of the largest ethnic group. The use of this alternative measure does not change the main result: people in ethnically homogenous regions tend to be relatively trusting.

## 5. EXTENSION: WHO DO YOU TRUST?

The analysis above suggests that general trust is low in Bosnia and that it is particularly low for low-income individuals who are not members of voluntary associations and who live in ethnically diversified regions. The analysis focused on generalized trust. Again, generalized

trust is about trusting people in general, all people across ethnical boundaries and national restraints. To get a more detailed picture on the nature of trust in Bosnia, we continue to look also at partial trust. Partial trust is about turning towards "your own" and trusting your own community.

We look in more detail at whom the respondents trust with the following question:

*People have different opinions about different groups of people. Do you think you can trust: All, Most, Some, No people in the following groups.*

The six groups included were Family/relatives, Neighbors, Other People you know well, People with your own nationality, People with other nationality, People with a different way of life (e.g. professional career, different values, financial/social status, rural/urban etc).[11]

-Figure 3 about here-

Figure 3 shows the result of the question. In the figure we have added the "All" and "Most"-responses (positive signs), and "No" and "Some" responses (negative signs). Hence, on the left side of the figure we show how large a proportion answered that they trust some or no one in a respective group. On the right side we have the proportion of the respondents that answered that they trust all or most of the respective group.

Figure 3 shows an expected pattern of declining trust the socially further away the group is from the respondent. More precisely, respondents reported high levels of trust within families. Trust between neighbors and towards other well-known people shows a reduction from the level of trust within the family. Trust in strangers (people with a different nationality

or a different way of life) shows again a reduction in trust in relation to people that the respondent knows well. The level of trust in strangers lies in line with the low levels of general trust.[12] Interestingly, the figures for those who trust people with a different way of life mirror the figures for those who trust people of another ethnicity, perhaps indicating a broad lack of trust in the 'unknown'.

-Table 3 about here-

We continue in Table 3, where we examine how individuals trust people from their own and other nationalities. We put the two questions in a cross-table to better describe the data and to detect a possible correlation. For instance, the box all/all includes 30 respondents who indicated that they trusted all from their own nationality and all from other nationalities. The figures in brackets shows that, for instance, of all the respondents (84 in total) who trusted all people of their own nationality, 35.7 percent trusted all people of the other nationality.

Table 3 offers some interesting insights. First and as previously found, the level of trust is rather low. It is interesting to note that the level of trust is low both for people from the same ethnic group and for people from other ethnic groups. More precisely, a vast majority of the respondents answer that one can only trust some people of the same ethnic group and some people of other ethnic groups. Secondly, there is a strong correlation between trust for their own ethnic group and trust for people from other ethnic groups. For instance, about 60 percent of those who trusted all people from their own nationality trust all or most people from other nationalities. Accordingly, almost all people who trust only some of their own nationality trust some or no people of other nationalities. The strong relation between trust of their own and other nationalities was confirmed by a positive correlation coefficient of

0.52 between “trust people from your own nationality” and “trust people from other nationalities” (not shown).

Of the respondents who trust no one from other nationalities, about a quarter are people who trust no one from their own nationality either. A further third trust some of their own nationality, and a small group of only 36 individuals trust all (8) or most (28) of their own nationality, but no one from other nationalities.

The results in Table 3 give a more complex picture of ethnic heterogeneity and trust than what was offered from the statistical results in Table 2. Again, it was previously found that people in ethnically heterogeneous regions tend not to trust other people. However, the results in Tables 2 and 3 suggest that they tend not to trust people of other nationalities or of their own nationality. Trust is low for everyone outside of the own family. Hence, it is possible that the previously found positive effect from *Ethnicity* captures something other than trust in people belonging to their own ethnic group.[13] One possible explanation could be if ethnically heterogeneous regions were the worst affected by the war, which might have a negative effect on general and partial trust. Indeed, many of the regions with low trust, such as Una-Sana, Gorazde, and Brcko (Figure 1), were also the worst affected by the war. It is therefore plausible that ethnicity has more of an indirect effect on trust: ethnically heterogeneous regions might run a comparable high risk of political turmoil, and turmoil has a negative effect on trust in all people, irrespective of nationality, outside of their own family.

## 6. CONCLUDING REMARKS

Trust is low in Bosnia and Herzegovina and it has declined in recent years. This might not come as a surprise considering the turbulent last decade. Moreover, Bosnia and Herzegovina is an ethnically heterogeneous country and it is often argued that this could have a negative effect on trust. We do find people in ethnically heterogeneous regions to show lower levels of

trust than people in ethnically homogenous regions. Moreover, people with high incomes show higher trust than people with low incomes, as do people that are actively engaged in voluntary associations. We also find high levels of trust persisting within the traditional social fabric of families in Bosnia Herzegovina. Additionally, the number of people reporting outright distrust of other nationalities is small. Still, the level of trust outside of family networks is relatively low.

One interesting result from our survey shows that there is a positive correlation between trust in people from the respondent's own nationality and trust in people from other nationalities: the more you trust people from your own nationality, the more likely is it that you should trust people from other nationalities as well.

Perhaps the strongest conclusion from our study is that the relation between ethnicity and trust is not straightforward. It is on the one hand seen that trust is low in ethnically heterogeneous regions, but we have also found that people who don't trust people of other nationalities do not trust people of their own nationality (outside of their own family) either. Hence, the ethnic distribution in a region might capture something else that also affects the level of trust. One possibility is that the regions with different ethnic distributions also have a different historical experience and that this might affect the level of trust of the regions' citizens. This is an issue that in our view clearly needs further research and analysis.

NOTES

[1] See Kolankiewicz (1996) for a different opinion.

[2] Other obstacles for trust in Bosnia include a lack of transparency in government procedures (UNDP, 2003a) and a weak civil society (UNDP, 2003b).

[3] More informal types of social interactions have also been emphasized in later work.

[4] For more information on the survey, see www.prismresearch.ba/eng/sind_research/sind_research_f2f_omnibus.htm. See also Håkansson and Hargreaves (2004, Appendix 4).

[5] It should be noted that Montenegro and Serbia were one country at the time of the study.

[6] The Central Bosnia and Neretva Cantons are divided in two regions each according to the ethnic majority.

[7] Our result of sub-national differences in trust corresponds to similar finding in Romania where social capital is significantly higher in Transylvania compared to the rest of the country (Badescu and Sum, 2005).

[8] The standard error measures the distance from the mean. If one group dominates, for example its proportion of the population is 0.9, and two other groups account for 0.05 of the population each, the standard error will turn out greater than if each of the three groups account for 0.33 of the population.

[9] Other studies have calculated ethnic homogeneity in a different way. For example, Sullivan (1991), and Zak and Knack (2000), used the proportion of the largest ethnic group. Such measure might be less suitable with several ethnic groups. However, we recalculated our ETHNIC variable according to this method, with little effect on the results (not shown).

[10] Today Gorazde belongs to the Croat and Bosniak dominated Federation (FBiH). Gorazde was of specific interest during the peace-negotiation in Dayton, see for example Holbrook (1999).

[11] We follow the terminology used in Bosnia where Serbs, Bosniaks, and Croats are commonly, and slightly misleading, referred to as different nationalities.

[12] People with other nationality, All+Most: 13.6 %. People with a different way of life, All+Most: 14.6 %. The levels are not significantly different from the 14.7 % of generalized trusters.

[13] See Gagnon Jr. (2004) for a similar view in the context of ethnicity and conflicts on the balkans.

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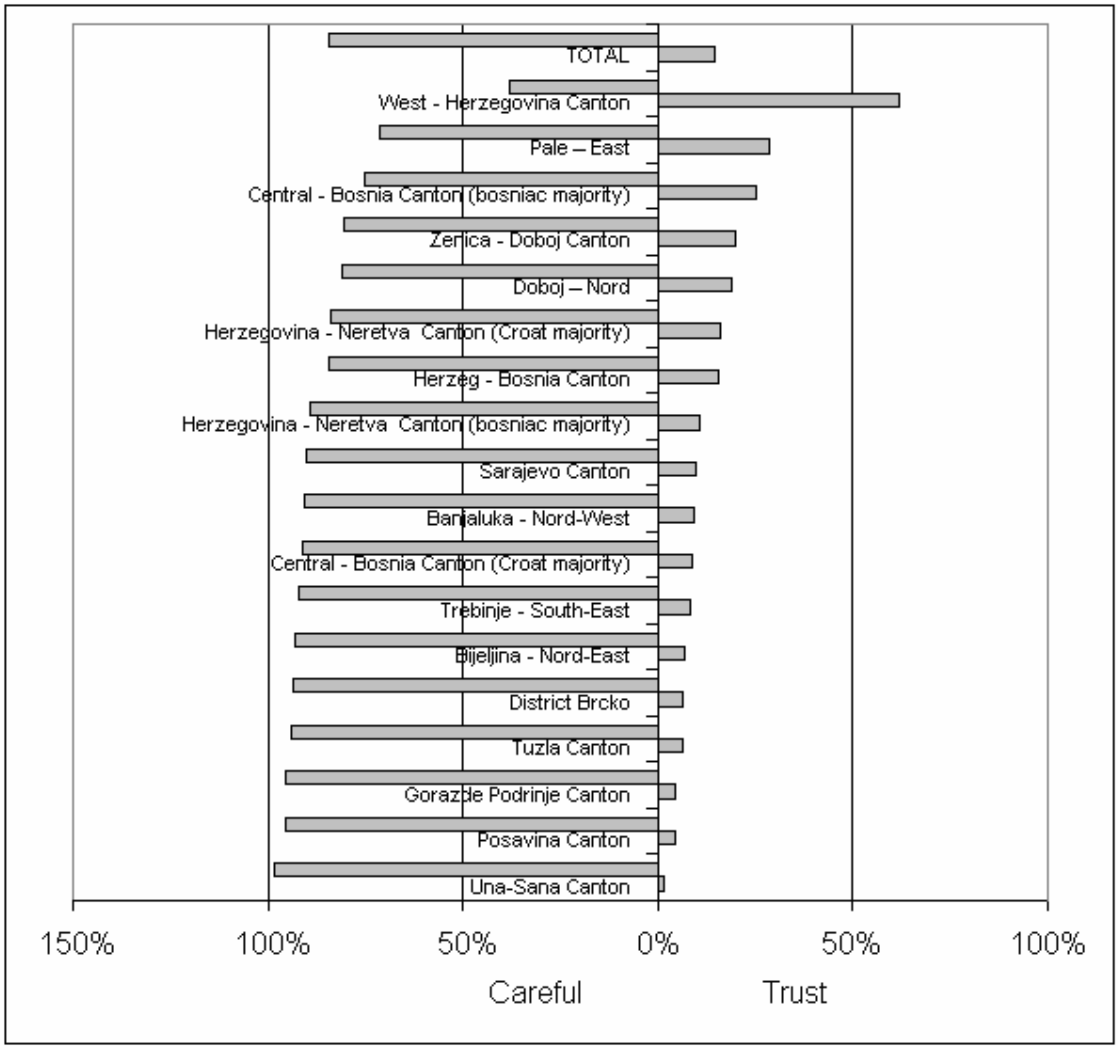
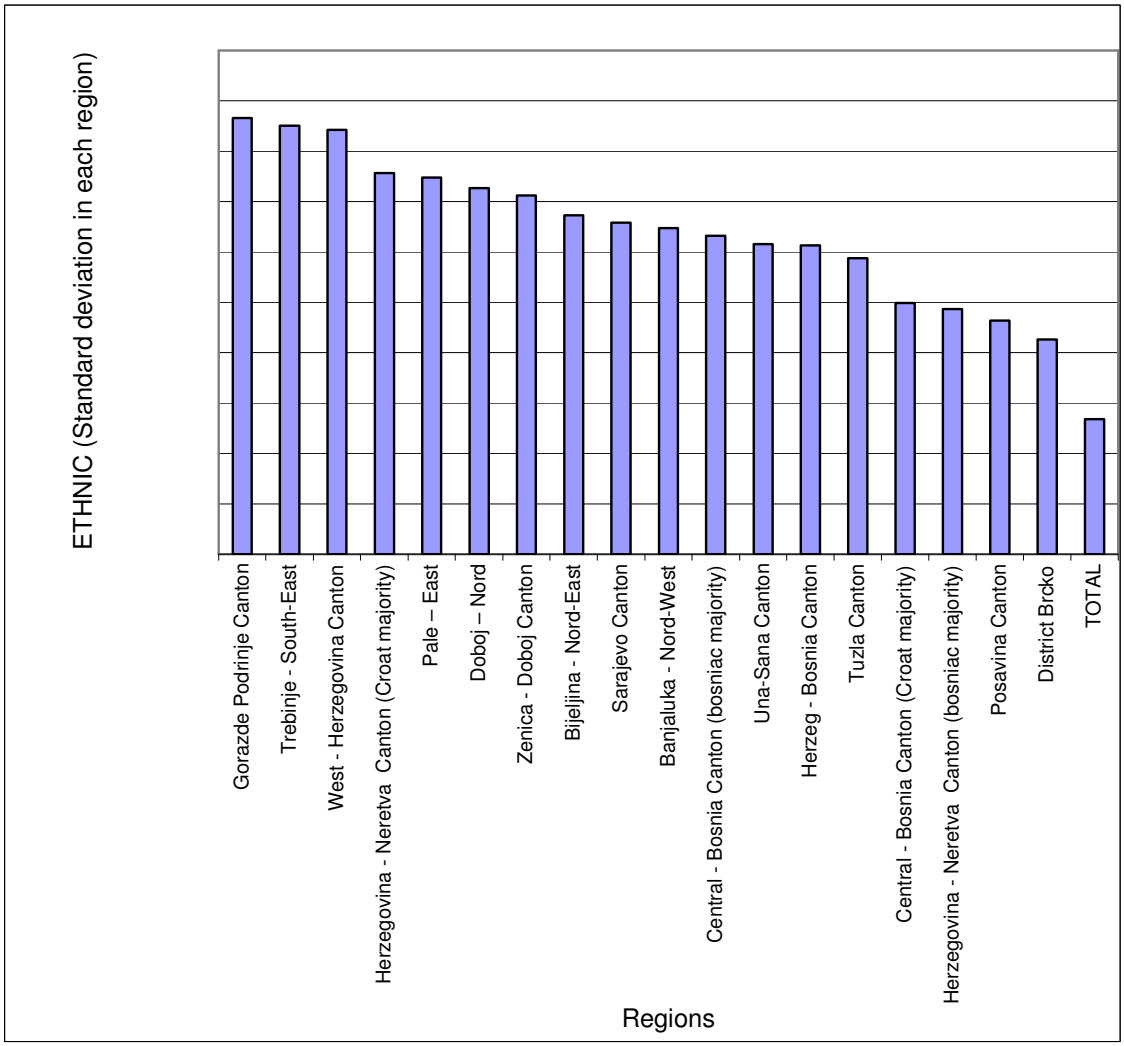
Figure 1. *Generalized trust by region in Bosnia Herzegovina, percent*




Source: Survey, 2003.

Figure 2. *Ethnic homogeneity in regions*




Source: Survey, 2003

Table 1. *Variables used in the statistical analysis*

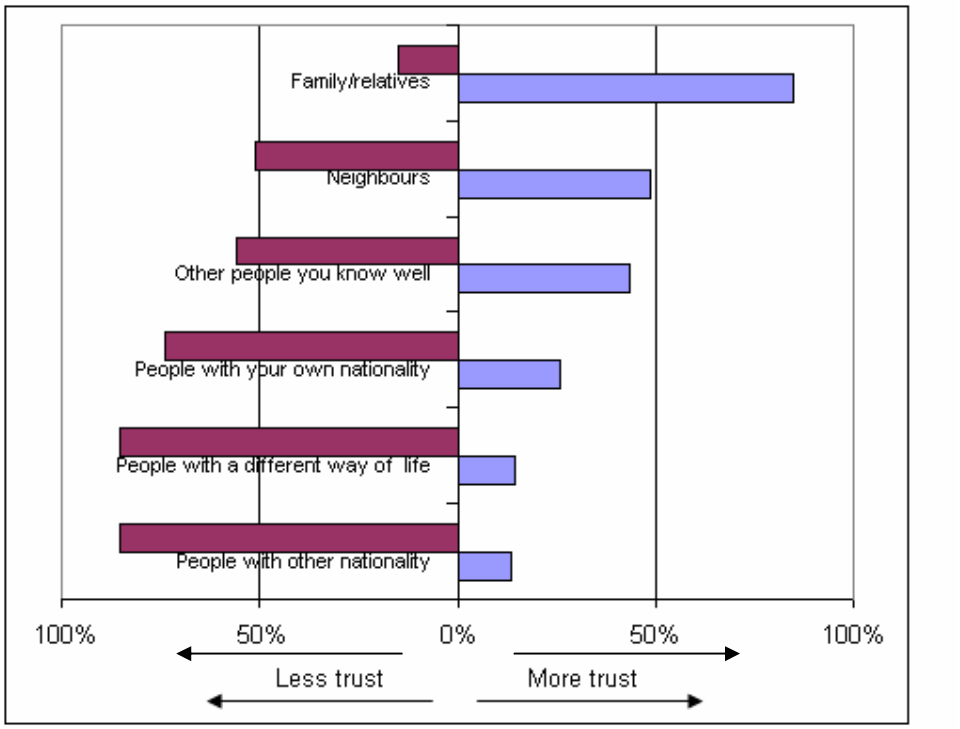
| ***Variable*** | ***Expected sign*** | ***Explanation*** |
|---|---|---|
| GTRUST | Depend. | Question: Circle the statement you agree with the most?<br>"Most people can be trusted" = 1<br>"You must be careful dealing with people" = 0 |
| MIDAGE | ? | age 36-50 = 1, if not (others) = 0 |
| OLD AGE | + | >51 = 1, if not = 0 |
| Secondary school | + | Secondary schooling = 1, others = 0 |
| Tertiary school | + | Tertiary schooling = 1, others = 0 |
| Household Income | + | Question: Concerning the fact that the average incomes by households in Bosnia are 400 KM at the moment, in which category would you put your household?<br>On the edge of existence = 1<br>Considerably below average = 2<br>Somewhat below average = 3<br>Around average = 4<br>Somewhat above average = 5<br>Considerably above average = 6 |
| ETHNIC | + | The proportion of Bosniacs, Serbs, Croats and Others in the sample has been calculated for each region. On the basis of these proportions the standard error has been calculated. This means: More ethnical homogeneous region, higher standard deviation and higher value on ETHNIC. |
| ETHNIC2 | + | The largest proportion in each region. |
| Rural | ? | if rural = 1 if urban = 0 |
| Male | ? | If male = 1 if female = 0 |
| Serb | ? | If Serb = 1 if not (Croat, Bosniac, Others) = 0 |
| Croat | ? | If Croat = 1 if not (Croat, Serb, Others) = 0 |
| Active | + | If active member in any voluntary association = 1 if not (passive or not a member) = 0 |

Table 2. *Determinants of generalised Trust. Logit estimations (dependent variable – GTRUST)*

| Variables | Estimation 1 | Estimation 2 | Estimation 3 | Estimation 4 | Estimation 5 |
|---|---|---|---|---|---|
| Constant | -5.8 | -6.27 | -6.03 | -5.76 | -6.47 |
| | (0.51)*** | (0.55)*** | (0.55)*** | (0.55)*** | (0.68)*** |
| Ethnic | 11.86 | 10.98 | 10.11 | 8.95 | -- |
| | (1.41)*** | (1.43)*** | (1.45)*** | (1.52)*** | |
| Ethnic2 | -- | -- | -- | -- | 4.48 |
| | | | | | (0.80)*** |
| Secondary School | -- | -0.20 | -0.20 | -0.21 | -0.21 |
| | | (0.20) | (0.20) | (0.20) | (0.20) |
| Tertiary School | -- | -0.26 | -0.26 | -0.25 | -0.26 |
| | | (0.24) | (0.24) | (0.25) | (0.24) |
| Household Income | -- | 0.28 | 0.25 | 0.23 | 0.23 |
| | | (0.06)*** | (0.06)*** | (0.06)*** | (0.06)*** |
| Rural | -- | -0.07 | -0.03 | -0.03 | -0.03 |
| | | (0.15) | (0.15) | (0.15) | (0.15) |
| Male | -- | -0.15 | -0.18 | -0.19 | -0.19 |
| | | (0.14) | (0.14) | (0.15) | (0.15) |
| Middle age | -- | -0.23 | -0.21 | -0.20 | -0.20 |
| | | (0.18) | (0.18) | (0.18) | (0.18) |
| Old age | -- | 0.22 | 0.25 | 0.23 | 0.24 |
| | | (0.19) | (0.19) | (0.19) | (0.19) |
| Active | -- | -- | 0.45 | 0.36 | 0.37 |
| | | | (0.15)*** | (0.16)** | (0.16)** |
| Serb | -- | -- | -- | 0.26 | 0.28 |
| | | | | (0.19) | (0.19) |
| Croat | -- | -- | -- | 0.55 | 0.59 |
| | | | | (0.19)*** | (0.19)*** |
| Number of obs. | 1,723 | 1,723 | 1,723 | 1,723 | 1,723 |
| Pseudo R2 | 0.05 | 0.07 | 0.08 | 0.09 | 0.08 |

Note: Standard errors within brackets. * - significant at a 10 percent level; ** - significant at a 5 percent level: *** - significant at a 1 percent level.

Figure 3. *Do you think you can trust the following groups?*




Source: Survey, 2003.

Note: Declined to answer and don't know answers have been excluded.

Table 3. *"Can you trust people from your own nationality?"*
*vs. "Can you trust people from other nationalities?"*

| | | ***Trust other nationalities*** | | | | |
|---|---|---|---|---|---|---|
| | | All | Most | Some | No | **Total** |
| ***Trust own nationality*** | All | 30 (35.7%) | 20 (23.8%) | 26 (31.0%) | 8 (9.5%) | **84 (100%)** |
| | Most | 7 (1.9%) | 152 (40.3%) | 190 (50.4%) | 28 (7.4%) | **377 (100%)** |
| | Some | 3 (0.2%) | 25 (2.1%) | 950 (78.6%) | 230 (19%) | **1208 (100%)** |
| | No | 1 (0.9%) | 6 (5.5%) | 12 (11.0%) | 90 (82.6%) | **109 (100%)** |
| | **Total** | **41 (2.3%)** | **203 (11.4%)** | **1178 (66.3%)** | **356 (20.0%)** | **1778 (100%)** |

Source: Survey, 2003.

Note: Declined to answer and don't know answers have been excluded.

APPENDIX

Map A1. *Ethnic distribution in Bosnia and Herzegovina.*

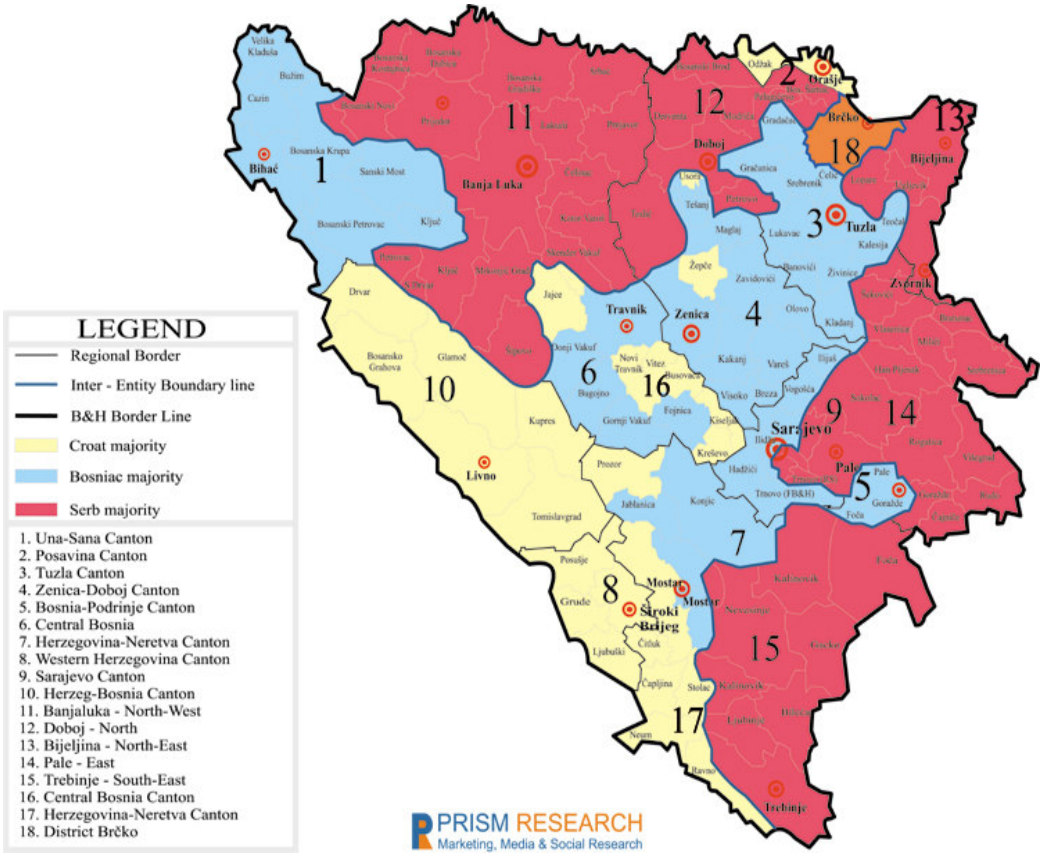


Table A1.*Ethnic distribution and trust in the regions. Proportion of nationality, standard deviation and proportion of respondents that trust vs. careful.*

| | REGION | Bosniac | Serb | Croat | Other | STDV=ETHNIC | trust | careful |
|---|---|---|---|---|---|---|---|---|
| 1 | Una-Sana Canton | 0,7808 | 0,0274 | 0,0959 | 0,0959 | 0,3077 | 0,014 | 0,986 |
| 2 | Posavina Canton | 0,3768 | 0,0580 | 0,5652 | 0,0000 | 0,2317 | 0,045 | 0,955 |
| 3 | Tuzla Canton | 0,7582 | 0,0784 | 0,0915 | 0,0719 | 0,2935 | 0,062 | 0,938 |
| 4 | Zenica - Doboj Canton | 0,8621 | 0,0172 | 0,1207 | 0,0000 | 0,3564 | 0,196 | 0,804 |
| 5 | Gorazde Podrinje Canton | 1,0000 | 0,0000 | 0,0000 | 0,0000 | 0,4330 | 0,045 | 0,955 |
| 6 | Central - Bosnia Canton | 0,7917 | 0,0000 | 0,1250 | 0,0833 | 0,3160 | 0,250 | 0,750 |
| 7 | Herzegovina - Neretva Canton | 0,6667 | 0,0606 | 0,1212 | 0,1515 | 0,2428 | 0,107 | 0,893 |
| 8 | West - Herzegovina Canton | 0,0100 | 0,0100 | 0,9800 | 0,0000 | 0,4215 | 0,619 | 0,381 |
| 9 | Sarajevo Canton | 0,8188 | 0,0313 | 0,0875 | 0,0625 | 0,3290 | 0,099 | 0,901 |
| 10 | Herzeg - Bosnia Canton | 0,1630 | 0,0652 | 0,7717 | 0,0000 | 0,3068 | 0,157 | 0,843 |
| 11 | Banjaluka - Nord-West | 0,1161 | 0,8080 | 0,0313 | 0,0446 | 0,3238 | 0,095 | 0,905 |
| 12 | Doboj – Nord | 0,0863 | 0,8777 | 0,0288 | 0,0072 | 0,3636 | 0,189 | 0,811 |
| 13 | Bijeljina - Nord-East | 0,1038 | 0,8302 | 0,0283 | 0,0377 | 0,3362 | 0,069 | 0,931 |
| 14 | Pale – East | 0,1068 | 0,8932 | 0,0000 | 0,0000 | 0,3739 | 0,284 | 0,716 |
| 15 | Trebinje - South-East | 0,0000 | 0,9868 | 0,0000 | 0,0132 | 0,4254 | 0,081 | 0,919 |
| 16 | Central - Bosnia Canton | 0,6320 | 0,0320 | 0,3120 | 0,0240 | 0,2492 | 0,090 | 0,910 |
| 17 | Herzegovina - Neretva Canton | 0,0618 | 0,0337 | 0,9045 | 0,0000 | 0,3785 | 0,161 | 0,839 |
| 18 | District Brcko | 0,5781 | 0,2969 | 0,0781 | 0,0469 | 0,2125 | 0,063 | 0,937 |
| | Total | 0,3748 | 0,3344 | 0,2601 | 0,0307 | 0,1331 | 0,145 | 0,855 |

Source: Survey, 2003