

# Deconstructing Balkan Particularism: The Ambiguous Social Capital Of Southeastern Europe

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*This article is concerned with particularism in the post-communist Balkans. First, it discusses notions such as particularism and social capital in a post-communist context, attempting to relate these two concepts to each other. Second, it provides a descriptive picture of particularism, informal behaviour and social capital in Southeast Europe based on a comparative survey conducted in 2003 in five countries: Romania, Bulgaria, Serbia, Montenegro and Macedonia. Third, it constructs explanatory models of social capital and discusses the policy implications for the region's Europeanization.*

## Theoretical Framework

In order to stimulate change in a society, we must first understand how it works. There are reasons why some states are weak and function alongside their society rather than together with it. Far too often, externally induced processes of modernization end up as 'simulated change' against the backdrop of structural, informal continuities. Governments pretend to govern, and citizens pretend to follow, but, in practice, informal economies thrive, taxes are only partially collected, policies, whether good or bad, are seldom implemented and an informal order balances the formal one, rendering statistics a poor instrument in describing the society. Such countries seem to resist 'modernization' despite successive government pledges and decades of modernization policies. They do not develop modern bureaucracies. Their peasants do not turn into citizens but remain dependent on local power holders. Their politics remains confined to networks of clients and do not open to the entire society. Predators control their economies, not only taking the lion's share of resources but also, in the process of enriching themselves, generating massive poverty for the rest of society. There are appearances of democracy and market, but they are deceptive, remaining, for the most

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part, forms without content. Both social structure and culture have been blamed for this state of affairs, in addition to imperialism (for Latin America and Eastern Europe in the early twentieth century) and communism (for contemporary Eastern Europe). Guillermo O'Donnell and other students of Latin America write about the 'particularism' of such societies (O'Donnell 1999). Ken Jowitt described Eastern Europe and the post-communist world in a similar vein as 'neo-traditionalistic' (Jowitt 1993). These models tend to cluster in opposite to the Western model of 'universalism'. Particularism is usually described as a mentality prevailing in collectivistic societies in which the standards for the way a person should be treated depend on the group to which the person belongs. This is the opposite of universalism, the practice of individualistic societies, where equal treatment applies to everyone regardless of the group to which he or she belongs. In a universal society, rules of the game tend to be the same everywhere; in particularistic societies, they tend to be extremely specific for that society only. Of course, the two are ideal models, and universalism is not perfect in Western societies nor is particularism consistent across the underdeveloped world. Local knowledge is essential to particularistic societies although observers can find some common features across such societies. What we seek to understand in this article are the rules of the game operating in the Balkans and to discuss to what extent these patterns conflict with the region's Europeanization, the last wave in a series of attempts of modernisation of the Balkan societies in the last 150 years.

The conservatives of Eastern Europe have always believed that the adoption, in a very short time, of many Western institutions without local roots will not make the state more modern – just weaker. As the Balkan historian Nicolae Iorga put it in the years of the first modernization effort: 'Let it be a lesson to all reformers of today and tomorrow ... to all those who come to the government with pockets full of bills which get passed but are never applied, because the poor nation lives much better on its customs than on all the laws; it turns a good law into a custom, leaving aside the bad ones' (Iorga 1992). As Europeanization is a specific modernization process, consisting to a large extent in the adoption of new formal rules (institutional imports) and their implementation, we might expect to find some tension between this process and the prevalent informal institutions in one given society. In fact, previous European enlargements to Ireland, Spain, Portugal and Greece stirred some debate on the cultural 'fitness' of these countries for development, which has gradually worn away as these relatively poor and rural countries managed, with considerable EU assistance, to catch up with richer Western ones. The division between formal and informal institutions originates in the modernization debate and it continues to have a high significance for this process. Following Douglas North, we define institutions as the 'rules of the game in a society' (North 1990). Societies operate by both formal and informal rules, which may be in agreement, disagreement or indifference one towards another. Institutions play a socializing role as they prescribe and reward desirable behaviour while proscribing undesirable behaviour (Offe 1996) and matter for policy because they can provide decision makers with formative incentives and disincentives that shape both the strategies pursued and the goals achieved (March and Olsen 1984). But institutions do not exist in a vacuum; they perform in certain environments, and the understanding of a specific environment, in

its historical evolution and present context, is crucial for institutional transfer or change. The dichotomy of formal and informal institutions is related to Max Weber’s ideal types of legitimacy (Gelman 2001). The dominance of formal institutions is associated with rational-legal legitimacy, while that of informal institutions features in the charismatic and/or traditional rule. One can either agree with Joel Migdal (1998) that the prevalence of informal institutions prevents formal ones from taking root (the state is weak because of the ‘strong’ society’) or see informality as a benign feature of every society, which becomes attenuated as development progresses further. Indeed, as some authors hint (Ledeneva 2001), informal institutions might be so strong because they work where inappropriate formal ones do not: their proliferation may be a rational compensation for the poor performance of formal institutions. Informal institutions are not necessarily hindering the transformation of a society as they can coexist in parallel to formal ones; however, widespread informal or particularistic *behaviour*, deviant from the formal, universal and legally established norms of conduct does affect the modernisation and bureaucratization of a society, as it subverts the rule of law.

The model summarized in Figure 1 put into place the various concepts discussed above. The monetarist requirement of the ‘rule of law’ as a precondition for market and democracy implies a dominance of formal institutions, that is, universal rules and norms that serve as significant constraints on major actors and their strategies within the given polity. Rule of law cannot coexist with particularism and informal behaviour. If we design a continuum with universalism and formal rule of law at one end, at the other end, we find arbitrary rule and particularistic norms and behaviour.

At the opposite end of the continuum, we find relations based on particularism. In this kind of society, individuals are treated unequally, and their treatment depends strongly on their position in society or their status. Status is conceptualized as the individual’s distance from the groups or networks holding power and draws on a mixture of traditional and charismatic authority. The closer an individual is to the source of power, be it a charismatic leader or a privileged group (such as the nomenklatura during the communist era), the better positioned he or she is to enjoy a superior status. Individuals who enjoy this privilege are linked in status-based groups such as castes,

IDEAL TYPES	UNIVERSALISM	PARTICULARISM
<b>INTERPLAY</b> <b>FORMAL</b> <b>INFORMAL</b> <b>INSTITUTIONS</b>	Formal institutions prevalence with little or no contradiction with informal ones	Informal institutions prevalence with informal rules and norms disagreeing with formal ones
<b>TRUST TYPE</b>	Universalistic. Social capital	Particularistic. Culture of privilege
<b>BEHAVIOUR</b>	Formal and even towards other individuals and groups Predictable for outsiders	Informal and differentiated according to power distance Predictable to insiders only
<b>RULE OF LAW</b>	Strong	Weak

Figure 1 Ideal types of Universalism and Particularism Compared

orders or networks. Their access to public goods is disproportionately larger than that of those not included in such networks and groups. This uneven distribution is largely accepted in their given society. Individuals strive to become part of such status groups rather than trying to change the rule of the game: this is a culture of privilege underpinning status societies. Max Weber originally defined status societies as societies dominated by certain groups and ruled by convention rather than law.

The firm appropriation of opportunities, especially of opportunities for domination, always tends to result in the formation of status groups. The formation of status groups in turn always results in monopolistic appropriation of powers of domination and sources of income ... Hence, a status society always creates ... [the] elimination of individuals' free choice ... [and] hinders the formation of a free market. (Weber 1968)

Communism created special 'politocracies', as power was the main instrument of allocating social rewards and political office was closely intertwined with social status, generating what Andrew Janos called a 'modern version of the old tables of rank' (Janos 2000).

In societies based on universalism as rule of the game, individuals join associations frequently and engage in collective behaviour on the basis of reciprocal trust and honest behaviour toward others. *This specific expectation, which informs behaviour that an individual would, as a general rule, be treated equally and fairly, regardless of the person or organization that he or she encounters, is what I understand in this article as 'social capital'*. As Fukuyama stated, trust arises when 'a community shares a set of moral values in such a way as to create regular expectations of regular and honest behaviour' (Fukuyama 1995: 153). Social capital facilitates civic and business relations, reduces the costs entailed by secrecy and lack of confidence, and is closely associated with societies with a high degree of development. In its other broader meaning, social capital should also include the social texture of trust: associations and networks that engage in collective behaviour (Putnam 1993). For my purpose, it makes sense to separate expectations from organization and behaviour, either from the part of administration (performance) or the citizens (collective action). Social trust is based on experience, informs behaviour, and is reinforced by it. If one equates social trust with social capital one can use it as a dependent variable and test the above sketched causal relationships. If agency and actor are also included in social capital, the term becomes too broad to be operational. Using social trust, as the only key social capital indicator, should also give a fair idea about the social experience this trust draws upon if a relationship exists between expectations and experience. And this relation is proven in social capital literature: for instance. Societies high on trust are low on corruption.

But speaking of 'corruption' in an underdeveloped status society makes little sense. Corruption is commonly defined as the use of a public position to seek personal gain, but this definition implies that there a public sector already exists operating in a fair, non-discriminatory manner. This is seldom the case for either rural societies or for communist societies. Such societies have never achieved the stage of fully modernized societies, and their governments have never reached the impartiality, impersonality and fairness that presumably characterize modern bureaucracies. Therefore, corruption often manifests itself not just by the use of a public position for personal gain but,

more broadly, as the widespread infringement of the norms of impersonality and fairness that should characterize modern public service. This kind of discriminatory public service is not prompted directly by the wish to have financial gain but is the norm in societies dominated by groups of unequal power. Favours are granted to acknowledge superior status or to establish one's own status, often without money even being involved. Influence is the main currency – not cash. In a world of scarce resources, status groups control access to every resource – most notably the state and public resources. They group in networks, which thrive at the expense of the larger society, subverting social capital or generating negative social capital (Olson 1965). Barrington Moore called such groups 'predatory elites', who, in the process of generating prosperity for themselves, produce social poverty of a scale otherwise unwarranted in that society (Moore 1978).

Why did communism, which had explicit modernization goals, fail to bring about universalism? To be fair, communism achieved some progress in building bureaucracies and delivering some goods, such as cheap housing. For some time, it even enjoyed the legitimacy entailed by these achievements. But its modernizing designs were subverted by the essential contradiction embedded in the communist power structure, which legitimized status groups such as the *nomenklatura*, who enjoyed political and economical monopolies. Universalism is impossible where access to power is so uneven: privilege only can be the only result of it. Evidence gathered from studies examining the political economy of communism suggests that an uneven distribution of power according to status was the norm rather than the exception under communist rule (Jowitt 1992). Examples of such status holders range from the *apparatchik*, the 'director', the party member, the civil servant or the state salesman in charge of distributing resources, always in short supply, to the members of any officially acknowledged group, such as the Union of Writers and Journalists or a sports club. As other resources or forms of social stratification had been *de facto* annihilated by communist regimes, status became the main provider of social hierarchy. 'Corruption' is a malady of the modern society and bureaucratic state. In societies where modernization is not finished and the state has always been in the 'private' property of certain privileged groups the term is misleading as it suggests a completely different stage of evolution. Looking for solutions in the anticorruption arsenal of Western developed democracies is also inappropriate: the answers on how to build a fair and bureaucratic state are to be found in the history of these countries, not their current legal arsenal.

### **A Survey of the Region**

Southeast Europe, the region this article deals with, has always been a likely location for allegations of particularism and status society, due initially to its Ottoman past and then to its recent communist history. According to contemporary colloquialism, 'Balkan' or 'Byzantine' behaviour means that someone behaves in a non-Western fashion, insidiously, deceivingly and even uncivilly. This label may have occurred historically as a stereotype of the East by the West. Nonetheless, it has now been internalized and is

part of the current regional self-perception. Like everything else concerning Southeast Europe, this behaviour is usually blamed on ‘historical legacies’. Balkan particularism was blamed on more than just communism, which the region shares with the rest of post-communist Europe. The range of possible causes invoked include pre-communist cultural factors (Ottoman particularism, ‘nationalized’ after these countries gained independence), authoritarian legacy determinants (mostly communist, by creating special privileged groups on one hand and general scarcity of resources on the other), but also current conjectures, such as the state’s break-down after communism and the large spoils available through privatization. These factors vary from country to country, although they are to some extent common in all the countries surveyed here.

As Table 1 illustrates, our panel of countries shares some characteristics of unfinished modernity: low GDP/capita, an urban share of population below the central European average, and a large share of workforce engaged in agriculture. However, their types of communism differed. Serbia, Montenegro and Macedonia experienced the relatively mild Titoist regime, while Bulgaria and Romania started with tough Stalinist regimes, which eventually became variants of totalitarianism. In Bulgaria, it was a milder and more bureaucratic version while in Ceausescu’s Romania; it was deeply invasive and Sultanistic. But the essentials of status societies existed in all of these regimes, disrupted only by a few years of genuine attempts at modernization between the two world wars. After the Second World War, they ‘evolved’ from the peasant variant of status society to a communist variant. Their two legacies – underdevelopment and authoritarianism share the same certain remoteness from the legal rational type found even in pre-modern societies on their way to capitalism. Both have unpredictable patterns of distributing social and legal rights from a rational standpoint, although these patterns are fairly predictable for whoever is acquainted with the patterns of authority that generate unwritten rules of the game.

To test this theoretical model this paper draws on a comparative survey organized by the IBEU Fifth Framework project partners in 2003 in five Balkan countries – Romania, Bulgaria, Serbia, Montenegro and Macedonia. The data was aggregated into one pooled sample, which served as the main data source for this article.<sup>1</sup> There are a number of obvious limitations to this approach. The main one is that the Balkan countries are compared among themselves and not to other countries or regions. To the extent that these five countries are rather similar, forming one ‘region’, the risk is that

**Table 1** The Legacy of Modernization

	Romania	Bulgaria	Serbia-Montenegro	Macedonia
% workforce in agriculture	34	20	24	30
Per capita GDP 2000 (\$)	1,596	1,484	1,225	1,685
% urban population	55	68	52	60
FH corruption rating 2001	4.50	4.75	6.25	5.00

*Source:* World Bank; Freedom House (FH) Nations in Transit for corruption scores (scale from 1 to 7 with 7 maximum corruption).

there is not enough variation to trace the causes of the phenomena discussed here. Clearly the EU's treatment of the five countries discussed here differ, as Romania and Bulgaria were set to become EU members by 2007, while the Yugoslav successor states are still in the process of stabilization, a pre-accession stage where accession is still under question. Macedonia submitted its application in the spring of 2004, while Serbia and Montenegro are formally one state under a temporary EU brokered constitutional arrangement. For the sake of having more significant results, they were, however, treated as different countries in this article; Montenegro was sampled separately and not as a sub-sample of Serbia. The results from the five countries tend to illustrate that we are dealing with one region, where attitudes and behaviour vary only to a limited extent. In this article, we therefore treat Southeast Europe as a region, and countries are individualized only when we find significant statistical differences among them. As the national samples varied in size, I created a dummy variable, 'nationality', which was used as a control. As the Romanian sample was the largest, it served as a reference basis. Thus the other countries are compared against Romania in the regression tables.

How do we operationalize the concepts discussed here? For social trust, we use three separate variables, following also Newton (1999) and Mishler and Rose (1997, 2000). The first is interpersonal trust, itself conceptualized, following Uslaner (2002), as moralistic trust (trust most people) and particularistic trust (trust only one's kin or ethnic group). The second is political trust or trust in government, which measures confidence in the political establishment or system, in other words confidence in the president, government and parliament. The third is trust in the state, sometimes called administrative trust, which measures confidence in law and order agencies, local government and the other government agencies citizens deal with. We extracted two principal components that we used for our variables of political trust and administrative trust.

Experience is conceptualized as direct personal encounters, although clearly this does not constitute all of our life experience. We also judge the environment and other people by witnessing what occurs to others and on the basis of hearsay. But it remains important to see if negative personal experience greatly affects trust. As a measure of direct experience, we asked the individual if he or she had been the victim of cheating (involving some material loss) by another person in the last year. We then aggregated satisfaction with the service received by those individuals who had had dealings with the state agencies included in our index of administrative trust in one measure of administrative performance, which tries to capture direct experience with the administration. For civic membership, as figures in Eastern Europe are extremely low in general, we used two participation indicators as proxies. Attendance of at least one community activity in the previous year is our civic participation variable, and attendance of some form of political campaign is our political participation variable. For values, we used two beliefs phrased as popular sayings: 'a good deed always finds reward, while an evil deed will always meet punishment in the end'. These two beliefs clearly qualify as values, as they measure more than just the perceived efficacy of the society to reward good or evil, they describe worldviews based on moral judgement and

ethical behaviour. For corruption, we had experience-based indicators, such as bribes paid by the respondents and their family in the previous year, as well as more subjective indicators, such as the perception that government corruption increases or decreases, in other words, if there is a positive or a negative trend in this regard.

Many research questions arise against this background. The crucial one is if this theoretical model holds for Southeast Europe. Do people perceive particularism, and how? Does it bother them, or it is rather seen as an intrinsic cultural feature for the region? How does this affect their attitudes towards rule of law, the trust in government and the state? The next section will review the results of the survey, while the last one will seek to explain them.

### Empirical Findings

The IBEU survey results point to an everyday world of widespread deception and mistrust. In each and every country, majorities picture their compatriots as rather deceptive people (Table 2). In each country, roughly half claim to have been cheated in the last year. Quite many acknowledge, however, that they are not quite as good as their word and that they keep promises only ‘to those who deserve it’.

Seeing the degree of cheating illustrated here, distrust could be even higher than the 50–60 per cent we encounter. Particular trust is high: throughout the region, people trust their own and distrust other ethnic groups. The Roma are at the bottom of social trust. Many people, especially in Bulgaria and Macedonia, are not predisposed to trust anybody outside their family circle (Table 3). However, people claim to have someone they trust enough to start a business with. Distrust is therefore directed against the stranger and the different as we would expect in rural societies.

However, it is not only that many people do not trust each other. They also do not trust the state (Table 4). Individuals perceive that the law treats them differently from other people and that privileged groups are above the law. These privileged groups are perceived to be politicians – people with power – the rich, policemen, and people ‘with the right connections’, in other words, networked people. The presence of policemen on top of the list, far above criminals, illustrates that citizens of these countries perceive

**Table 2** Behaviour Toward Others

Country	Cheated by others (%)		Keeps word to (%)	
	Yes	No	Everybody	Those who deserve it
Romania	49	47	62	34
Bulgaria	45	50	54	47
Serbia	53	39	61	39
Montenegro	31	60	72	25
Macedonia	53	44	56	44



**Table 3** Interpersonal Trust

Country	Only your kin can be trusted (particularistic trust) (%)	Most people can be trusted (Moral trust) (%)
Romania	48	42
Bulgaria	65	30
Serbia	47	32
Montenegro	38	19
Macedonia	72	48

the very particularism of their societies: those who should be entrusted to ensure the fairness of the law are in fact those who promote this unfair distribution.

At the same time, however, we do not find high respect for the law from our respondents. Well above a third, and half in Serbia, believe that ‘only good laws should be respected’, and more than half of the Bulgarian sample believes that laws should not be barriers when people need to accomplish something. Of course, these citizens are survivors of the communist regime, and they survived these hardships by learning to avoid laws directed against them. But, it should be pointed out, the survey dates from 2003, more than ten years after the regime’s collapse. Much of the communist-era legislation survived, and the europeanization process will take undoubtedly take many years. But in Bulgaria and Romania, the EU accession countries, the process is well advanced. Still, their citizens do not exhibit the same attitudes toward the law as their Western European counterparts. They distrust the law, and they feel it benefits only certain status groups (Table 5). Regardless of whether a law is good or bad, it is the feeling of unfairness that subverts the rule of law. Those who feel most strongly that society is unfair and that people lack equality before the law are the most educated and the best politically informed. It is these groups that more strongly identify this division between the privileged and the ordinary citizens.

While cheating and mistrust are widespread, voluntary participation is scarce. Serbia emerges as the most developed civil society, with 20 per cent engaged in come form of community activity over the past year. Membership in both formal and informal

**Table 4** Perceptions of Fairness and the Law

Country	Not equal in front of law (%)	Only good laws should be respected (%)	Laws should not be barriers (%)	Cannot escape penalty for bad deeds in the end (%)	Good deed always finds reward (%)
Romania	54	42	27	58	61
Bulgaria	50	31	58	58	54
Serbia	42	41	26	63	38
Montenegro	39	48	31	60	43
Macedonia	45	57	53	65	55

**Table 5** Designating the Privileged

Country	Some people are above the law in this country						Same people enjoy privileges
	Agree	Politicians	Criminals	The rich	Policemen	People with the right connections	
Romania	68	88	53	87	76	91	78
Bulgaria	87	93	83	96	74	94	78
Serbia	81	90	89	87	75	92	82
Montenegro	69	78	89	82	44	90	56
Macedonia	85	92	75	90	56	91	60

organizations is below 10 per cent in the rest of countries, with Bulgaria having the smallest percentage and Serbia and Montenegro the highest (Table 6). If we subtract unions, since Romania has the highest union membership in the region, the figure of those engaged in any voluntary activity is even smaller. It is surprising that informal social life is so low and, in fact, is correlated with formal membership or participation. Whatever prevents the inhabitants of these Balkan countries from engaging in relationships and groups also prevents both formal and informal membership. It is not the force of informal links that renders the association in some formal group redundant. Rather, it is some essential resource needed for collective action that seems to be missing.

The essential resource missing might simply be leisure. We are dealing with a population that experiences considerable social stress. A full 35 per cent have lost their job at least once in the past ten years, and 28 per cent work without a contract. Earnings are low: half of Bulgarians, Serbs and Montenegrins see themselves as poor and very poor (see Table 7). The average individual income falls well below 200 euros per month. Under these circumstances, survival seems to be the rule of the game, and less material aspirations come second – or not at all.

Few people acknowledge giving bribes. Those who do are only partly satisfied with the result. The numbers of those who complain of unfairness in the public service varies from 20 per cent in the case of tax offices to 38 per cent in the case of courts. Despite a decade of reforming local governments in Romania and Bulgaria, a quarter still

**Table 6** Social Capital and Informal Behaviour

Country	Membership formal organisation (%)	Membership informal organisation (%)	Attended community activity (%)	Attended political activity (%)
Romania	6	4	18	8
Bulgaria	4	3	14	14
Serbia	8	11	20	39
Montenegro	10	12	14	24
Macedonia	8	6	14	36

**Table 7** Subjective Welfare

Country	How do you appreciate the economic situation of your household nowadays?		
	Good (%)	Neither good, nor poor (%)	Poor (%)
Romania	25	40	32
Bulgaria	17	34	51
Serbia	13	37	50
Montenegro	10	41	48
Macedonia	31	40	30

complain about the treatment received at town hall offices, and 32 per cent complain about treatment at the hands of the police. An improvement in the honesty of local and central government was discernable in 2003 only for Bulgaria and Macedonia. The remainder perceived stagnation or regression rather than progress. In addition, 15 per cent in Romania and 20 per cent in Montenegro acknowledge that their family paid some official in the previous year 'to get things done', although the figure of those who paid directly at a court, local government office, or police office is far smaller (Tables 8 and 9).

The pattern suggested by the data is mixed (see Table 9). There seems to be one privileged category – people who know they have the right connections. They are the individuals who report the maximum satisfaction from public service. The state works for them. Then come those who lack a good connection but summon enough resources to bribe. Their satisfaction is mixed despite the attempt to make public service more efficient. And, finally, the large majority fails to personalize service or grease it, and they are quite unsatisfied with what they get.

The picture turns even bleaker when people are asked to rate whether their main institutions serve the public interest. Except for Serbia, local government is seen as doing somewhat better, while courts and parliament are seen by at least half the population as not serving the public interest. These evaluations of public institutions – parliament, government, president, courts, prosecutor, tax office and police – were aggregated into one index of trust in state or social trust. However, few people have dealt directly with these institutions in the previous year. Trust in public institutions is, in fact, lower than the negative direct experiences with them would make us expect

**Table 8** Getting the Public Goods

Institution	Dealings with %	Of which accuses unfairness (%)	Of which bribed %
Town hall	30	25	8
Court	11	38	9
Police	11	32	8
Tax office	27	20	5

**Table 9** Practices to make the Administration Work

Strategy and resources	N– varies across countries	Mechanism	Satisfaction with service
Connections	20–25%	Personalise service	Very good
Regular greasing	10–20%	Increase efficiency of service	Fair
Occasional greasing or abstention	>50%	Get some service	Low or none

(Table 10). The perception of unfairness is general rather than specific for a certain state agency: people complain of others being above the law, and the perception that the same groups enjoy privileges regardless of the regime change is widespread. In Romania, Serbia and Bulgaria, the number of people who complain about these patterns numbers around 80 per cent! Montenegro and Macedonia are below this figure. It seems likely that this is because, while those states have not completely broken with the past, they have tried to build new states.

Can respondents appreciate accurately if the same people enjoy privileges or does this variable simply measure frustration and anger? It might capture some envy and definitely frustration, but clearly it also expresses the experience from one's community. And what people experience in Romania, Bulgaria and Serbia is not the clear break with a past and the replacement of elites that one would have expected after the revolution that overturned communism. What most people experience, on the contrary, is continuity – the same old culture of privilege continuing, with many of the old characters featuring in high status positions.

The picture captured by the survey is not limited to the Balkans only. A careful survey reader can find traces of these symptoms from Slovakia to Russia in comparable, although not perfectly similar, polls (see Mishler and Rose 1997, 2000; Miller et al. 2001). They form a syndrome which is prevalent in CIS countries, but can be found, albeit in a smaller proportion, also in Central European countries. The Balkans fall somewhere in between.

### The Models

The survey found evidence of particularism and informal behaviour. It also found a mixed picture of trust, with a dominance of particularistic trust, with considerable

**Table 10** Discontent with Performance of Key Institutions

	Parliament (%)	Local govt (%)	Courts (%)
Romania	42	22	52
Bulgaria	49	34	46
Serbia	61	52	53
Montenegro	41	35	37
Macedonia	54	46	55

distrust in institutions, but also with some resources of universalistic and social trust. What is the relation between these variables? According to our theoretical model particularism should greatly subvert social trust. The theoretical framework developed in this article however has a number of implications that differ in some points from social capital theory, as developed by Robert Putnam, for instance, although it comes close to alternative interpretations, such as those offered by Della Porta (2000) or Rothstein (2000). The theory developed by Putnam emphasizes the importance of grassroots associations for trust. The latter implies that government and political elites are generally in a better position to create trust. If we examine the grassroots aspects in Southeast Europe, viewing the low figures of membership in civic groups or the interpersonal trust, we would expect even lower social trust figures. But this is not the case. We do have an important minority that exhibits trust and does not share the majority's social pessimism. These individuals keep their word more often, and they believe one can do something against corruption. It is also doubtful if people are mistrustful and socially non-cooperative out of some cultural predisposition. People do not engage in formal and informal relationships alike, mainly because their chief concern is survival, but they do dislike the society's current organization. They have never known universalism, yet they miss it. Particularism cannot satisfy but a minority despite its coexistence with some degree of social mobility. Particularism is enduring because status groups are not completely closed, and fortune or merit can eventually make one accede to the networks. But the majority of people perceive its profound abnormality and shows frustration and anger towards the way their society works. While this remains our main hypothesis, we must check this against the usual suspects of social capital theory: membership in civic associations, development, government performance, education, and wealth. We also need to check the relationship between interpersonal trust and social trust.

To do so, we used multivariate regression analysis. Explanatory models using OLS regression with dependent variables of interpersonal trust (trust only your kin=particularistic trust, most people can be trusted=universal trust) and social trust (aggregate of trust in various government and state agencies) are presented below. We also designed other models to explain political trust and participation in civic activities. We shall allude to those in the explanation of the models.

### *Interpersonal Trust*

Trust is a basic psychological feature, but it also has an important socio-genesis. Individuals vary in their predispositions toward trust on the basis of family history and individual traits, but specific cultural experiences put a strong imprint on interpersonal and social trust in each society. Low trust is, as a general rule, associated with scarce resources in competitive societies. Anthropologists have documented this feature of generalized distrust in peasant societies, where social envy into the most widespread feeling toward others (Foster 1965). Distrust in post-communist societies was further documented by Rose and Mishler (1997, 2000) as well as Badescu and Uslaner (2003), working either on the basis of either the New Democracies Barometer or the World

**Table 11** Determinants of Interpersonal Trust

Determinants	Trust your kin	Trust most people	Wording and scales
Education	-0.022	0.007	0=no school or unfinished primary cycle; 3=less than 8 grades; 6=high-school. vocational; 9=college and above
Rural	0.031*	-0.007	Residence in village=1. else 0
Regional development index	-0.024	-0.020	Cumulative 1-10 index of access to roads. hospitals. education. media. various local services
Age	0.011	-0.036**	No of years
Subjective welfare	0.005	0.058***	1-5 scale of satisfaction with household economy with 5 very poor
Deceived	0.042**	-0.010	1=was cheated last year, 0 else
Male	0.003	0.006	1=Male, else 0
Abusing people confidence	-0.006	-0.108***	People are in the habit of abusing others confidence in this country, five maximum disagreement
Virtue rewarded	0.000	0.067***	A good deed always finds reward, five maximum disagreement
Inescapable penalty	-0.009	0.091***	In the end, people cannot escape penalty for their bad deeds, five maximum disagreement
Bulgarian	0.178***	-0.041**	1=Bulgarian, 0 else
Serb	0.058***	-0.025	1=Serb, 0 else
Montenegrin	0.039**	-0.057***	1=Montenegrin, 0 else
Macedonian	0.284***	-0.025	1=Macedonian, 0 else
Adj. R square	8.1%	3.8%	
Constant B (SE)	2.984(0.124)	0.248 (0.093)	
N=4860			

Note: Scale 5 (maximum agreement) to -5 (maximum disagreement).

Predictor significant at \* $p \leq 0.05$ ; \*\* $p \leq 0.01$ ; \*\*\* $p \leq 0.001$ ; standardised coefficients reported for independent variables.

Values Survey. We have built separate models with two dependant variables, 'trust only your kin' and 'most people can be trusted' (Table 11). The two are correlated, but the correlation is not sufficiently strong to create a good principal component. Some individuals are high on particularistic trust while others are high on the universalistic one. But there is also an important middle group that prevents the two types of trust from acting as absolute opposites as one might expect.

The different conceptual nature of these two types of trust as suggested by Uslaner is confirmed. Individuals who are high on particularistic trust reside in rural areas and claim to have had negative encounters with people who abused their trust. Quite a

different set of explanations motivate those who are high on universalistic trust. These individuals tend to be young, better off, and have strong beliefs that either virtue or sin is rewarded or punished accordingly. They also believe that ‘people in this country are in the habit of abusing others confidence’, which is confirmed by the experience reported in this survey, but, unlike those high on particularistic trust, there is no association with direct personal experience, and this general perception does not seem to hinder their own inclination to trust strangers. Moral foundations of trust, rather than experience, motivate universalistic trust. No relation with community development was found for universalistic trust.

The overall level of explanation is not great. The models, like most models explaining interpersonal trust, fail to predict much variation, suggesting that interpersonal trust is an individual trait dependent on factors such as family environment, personal predisposition and so forth, which are usually not included in opinion surveys.

### *Social Trust*

I used two dependent variables for social trust (Table 12). One is trust in state, an index of trust in various state agencies; the other is trust in government, an aggregate of trust in main political institutions. The correlation between the two – trust in government or political trust and trust in state – is 98 per cent. However, there are serious theoretical grounds for postulating somewhat different causes for political than to social trust explaining my choice in reporting them separately. The former should be more related to political participation and the latter to civic or charitable activity. Political trust should also be more dependent on the individual’s relation to a specific government, in other words, to partisanship, rather than to the political regime in general. A step-by-step review of the main independent variables allows a discussion in parallel of the two models.

### **Development**

The worlds of scarce resources are low on trust, as Foster (1965) remarked. More resources should diminish competition for everyday life survival struggle. We assume therefore that individuals who are better off and live in richer regions or communities are more trusting. An index of regional development was our main proxy for development, and it proved a powerful predictor for both political trust and trust in state. In the same time, personal welfare mattered less than in the case of interpersonal trust. Clearly, social trust is greater in more developed regions, which enjoy better infrastructure and more resources.

### *Reward and Punishment Perception*

Individuals who believe that good and evil meet the social penalties and rewards they deserve, who have, in other words, a solid moral foundation to interpret behaviour, are more likely to be higher on social trust. These beliefs are grounded both in

**Table 12** Determinants of Social Trust

Determinants	Trust in government	Trust in state	
	Dependent variable trust in government, parliament and president, KMO=0.839	Dependent variable trust in state, ascending scale from principal component of trust in tax office, judiciary, prosecutor, police, local government, health system, post office, KMO=0.818	
Performance	0.030*	0.028*	Principal component of satisfaction with service at courts, town hall, police, tax office, KMO=63.2
Education	-0.002	-0.010	0=no school or unfinished primary cycle; 3=less than eight grades; 6 high-school. vocational; 9=college and above
Particularistic trust	0.014	0.010	Only your kin can be trusted, 5=maximum agreement
Media consumption	-0.035*	-0.027	Principal component of discuss, read and watch politics in the media, descending scale from never to daily
Index regional development	0.086***	0.081***	Cumulative 1–12 index of property. household utilities. includes land. business
Age	0.029*	0.033**	No of years
Subjective welfare	-0.011	-0.013	1–5 scale of satisfaction with household economy with 5 very poor
Is govt improving on corruption?	-0.028*	-0.046***	1=deteriorated, 2=stagnated, 3=improved central government for first, local for second
Some people above the law	0.006	0.007	1–5 scale with 5 maximum disagreement
Inescapable penalty	-0.004	-0.008	In the end, people cannot escape penalty for their bad deeds, 5 maximum disagreement
Virtue rewarded	-0.003	0.000	A good deed always finds reward, 5 maximum disagreement
Unfair society	0.037***	0.036**	Same people enjoy privileges regardless of changes of governments and regimes.
Village	-0.009	-0.006	1=village, else 0
Attended community activity	-0.019	-0.026	Attended electoral campaign or other political activity in the past year=1, else 0; attended community activity at least once in the past year=1, else 0.
Bulgarian	0.186***	0.168***	1=Bulgarian, 0 else.
Serb	0.317***	0.307***	1-Serb, 0 else.
Montenegrin	0.128***	0.114***	1=Montenegrin, 0 else.
Macedonian	0.295***	0.265***	1-Macedonian, 0 else.
Adj. R square	12%	11%	
Constant B (SE)	3.137 (0.184)	3.322 (0.163)	
N=4860			

\*predictor significant at  $p \leq 0.05$ ; \*\* $p \leq 0.01$ ; \*\*\* $p \leq 0.001$ ; standardized coefficients reported for independent variables.

personal experience as well as in values acquired via socialization. They tend to make some difference between an attitude of moral ambiguity and a less compromising,



self-righteous one. However, their importance is far greater at the level of interpersonal trust than for social trust. At the latter level the relationship is lost in more complex variants of the model like those shown in Table 13. Social trust does not seem to be a category of moral trust. We are not virtuous but, instead, pragmatic, in our dealings with the government, and we seem to treat it fairly to the extent it treats us fairly.

### *Performance and Perceptions of Current Performance*

This is confirmed by our next set of variables measuring direct relation with administration and perception of the evolution of the administration's corruption. Direct negative experience with the administration matters for social trust. The perception of a trend in the evolution of local and central government—as improving or deteriorating in terms of corruption—even more important for social trust: people seem willing to credit or turn their back on government on the basis of such signals rather than direct experience.

The strongest predictor of social trust is the perception that the society is unfair, and some people enjoy disproportionate benefits, in other words, the perception of particularism. Tested separately, all variables measuring this perception are determinants, such as 'some people are above law'. In the end, the most powerful one retaining significance in the final model is 'some people enjoy privileges regardless of regime'. Overall, we find a complex of related attitudes – conformity, fatalism, and high social frustration – which feed informal behaviour and subvert the foundations of social trust. The relationship between trust and perceptions of unfairness is a reciprocal one in statistical models. However, we have no evidence that trust is the primary agent affecting perceptions and behaviour. Quite to the contrary, this evidence shows that it is experience of some sort or another which impacts on trust, such as socializing in an environment where honest behaviour is rewarded and bad behaviour punished for interpersonal trust, encountering the administration and receiving signals from political elites in the case of social trust. Pessimists and the mistrustful do tend to have more negative perceptions, but our evidence argues for a solid grounding in experience of these perceptions. Trust is subjective: but not as subjective as one might imagine. We learn to trust others and we learn to trust the state if we find that people and government treats us fairly.

### *Membership*

Attending community activity, as well as political activity, fails to discriminate between those who trust and those who do not. Rather, it is the other way around. When using trust as a determinant to membership, we find that particularistic trust is actually a negative predictor of engagement in community activity.

### *Interpersonal Trust*

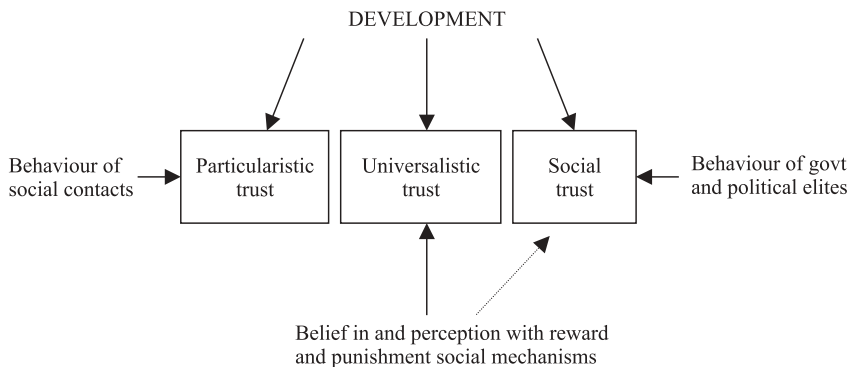
We found no relation between interpersonal and social trust. This is consistent with our argument that trust in people and trust in state originate in different experiences.

It also reinforces the idea that it is not some predisposition towards trust which shapes our perception of government, but various more or less direct experiences.

### Conclusions and Some Policy Options

There is a strong imprint of particularism on Balkan societies, grounded in the very recent experience of people, the experience of transition from communism to market. Status groups originate in communism: but the current unfair states and the mistrust such states generate is of even more recent make, as the times of state and nation building these countries call ‘transition’ provided exceptional opportunities for predators in an environment of almost defenseless societies. Particularism therefore has come to provide an important cleavage between haves and have-nots, and people judge the government by its performance in enforcing fairness. But the cues out there suggest precisely that the political system favors certain people to be above the law, and this model endures regardless of changes of governments. Clearly, this cannot help in building social capital: it only enforces particularism and informal behaviour and generates a vicious circle.

Many of my findings are consistent with most of the social capital research. Social trust is, to some extent, grounded in specific individual and regional backgrounds, and is associated with regional development, personal wealth, and higher education. But social structure determinants together explain little of trust. Experience of various kinds explains all types of trust, even if interpersonal trust and social trust are practically unrelated. And here our findings do not support mainstream social capital theory; they endorse elite-based models explaining social capital rather than grass-roots models, they are closer to Donatella della Porta than to Putnam. What strongly influences social trust are the cues that signal to the individual that the state is fair or unfair as well as able to punish bad deeds and reward good ones (see Figure 2). The key for social virtuous behaviour lies with government and political elites. Ironically, most anticorruption strategies seem keen to multiply formal institutions and fund governments or directly predators at times to fight corruption in their societies.



**Figure 2** Perception of Unfair Society/Particularism

Corruption being so strongly linked with power and privilege it results such strategies are doomed from the start.

If Southeast Europe is to be Europeanized, a set of explicit policies should be designed to address particularism, which, by its nature, is deeply opposed to true modernization and has enough flexibility to pervert slow and inconsistent attempts at institutional change. Particularistic societies seem to have a frighteningly strong digestive capacity, for which the thousands of pages of *acquis communautaire* may prove no real challenge. The risk is then that the societies will only see formal and superficial changes, leaving their deep structure untouched. But as Weber observed, this social structure is not favorable to markets and growth, and the risk exists that growth will remain too dependent on temporary sources such as European aid or remittances and these societies will not develop properly even given time.

What policy can protect societies from state capture, understood here as the capture of the state by status groups? How can these governments and states be rendered truly accountable and able to enforce universalistic rules of the game? The building of accountability cannot succeed unless there is a strong external pressure and more internal political pluralism. Winners of this social structure are well organized in networks of influence, some formal, and other informal. Losers are not organized at all. A truly competitive political system is needed to prevent predatory elites from capturing the state and mobilizing the losers of these informal arrangements. And in the long run, any pro-European government must understand that, unless the current social structure that supports particularism is gradually changed, any democratization by means of formal institutions only risks being ephemeral. There must be reciprocal support—from the state to empower market relations and from the market to enlarge the group of winners – or the overall modernizing design to ultimately succeed. There is, however, an initial alliance between market and status when the first businesses enter these societies, as even multinational companies realize that they need to operate by the local rules of the game to perform in such environments. If this alliance is more than just a transitory one, if status groups manage to control the new business environment and appropriate strategic positions in the new market environment, the party may be lost for universalism and indeed for that type of capitalism that brought about development and fair societies in Western Europe.

## Notes

- [1] The surveys were executed in 2002 by Center for Regional and Urban Sociology CURS for Romania and by BSS Gallup for the other countries. The pooled sample included 4860 respondents, with the contribution per country as follows: Romania 1600, Bulgaria and Macedonia 1021 each, Serbia 816 and Montenegro 402. The sampling design was similar for all the countries.

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