Culture Clash Incompatible Reputation Mechanisms and Intergroup Conflict

Author:Vasiliki Fouka, Alain Schläpfer

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Under what conditions does intergroup contact lead to conflict? We provide a novel answer to this question by highlighting the role of reputation mechanisms in sustaining cooperation. Reputational concerns can deter defection in one-time interactions within a group, but the informational content of reputation can differ across groups. We consider two types of information. Punishment-based reputation (a "culture of honor") represents past sanctioning behavior of individuals, while a reputation based on image scoring captures past cooperative and uncooperative acts. While either type can successfully sustain cooperation within a group, we show theoretically that interactions of individuals from a punishment-based culture with those from a culture of image scoring can lead to widespread inter-group tensions. Mutual cooperation is a more likely outcome if both cultures use a similar reputation mechanism. We find empirical support for the model's predictions across phenomena related to the emergence of social tensions. Cross-cultural differences in the importance of retaliation predict patterns of host population discrimination against immigrants and variation in bilateral conflict across ethnic groups.