

Courts after Conflict

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This paper builds on Shayo and Zussman (2011) to examine the institutional and cultural legacy of conflict. While much of the literature focuses on the consequences of institutions and cultural norms, we know less about their determinants. Given the ubiquity of civil conflicts in the past half century, what is particularly missing is within-country micro evidence on the workings of legal institutions and the extent of ethnic bias during and after conflict.

We measure ethnic bias using decisions made by Arab and Jewish judges in Israeli small claims courts in cases involving either an Arab plaintiff suing a Jewish defendant or a Jewish plaintiff suing an Arab defendant. Since cases are effectively randomly assigned to judges, this setting allows us to estimate the extent of ethnic ingroup bias, i.e. the preferential treatment awarded by judges to members of their own ethnic group. Furthermore, we collect data on conflict-related fatalities which capture plausibly exogenous temporal and spatial variation in exposure to ethnic violence. This allows us to relate the extent of the bias to the court's and the judge's exposure to ethnic violence.

In Shayo and Zussman (2011) we found that during the second Palestinian Intifada (2000-2004) judges exhibited a significant degree of ethnic ingroup bias. A case was around 18 percentage points more likely to be accepted when assigned to a judge of the same ethnicity as the plaintiff. Furthermore, the extent of the bias was strongly associated with the intensity of ethnic violence in the vicinity of the court in the period preceding the trial. The current paper asks whether the decline in violence in the subsequent period was accompanied by attenuation in ethnic bias. Using new data from 2007-2010, we find no evidence of a decline in bias. Additionally, we find that localized exposure to violence during the Intifada period is only weakly associated with bias in 2007-2010.