Working Paper No. 2013-1

Diversity, Inclusiveness and Social Cohesion

Zahid Pervaiz, National College of Business Administration & Economics (NCBA&E), Lahore, Pakistan A R Chaudhary, National College of Business Administration & Economics (NCBA&E), Lahore, Pakistan Irene van Staveren, International Institute of Social Studies (ISS), The Hague

ISSN 2213-6614

The Institute of Social Studies is Europe's longest-established centre of higher education and research in development studies. On 1 July 2009, it became a University Institute of the Erasmus University Rotterdam (EUR). Post-graduate teaching programmes range from six-week diploma courses to the PhD programme. Research at ISS is fundamental in the sense of laying a scientific basis for the formulation of appropriate development policies. The academic work of ISS is disseminated in the form of books, journal articles, teaching texts, monographs and working papers. The Working Paper series provides a forum for work in progress which seeks to elicit comments and generate discussion. The series includes academic research by staff, PhD participants and visiting fellows, and award-winning research papers by graduate students.

Working Papers are available in electronic format at www.iss.nl

Please address comments and/or queries for information to:

Institute of Social Studies

Irene van Staveren P.O. Box 29776 2502 LT The Hague The Netherlands

or

E-mail: isd@iss.nl

Table of Contents

Abs	tract	4
1	Introduction	5
2	LITERATURE REVIEW	8
3	METHODOLOGY	12
4	EMPIRICAL RESULTS	15
5	Conclusion	19
REF	ERENCES	23
APF	PENDIX-A	27
APE	PENDIX-B	28

Abstract

This study aims to investigate the role of diversity (ethnic, linguistic and religious) and social inequality in determining social cohesion. By using cross-country data, we have found that social inequality may be more important factor than diversity in determining cohesiveness of a society. Our analysis suggests that inclusive societies may be in better position to cope with the possible threat of diversity for social cohesion. By reducing social inequality, societies may mitigate the negative effects of diversity for social cohesion.

Keywords

Inclusiveness, Social Inequality, Social Cohesion, Ethnicity

Diversity, Inclusiveness and Social Cohesion

1 Introduction

Social cohesion has become one of the most debated issues among social scientists. It is valued not only because it may have certain developmental and economic implications but also because it has intrinsic value too. More cohesive societies may be regarded as better places to live in. Social cohesion is a multidimensional concept and does not have any unanimous definition. Because of its multidimensional nature, it is perceived and defined in slightly different ways by different researchers. Despite differences of definitions, it is viewed as a phenomenon of togetherness which may work to keep the society united and harmonized. Our understanding of the notion of social cohesion does not limit it to social relations, community ties and intergroup harmony. We define social cohesion in a broader perspective. We perceive that apart from social relations, community ties and intergroup harmony, it is also about fair treatment towards the disadvantaged sections of society such as women and minorities.

The idea that social relations and social structure are of importance is not new and even more than a century ago social scientists were keen to study about the importance of social interactions and community life. However, social relations and community ties under the banner of social capital have attracted the attention of researchers after the publication of Coleman (1988) and Putnam et al. (1993). The recent rise in interest of social scientists in the notion of social cohesion may be partially viewed as an attempt to address the issues related with immigration related diversity and regional integration in many countries and regions of the world. The literature which discusses the cohesiveness of society may be broadly divided into two categories. The first kind of literature highlights those factors which may contribute to social cohesion. Social structure of society such as income inequality, wealth inequality, socioeconomic disadvantages and cultural, ethnic, linguistic and religious diversity are viewed some important factors contributing to social cohesion. The second strand of literature discusses the economic and developmental implications of social cohesion.

Various attempts have been made by social scientists to understand the factors which may be helpful in nurturing social cohesion. Existing literature which debates about the factors responsible for cohesiveness of a society or community, generally, moves around two different dimensions. First one is diversity (ethnic, linguistic, religious) and second one is socioeconomic

5

_

¹ Zahid Pervaiz is Assistant Professor of Economics at NCBA&E, Lahore, Pakistan. He was visiting PhD Scholar at ISS during first half of 2012. This paper is based upon his PhD thesis, a part of which was completed during his stay at ISS.

disadvantages. Diversity thesis proposes that diversity may pose threat to social cohesion because it is more likely that people would trust and mix up with those who look like them, belong to their clan, speak their language and share their cultural values (McPherson et al., 2001). Proponents of this thesis argue that possibility of hostility increases with increase in heterogeneity in the society (Quillian, 1995) and mutual trust remains low because it is easier to develop norms of reciprocity and trust in those societies which are ethnically and racially homogeneous (Miller, 1995; Messick and Kramer, 2001; Alesina and La Ferrara, 2002; Delhey and Newton 2005). It is further argued that ethnic diversity alienates people and pushes them towards isolation and segregation which reduces the possibility of collective action, mutual help and cooperation (Putnam, 2007).

Contrary to diversity thesis, some researchers view socioeconomic disadvantages as more important factor in shaping social cohesion in a society. Proponents of this school of thought argue that diversity may not be bad for social cohesion in itself and its relationship with social cohesion depends upon many contextual variables (Breton et al., 2004). Everyone may not be equally sensitive to diversity. Social ties among neighbours which are also influenced by level of education and income of respondents (Tolsma et al., 2009) may neutralize the negative effects of diversity. As a result the individuals who have social interactions with their neighbours may be less influenced by ethnic and racial diversity. Economic deprivation and socioeconomic disadvantages may be more important than ethno-linguistic diversity in shaping social cohesion (Letki, 2008) and social cohesion may be low in ethnically diverse neighbourhoods only because the more people who live in these neighbourhoods belong to socially and economically disadvantaged groups of the society (Gijsberts et al., 2012). It is further argued that diversity may even promote an environment where people of different ethnic groups may learn to live with each other with more tolerance, more trust and hence with positive attitude towards each other (Oliwer and Wong, 2003). Voluntary work, trust and mutual help may not be affected negatively by ethnic diversity (Gijsberts et al., 2012) and even it may help to improve interpersonal trust (Kazemipur, 2006).

This paper aims to investigate that to what extent socio-cultural variables (such as ethnic, linguistic and religious diversity) and socioeconomic deprivation can play role in determining the level of social cohesion in a society. We hypothesize that social inequality, along with ethnic, linguistic and religious diversity can have a negative effect on different dimension of social cohesion of a society. The underlying mechanism suggests that sense of belonging among different sections of society can be fostered by reducing social, economic and political inequalities. Reduction in socioeconomic inequalities would promote inclusiveness in a society which can play an important role in making a society more cohesive by fostering the sense of belonging among the citizens. Contrary to this, a society with high social exclusion where different sections of society do not have equal excess to opportunities may face a challenge of lack of social cohesion. If economic growth is inclusive in its nature and benefits of economic growth are distributed fairly among people, they may feel that they are imperative part of

society but if economic growth is highly skewed then it may cause social unrest among masses. Inclusiveness is in fact something more than pro-poor growth. It is not only to bring down poverty but also to ensure equity in the provision of basic services such as education and health. It is to bring down social, political and economic inequalities among different sections of societies.

Inclusiveness is an objective as well as a mean to achieve other ends. Different inequality-growth models describe that inequality can be harmful for economic growth through its political economy effects (Alesina and Perotti, 1994; Alesina and Rodrik, 1994; Persson and Tabellini 1994; Alesina and Perotti, 1996; Benhabib and Rustichini, 1996; Perotti, 1996; Rodrik, 1999; Fajnzylber et al. 2000) and inclusive economic and political institutions may be viewed as important determinant of the nation's success or failure (Acemoglu and Robinson, 2012). Tolerance for inequality in a society may vanish if it persists for a longer period of time and this problem may be even more severe in heterogeneous societies (Hirschman and Rothschild, 1973). The role of social inequality in shaping social cohesion may be important because in the presence of asymmetric power hierarchy, social relations may result the exclusion of some specific groups and can lead towards lowering down cohesiveness of a society. Sen (2008) points out that cultural factors along with social inequality and deprivation are importantly linked to violence in a society. Social cohesion may be viewed as phenomenon which may be helpful for policy reforms required for economic development. Inclusive society which can be helpful in mitigating the violence and conflict comprehends the key element of the idea of social cohesion (OECD, 2012). Hence inclusiveness can play an important role in making a society cohesive.

Inclusiveness; a state of affairs where different sections of society have equal excess to economic, political as well as social opportunities, may mitigate the negative effects of diversity, if any, on social cohesion. On the other hand both diversity and socioeconomic deprivation may inflate the effects of each other. In existing literature, most of the studies are either city-specific, country specific or region-specific. Some studies have also presented cross-country comparisons but for a limited number of countries. The picture that emerges from earlier research is ambiguous and no consensus is emerging between the different researchers. The present study aims to contribute to existing literature by using a comprehensive data set on different dimensions of social cohesion for a large set of countries. We have used macro-level; aggregate-level or country-level data in our study because it seems more appropriate to study social cohesion at country level instead of studying it at community-level, neighbourhood level or city level. We have also taken into account both diversity and social inequality in our model because neglecting any one of these in empirical analysis may risk conflating the effect of one with the other (Phan, 2008).

2 Literature Review

Social cohesion, on one hand, is supposed to be deeply rooted in history, culture, social norms and values of a society and on other hand it is assumed to be related with socioeconomic disadvantages and socioeconomic inequality in the society. It is more likely that people sharing common culture and history and speaking a common language have more likelihood to cooperate each other because people feel more convenient to interact with those who speak their language, belong to their clan and who resemble them (McPherson et al., 2001). Huntington (1996) views cultural identities, mainly defined in terms of religion, as a source of 'clash of civilizations' particularly at global level.

Social control theory (Hirschi, 1969) suggests that social norms and values put informal bindings on individuals which restraint their deviant act in the society. Thus mutual trust is lower in ethnically diverse neighbourhoods due to weak shared social norms which, if present, can be helpful in informal social control (Sampson et al., 1997).

Quillian (1995) describes that there are more chances of hostility among groups in the neighbourhoods where several groups are living together and the possibility of hostility increases with the increase in the number of groups and the number of members of 'out group'. Higher the number of groups and closer they are with each other in their numbers, there are more chances of conflict among them. Thus the reliance on the behaviour of one's neighbours, friends and colleagues is negatively affected by ethnic and racial diversity (Messick and Kramer, 2001) and it seems easier to develop mutual trust in ethnically and racially homogenous environment (Miller, 1995). Civic norms seem to be stronger in those societies which are ethnically homogenous, egalitarian, better educated and have better institutions and high incomes (Knack and Keefer 1997). Negative relationship between ethnic diversity and generalized trust across countries has been reported by Delhey and Newton (2005).

Fukuyama (1995) argues that trust in a society which is accumulated through norms, values and civic participation may be viewed as strong predictor of cohesiveness of a society. However, trust is one of many components of social cohesion and thus may not be viewed as the sole predictor of cohesiveness of society (Hooghe, 2007). Gesthuizen et al. (2009) suggest that economic inequality and the democratic patterns in European societies are more important for explaining the different levels of social cohesion in European countries.

Negative effects of diversity on social cohesion have been documented for the case of the United States by Alesina and La Ferrara (2000, 2002) and Costa and Kahn (2003), among others. Public goods expenditures seem to be related inversely with ethnic heterogeneity (Alesina et al., 1999), the metropolitan areas that feature high income inequality and greater ethnic and racial diversity have lower organizational membership (Alesina and La Ferrara 2000) and interpersonal trust seems to be lower in racially heterogeneous communities in the US (Alesina and La Ferrara, 2002). Religious affiliations

may also have important implications for socials interactions. Park (2012) examines the role of religious affiliation and involvement for interracial friendship. His findings suggest that being Protestant or Jew is negatively related to interracial friendship. For social integration, the religious character of minority groups is considered more problematic than their ethnic identity in many immigrant-receiving countries of Europe (Foner and Alba, 2008). However, by studying the case of Canada Reitz et al. (2009) suggest that though the religious affiliation affects the social integration in the same way as ethnic attachment does yet it has relatively less impact than the ethnic status of immigrant groups.

Putnam (2007) argues that ethnic diversity alienate people and pushes them towards isolation and segregation, a phenomenon which he terms as 'hunkering down'. He further describes that in ethnically diverse neighborhoods people are less sociable, have fewer friends and show less tendency for collective life, mutual help and cooperation. Though Putnam does not seem to rule out the positive and log-run effects of immigration for the United States yet he argues that immigration, being one of the important sources of diversity, may have corrosive effect for social cohesion.

In spite of the strong, negative relationship between diversity and social cohesion as suggested by Putnam's work many researchers suggest that the said relationship is weak and contingent on various individual and contextual factors. For example, Stolle et al. (2008), by using data from the United States and Canada, find a strong negative effect of diversity on trust; however, they conclude that everyone is not equally sensitive to diversity and the individuals who have social interactions with their neighbours are less influenced by ethnic and racial diversity. Thus contact and social ties among neighbours may neutralize the negative effects of diversity on trust. Leigh's study (2006) on Australia finds a strong inverse relationship between ethno-linguistic fractionalization and localized trust (trust at local level) for both natives and immigrants. However, no evidence of inverse relationship between diversity and generalized trust (trust at national level) for natives is found. This relationship holds only for immigrants. Furthermore the study finds no evidence of negative relationship of inequality and trust. In a research on 44 countries, Anderson and Paskeviciute (2006) report that different kinds of diversity have different kinds of effects on different indicators related to civic behavior and attitude. Interpersonal trust is negatively associated with country's level of linguistic and ethnic diversity. However, while trust in established democracies is decreased by ethnic diversity, the source of reduction in trust in less democratic societies is language. Interest in politics and membership of voluntary associations are high in linguistically diverse societies. In ethnically heterogeneous societies people are more likely to engage others in political discussions. However, these positive effects of diversity are found only in less democratic societies. In more democratic societies, interpersonal trust seems to be negatively related with ethnic and linguistic heterogeneity whereas people's interest in politics in established democracies is inversely associated with linguistic diversity. Interpersonal trust is the only variable for which heterogeneity has more pronounced and consistent effect.

The effect of diversity on other variables of civic activism seems to be conditioned upon democratic practices of the society

The negative relationship between ethnic heterogeneity and different dimensions of social cohesion is not very much consistent in municipalities and neighborhoods of the Netherlands. Economic deprivation, on the other hand, has most consistent and negative relationship with different dimensions of social cohesion. Tolerance and social contact with neighbours is also influenced by the level of education and income of respondents. Highly educated and more affluent respondents seem to show more tolerance and more likely to have social contacts with their neighbours (Tolsma et al. 2009). Bjornskov (2007) does not find any evidence of significant relationship between ethnic heterogeneity and trust levels.

The opposing view regarding the diversity effects of social cohesion is also present in literature. Oliwer and Wong (2003), for example, argue that people living in diverse atmosphere may have more tolerance, more trust and hence positive attitude towards each other. Zimdars and Tampubolon (2012) Report the positive effects of diversity on generalized trust. Some other studies contradict with diversity thesis by arguing that factors related to socioeconomic disadvantage are more important than ethnic or cultural diversity in determining the social cohesion of a society. Social cohesion is, in fact, not all about cultural sameness or homogeneity because the sources of societal divide may be different in different societies. Some societies may be divided on the basis of ethnicity, language or culture whereas the very basic reason of societal divides in some other societies may be different from cultural, linguistic or ethnic differences. Green et al. (2006) have emphasized the role of educational inequality in determining social cohesion. Inequality may increase social conflict (Alesina and Perotti, 1996; Perotti, 1996) and stress (Wilkinson, 1996) in the society which can have coercive effects on social trust and civic cooperation and can increase sense of deprivation among masses (Green et al. 2010).

Vervoot et al. (2010) have challenged diversity thesis by arguing that it is ethnic concentration and not ethnic diversity which can affect social cohesion. They argue that ethnic concentration can affect ethnic minorities' social contacts with the people belonging to their own ethnic group and people belonging to some other ethnic group. It may result strong intra-group social ties and weak inter-group social relationships. This will lead towards strengthening bonding social capital and weakening bridging social capital. As a result the overall social cohesion will be weakened.

It is also suggested that diversity may not be bad for social cohesion in itself rather economic disparities which are perceived unfair may pose a greater threat to solidarity of a society (Breton et al. 2004). Empirical scrutiny across European countries does not support the pessimistic view about the negative effects of ethnic heterogeneity on generalized trust (Hooghe et al. 2009). Contrary to this, a positive relationship between diversity and trust seems to be held in Canadian cities, with the exception of Montreal (Kazemipur 2006). By using five indicators related to socioeconomic disadvantages of individuals and neighbourhoods, along with ethnic diversity, Sturgis et al. (2011) oppose the

view that the increasing ethnic diversity of community life represents a worrying and corrosive effect on trust between citizens for the case of Britain. Gijsberts et al. (2012) suggest that only a partial support is found for diversity thesis for the case of the Netherlands where ethnic diversity has negative effects on the degree of contact in the neighbourhood. However, the other dimensions of social cohesion such as voluntary work trust and mutual help are not influenced by ethnic diversity. The study argues that low level of social cohesion may be associated with socioeconomic disadvantages. Social cohesion may be low in ethnically diverse neighbourhoods only because the more people who live in these neighbourhoods belong to socially and economically disadvantaged groups of the society.

Thus it can be argued that cohesiveness of society is not merely a function of ethnic, linguistic and racial diversity rather it may be an outcome of different contextual factors related to social inequality, social deprivation, inclusiveness and community development. King et al. (2012) highlights the role of community driven development and curriculum interventions in improving social cohesion for the case of Sub-Saharan Africa. State-sponsored education which aims to promote values of tolerance and respect for human difference can be helpful in achieving and maintaining social cohesion (Silova et al., 2007).

Fieldhouse and Cutts (2010) find that diversity has a negative effect on social capital for the case of Britain but this effect depends on other contextual variables such as ethnic background of the respondent and poverty. Some cross-national comparative research in Europe also presents similar results with trust used as a proxy for cohesiveness (Gerritsen and Lubbers, 2010). Negative relationship between diversity and localized trust has also been documented by Laurence (2011). However, this relationship is weakened when community-level deprivation is also taken into account. Evidence from other countries similarly reveals that the relationship between diversity and social cohesion is contingent on different contextual factors. Phan's study (2008) for Canada describes that racial diversity does not have a significant relationship with social cohesion as measured by social trust when neighbourhood characteristics are also accounted for. By focusing specifically on immigrationgenerated diversity Kesler and Bloemraad (2010) describe that there seems no systematic and well established relationship between diversity and variables related to civic norms. Immigration-generated diversity may have negative effect on social trust, organizational membership and political engagement. However, these results are not consistent across counties. These negative effects of diversity depend on institutional and policy context. In the presence of well functioning institutions which ensure that cultural minorities are well accommodated and in the societies which are economically more equal, the negative effects of immigration-generated diversity are vanished and even reversed.

Thus beyond cultural and ethnic diversity, the role of socioeconomic disadvantages may be important in determining the level of social cohesion in a society as Letki (2008) states that the role of poverty is more important than diversity in making a society cohesive. He is of the view that solidarity of a society is damaged by poverty but blame is placed on diversity. The findings of

his research show that social and economic inequalities are more harmful than cultural heterogeneity for the solidarity and social cohesion of a society therefore more focus should be on the reduction of material deprivation instead of the creation of inter community relations. Sen (2008) points out that cultural factors along with social inequality and deprivation are importantly linked to violence in a society. According to him, neither cultural approach nor political economy approach is sufficient to explain violence and only an integration of both these approaches may be helpful to explain conflict.

Thus there seems no consensus among researchers that what factors are responsible for shaping the social cohesion in a society. An ambiguous picture emerges due to inconclusive results. On one hand social cohesion is believed to be deeply rooted in history, culture, social norms and values of society. Cultural factors and social diversity are viewed as important determinants of social cohesion. The other strand of literature considers socioeconomic conditions and material deprivation to be more important factors for social integration, solidarity and civic participation.

3 Methodology

Drawing upon our discussion in previous section, we can identify two main factors which may be important in determining social cohesion. The first one is ethnic, linguistic and religious composition of the society and second one is socio-economic condition of the society. Ethic, linguistic and religious diversity is assumed to be having detrimental effects for social cohesion. However, opposing view is also present in literature according to which diversity in itself may not be bad for social cohesion and other factors such as socio-economic conditions and economic deprivation may be more important in this regard. Thus focusing on only one factor may give biased results due to misspecification of model. Therefore, we have taken into account both these factors in our model. The simplest form of our model may be given as

$$SC_i = \alpha + \beta_1 Div_i + \beta_2 SI_i + \varepsilon_i$$

where

SC = Social cohesion. Six different indices have been used alternatively as proxy for social cohesion in six different regressions.

Div = Ethnic, linguistic or religious diversity

SI = Social Inequality

 $\alpha = Intercept$

 $\varepsilon = \text{Error term}$

i = Cross sectional units

Diversity may pose threat to social cohesion of society as proposed by different studies. Social inequality may reduce inclusiveness in the society and hence can have retarding effect for social cohesion by weakening the people's sense of belonging. Six different indices termed as civic activism, membership of voluntary associations, gender equality, intergroup cohesion, interpersonal safety and trust and inclusion of minorities have been used as proxy for social cohesion. The data of these indices has been taken from Indices of Social Development (ISD), an online database hosted by International Institute of Social Studies (ISS), The Hague. These indices represent different dimensions of social cohesion. The difference of human development index (HDI) and inequality adjusted human development index (IHDI) taken from United Nations Development Programme (UNDP, 2010) has been used as proxy for social inequality in the society. A separate regression has been run by using each dimension of social cohesion as dependent variable. Similarly ethnic, linguistic and religious diversity have been used alternatively as measure of diversity in different regressions. Data for different measures of diversity is from Alesina et al. (2003). Cross-country data has been used in our empirical analysis. A brief description of the variables used in our model is as given below.

3.1 Social Cohesion

The dependent variable is social cohesion. We have used six different indices related to civic activism, membership of voluntary associations, gender equality, interpersonal safety and trust, intergroup cohesion and inclusion of minorities, as proxy for different dimensions of social cohesion. Civic Activism tells about society's strength for collective action to safeguard their political rights and their willingness to represent their interests before government through different sources such as media and peaceful demonstration. Membership of Voluntary Associations Index may be viewed as strength of associative life in a society. It tells that to what extent people participate in voluntary activities at their community level. Intergroup Cohesion describes about the cooperation among different ethnic, linguistic, religious or any identity-based groups in a society. It also tells about the ability of societies to manage latent conflict before it becomes violent. Interpersonal Safety and tells about norms of reciprocity and trust in the society. It describes about the norms and willingness of individuals to cooperate with each other. Gender Equality describes that to what extent a society is free from discriminatory environment against women. Inclusion of Minorities Index refers to the equal treatment for minorities.

The first three indices are related with civic participation, community participation and norms of reciprocity and trust and hence are more related

with individual-level relations. Intergroup Cohesion tells about relationship among groups. It tells about the strength of society in managing intergroup conflicts. Gender Equality and Inclusion of Minorities, on one hand are related with norms and values of society which may affect society's treatment with disadvantaged sections of society such as women and minorities and on other hand describe about state-society relations because effective formal institutions and effective public policy may ensure the equal access for all sections of society towards different opportunities such as education, health and employment and can also ensure that policies are formulated without any bias against any section of society. [For detailed discussion on the construction of these indices see Foa and Tanner (2012)]. Data used for these indices is for the year 2010.

3.2 Diversity

Three different measures of diversity i.e. ethnic diversity, linguistic diversity and religious diversity have been used alternatively in our analysis. These indices show that to what extent a society is heterogeneous in terms of ethnicity, language and religion. The value of these indices ranges from 0 to 1 where a value closer to 0 shows that country has less ethnic, linguistic and religious diversity. A higher value of indices implies that country has higher diversity in terms of ethnicity, language and religion. Data for these indicators has been taken from Alesina et al (2003). Unlike previous measures of diversity [such as used by Easterly and Levine (1997)] which only rely on language for categorization of groups, the indices of diversity put forward by Alesina at al. (2003) categorize groups not only on the basis of language but also on the basis of ethnicity and religion and hence may be considered more comprehensive measures of diversity (see Alesina at al., 2003 for further details).

3.3 Social Inequality

Human Development Report published by United Nations Development Programme (UNDP) produces data on human development for different countries of the world. The report contains data on different indices such as HDI and IHDI. HDI measures the level of development of a country in three basic dimensions of human development. These dimensions include long and healthy life, access to knowledge and a decent standard of living. For measuring the achievement of a country in these three dimensions, three indices named as life expectancy index, education index and income index are constructed. Life expectancy index is constructed with the help of life expectancy at birth, education index is constructed by using mean years of schooling and expected mean years of school and income index is constructed by taking into account gross national income per capita in the US dollar purchasing power parity. HDI is then constructed with the help of these three indices by taking their geometric mean. IHDI also accounts for inequalities in each dimension (health, education, income) which are not considered in the construction of HDI. Thus unlike HDI which only shows on average achievements of a society in three dimensions of health, education and income, IHDI also considers the distribution of health, education and income across

different groups of a society. The IHDI accounts for inequalities in HDI dimensions by "discounting" each dimension's average value according to its level of inequality. Theoretically, the difference of HDI and IHDI would be equal to zero if there is no inequality in the society in three basic dimensions of human development i.e. education, health and income. Larger the difference, larger would be the inequality (for detailed methodological discussion, see Human Development Report of UNDP, 2010 and its background papers). We have used the difference of HDI and IHDI as proxy for social inequality. The difference shows the loss in human development which is caused due to social inequalities in the society. The data source is UNDP (2010).

4 Empirical Results

Empirical results of our analysis have been presented in Tables 1-6.

TABLE 1
Social Inequality and Civic Activism
Dependent Variable: Civic Activism

		Dependent v	/ariable: Civic	ACUVISIII		
	(1)	(2)	(3)	(4)	(5)	(6)
Variable	Coefficient	Coefficient	Coefficient	Coefficient	Coefficient	Coefficient
Ethnic Diversity	-0.1146*** (-5.2549)			-0.024089 (-1.1361)		
Linguistic Diversity		-0.0761*** (-3.6742)			0.003922 (0.21127)	
Religious Diversity			0.001180 (0.0430)			0.006270 (0.31096)
Social Inequality				-0.3952*** (-7.8932)	-0.4386*** (-8.8411)	-0.4344*** (-10.335)
R-sq	0.182135	0.100371	0.000015	0.457119	0.455225	0.464798
N	126	123	126	126	123	126

t-statistics in Parentheses

*** significance at 1% level.

In table 1 our dependent variable is civic activism. Variables of ethnic, linguistic and religious diversity are used as explanatory variables in regression 1-3. Ethnic and linguistic diversity have been found negatively and significantly related with civic activism whereas religious diversity seems to be insignificantly associated with civic activism. However, the significant effects of ethnic and linguistic diversity are vanished and effect of religious diversity remains insignificant after controlling for social inequality (regression 4-6).

Thus social inequality may be more important factor in explaining civic activism in a society. Civic activism is negatively influenced by social inequality which implies that societies with high social inequality will have less civic activism.

TABLE 2 Social Inequality and Intergroup Cohesion Dependent Variable: Intergroup Cohesion

	(1)	(2)	(3)	(4)	(5)	(6)
Variable	Coefficient	Coefficient	Coefficient	Coefficient	Coefficient	Coefficient
Ethnic	-0.109003***			-0.034100		
Diversity	(-4.88550)			(-1.33923)		
Linguistic		-0.083785***			-0.023384	
Diversity		(-4.06873)			(-1.09176)	
Religious			0.010785			0.020478
Diversity			(0.38964)			(0.88209)
Social				-0.296285***	-0.320132***	-0.354276***
Inequality				(-4.93841)	(-5.54095)	(-7.3084)
R-sq	0.162514	0.121230	0.001233	0.302037	0.301456	0.305355
N	125	122	125	125	122	125

t-statistics in Parentheses

*** Significance at 1% level

In table 2 our dependent variable is intergroup cohesion which describes about the cooperation among different identity-based groups and capacity of society to manage latent conflicts among different identity-based groups. In first three regressions we have used ethnic diversity, linguistic diversity and religious diversity respectively as independent variables. Both ethnic and linguistic diversity have been found negatively and significantly associated whereas religious diversity has been found to be insignificantly associated with intergroup cohesion. When social inequality as measured by the difference of HDI and IHDI is also included as explanatory variable (regression 4-6) both ethnic and linguistic diversity become insignificant whereas social inequality shows a statistically significant and negative relationship with intergroup cohesion. It implies that the effects of social inequality on intergroup cohesion seem to be more pronounced as compared with diversity. The significance of social inequality in determining the intergroup cohesiveness in a society describes that if social inequalities are reduced then diversity may not remain any threat to intergroup cohesion.

TABLE 3
Social Inequality and Membership of Clubs and Associations
Dependent Variable: Membership of Clubs and Associations

				71000 0110 71000		
	(1)	(2)	(3)	(4)	(5)	(6)
Variable	Coefficient	Coefficient	Coefficient	Coefficient	Coefficient	Coefficient
Ethnic	0.055534			-0.009091		
Diversity	(1.1529)			(-0.1629)		
Linguistic		0.117179***			0.091944**	
Diversity		(2.7965)			(2.00424)	
Religious			0.072221			0.0639
Diversity			(1.3151)			(1.11282)
Social				0.288601**	0.165308	0.259370**
Inequality				(2.17876)	(1.3241)	(2.29898)
R-sq	0.013945	0.079140	0.018259	0.061833	0.096738	0.071595
N	96	93	95	96	93	95

t-statistics in Parentheses

Table 3 shows the results of our regressions in which membership of clubs and voluntary associations has been used as dependent variable. We aim to investigate whether the membership of clubs and voluntary associations in a society is affected by its ethnic, linguistic and religious diversity and by the level of social inequality in the society. All types of diversity i.e. ethnic, linguistic and religious diversity show no significant association with the index of membership of clubs and voluntary associations. Social inequality also seems to be insignificantly associated with membership of clubs and voluntary associations except in regression 6 where it is positively and significantly associated with membership of clubs and voluntary associations. \mathbb{R}^2 is also very low in all of six regressions, which implies that variables of diversity and social inequality may be insufficient to determine membership of clubs and voluntary associations in a society.

TABLE 4
Social Inequality and Interpersonal Safety and Trust
Dependent Variable: Interpersonal Safety and Trust

		onaoni tanas	.oo. po. oo	ar oarcty arra in		
	(1)	(2)	(3)	(4)	(5)	(6)
Variable	Coefficient	Coefficient	Coefficient	Coefficient	Coefficient	Coefficient
Ethnic	-0.218254***			-0.094825***		
Diversity	(-6.539825)			(-2.89883)		
Linguistic		-0.110914***			-0.012915	
Diversity		(-3.372444)			(-0.47047)	
Religious			-0.101835**			-0.075595**
Diversity			(-2.379159)			(-2.38406)
Social				-0.567724***	-0.678933***	-0.664038***
Inequality				(-7.06200)	-8.758926	(-9.51120)
R-sq	0.285568	0.097732	0.050243	0.514153	0.480763	0.487566
N	109	107	109	109	107	109

t-statistics in Parentheses *** Significance at 1% level

^{***} Significance at 1% level

^{**} Significance at 5% level

^{**} Significance at 5% level

In table 4 empirical results of our analysis have been portrayed in which index of interpersonal safety and trust has been used as dependent variable. Empirical results reveal that ethnic, linguistic and religious diversity are negatively and significantly associated with interpersonal safety and trust (regression 1-3). When variable of social inequality is also taken into account (regression 4-6) significant association between linguistic diversity and interpersonal safety and trust vanishes. However, ethnic and religious diversity remain significantly and negatively associated with interpersonal safety and trust even after controlling for the variable of social inequality in regression. Social inequality also seems to be significantly and negatively associated with interpersonal safety and trust. Thus interpersonal trust in a society may be affected by ethnic and religious diversity and social inequality.

TABLE 5
Social Inequality and Gender Equality
Dependent Variable: Gender Equality

	(1)	(2)	(3)	(4)	(5)	(6)
Variable	Coefficient	Coefficient	Coefficient	Coefficie nt	Coefficient	Coefficient
Ethnic Diversity	-0.131264*** (-7.066301)			- 0.039557** (-2.38433)		
Linguistic Diversity		-0.105298*** (-5.963242)			-0.028474** (-1.986931)	
Religious Diversity			-0.005848 (-0.232805)			0.002218 (0.136595)
Social Inequality				- 0.394319*** (-10.08203)	-0.425008*** (-11.10842)	-0.451468*** (-13.40744)
R-sq	0.282213	0.221476	0.000423	0.602713	0.609789	0.586170
N	129	127	130	129	127	130

t-statistics in Parentheses *** Significance at 1% level

Table 5 shows the results of regressions in which we have used index of gender equality as dependent variable. Ethnic diversity and linguistic diversity, when used as sole predictor, are found to be significantly and negatively associated with gender equality (regression 1, 2) whereas religious diversity is found to be insignificantly associated with gender equality (regression, 3). Furthermore, in order to judge the effect of social inequality on gender equality, we have also used the variable of social inequality along with ethnic diversity, linguistic diversity and religious diversity (regression 4-6). After including the variable of social inequality in regression 4, 5 and 6 we note that the significant effects of religious diversity on gender equality vanish, however, ethnic and linguistic diversity and social inequality show negative and significant association with gender equality.

^{**} Significance at 5% level

TABLE 6
Social Inequality and Inclusion of Minorities
Dependent Variable: Inclusion of Minorities

	(1)	(2)	(3)	(4)	(5)	(6)
Variable	Coefficient	Coefficient	Coefficient	Coefficient	Coefficient	Coefficient
Ethnic	-0.163990***			-0.081770***		
Diversity	(-8.05332)			(-3.57684)		
Linguistic		-0.103091***			-0.026225	
Diversity		(-4.968663)			(-1.37791)	
Religious			-0.051291*			-0.023094
Diversity			(-1.68774)			(-1.03811)
Social				-0.310941***	-0.411367***	-0.432295***
Inequality				(-5.73031)	(-7.88286)	(-9.62872)
R-sq	0.386379	0.197996	0.027168	0.535813	0.507269	0.492773
N	105	102	104	105	102	104

t-statistics in Parentheses *** Significance at 1% level

Table 6 shows the empirical results of our regressions in which inclusion of minorities index has been used as dependent variable. In first three regressions, we have used ethnic diversity, linguistic diversity and religious diversity as independent variables respectively. All three measures of diversity have significant and negative relationship with inclusion of minorities index. Ethnic diversity and linguistic diversity are significant at 1% significance level whereas religious diversity is significant at 10% significance level. In addition to ethnic, linguistic and religious diversity, variable of social inequality is also included as independent variable in regression 4, 5 and 6. When we control for this new variable in our regressions, the relationship of linguistic and religious diversity with inclusion of minorities index becomes statistically insignificant. However, even after including the variable of social inequality in regression, the variable of ethnic diversity remains statistically significant.

5 Conclusion

Civic activism seems to be negatively and statistically significantly associated with ethnic and linguistic diversity. However the negative and significant effects of ethnic and linguistic diversity vanish when we control for social inequality. It implies that it is social inequality and not diversity which harms strength of civil society or civic activism. Religious diversity remains statistically insignificantly related with civic activism before and after controlling for social inequality.

Intergroup cohesion is also negatively and significantly related with ethnic and linguistic diversity before controlling for social inequality. However after controlling for social inequality, this negative and significant association of ethnic and linguistic diversity with intergroup cohesion vanishes. The role of religious diversity in determining intergroup cohesion remains statistically

^{**} Significance at 5% level

^{*}Significance at 10% level

insignificant before and after controlling for social inequality. Social inequality shows a negative and significant association with intergroup cohesion. Thus social inequality may be detrimental for the creation of such environment in which different identity based group may resolve their differences in a peaceful way. In fact social inequality further intensifies the cleavages among different groups in the society.

Membership of clubs and associations is insignificantly related with ethnic and religious diversity but significantly and positively related with linguistic diversity. After controlling for social inequality, ethnic and religious diversity remain statistically insignificantly related with membership of clubs and associations. Similarly, linguistic diversity remains statistically significantly and positively related with membership of clubs and associations. Social inequality, when used as independent variable along with ethnic and religious diversity, remains positively and significantly related with membership of clubs and associations. But, when used as independent variable along with linguistic diversity, it shows an insignificant relationship with membership of clubs and associations. However a low R^2 in all regressions where index of membership of clubs and associations has been used as dependent variable implies that neither diversity nor social inequality may be sufficient in explaining people's behavior regarding participation in local or village level community organizations. Another possible explanation may be that in the presence of linguistic diversity, social inequality does not have any significant role in explaining people's behavior regarding their participation in clubs and associations at local level. In such situation the only factor which decides about their participation in clubs and associations is linguistic diversity. In those societies which are more heterogeneous linguistically, people are more engaged in activities related with community participation. It may be due to the reason that in such societies, intracommunity ties are strengthened due to people's inward looking behavior. However it will be merely an indication of bonding social ties whereas bridging social ties may deteriorate and result may be decline in social cohesion. In the case where ethnic diversity and religious diversity are used as independent variables interchangeably along with the variable of social inequality, ethnic and religious diversity do not have any significant relationship with membership of clubs and association. However social inequality shows a positive and significant relationship with membership of clubs and associations. This may be an indication that in the presence of ethnic and religious diversity, social inequality has more important role in shaping people's inward looking behaviour.

Interpersonal safety and trust is negatively and significantly affected by ethnic, linguistic and religious diversity. However, after controlling for social inequality, significant effect of linguistic diversity vanishes but the negative effects of ethnic and religious diversity on interpersonal safety and trust remain statistically significant even after controlling for social inequality. Social inequality also shows a negative and significant effect on interpersonal safety and trust. It implies that ethnically and religiously heterogeneous societies and societies with more social inequality may have less mutual trust among people.

Gender equality is negatively and significantly affected by ethnic and linguistic diversity whereas religious diversity is insignificantly related with

gender equality. Even after controlling for social inequality, the effects of ethnic and linguistic diversity on gender equality remain significant and negative. The role of religious diversity in determining gender equality remains statistically insignificant even after controlling for social inequality. Gender equality seems to be negatively and significantly affected by social inequality. It implies that societies with high ethnic and linguistic diversity are less likely to provide equal opportunities of health, education and employment to women. Societies with high social inequality are also less likely to provide fair treatment and level playing field to different disadvantaged sections of society such as women. It seems to be quite convincing because women and particularly those who belong to the lower social strata have to suffer dual kind of discrimination; one for being a woman and other being a member of lower social class. In such situation, they become more vulnerable and hence cannot enjoy equal and fair treatment in the society. On the other hand more egalitarian societies may ensure that all segments of society have equal opportunities.

Inclusion of minorities is negatively and significantly related with ethnic, linguistic and religious diversity. However after controlling for social inequality in our empirical analysis, negative effects of linguistic and religious diversity vanish. But ethnic diversity remains significantly and negatively associated with inclusion of minorities. Social inequality also has a negative and significant effect on inclusion of minorities.

In the light of our empirical analysis, it may be suggested that all dimension of social cohesion are not equally sensitive to diversity. The effects of diversity on different dimensions of social cohesion are not very much consistent and are contextual specific. The effects of social inequality are more consistent and more pronounced as compared to the effects of diversity. The negative effects of diversity on social cohesion may vanish when social inequality is also taken into account. Among different types of diversity, the role of religious diversity may be of least importance in determining social cohesion. Inclusive societies may be in better position to cope with the possible threat of diversity for social cohesion. By reducing social inequality, societies may mitigate the negative effects of diversity. It may be due to the reason that in societies with greater inclusion where different sections of society have equal access to opportunities, inequalities may not be perceived unfair and hence people may be willing to cooperate with each other despite the heterogeneous structure of the society. Membership of clubs and voluntary associations does not show any significant association with diversity or social inequality. However, use of membership of clubs and voluntary associations as a sole indicator of cohesiveness of society is criticized because it may result exclusion of some specific groups. If people are inward looking then they may engage only in those clubs and associations which are some sort of closed networks and hence can strengthen bonding social capital at the cost of bridging social capital. The result may be overall decline in social cohesion. Further research may explore that the membership of what type of clubs and associations may actually depict about cohesiveness of a society and membership of what type of clubs and associations is affected by diversity or social inequality.

Empirical results of our analysis suggest that in order to cope with negative effects of diversity on social cohesion societies must address the issue of social inequality. Equal access to education and health opportunities must be ensured for all segments of society. It would help in creating sense of belonging among them and they will feel that they are imperative part of society. Redistribution policies designed to alleviate severe disparities may promote social trust, cooperation and civic participation. Thus social cohesion policies exclusively focusing on diversity while neglecting socioeconomic deprivation may fail to achieve the targets.

References

- Acemoglu, D. and Robinson, J.A. (2012). Why Nations Fail: The Origins of Power, Prosperity, and Poverty. New York: Crown Publishing Group.
- Alesina, A. and La Ferrara, E. (2000). Participation in Heterogeneous Communities. The Quarterly Journal of Economics, 115(3), 847-904.
- Alesina, A. and La Ferrara, E. (2002). Who Trusts Others? *Journal of Public Economics*, 85, 207-34.
- Alesina, A. and Perotti R. (1996). Income Distribution, Political Instability and Investment. *European Economic Review*, 40(6), 1203-1228.
- Alesina, A. and Perotti, R. (1994). The Political Economy of Growth: A Critical Survey of Recent Literature. *The World Bank Economic Review*, 8(3), 351-371.
- Alesina, A. and Rodrik, D. (1994). Distributive Politics of Economic Growth. *The Quarterly Journal of Economics*, 109(2), 465-490.
- Alesina, A., Baqir, R. and Easterly, W. (1999). Public Goods and Ethnic Divisions. *The Quarterly Journal of Economics*, 114(4), 1243-1284.
- Alesina, A., Devleeschauwer, A., Easterly, W., Kurlat, S. and Wacziarg, R. (2003). Fractionalization. *Journal of Economic Growth*, 8(2), 155-194.
- Anderson, C.J. and Paskeviciute, A. (2006). How Ethnic and Linguistic Heterogeneity Influence the Prospects for Civil Society: A Comparative Study of Citizenship Behavior. *The Journal of Politics*, 68(4), 783-802.
- Benhabib, J. and Rustichini, A. (1996). Social Conflict and Growth. *Journal of Economic Growth*, 1(1), 125-142.
- Bjornskov, C. (2007). Determinants of Generalized Trust: A Cross-Country Comparison. *Public Choice*, 130(1), 1-21.
- Breton, R. Hartmann, N.J. Lennards, J.L. and Reed, P. (2004). A Fragile Social Fabric? Fairness, Trust and Commitment in Canada. Montreal, Canada: McGill-Queen's University Press.
- Coleman, J.S. (1988). Social Capital in the Creation of Human Capital. *The American Journal of Sociology*, 94, S95-S120.
- Costa, D.L. and Kahn, M.E. (2003). Civic Engagement and Community Heterogeneity. An Economists' Perspective. *Perspectives on Politics*, 1(1), 103-111.
- Delhey, J. and Newton, K. (2005). Predicting Cross-National Levels of Social Trust: Global Pattern or Nordic Exceptionalism? *European Sociological Review*, 21(4), 311-327.
- Easterly, W. and Levine, R. (1997). Africa's Growth Tragedy: Policies and Ethnic Divisions. *The Quarterly Journal of Economics*, 112(4), 1203-1250.
- Fajnzylber, P., Lederman, D. and Loayza, N. (2000). Crime and Victimization: An Economic Perspective. *Economia*, 1(1), 219-278.
- Fieldhouse, E. and Cutts, D. (2010). Does Diversity Damage Social Capital? A Comparative Study of Neighborhood Diversity and Social Capital in the US and Britain. *Canadian Journal of Political Science*, 43(2), 289-318.
- Foa, R. and Tanner, J.C. (2012). *Methodology of the Indices of Social Development*. ISS Working Paper No. 2012-4. The Hague: International Institute of Social Studies.
- Foner, N. and Alba, R. (2008). Immigrant Religion in the U.S. and Western Europe: Bridge or Barrier to Inclusion? *International Migration Review*, 42(2), 360-392.

- Fukuyama, F. (1995). Trust: The Social Virtues and the Creation of Prosperity, New York: Penguin Books.
- Gerritsen, D. and Lubbers, M. (2010). Unknown Is Unloved? Diversity and Inter-Population Trust in Europe. *European Union Politics*, 11(2), 267-287.
- Gesthuizen, M., Meer, T. Van Der and Scheepers, P. (2009). Ethnic Diversity and Social Capital in Europe: Tests of Putnam's Thesis in European Countries. *Scandinavian Political Studies*, 32(2), 121-142.
- Gijsberts, M., Meer, T. and Dagevos, J. (2012). 'Hunkering Down' in Multi-Ethnic Neighborhoods? The Effects of Ethnic Diversity on Dimensions of Social Cohesion. *European Sociological Review*, 28(4), 527-537.
- Green, A. Preston, J. and Janmaat, G. (2006). *Education, Equality and Social Cohesion*. London: Palgrave.
- Green, A., Preston, J. and Sabates, R. (2010). Education, Equality and Social Cohesion: A Distributional Approach. *Compare: A Journal of Comparative and International Education*, 33(4), 453-470.
- Hirschi, T. (1969). *Causes of Delinquency*. Berkeley, California: University of California Press.
- Hirschman, A.O. and Rothschild, M. (1973). The Changing Tolerance for Income Inequality in the Course of Economic Development. *The Quarterly Journal of Economics*, 87(4), 544-566.
- Hooghe, M. (2007). Social Capital and Diversity Generalized Trust, Social Cohesion and Regimes of Diversity. *Canadian Journal of Political Science*, 40(3), 709-732.
- Hooghe, M., Reeskens, T., Stolle, D., and Trappers, A. (2009). Ethnic Diversity and Generalized Trust in Europe. A Cross-National Multilevel Study. *Comparative Political Studies*, 42(2), 198-223.
- Huntington, S. (1996). The Clash of Civilizations and the Remaking of World Order. New York: Simon and Schuster.
- ISD. *Indices of Social Development*. Available at http://www.indsocdev.org/ The Hague: International Institute of Social Studies.
- Kazemipur, A. (2006). A Canadian Exceptionalism? Trust and Diversity in Canadian Cities. *Journal of International Integration and Migration*, 7(2), 219-240.
- Kesler, C. and Bloemraad, I. (2010). Does Immigration Erode Social Capital? The Conditional Effects of Immigration-Generated Diversity on Trust, Membership, and Participation Across 19 Countries, 1981-2000. Canadian Journal of Political Science, 43(2), 319-347.
- King, E. Samii, C. and Snilstveit, B. (2012). Interventions to Promote Social Cohesion in Sub-Saharan Africa. *Journal of Development Effectiveness*, 2(3), 336-370.
- Knack, S. and Keefer, P. (1997). Does Social Capital Have an Economic Payoff? A Cross-Country Investigation. *The Quarterly Journal of Economics*, 112(4), 1251-1288.
- Laurence, J. (2011). The Effect of Ethnic Diversity and Community Disadvantage on Social Cohesion: A Multi-Level Analysis of Social Capital and Interethnic Relations in UK Communities. European Sociological Review, 27(1), 70-89.
- Leigh, A. (2006). Trust, Inequality and Ethnic Heterogeneity. *The Economic Record*, 82(258), 268-280.
- Letki, N. (2008). Does Diversity Erode Social Cohesion? Social Capital and Race in British Neighborhoods. *Political Studies*, 56(1), 99-26.
- McPherson, M., Smith-Lovin, L. and Cook, J.M. (2001). Birds of a Feather. Homophily in Social Networks. *Annual Review of Sociology*, 27, 415-444.

- Messick, D.M. and Kramer R.M. (2001). Trust as a form of shallow morality. In Cook, K.S. (Eds.), *Trust in Society*, 89-118. New York: Russell Sage Foundation.
- Miller, D. (1995). On Nationality. Oxford: Oxford University Press.
- OECD (2012). Perspectives on Global Development 2012: Social Cohesion in a Shifting World. Paris: OECD Publishing. http://dx.doi.org/10.1787/persp_glob_dev-2012-en
- Oliver, J.E. and Wong, J. (2003). Intergroup Prejudice in Multiethnic Settings. American Journal of Political Science, 47(4), 567-582.
- Park, J. (2012). When Race and Religion Collide: The Effect of Religion on Interracial Friendship During College. *Journal of Diversity in Higher Education*, 5(1), 8-21.
- Perotti, R. (1996). Growth, Income Distribution and Democracy: What the Data Say. *Journal of Economic Growth*, 1(2), 149-187.
- Persson, T. and Tabellini, G. (1994). Is Inequality Harmful for Growth?. The American Economic Review, 84(3), 600-621.
- Phan M.B. (2008). We're All in This Together: Context, Contacts, and Social Trust in Canada. *Analysis of Social Issues and Public Policy*, 8(1), 23-51.
- Putnam, R.D. (2007). E Pluribus Unum. Diversity and Community in the Twenty-First Century. *Scandinavian Political Studies*, 30(2), 137-174.
- Putnam, R.D., Leonardi, R. and Nanetti, R.Y. (1993). *Making Democracy Work: Civic Traditions in Modern Italy*. Princeton, NJ: Princeton University Press.
- Quillian, L. (1995). Prejudice as Response to Perceived group threat: Population Composition and Anti-immigrant and Racial Prejudice in Europe. American Sociological Review, 60, 586-611.
- Reitz, J. Banerjee, R., Phan, M. and Thompson, J. (2009). Race, Religion, and the Social Integration of New Immigrant Minorities in Canada. *International Migration Review*, 43(4), 695-726.
- Rodrik, D. (1999). Where Did All the Growth Go? External Shocks, Social Conflict and Growth Collapses. *Journal of Economics Growth*, 4(4), 385-412.
- Sampson, R.J., Raudenbusch, S.W. and Earls, F. (1997). Neighborhoods and violent crime. A multilevel study of collective efficacy. *Science*, 277, 918-924.
- Sen, A. (2008). Violence, Identity and Poverty. Journal of Peace Research, 45(1), 5-15.
- Silova, I., Johnson, M.S. and Heyneman, S.P. (2007). Education and the Crisis of Social Cohesion in Azerbaijan and Central Asia. *Comparative Education Review*, 51(2), 159-180.
- Stolle, D., Soroka, S. and Johnston, R. (2008). When Does Diversity Erode Trust? Neighborhood Diversity, Interpersonal Trust and the Mediating Effect of Social Interactions. *Political Studies*, 56(3), 57-75.
- Sturgis, P., Brunton-Smith, I., Read, S. and Allum, N. (2011). Does Ethnic Diversity Erode Trust? Putnam's 'Hunkering Down' Thesis Reconsidered. *British Journal of Political Science*, 41(1), 57-82.
- Tolsma, J., Meer, T. and Gesthuizen, M. (2009). The Impact of Neighborhood and Municipality Characteristics on Social Cohesion in the Netherlands. *Acta Politica*, 44(3), 286-313.
- UNDP (2010). The Real Wealth of Nations: Pathways to Human Development. New York: United Nations Development Programme.
- Vervoot, M., Flap, H. and Dagevos, J. 2010 The Ethnic Composition of the Neighborhood and Ethnic Minorities' Social Contacts: Three Unresolved Issues', European Sociological Review, vol. 27, no. 5, pp. 586-605.

- Wilkinson, R.G. (1996). Unhealthy Societies: The Afflictions of Inequality. New York: Routledge.
- Zimdars, A. and Tampubolon, G. (2012). Ethnic Diversity and European's Generalised Trust: How Inclusive Immigration Policy Can Aid a Positive Association. *Sociological Research Online*, 17(3), 15-21.

APPENDIX- A TABLE: A-1

List of Countries Included in Empirical Analysis

• Albania	Denmark	• Lao People's	• Qatar
Algeria	• Djibouti	Democratic Re-	Romania
Argentina	• Dominican	public	Russian Federa-
Armenia	Republic	• Latvia	tion
Australia	• Ecuador	• Lebanon	• Rwanda
Austria	• Egypt	• Lesotho	• Samoa
Azerbaijan	• El Salvador	• Liberia	Saudi Arabia
Bahrain	• Estonia	• Libyan Arab	 Senegal
Bangladesh	• Ethiopia	Jamahiriya	• Slovakia
Belarus	• Fiji	• Lithuania	• Slovenia
Belgium	• Finland	• Luxembourg	• Spain
Benin	• France	 Madagascar 	• Sudan
Bolivia	• Georgia	 Malawi 	 Swaziland
Botswana	• Ghana	 Malaysia 	• Sweden
Brazil	• Greece	• Mali	 Switzerland
Brunei Darus-	Guatemala	• Malta	Tajikistan
salam	• Guyana	 Mauritius 	• Togo
Bulgaria	Honduras	• Mexico	• Tonga
Burkina Faso	Hong Kong,	• Moldova (Re-	Trinidad and
Burundi	China (SAR)	public of)	Tobago
Cambodia	Hungary	 Mongolia 	• Tunisia
• Cameroon	• Iceland	• Morocco	• Turkey
 Canada 	• India	 Mozambique 	• Uganda
Central Afri-	 Indonesia 	 Nepal 	• Ukraine
can Republic	• Iran (Islamic	 Netherlands 	• United Arab
• Chad	Republic of)	 New Zealand 	Emirates
• Chile	• Ireland	 Nicaragua 	 United King-
• China	• Israel	 Niger 	dom
• Colombia	• Italy	 Nigeria 	 United States
• Congo	• Jamaica	 Norway 	 Uruguay
Congo (Dem-	• Japan	• Oman	 Uzbekistan
ocratic Repub-	• Jordan	 Pakistan 	• Venezuela (Bol-
lic of the)	 Kazakhstan 	• Panama	ivarian Republic
• Costa Rica	• Kenya	 Paraguay 	of)
• Côte d'Ivoire	• Korea (Repub-	• Peru	• Viet Nam
• Croatia	lic of)	 Philippines 	• Zambia
• Cyprus	• Kuwait	• Poland	• Zimbabwe
• Czech Republic	Kyrgyzstan	Portugal	

APPENDIX- B

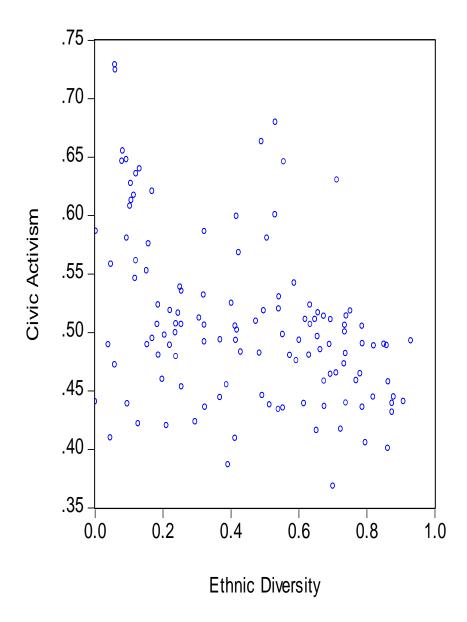


Figure B-1: Scatter Plot for Civic Activism and Ethnic Diversity

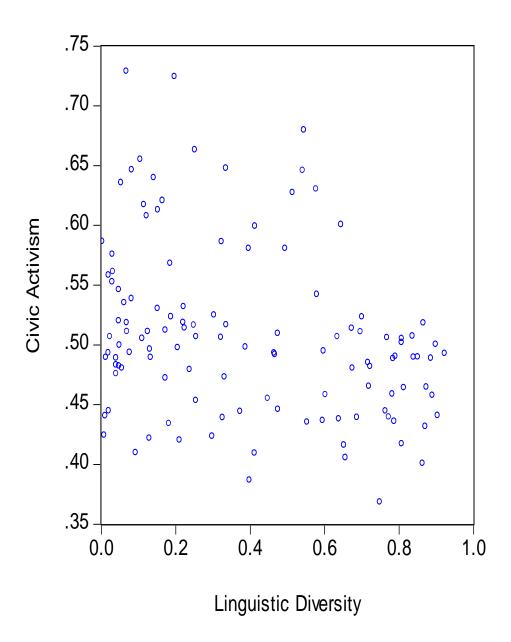


Figure B-2: Scatter Plot for Civic Activism and Linguistic Diversity

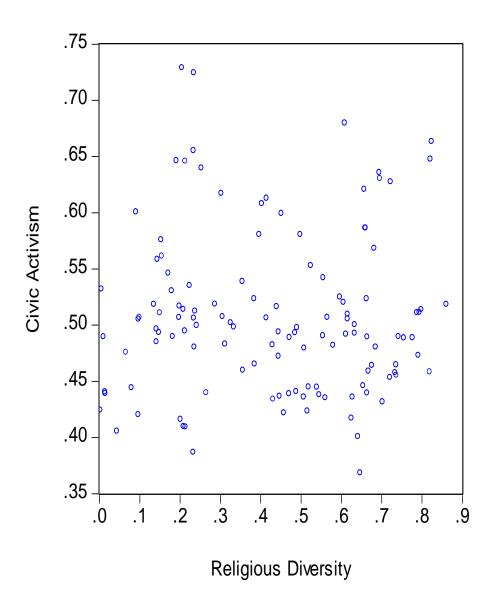


Figure B-3: Scatter Plot for Civic Activism and Religious Diversity

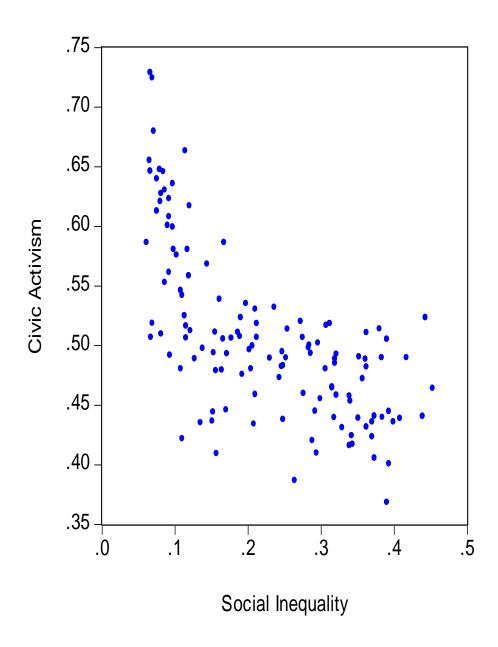


Figure B-4: Scatter Plot for Civic Activism and Social Inequality

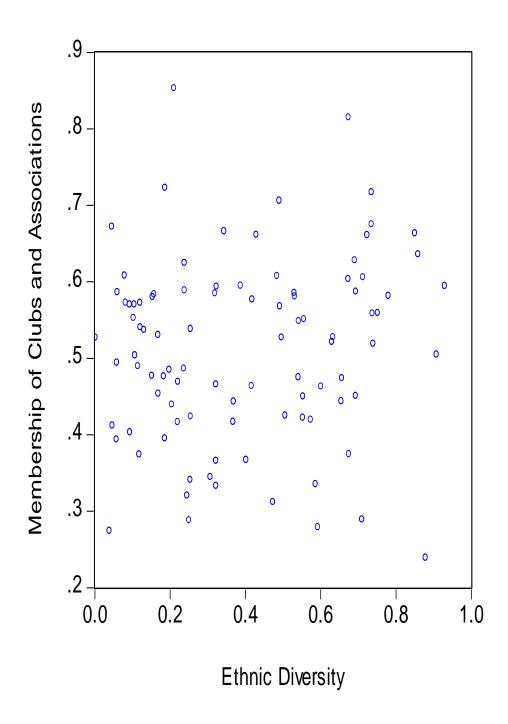


Figure B-5: Scatter Plot for Membership of Clubs and Associations and Ethnic Diversity

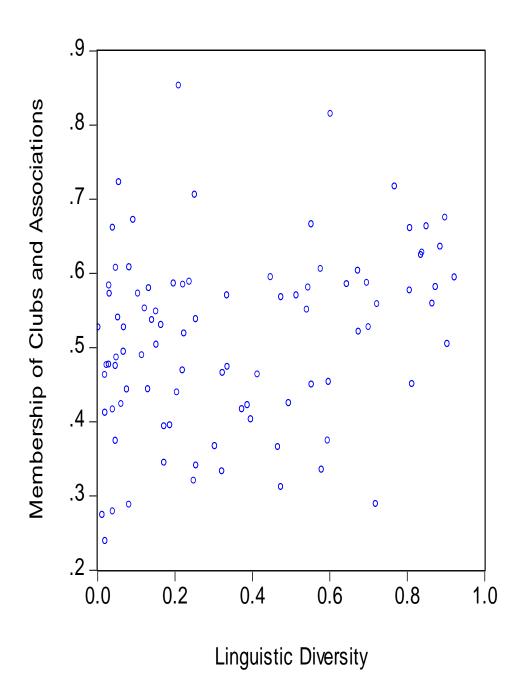


Figure B-6: Scatter Plot for Membership of Clubs and Associations and Linguistic Diversity

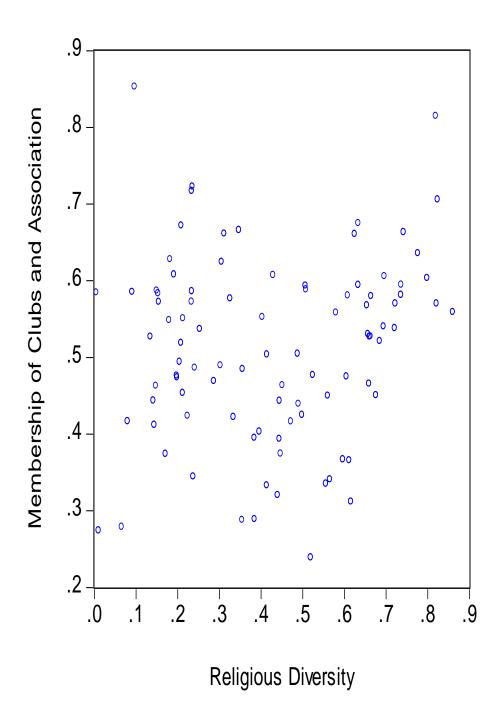


Figure B-7: Scatter Plot for Membership of Clubs and Associations and Religious Diversity

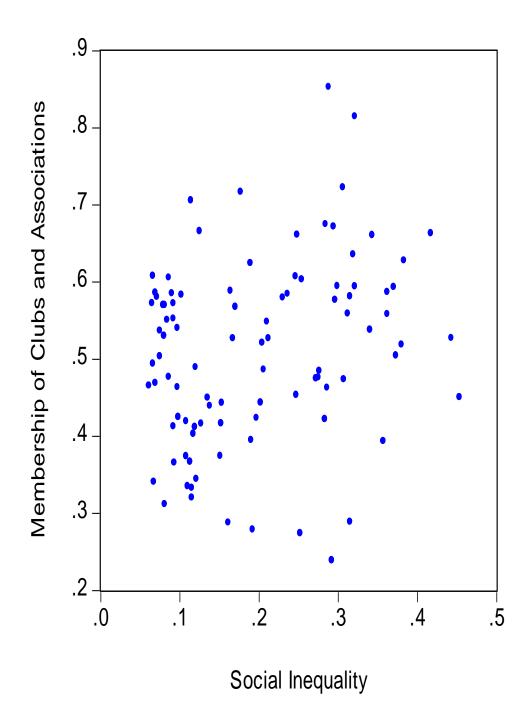


Figure B-8: Scatter Plot for Membership of Clubs and Associations and Social Inequality

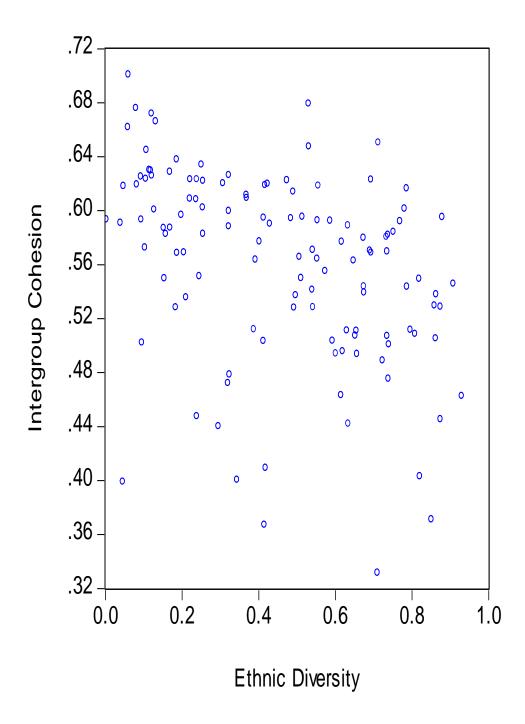


Figure B-9: Scatter Plot for Intergroup Cohesion and Ethnic Diversity

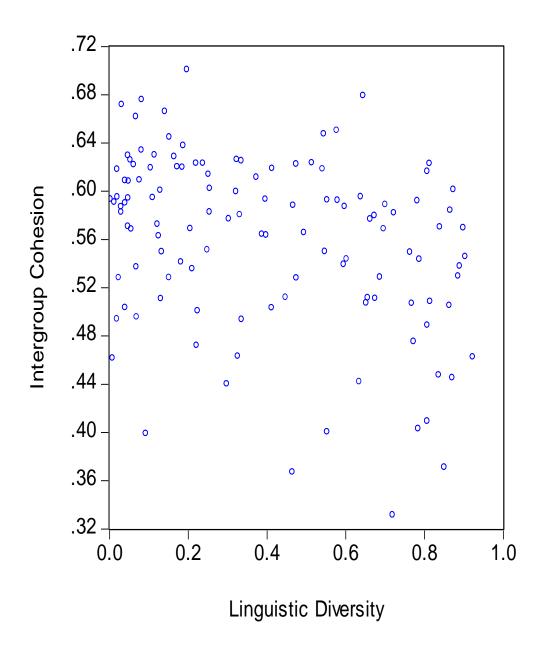


Figure B-10: Scatter Plot for Intergroup Cohesion and Linguistic Diversity

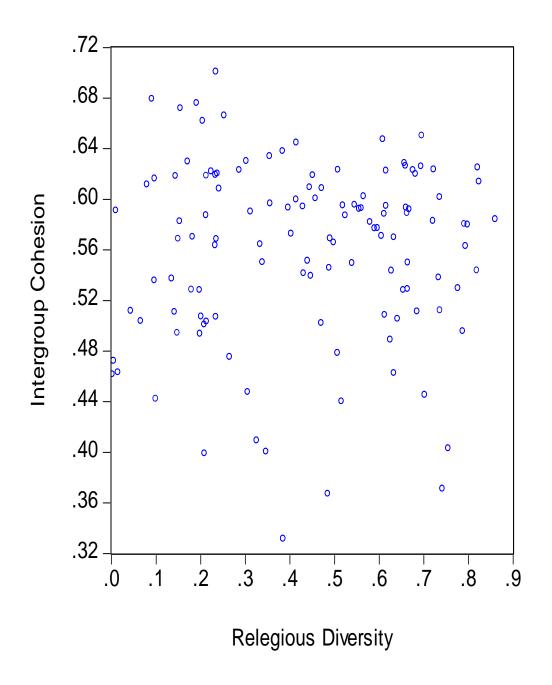


Figure B-11: Scatter Plot for Intergroup Cohesion and Religious Diversity

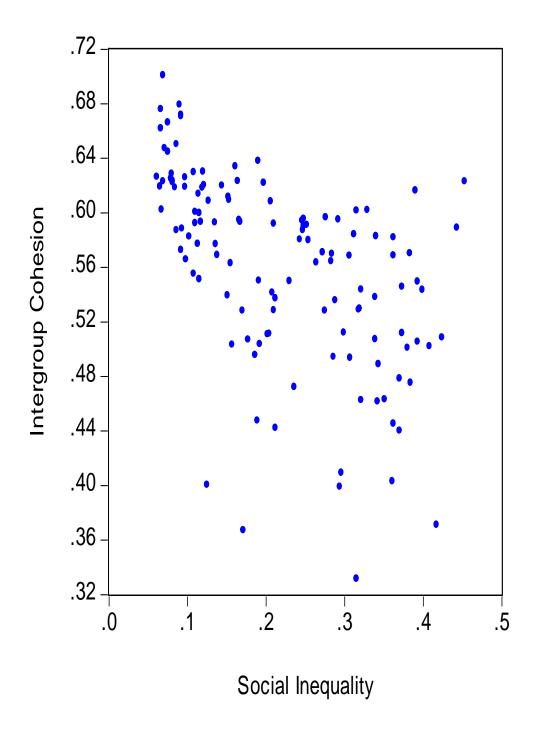


Figure B-12: Scatter Plot for Intergroup Cohesion and Social Inequality

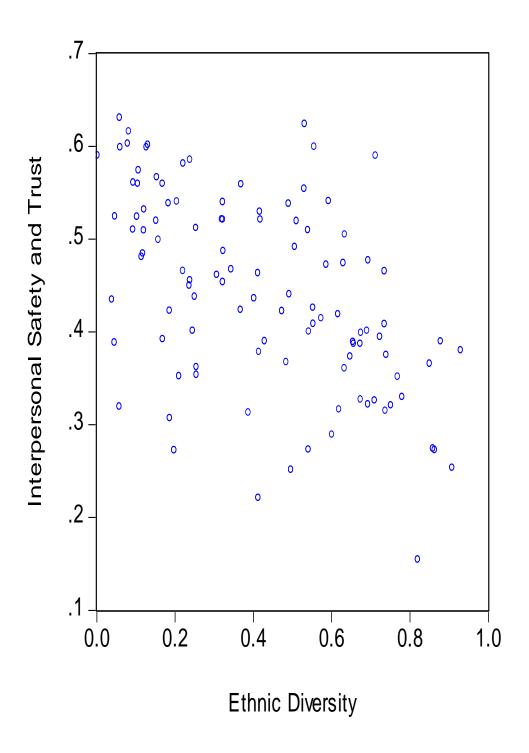


Figure B-13: Scatter Plot for Interpersonal Safety and Trust and Ethnic Diversity

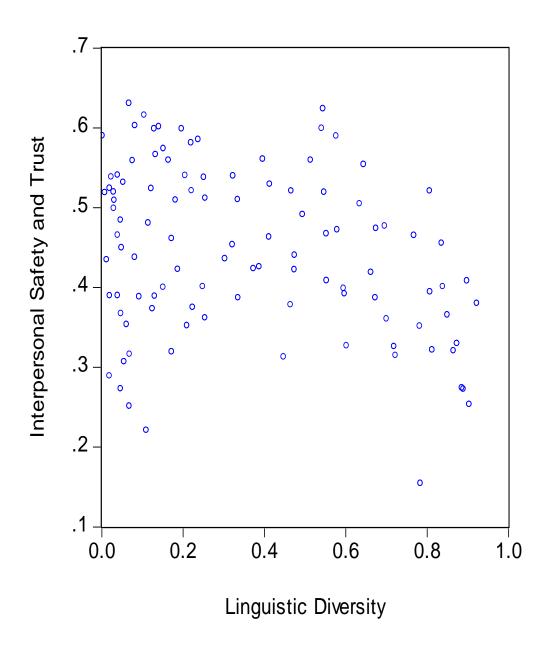


Figure B-14: Scatter Plot for Interpersonal Safety and Trust and Linguistic Diversity

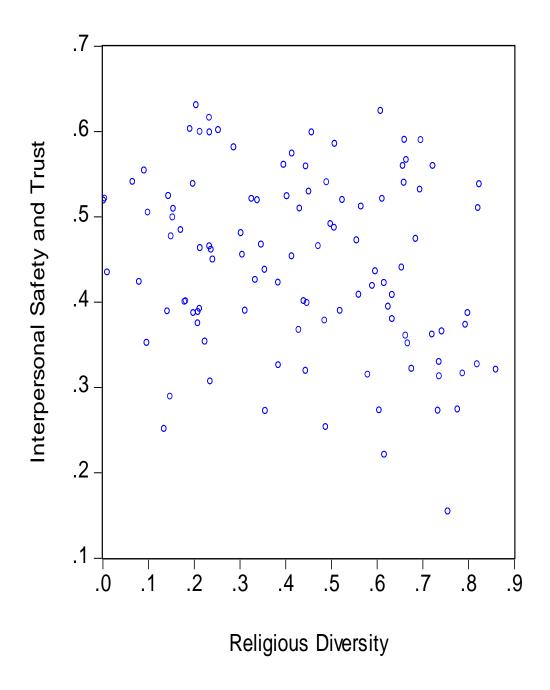


Figure B-15: Scatter Plot for Interpersonal Safety and Trust and Religious Diversity

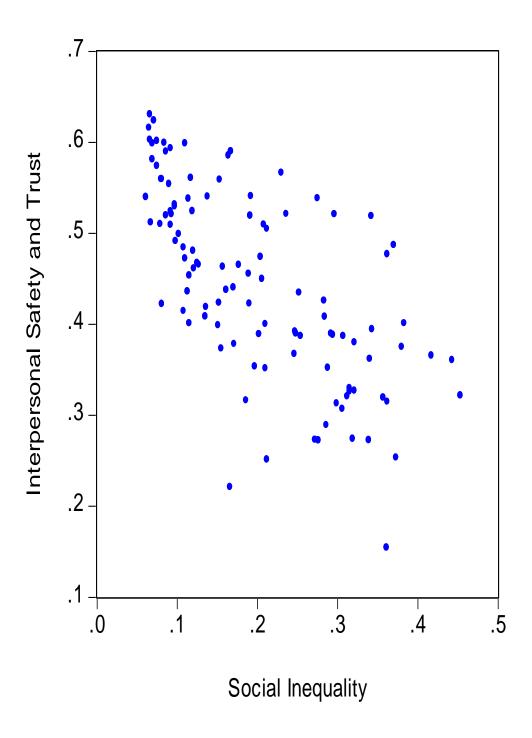


Figure B-16: Scatter Plot for Interpersonal Safety and Trust and Social Inequality

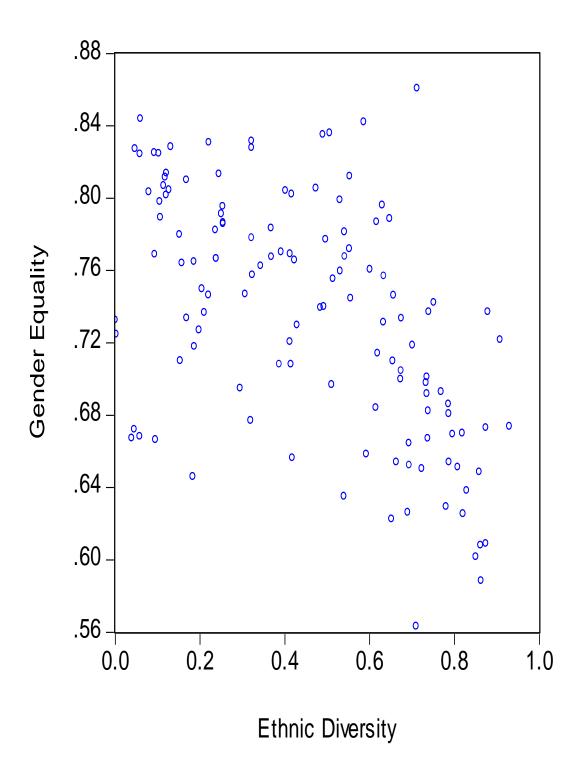


Figure B-17: Scatter Plot for Gender Equality and Ethnic Diversity

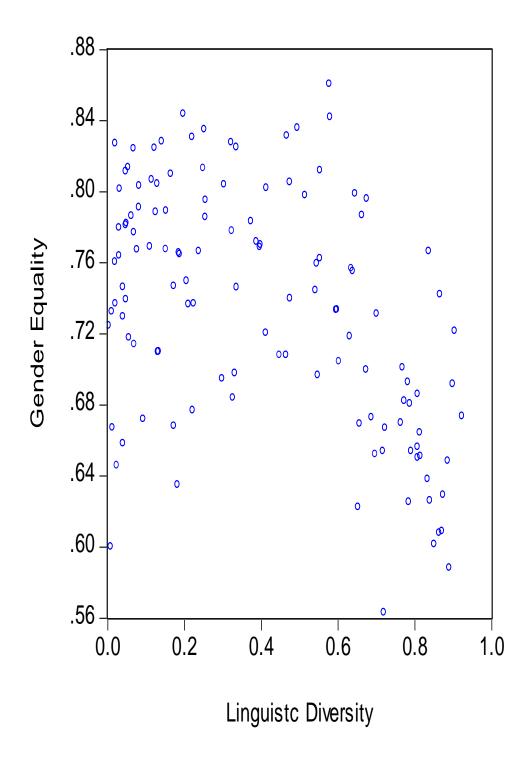


Figure B-18: Scatter Plot for Gender Equality and Linguistic Diversity

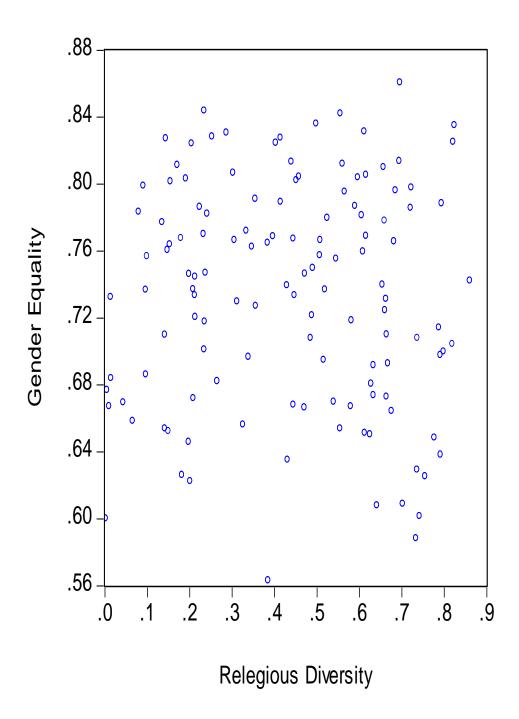


Figure B-19: Scatter Plot for Gender Equality and Religious Diversity

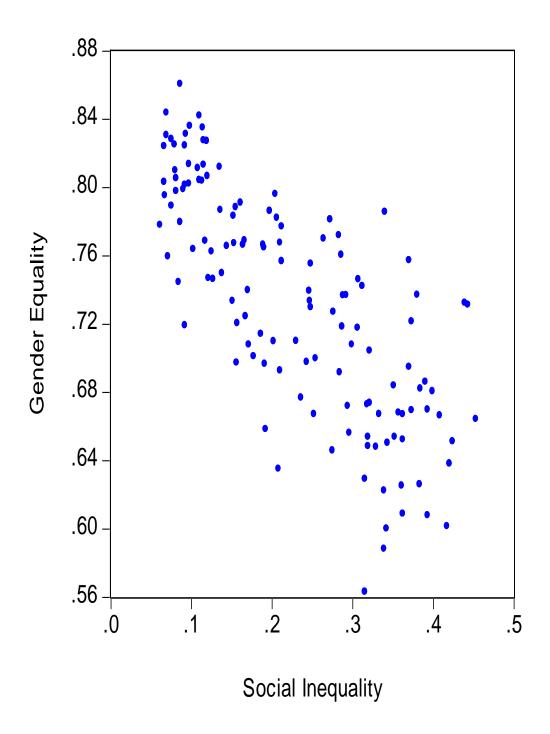


Figure B-20: Scatter Plot for Gender Equality and Social Inequality

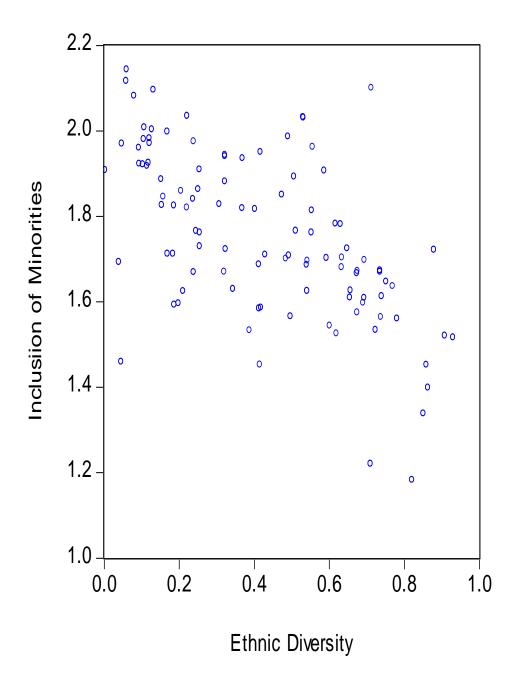


Figure B-21: Scatter Plot for Inclusion of Minorities and Ethnic Diversity

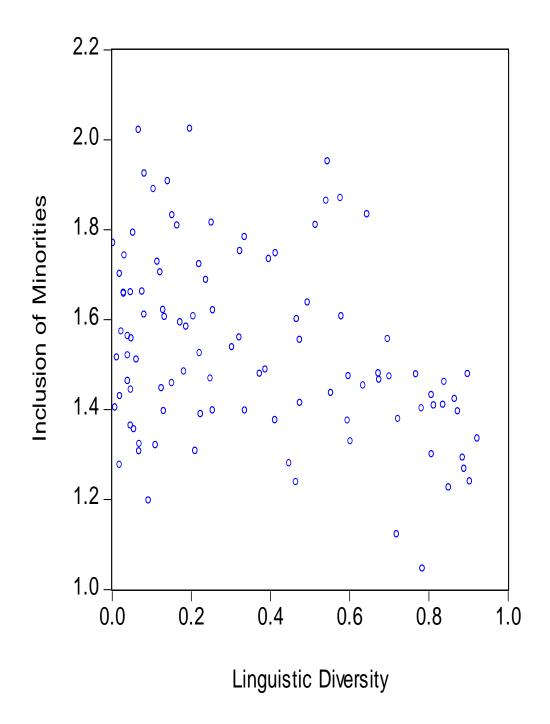


Figure B-22: Scatter Plot for Inclusion of Minorities and Linguistic Diversity

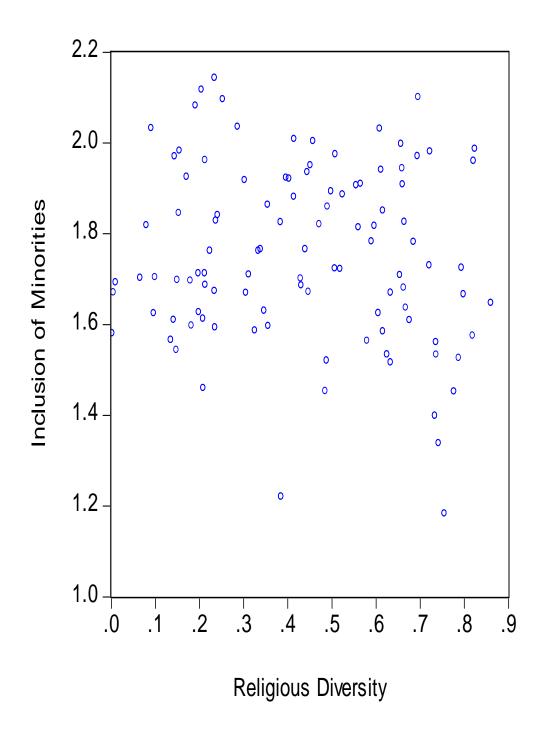


Figure B-23: Scatter Plot for Inclusion of Minorities and Religious Diversity

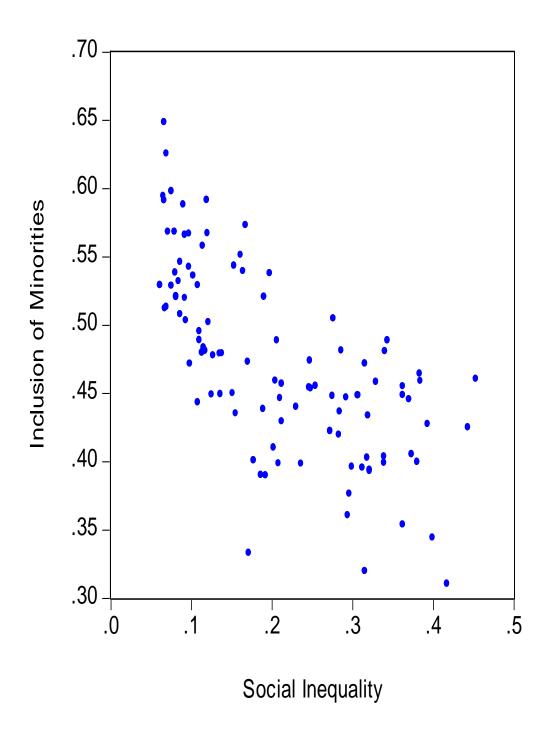


Figure B-24: Scatter Plot for Inclusion of Minorities and Social Inequality