We’re All in This Together: Context, Contacts, and Social Trust in Canada

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How do conditions of diversity and inequality affect the sense of solidarity with each other that is manifested as social trust? This article brings together the literatures on racial heterogeneity, inter-group contact and relative deprivation to test and enrich the existing theoretical understanding of trust. It explores the effects of city and neighborhood contexts, individual experiences of inter-group relations, and their moderating effects on social trust. Findings suggest that the influence of a city’s level of ethnic/racial diversity and income inequality is conditioned by inter-group social ties and experiences of discrimination. By considering the characteristics of neighborhoods, racial diversity of cities no longer has any significant association with trust in others. However, income inequality at the city level interacts with experiences of discrimination to undermine trust. Public policies aimed at improving social cohesion would benefit from considering the joint impact of economic and social policies that regulate resource distribution and hence shape inter-group relations.

“The bottom line is that there are special challenges that are posed to building social capital by ethnic diversity. Since ethnic diversity is in the future of the U.S. and Canada, this means we need to devote special attention to how you build connectedness or social capital in that context.”

(Robert Putnam, quoted in Delacourt, 2001)

Modern society is characterized by social diversity. In many Western democracies, international migration trends and economic restructuring have led to

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Acknowledgments: This paper was made possible with the support of fellowship funding by the Social Sciences and Humanities Research Council. The research was conducted at the Research Data Centre in Toronto—many thanks to Dave Haans, Veronica Yei and Angela Prencipe for their technical and administrative support. Special thanks to Raymond Breton for his encouragement, and to the reviewers for their comments and advice. While the research and analysis are based on data from Statistics Canada, the opinions expressed do not represent the views of Statistics Canada.
increasing ethnic and racial diversity as well as to economic inequalities across regions and within countries. Different values and belief systems confront each other, and groups must compete (as well as cooperate) for limited resources, often on unequal terms. This can lead to social cleavages and inter-group tensions (Shibutani & Kwan, 1965). How do conditions of diversity and inequalities affect our sense of solidarity with each other that is manifested as social trust? The question of how diversity can be managed to promote social cohesion and community integration has long been a concern of policy makers, but particularly is so in the 21st century.

Using the post-censal Ethnic Diversity Survey and the 2001 Canadian Census Profiles, this article brings together literatures on racial heterogeneity, inter-group contact, and relative deprivation to test and enrich the existing theoretical understanding of social trust. This approach addresses a gap in the literature by considering the levels at which contextual effects are relevant for trust attitudes, and tests the relative contribution of context, inter-group contact, and individual characteristics theorized to contribute to trust. The hypothesis that contextual diversity (as racial heterogeneity and income inequality) is inversely associated with trust on the individual level is explored using multilevel modeling analytic methods. The effects of contextual diversity and inequality on trust are hypothesized as being moderated by the nature of inter-group relations.

The article initially discusses the meaning of social, or generalized, trust that is relevant in conditions of increasing diversity and inequalities. Following this, empirical studies of the effects of racial diversity and economic inequality (as relative deprivation) on trust are reviewed. Also, evidence of group relations and its effects on orientations toward out-group members and trust is considered, from both individual and structural perspectives. Next, the methodology and findings are described, followed by a discussion of the results and concluding remarks. These findings in the Canadian context may be extended to inform policy considerations in other contexts.

**Trust and Cohesion in Society**

In many situations, individuals are called upon to cooperate with others based on little or no information about them, such as obeying traffic rules, paying taxes or supporting local institutions and programs. Studies of collective action, free-riding, and reciprocity closely examine the conditions under which people will cooperate or engage in self-serving behavior (see Fehr & Gachter, 2000; Gintis, Bowles, Boyd, & Fehr, 2005; Olsen, 1971). Research on social trust explicitly addresses the mechanisms and processes that make social order possible in highly complex and diverse societies. In fact, “trust is central to social life when neither traditional certainties nor modern probabilities hold” (Hart, 1988, p. 191). Trust is also an important ingredient for healthy communities (Putnam, 2000). High levels of civic engagement, volunteerism, and charitable giving take place where people
are more trusting (Brehm & Rahn, 1997; Uslaner, 2002). Social trust is particularly important in the context of uncertainty where information is inadequate and risks of cooperation are potentially high, such as in rapidly changing societies with high immigration.

What is meant by “social trust” that enables cooperative behavior among unconnected people? Social, or generalized, trust is diffuse, oriented toward no one in particular and normally concerns complete strangers (Govier, 1997). There is a moral foundation to social trust which underscores our common humanity with unknown others. It is generally a stable moral value most likely taught to us by significant others in our lives, such as parents, grandparents, and teachers (Uslaner, 2002). To trust is to presume that different others share our fundamental beliefs and values, that they are part of our “moral community,” and that they will not seek to harm us or take undue advantage. Thus, to trust is also to believe that we all share a common fate—that we are all in this together. As such, widespread prejudice and discrimination in a community or society would be expected to undermine social trust.

In addition, social trust is distinct from particularized trust, which is based on familiarity and recognized group boundaries such as kinship, race, gender, wealth, etc. Particularized trust leads to greater cooperation and volunteering within groups. Ethnic economies heavily depend on particularized trust among group members to the exclusion of outsiders, often undermining the bridging ties that contribute to social trust (Portes & Landolt, 2000). Those who have a broader orientation toward the larger community of others may also place great trust in people they know. However, those high on particularized trust can be suspicious of out-group members (Uslaner, 2002). In divisive and unequal societies, particularized trust within bounded communities tends to be strong while social trust across all communities is weak.

**Contextual Diversity, Inter-Group Relations, and Trust**

Recent policy debates in Canada, the United States, Britain, and other Western countries are concerned with how to manage ethnic or racial diversity (often due to increasing immigration) and promote social cohesion in cities and neighborhoods (Banting, Courchene, & Seidle, 2007; Hudson, Phillips, Ray, & Barnes, 2007; McGhee, 2003; Zetter et al., 2006). It is frequently argued that too much diversity along racial, cultural, or religious lines threatens to erode social cohesion (Goldhart, 2004; Economist, 2004; Putnam, 2007). The presumption is that in contexts of diversity, people cannot relate to each other and interact less due to differences in

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1 Social trust is different from strategic trust, which is based on prior experience and information about risks involved, including information about the context in which situations require trust. It has also been found to be highly correlated with trustworthiness, suggesting that people who trust others are also people who act in trustworthy ways (Fehr, Fischbacher, Schupp, & Wagner, 2003; Karlan, 2005).
values, beliefs, and experiences. This is especially relevant in segregated societies where the concern is that racial groups live more or less “parallel lives” (Burgess, Wilson, & Lupton, 2005; Home Office Community Cohesion Unit, 2002). Lack of shared norms also mean people no longer know what to expect from each other and believe that there is a lack of shared interests (Edgell, Gerteis, & Hartmann, 2006). Where one cannot assume that shared interests exist, social trust diminishes (Hardin, 2004). However, this assumption ignores the possibility of common values (such as human rights) and fails to address the ways that structural inequalities undermine social cohesion in a diverse society (McGhee, 2003; You, 2005; Reitz & Banerjee, 2007). These considerations have significant policy implications at different levels of government in a wide range of areas—health, education, training and employment, housing, political participation, etc.

A distinction needs to be made between the effects of context, inter-group contact, and the dynamics between them for social trust. Next is a discussion of research that focuses on area diversity (the descriptive), and the nature of group contact (the normative) on individual attitudes toward others. Significantly, most research fails to take into account how inter-group contact moderates the effect of diversity at different levels. Instead, area diversity and inter-group contact are often examined separately and without theorizing how different kinds of diversity matter in different ways at the neighborhood, city, or national levels.

Higher racial diversity, defined as the proportional distribution of different groups within an area, has been associated with lower levels of civic participation, social capital, and trusting attitudes in the United States (Alesina & La Ferrara, 2002; Costa & Kahn, 2003; Putnam, 2007). Marschall and Stolle (2004) found that racial diversity at the neighborhood level had no significant impact on trust for whites, but trust increased with more diversity for blacks. However, they caution that due to the fundamental differences in residential characteristics of black and white Americans based on race and class, it is difficult to generalize U.S. findings to other contexts. Letki (2008) found that racial diversity in British neighborhoods did not affect inter-group interactions, but did diminish neighborly attitudes, including trust.

In a recent comparative study, Stolle, Soroka, and Johnston (2008) found that neighborhood racial diversity had a greater negative effect on trust for white majorities in Canada compared with the United States. Soroka, Johnston, and Banting (2005) found measures of neighborhood diversity to be negatively related to trust and participation in nonethnic associations for whites. The effect of racial diversity on social trust was found to be small but significant. In contrast, Aizelwood and Pendakur (2005) found no significant effect of neighborhood heterogeneity on various measures of social capital. Johnston and Soroka (1999) found racial diversity at the provincial level to be negatively related to trust or participation.

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However, measurements of diversity at the provincial level are not appropriate given the urban nature of immigrant settlement in Canada, which tends to hide the variations in diversity among cities and towns. Not surprisingly, then, there is much debate about how immigration and diversity impact social cohesion in general, and social trust in particular.

Contact theorists posit that lack of meaningful, positive contact between out-group members reinforces the sense of alienation and misunderstandings between groups that are based on negative stereotypes. Allport (1954) theorized the essential conditions for contact between individuals to have a positive impact on group relations: equality of status, common goals, inter-group cooperation, and supportive social norms and policies. However, empirical studies of inter-group attitudes have consistently found that contact led to less prejudice at the individual level regardless of the context, but to more prejudice at the aggregate level (Forbes, 1997, 2004).

Nevertheless, the conditions for positive contact also open up opportunities for inter-group friendships to develop. Such relationships are most likely to enable the processes that lead to positive attitudes toward others and reduce feelings of threat (Olssen et al., 2005; Pettigrew, 1998). Social ties characterized by homophily\(^3\) may reflect or enhance particularized trust, while diverse ties are expected to be associated with greater social trust (Uslaner & Conley, 2003). A U.S. study of interracial contact, social ties, and racial diversity found that it was the variety of contact that mattered more than intimacy of social relations for racial attitudes of whites (Jackman & Crane, 1986). Furthermore, different types of social network diversity have different impacts on tolerant attitudes toward others, depending on the influence of prevalent norms within those networks. Diverse ties to middle class, educated people were associated with greater tolerance, whereas diverse ties to the working class were not (Côté & Erickson, forthcoming). In England, intergroup friendships partly explain the positive association between trust and diversity (Laurence & Heath, 2008).

The effect inter-group contact and area diversity have on trust varies according to the structure of group relations in a society. Institutional and normative factors can shape the patterns of inter-group interaction and their effects (Pettigrew, 1998). In the U.S. context, Stein, Post, and Rinden (2000) found that a combination of meaningful contact with and high proportion of Hispanics in the area increases whites’ positive attitudes toward minorities. Dixon and Rosenbaum (2004) found that as the proportion of blacks increased in a county, anti-black stereotypes significantly increased among whites, giving support to theories of group threat. However, regular interactions with neighbors have been shown to dampen the negative association between neighborhood diversity and trust in the U.S. (Stolle, Soroka, & Johnston, 2008).

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\(^3\) See McPherson, Smith-Lovin, and Cook (2001) and Feld (1982) for discussions about the structural determinants of homophilous social ties.
Inter-group relations are formally expressed through government policies. International comparisons show the relationship between diversity, trust, and participation is at best mixed, and on average disappears when quality of government measures are included (Helliwell, 2003). Lower support for social welfare programs and political power of the poor in the U.S., who are often nonwhite, have also been attributed to high levels of racial diversity (Alesina et al., 2001). However, others argue that the impact of ethno-racial diversity on support for welfare programs is mitigated by the existence of multicultural policies (Kymlicka & Banting, 2007). The significance of government action suggest that policy approaches toward ethnic relations and immigration play an important role in rendering diversity a positive or negative influence (Banting, 2005). The role of government in moderating between racial diversity and trust implies that we need to consider the nature of group relations as they have been structured by historical and institutional forces. The challenge of racial diversity is essentially the challenge of building trust in contexts of divergent group interests and conflict.

In multi-ethnic societies, institutional structures and government responses to diversity determine the nature of inter-group contact and relations (Shibutani & Kwan, 1965; Sidanis & Pratto, 1999). Trusting attitudes toward others are fostered where group interdependence and cooperation predominate (Hardin, 2004; Williams, 2001). On the other hand, in societies characterized by inter-group competition, where groups have conflicting interests and compete for scarce resources, distrust toward out-group members is more likely (Bonacich, 1972; Olzak, 1994). In segmented societies, nepotism or discrimination characterized individual behavior toward identified in- or out-group members, compared to anonymous individuals without clear group membership (Fershtman, Gneezy, & Verboven, 2005). An experimental study of trusting behavior in Israel (Fershtman & Gneezy, 2001) found discriminatory attitudes were associated with low cooperation and mistrustful behavior toward different ethnic groups.

In addition, rising economic inequality over the past 40 years is a worrisome trend that threatens to undermine trust. Trust is diminished by high levels of economic inequality because “growing pessimism and perception of limited resources leads to less generous attitudes toward others . . . It is tough to convince people in a highly stratified society that the rich and the poor share common values, much less a common fate.” (Uslaner, 2004, p. 3) Indeed, a number of studies have found a negative association between economic inequality and social trust over time, and across countries (Alesina & Glaeser, 2004; Leigh, 2006; Rothstein & Uslaner, 2005). A study of World Values Survey found that it was the perceived unfairness of systems and economic inequality that matters more for trust than does ethno-racial diversity.

If racial diversity and income inequality are accompanied by discriminatory treatment for specific groups, it is easy to see how social trust can be diminished for both dominant and vulnerable groups who must live together under such
adversarial conditions. In addition, real or perceived gaps between institutionalized norms (for example, through anti-discrimination policies) and implementation can contribute to greater distrust and inter-group tensions. This is particularly the case in the United States with its history of race antagonism, but also applies to most other Western, industrialized countries. Diversity coupled with unequal treatment based on racial/ethnic differences encourages inter-group comparison and competition. In this context, greater racial diversity may increase distrust in others.

Untangling Contextual Effects

Studies relating income inequality and racial diversity to social capital have focused on effects at the country (Delhey & Newton, 2003, 2005), regional (Helliwell, 1996; Johnston & Soroka, 1999; Putnam, 1993), city (Alesina & Ferrara, 2000; Costa & Kahn, 2003), and neighborhood levels (Leigh, 2006; Letki, 2008; Marschall & Stolle, 2004; Putnam, 2007; Soroka, Johnston, & Banting, 2005; Stolle, Soroka, & Johnston, 2008), without examining multiple levels, or cross-level effects with inter-group relations (Stein et al., 2000). Few theorize at which levels racial diversity or income inequality would be relevant for the breakdown or building up of trust (Hipp, 2007).

For sociologists, social psychologists, and some health researchers, the idea of relative deprivation underlies their interest in economic inequality (Runciman, 1966; Subramanian & Kawachi, 2004; Walker & Smith, 2002). The effects of poverty on health, depression, stress, and other outcomes are explained by deprivation understood as a relative concept rather than as an absolute concept (Fiscella & Franks, 1997; Wilkinson, 1997). Furthermore, the effects of income distribution on health outcomes may be moderated by the amount of social capital of communities and individuals (Hyypa & Maki, 2001; Kawachi & Kennedy, 1997; Kawachi, Kennedy, Lochner, & Prothrow-Stith, 1997).

Feelings of relative deprivation entails social comparison with some relevant other, but at what level does it matter for area effects? People rarely compare their incomes and life chances with others across the country (Pederson, 2004). It is often acknowledged that different cities and different regions would have unequal resources. On the other hand, housing markets are structured in such a way that neighborhoods tend to be composed of individuals with similar levels of income and other social characteristics. Exposure to people earning different income levels is more likely to occur at the city level, in the course of one’s work

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4 Runciman’s (1966) conceptualization of reference groups makes a distinction between comparison with groups to whom one aspires, comparison with one’s own group, and comparison with groups which one contrasts oneself against.
and while shopping or traveling between neighborhoods. Thus, the effect of relative deprivation relevant to social trust is more likely to be at the city level.

Similarly, to analyze the effects of racial diversity on social trust, we must determine the spatial range within which (potential or actual) interaction with racially different others might matter. The effect of racial diversity on trust entails a sense of how many different “others” constitute our local geography. People’s lives take place in neighborhoods, but also take them to different areas of the city beyond place of residence: for work, study, leisure, visiting friends, and family. Local media also expand people’s sense of the “local” beyond their neighborhood of residence to the broader city. Racial diversity may matter for trust at the city level for these reasons.

Yet, heterogeneous neighborhoods make inter-racial contact and social interaction more likely as well as more frequent (Blau, 1977). Because much of our informal daily activities occur within neighborhoods, the nature of these contacts is likely to be cooperative as well as intimate (Sigelman, Welch, Combs, & Bledsoe, 1996). Conversely, segregated neighborhoods reflect structural arrangements and practices of discrimination that channel certain groups into specific areas. The intersection of structural and cultural forces that result in residential concentration has implications for trust, depending on the social processes involved. Segregation as an outcome of discriminatory practices in housing allocation, economic deprivation, or conflict between groups, for example, has been targeted as having serious implications for social cohesion in general.

Ethnic residential concentration in Canada reflects complex and varied processes, occurring at different rates for different reasons among groups (Murdie & Teixeira, 2000). More recently, the concepts of “ethnic enclave” and “ethnoburbs” have been introduced to describe areas of high ethnic concentration and emphasize the positive processes, rather than just negative ones, that attract certain people into particular areas (Qadeer, 2003). While positive processes that lead to segregation may be less problematic than negative ones, policy makers are generally concerned that residential segregation generally would undermine or prevent inter-group cooperation and trust (Hudson et al., 2007; Uslaner, 2006).

In sum, the appropriate reference population for some measures may be at the city level, while for others it is the neighborhood (Pederson, 2004). This article aims to address these by exploring the effects of income inequality at the city level, racial diversity at both the city and neighborhood levels, and the cross-level effects of inter-group experiences using multilevel modeling. Understanding the level at which diversity or inequality matters for trust can help to focus policy targets in more effective directions. The analysis begins by considering individuals in cities, and the effects of racial diversity and income inequality on individuals’ trust. The second step of the analysis adds neighborhoods as an intermediate level, and considers racial diversity at the neighborhood level and income inequality at the city level.
In both analyses, cross-level effects test the interaction between contact (self-reported experiences of discrimination, perceived group vulnerability to hate crimes and in-group friendship ties) and context. The article tests the hypothesis that contextual diversity (as racial heterogeneity and income inequality) is inversely associated with trust on the individual level. The analysis brings together the literatures on racial heterogeneity, inter-group contact, and relative deprivation to enrich the theoretical approach to social trust. It also hypothesizes that the relationship between contextual diversity and trust are moderated by inter-group experiences as well as in-group social ties in the following ways:

(P1) The association between racial diversity and trust will be conditional upon having friendship ties (positive inter-group contact) that reflect the group composition of the broader social context. In other words, contextual diversity interacts with friendship diversity to increase trust, and vice versa.

Furthermore, the effect of individual experiences of discrimination (unfair treatment) is sensitive to conditions of structural inequality such that:

(P2) As city-level income inequality increases, personal experiences of discrimination (negative inter-group contact) are expected to have a greater negative association with trust.

Methodology

The 2002 Ethnic Diversity Survey and 2001 Census Profiles provide data on social trust, inter-group experiences, social ties, and socio-economic and geographic characteristics. The EDS is a post-censal survey that uses a two-stage complex sampling procedure to ensure the inclusion of populations of interest who are difficult to reach, such as first generation, non-Charter groups. Characteristics of the respondent’s census tract and city of residence at the time of the EDS survey are taken from the 2001 Census Profiles. After excluding respondents with missing data and Aboriginals, the total sample of individuals is 34,711 in 122 cities across Canada for the 2-level analysis with cities. In the neighborhood

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5 For more details about the EDS, please consult Statistics Canada website: www.statcan.ca/english/sdds/4508.htm

6 The population of those with aboriginal ancestry or identity is studied in a separate post-censal survey, the Aboriginal Peoples Survey, and is considered outside the scope of the EDS. The Territories are not included in the EDS and are excluded from the analysis.

7 Cities are defined as Census Metropolitan Areas or Census Agglomerates (2001 Census Profiles: http://www.statcan.ca/english/Subjects/Standard/sgc/2001/2001-cma-classmenu.htm). A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data.
analysis, those who do not live in an identified census tract were dropped,\(^8\) yielding a sample of 31,613 individuals in 4,421 census tracts across 42 cities.\(^9\)

**Analysis**

Considering the hierarchical nature of the data, the article employs a multilevel analysis to simultaneously estimate individual, neighborhood, and city effects on individuals’ sense of social trust. Studies can potentially mis-specify the significance of contextual effects by failing to account for the fact that individuals are embedded in neighborhoods and cities (Woodhouse, Rasbash, Goldstein, & Yang, 1996). By assuming independence in sampling, standard errors tend to be underestimated in OLS analyses and can result in insignificant effects showing up as significant (Goldstein, 2003; Goldstein & Rasbash, 1996). Multilevel modeling analyses account for the dependence of error terms of lower-level observations on higher-level units. The Hierarchical Linear Model (HLM) statistical package for Bernoulli outcomes is used (Goldstein & Rasbash, 1996; Raudenbush, Bryk, Cheong, & Congdon, 2004), and applies sampling weights at the individual level to account for unequal selection probabilities introduced by the complex sampling procedure (Pfeffermann, Skinner, Holmes, Goldstein, & Rasbash, 1998).

The analysis begins with a 2-level model with individuals clustered in cities. The models are built up progressively to test for significant random effects. The full cross-level model is presented, showing an interaction between individual indicators of inter-group experiences and city context of racial diversity and income inequality. The second stage of the analysis adds neighborhood as an intermediate level between individuals and cities, and introduces other neighborhood characteristics as controls, such as mobility rate, and socio-economic disadvantage.

**Measures of Social Trust and Other Individual Level Indicators**

Social trust is measured by the question “Generally speaking, would you say that most people can be trusted or that you cannot be too careful in dealing with people?" with the clarification that “cannot be too careful in dealing with people” means “you have to be very careful in dealing with people.” Respondents who indicated that most people can be trusted are given a score of 1 on this measure. A score of 0 indicates respondents felt you cannot be too careful in dealing with

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\(^8\) Census tracts are small, relatively stable geographic areas that usually have a population of 2,500–8,000. They are located in census metropolitan areas and in census agglomerations with an urban core population of 50,000 or more in the previous census.

\(^9\) Atlantic Provinces are not included in the neighborhood analysis due to lack of necessary geographic information in the EDS for respondents in these areas.
most people. This question (a standard used in most surveys interested in social trust) is found to be a reliable yet simple measure of a person’s orientation toward strangers. Factor analysis shows that it is highly correlated with measures of trust in people we meet on the streets, in shops, and our neighbors (Uslaner, 2002). In this dataset, 49.2% of respondents reported having trust in people, while 50.8% stated you can never be too careful.

The EDS asked respondents about their experiences of negative inter-group contact, such as discrimination or unfair treatment and sense of vulnerability to hate crimes, due to their race/ethnicity, religion, language/accent, or culture. Respondents were given a score of 1 for discrimination if they reported experiencing unfair treatment in the past 5 years (or since coming to Canada) based on ethnocultural differences, and 0 if they did not. The vulnerability question was originally a scale of 1 to 5, with 1 as “not worried at all” and 5 as “very worried” about being a victim of hate crime. However, no statistically significant difference in the distribution of trust among those who scored 3, 4, or 5 in the scale was found: trust is significantly lower among this group, and higher among those who scored 1 or 2. The scale is collapsed into a dichotomy, reflecting those who felt vulnerable (1) and those who did not (0).

The composition of friendship ties is a measure of positive inter-group relations or in-group cohesion. Friendship ties bounded largely by group membership can constrain one’s sense of “moral” community that excludes many different others, compared to those with more diverse friendships. The EDS inquired about respondents’ social networks: “Now, I would like to ask you about the ways your ethnicity or culture may be important in your social life. As far as you know, how many of your friends have the ‘same’ ancestry? Is it all, most, half, few or none of them?” To create a measure of friendship homophily, respondents are given a score of 1 if all or most of their friends are of the same ancestry, and 0 otherwise. There were no significant differences in responses to trust between those with “most” or “all” friends of the same ethnic ancestry.

Residential clustering is an additional individual level measure for in-group orientation (or structural condition), which can undermine social trust. By matching individuals’ neighborhood characteristics with their ethnic ancestry, it is possible to construct a variable for residential clustering defined as individuals who live in neighborhoods dominated by others of their own specific ethnic background (based

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10 “Discrimination may happen when people are treated unfairly because they are seen as being different from others. In the past 5 years/Since arriving in Canada, do you feel that you have experienced discrimination or been treated unfairly by others in Canada because of your ethnicity, culture, race, skin color, language, accent, or religion?”

11 “Using a scale of 1 to 5, where 1 is ‘not worried at all’ and 5 is ‘very worried,’ how worried are you about becoming the victim of a crime in Canada because of someone’s hatred of your ethnicity, culture, race, skin color, language, accent, or religion?”

12 This question was asked about the top two ranked ancestries reported by the respondent. It excludes those who reported no non-Canadian as their ethnic ancestry, and who gave no valid response to the importance of ancestry question.
on responses to questions of ancestry). This study adopts Hou and Picot’s (2003) definition of residential clustering as neighborhoods where 30% of residents or more share the same specific ethnic background.\(^{13}\) Therefore, an Italian respondent who lives in a census tract composed of 30% or more Italians is given a score of 1 for residential clustering, and 0 otherwise. Only 13.8% of respondents in the EDS are clustered residentially.

Many individual factors may confound the relationship between inter-group relations and social trust, as well as account for some selectivity into neighborhoods. Major influences in this regard are controlled by considering respondents’ sex, age, education, household income (including government transfers, as reported in the 2001 census), parents’ highest education, visible minority status, immigration period and generation, and actual experience of victimization by crime (Patterson, 1999; Putnam, 2000). Control variables measuring individual socio-economic characteristics are specified as fixed effects, while indicators of interest (visible minority status, individual experiences of crime, discrimination, vulnerability, and in-group friendship ties) are estimated with both fixed and random effects.

**Specifying Contextual Levels and Their Effects**

Area characteristics are derived from the 2001 Census Profiles for CMA/CA (cities) and census tracts (neighborhoods). In this analysis, economic inequality at the city level, measured as the Gini index, is considered and calculated using the distribution of household income (after government transfers to account for redistributive policies) for 122 CMA/CA’s. The values for the city level household income Gini index range from .21 to .39 (\(SD = .03\)) with a mean of .34.

Social trust is theorized to diminish as racial heterogeneity increases. A racial diversity index is constructed at both the city and neighborhood levels as the probability that any random pair of individuals in the city (or census tract) will be of a different ethnic or racial group. This index considers the proportion of the following groups in the population: Chinese, South Asian, Black, Arab, West Asian, Filipino, Southeast Asian, Latin American, Japanese, Korean, and Caucasian. The racial diversity measure is expressed as:

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D_j = 1 - \sum_{i=1}^{n} S_{ij}
\]

where \(S_{ij}\) is the proportion of group \(i\) in area \(j\) (Alesina & La Ferrara, 2000; Greenberg, 1956; Lieberson, 1969). The measure is sensitive to the number of groups (richness) and distribution of groups (evenness), with the highest possible value

\(^{13}\) According to the 2001 census, the following ethnic groups are concentrated (at 30% or more of the population) in census tracts: Italian, Chinese, Jews, South Asian, German, French, English, Portuguese, Black, Greek, Filipino, Arab, Ukrainian, Dutch, and Russian (in order from highest concentration [88%] to lowest [30.1%]).
representing equal proportion of every group and the lowest value representing the presence of only one group.

The range of values for racial diversity in cities is .01–.56 ($SD = .13$), with a mean of .08. Not surprisingly, the highest values (greatest diversity) occur in the largest immigrant reception cities, Toronto and Vancouver, followed by Montreal and Abbotsford. The article also explores the possibility that racial diversity matters at the neighborhood level. A racial diversity index is constructed for each census tract, with values ranging from .00 to .84 ($SD = .22$) and a mean of .25. Comparing the range of values and means for racial diversity at the city and neighborhood levels, neighborhoods can be both more homogeneous and more diverse than cities, as well as being more mixed on average.

Other characteristics of neighborhoods have been theorized to influence social trust, such as mobility rates and socioeconomic disadvantage (Marschall & Stolle, 2004; Ross, Mirowsky, & Pribesh, 2001; Sampson & Groves, 1989; Shaw & McKay, 1942). Less stable neighborhoods tend to have more immigrants as well as lower socio-economic standing. By considering these effects in the model, the article can compare alternative explanations and account for the independent influence of racial diversity in neighborhoods. Mobility rate is measured as the percentage of residents who have lived in the neighborhood for 5 years or less. Socioeconomic disadvantage is a mean index of the percentage of female heads of households, male unemployment, adults with less than high school education and incident of low income (standardized alpha = .82). Racial diversity of neighborhood is negatively correlated with mobility ($r = –.25$) and positively with socio-economic disadvantage ($r = .26$).

**Findings**

Figures 1 and 2 illustrate the distribution of aggregate proportion of social trust by racial diversity and income inequality of cities in the dataset. The heteroscedasticity of the measures is modeled directly by multilevel analysis (Goldstein, 2003). In general, there is a negative association between trust and income inequality and a positive association with racial diversity at the city level.

The first analysis considers macro-level effects of city racial diversity and income inequality (without considering neighborhoods). To aid in the model specification, a series of simpler models tested which random variations are significant for inclusion in the final model. Only fixed effects are specified for the individual control variables, with the exception of visible minority status, which are expected to vary with context. The cross-level model considers the conditional effects of in-group friendship ties in racially diverse cities and experiencing discrimination.

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14 Although two cities, Toronto and Vancouver, show unusually high levels of racial diversity, diagnostic analyses do not show any influential units. Furthermore, robust estimates are reported, which are more efficient in the presence of possible outliers (Fox, 1991).
Fig. 1. Proportion having social trust by racial diversity in 122 Canadian cities; showing regression trend and upper/lower 95 percentile.

Fig. 2. Proportion having social trust by income inequality (Gini index) in 122 Canadian cities; showing trend and upper/lower 95 percentile.
in contexts of income inequality. The multilevel model is expressed as follows:

Individual level model:
\[
\ln\left(\frac{P_{ij}}{1 - P_{ij}}\right) = \beta_{0j} + \sum \beta_{1j}(\text{Controls})_{ij} + \beta_{2j}(\text{Discrimination})_{ij} + \beta_{3j}(\text{Vulnerability})_{ij} + \beta_{4j}(\text{In-group friendship ties})_{ij}
\]

City level model:
\[
\beta_{0j} = \gamma_{00} + \gamma_{01}(\text{Racial diversity})_{j} + \gamma_{02}(\text{Racial diversity})_{j}^2 + \gamma_{03}(\text{Gini})_{j} + \gamma_{04}(\text{Gini})_{j}^2 + \mu_{0j}
\]
\[
\sum \beta_{1j} = \Sigma \gamma_{10}
\]
\[
\beta_{2j} = \gamma_{20} + \gamma_{22}(\text{Gini})_{j} + \mu_{2j}
\]
\[
\beta_{3j} = \gamma_{30} + \mu_{3j}
\]
\[
\beta_{4j} = \gamma_{40} + \gamma_{41}(\text{Racial diversity})_{j} + \mu_{4j}
\]

where \(\gamma_{00}\) is the mean proportion of social trust for cities; \(\gamma_{01}, \gamma_{02}, \gamma_{03}, \) and \(\gamma_{04}\) are the average, quadratic effects of racial diversity and inequality of cities; \(\Sigma \gamma_{10}\) are the effects of the set of individual socioeconomic controls on social trust; \(\gamma_{20}, \gamma_{30}, \) and \(\gamma_{40}\) are the effects of discrimination, vulnerability, and friendship ties within cities; \(\gamma_{22}\) and \(\gamma_{41}\) are the cross-level effects of friendship ties by racial diversity and discrimination by the level of income inequality of cities. Random error at the second level is represented by \(\mu_{0j}\) while \(\mu_{2j}, \mu_{3j},\) and \(\mu_{4j}\) are the random effects of discrimination, vulnerability, and friendship ties between cities. These errors stand for unmeasured sources of individual variation, indicating the existence of unspecified contextual effects. The structure of the hierarchical model is similar for the 3-level analysis, but adding nested equations for neighborhoods (as level 2) and cities (as level 3).

Table 1 shows the estimates of the full model for the 2-level analysis (robust standard errors reported in brackets), including the variance component at the city level. There is significant variation in social trust between cities. The nonlinear, cross-level effects of racial diversity and income inequality account for 27% of individual variance between cities, after controlling for individual demographics.

On average, visible minority status has no significant effect on social trust within cities. However, the random variance is significant—that is, visible minority

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15 In exploratory analyses, all other cross-level effects were not statistically significant.
16 The effects of visible minority status and past victimization by crime are also allowed to vary at level 2.
status affects trust differently between cities. Neither racial composition nor income inequality accounts for these differential effects; therefore, we can only speculate what it is that encourages or discourages social trust among visible minorities in different cities. Discrimination, group vulnerability, and in-group friendship ties all have significant fixed effects as well as random effects, part of which is accounted for by the level of income inequality and racial diversity. Comparing the relative contribution of negative inter-group relations and in-group ties, perceived vulnerability (being worried about becoming a victim of hate crimes) has the largest negative association with trust (effect size $= -0.51$), followed by experiences of discrimination. By comparison, in-group friendship ties have a very weak, but statistically significant positive relationship with trust.

To interpret the cross-level effects, they are presented in graph format, illustrated by Figures 3a and 3b. The association of trust with racial diversity of cities is conditioned by in-group friendship ties as expected (see Figure 3a). There is also a maximal level of racial diversity on trust (racial diversity index $= 0.285$). At this point, trust is predicted to be highest for everyone. Below this level (lower racial diversity), homogeneous friendship ties have a more positive association than diverse friendship ties. Above this level (high racial diversity), diverse friendship

### Table 1. Estimated Effects on Social Trust; 34,711 Individuals Nested in 122 Cities

<table>
<thead>
<tr>
<th>Cross-level Quadratic model</th>
<th>Variables (effects)</th>
<th>Logged odds Estimates (robust standard errors)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual level:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercept</td>
<td>$-11.65^* (5.88)$</td>
<td></td>
</tr>
<tr>
<td>Visible minority status</td>
<td>$-0.18^* (.09)$</td>
<td></td>
</tr>
<tr>
<td>In-group friendship ties</td>
<td>$0.22^* (.09)$</td>
<td></td>
</tr>
<tr>
<td>Experienced discrimination</td>
<td>$-3.31^* (.82)$</td>
<td></td>
</tr>
<tr>
<td>Group vulnerability</td>
<td>$-0.51^* (.09)$</td>
<td></td>
</tr>
<tr>
<td><strong>City level:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Racial diversity index</td>
<td>$3.95^* (1.44)$</td>
<td></td>
</tr>
<tr>
<td>Racial diversity index (quadratic)</td>
<td>$-7.91^* (2.25)$</td>
<td></td>
</tr>
<tr>
<td>Gini index</td>
<td>$0.79^* (.36)$</td>
<td></td>
</tr>
<tr>
<td>Gini index (quadratic)</td>
<td>$-0.01^* (.01)$</td>
<td></td>
</tr>
<tr>
<td><strong>Cross-level:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Friendship ties by racial diversity</td>
<td>$-0.74^* (0.29)$</td>
<td></td>
</tr>
<tr>
<td>Discrimination by Gini index</td>
<td>$0.09^* (0.02)$</td>
<td></td>
</tr>
<tr>
<td><strong>Random variance components:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City-level variance ($\mu_{0j}$)</td>
<td>$0.26^* (0.51)$</td>
<td></td>
</tr>
<tr>
<td>Experienced discrimination ($\mu_{2j}$)</td>
<td>$0.28^* (0.53)$</td>
<td></td>
</tr>
<tr>
<td>Group vulnerability ($\mu_{3j}$)</td>
<td>$0.26^* (0.51)$</td>
<td></td>
</tr>
<tr>
<td>In-group friendship ties ($\mu_{4j}$)</td>
<td>$0.21^* (0.46)$</td>
<td></td>
</tr>
<tr>
<td>Proportion of explained variance**</td>
<td>$0.27$</td>
<td></td>
</tr>
<tr>
<td><strong>Model fit:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Likelihood function</td>
<td>$-37,044.39$</td>
<td></td>
</tr>
<tr>
<td>Degrees of freedom</td>
<td>78</td>
<td></td>
</tr>
</tbody>
</table>

*Statistically significant at $p < .05$.  
**$[U_{0j}(demographics model) − U_{0j}(current model)]/U_{0j}(demographics model)$. 

Note. Includes individual controls (sex, age, university education, household income, parent’s university education, immigrant-generational cohort, and past victimization by crime)
Fig. 3. (a) Differential effect of city racial diversity by friendship ties; 2-level model. (b) Differential effect of city income inequality by discrimination; 2-level model.
ties have a more positive association. This interaction, though significant, is very weak and the differences related to friendship ties are only significant in cities with very high and very low racial diversity.

The second hypothesis—that discrimination has a stronger negative relationship with trust as inequality increases—was not supported by the data as expected. Rather, the differential effect of discrimination is very weak in cities with high inequality, where social trust is more likely to be low for everyone. The cross-level effect of individual experiences of discrimination and income inequality in cities reveal three general observations (1) there is a quadratic effect of inequality such that contexts of high and low economic equality are both associated with lower social trust, (2) discrimination has a negative relationship with social trust on average, and (3) the association of trust with discrimination is greatest in contexts of high income equality.

The weak cross-level effect of friendship composition and racial diversity at the city level may be due to the fact that racial diversity matters more at the neighborhood level where meaningful interactions are more likely to occur. Racial diversity at the city level also masks the influence of ethnic concentration. Nearly all of Canada’s ethnic minority enclaves are found within the three most racially diverse cities: Toronto, Vancouver, and Montreal. The two charter groups, English and French Canadians, are highly residentially clustered, with significant numbers of English and French-dominated neighborhoods scattered throughout the country. The next section presents the 3-level analysis of individuals in neighborhoods within cities, and the multi-level model of these contextual influences on individual’s probability of having trust.

Adding Neighborhoods: 3-Level Hierarchical Model

In this analysis, individual variables are group centered at the neighborhood level. As with the previous analysis, the final model is arrived at after considering a series of simpler models. The final cross-level model is summarized below.

Individual level model:

\[
\ln\left[ \frac{P_{ij}}{1 - P_{ij}} \right] = \beta_{0jk} + \Sigma \beta_{1jk}(\text{Controls}) + \beta_{2jk}(\text{Discrimination})_{ijk} + \beta_{3jk}(\text{Vulnerability})_{ijk} + \beta_{4jk}(\text{Homophilous friendship ties})_{ijk} + \beta_{5jk}(\text{Residential concentration})_{ijk}
\]
Neighborhood level model:

\[ \beta_{0jk} = \gamma_{00k} + \gamma_{01k}(\text{Mobility})_{jk} + \gamma_{02k}(\text{Disadvantage})_{jk} + \gamma_{03k}(\text{Racial Diversity})_{jk} + \mu_{0jk} \]

\[ \Sigma \beta_{1jk} = \Sigma \gamma_{10k} \]

\[ \beta_{2jk} = \gamma_{20k} \]

\[ \beta_{3jk} = \gamma_{30k} \]

\[ \beta_{4jk} = \gamma_{40k} \]

\[ \beta_{5jk} = \gamma_{50k} \]

City level model:

\[ \gamma_{00k} = \lambda_{000} + \lambda_{001}(\text{Gini})_{k} + \lambda_{002}(\text{Gini})_{k}^2 + \tau_{00k} \]

\[ \gamma_{01j} = \lambda_{010} \]

\[ \gamma_{02j} = \lambda_{020} \]

\[ \gamma_{03j} = \lambda_{030} \]

\[ \Sigma \gamma_{10j} = \Sigma \lambda_{100} \]

\[ \gamma_{20j} = \lambda_{200} + \gamma_{201}(\text{Gini})_{k} + \tau_{20k} \]

\[ \gamma_{30j} = \lambda_{300} + \tau_{30k} \]

\[ \gamma_{40j} = \lambda_{400} + \tau_{40k} \]

\[ \gamma_{50j} = \lambda_{500} + \tau_{50k} \]

Error terms are divided into several sources in the model: \( \mu_{0jk} \) is the random effect of neighborhood \( j \) in city \( k \); \( \tau_{00k} \) is the random effects of city \( k \), deviating from predicted neighborhood level differences; and \( \tau_{20k}, \tau_{30k}, \tau_{40k}, \) and \( \tau_{50k} \) are the random effects of discrimination, vulnerability, friendship ties, and residential clustering between cities.\(^{17}\)

The cross-level effects model is presented in Table 2, and considers individual level experiences, neighborhood characteristics, and city income inequality. Controlling for individual characteristics, 21% of the random variation in trust between neighborhoods is explained by mobility rate and socioeconomic disadvantage.

Contrary to our expectation that neighborhood diversity may matter for social trust, the results of the 3-level analysis shows that contextual racial diversity is

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\(^{17}\) Like the 2-level model, visible minority status and past victimization by crime are allowed to vary randomly between city levels.
Table 2. Estimates of Effects on Social Trust; 31,633 Individuals Nested in 4,421 Neighborhoods in 42 Cities

<table>
<thead>
<tr>
<th>Cross-level Quadratic model</th>
<th>Variables (effects)</th>
<th>Logged odds Estimates (robust standard errors)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual level:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intercept</td>
<td>−35.05* (7.87)</td>
<td></td>
</tr>
<tr>
<td>Visible minority status</td>
<td>−0.05 (.08)</td>
<td></td>
</tr>
<tr>
<td>In-group friendship ties</td>
<td>.0001 (.10)</td>
<td></td>
</tr>
<tr>
<td>Residential clustering</td>
<td>−.02 (.11)</td>
<td></td>
</tr>
<tr>
<td>Experienced discrimination</td>
<td>−2.18* (.85)</td>
<td></td>
</tr>
<tr>
<td>Group vulnerability</td>
<td>−.84* (.11)</td>
<td></td>
</tr>
<tr>
<td><strong>Neighborhood level:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobility (5 years or less)</td>
<td>−.01* (.001)</td>
<td></td>
</tr>
<tr>
<td>Socioeconomic disadvantage index</td>
<td>−.03* (.003)</td>
<td></td>
</tr>
<tr>
<td>Racial diversity index</td>
<td>.25 (.33)</td>
<td></td>
</tr>
<tr>
<td><strong>City level:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gini index</td>
<td>2.25* (.48)</td>
<td></td>
</tr>
<tr>
<td>Gini index (quadratic)</td>
<td>−.04* (.01)</td>
<td></td>
</tr>
<tr>
<td><strong>Cross-level:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Discrimination by Gini index</td>
<td>.06* (.03)</td>
<td></td>
</tr>
<tr>
<td><strong>Random variance components:</strong></td>
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</tr>
<tr>
<td>Neighborhood level variance ($μ_{jk}$)</td>
<td>2.60* (1.61)</td>
<td></td>
</tr>
<tr>
<td>Proportion of explained variance between neighborhoods**</td>
<td>.21</td>
<td></td>
</tr>
<tr>
<td>City level variance ($τ_{00k}$)</td>
<td>.06* (.24)</td>
<td></td>
</tr>
<tr>
<td>Experienced discrimination ($τ_{20k}$)</td>
<td>.08* (.28)</td>
<td></td>
</tr>
<tr>
<td>Group vulnerability ($τ_{30k}$)</td>
<td>.19* (.43)</td>
<td></td>
</tr>
<tr>
<td>In-group friendship ties ($τ_{40k}$)</td>
<td>.23* (.48)</td>
<td></td>
</tr>
<tr>
<td>Residential clustering ($τ_{50k}$)</td>
<td>.12* (.34)</td>
<td></td>
</tr>
<tr>
<td>Proportion of explained variance between cities***</td>
<td>.70</td>
<td></td>
</tr>
<tr>
<td><strong>Model fit:</strong></td>
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<td></td>
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<tr>
<td>Likelihood function</td>
<td>−38,189.47</td>
<td></td>
</tr>
<tr>
<td>Degrees of freedom (level 2)</td>
<td>4,299</td>
<td></td>
</tr>
<tr>
<td>Degrees of freedom (level 3)</td>
<td>36</td>
<td></td>
</tr>
</tbody>
</table>

*Statistically significant at $p < .05$.
**$[U_{0j}(demographics model) − U_{0j}(current model)]/U_{0j}(demographics model)$.
***$[R_{00k}(demographics model) − R_{00k}(current model)]/R_{00k}(demographics model)$.

Note. Includes individual controls (sex, age, university education, household income, parent’s university education, immigrant-generational cohort, and past victimization by crime).

Not significant, either at the neighborhood or city level. Neither are residential clustering nor in-group friendship ties significant factors. However, the association between these in-group ties and trust have significant random variations between cities, depending on some unmeasured characteristic of cities. Group vulnerability continues to have strong negative relationship with trust (effect size = −.84). Exploratory analyses show no other significant crossover effects.

There remains significant random variation in trust between cities (associated with unobserved measures). Seventy percent of the variation at the city level is accounted for by city’s income inequality. Income inequality is again conditioned by individual experiences of discrimination as before: inequality is associated

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18 Exploratory crossover models with city racial diversity are not shown. Alternative measures of diversity, such as percentage of recent immigrants or percentage of visible minorities, also show no significant estimates.
with diminished trust for everyone, but especially so for those with no reported experiences of discrimination (see Figure 4).

**Conclusion and Discussion**

Much social policy is based on the assumption that generalized trust, or social trust, diminishes as racial diversity and inequality increases. Research studies in the United States and elsewhere tend to confirm this negative association, yet there have been a few exceptions where the relationship was found to be insignificant. To confuse matters more, there has been little theorizing about which levels of social context matter most for trust to be affected by racial diversity and income inequality. Studies have explored the relationship at the national, city and neighborhood levels. It cannot be assumed that racial diversity or income inequality across the national context matters for individuals’ sense of trust in others. Nor can it be automatically assumed that it is the city context of diversity that alters individuals’ sense of trust in others. This study examines the impact of diversity and income inequality at the city and neighborhood levels in one national context, Canada. In addition, appropriate methods are used to account for the error structure of hierarchical data (Goldstein, 2003).
Contextual factors alone cannot account for differences in social trust among individuals. Heterogeneity can be a negative or positive feature of society, depending on the structure of social relations among groups. The negative association between social capital and diversity generally found in American data makes sense if we consider how inter-group relations are manifest in that context. This article expands on the theory of social trust by drawing on the social psychological literature of group contact. Overall, negative inter-group relations (perceived vulnerability to hate crime, or experience of discrimination) have stronger relations with social trust than does positive in-group orientation. The results are not straightforward, however. Considering individual, neighborhood and city levels together, vulnerability has the largest effect size but in a negative direction. Discrimination has much weaker, negative relationship, while in-group friendship ties are negligible.

Residential clustering with one’s own in-group has no significant relationship with trust. This may be seen as a rebuttal to popular fears that residential segregation is a negative influence on social cohesion. However, this finding should be treated cautiously, as the vast majority of ethnic enclaves are English (24%), followed by the French (16%), reflecting the demographic dominance of the Charter groups across many cities in Canada. Only in the three largest cities are there significant numbers of minority neighborhoods. Despite the small proportion of residential concentration among minorities compared to majority groups, policy makers and populist media have tended to problematize the former and focus on minority segregation as an issue for public concern. Ethnic enclaves in Canada result from many different processes, reflecting both neutral or positive social trends and structural inequalities in housing and employment opportunities.

When neighborhood characteristics are accounted for, racial diversity no longer has any significant relation with social trust. This contradicts the social cohesion research reviewed in the beginning, which concludes that racial diversity diminishes individuals’ trust in others. Rather, competing explanations based on mobility and socio-economic disadvantage of neighborhoods accounted for much of the decline in trust (Laurence & Heath, 2008; Letki, 2008; Marschall & Stolle, 2004). The correlation between area deprivation and racial diversity (or segregation) leads researchers to risk conflating the effect of one with the other when they fail to account for both in their models. In fact, minority group segregation and the concentration of disadvantage interact together to create an urban underclass in some cities, particularly in the United States (Massey, 1990; Massey & Fischer, 2000; Wilson, 1987). In Toronto, Canada’s most diverse city, there has been a growing income inequality and an increasing concentration of poverty in neighborhoods over the past 30 years (Hulchanski, 2007). This alarming trend indicates a significant problem for inter-group relations if there is uneven distribution of racialized groups in the most vulnerable neighborhoods. The evidence for Canada suggests there is such a problem (Fong & Gulia, 1999; Hajnal, 1995; Kazemipur & Halli, 1999).
The relationship between social trust and city level income inequality is conditioned by personal experiences of discrimination. In contexts of relative income equality, experience of discrimination is significantly associated with low trust. Respondents in the Ethnic Diversity Survey reported that the workplace was where they were most likely to experience discrimination, particularly when applying for a job or promotion (56%), followed by at a store, bank or restaurant (35%) (Statistics Canada, 2003). It is not surprising that the effect of discrimination is sensitive to city level income distribution, even after adjusting for individual’s actual household income. Alternatively, trust diminishes as city level income inequality increases, but most dramatically for those who have not personally experienced discrimination. This is true for both whites and visible minorities.

Canada’s Charter of Rights and Freedoms, policy of Multiculturalism, and Human Rights Acts promote beliefs about social justice, which are incompatible with discriminatory treatment based on ethnocultural membership. More direct measures to reduce discriminatory practices, such as Canada’s Employment Equity Act, further raise expectations of fairness. In these contexts, experiences of unfair treatment would have a much more profound effect on individual attitudes of trust. Reitz and Banerjee (2007) find that for second generation visible minorities, income achievements relative to their white peers contributed little to their integration and sense of belonging. Rather, the persistence of discrimination has made social integration much slower and more ambiguous than expected. Similarly, You’s (2005) study of the World Values Survey found that the negative effect of minority status on trust is greater in countries characterized by inequality and lack of democratic processes.

The 2001 census data show that cities with lower income inequality are also characterized by greater population growth and higher percentage of immigrants, perhaps representing greater opportunities as well (as compared to cities of high inequality). In areas of high growth and immigration, competition is greater between individuals, and any disadvantage experienced as a result of one’s group membership may heighten feelings of threat and injustice. In particular, policies that allocate resources based on group membership can exacerbate inter-group tensions and mistrust by reifying groups and pitting people against each other for resources. This creates incentives for “community leaders” to invest in the politics of difference (Kundnani, 2007) to the detriment of more general civic relations. In addition, high-income inequality has also been associated with concentrations of poverty, a growing concern for policy makers (Cheshire, 2007).

What are the implications of these findings for policies aimed at improving social cohesion through building greater trust? An understanding that cultural or racial diversity contributes very little in either direction to trusting attitudes should move cohesion policies away from managing and controlling diversity to a greater focus on structural inequality (Michaels, 2006). In assessing the British government’s current policy direction, McGhee (2003) notes that, “the danger . . . is that the focus on ‘cultural difficulty’ in the form of polarisation,
separation and non-communication between different groups might be at the expense of a corresponding engagement and examination of the socio-economic inequalities” (pp. 401). Discourses that celebrate or implicate diversity while ignoring inequality often rest on a foundation that is uncritical of prevailing “white” privilege and power structures (Bell & Hartmann, 2007). Policy makers at different levels of government should focus on better coordination to eliminate illegitimate barriers and structural inequality in clear, specific, and targeted ways. This requires the input and engagement of the entire polity and long-term political commitment.

Diversity itself is not a problem for trust; group-based discriminatory practices and policy failures are. In assessing the state of Canada’s social fabric, Breton, Hartmann, Lennards, and Reed (2004) note that “it is not economic disparities as such that threaten the social fabric, but disparities that are perceived as unfair” (pp. 186). Research studies should take into account the structure of inter-group relations in a given normative context to properly understand the impacts that racial diversity can have on social cohesion as manifest in individuals’ behaviors and attitudes.

In contexts where group inequalities are perceived to exist and are structurally embedded, preferences are for income distribution policies to correct for such injustices (Alesina & Angeletos, 2005). Economic policies designed to alleviate extreme income disparities through redistribution can promote social trust, and hence greater cooperation and civic participation if they are perceived to be legitimate and appropriate (Uslaner, 2002). Furthermore, government policies aimed at redistribution may work best for increasing social trust if universal welfare programs are implemented, as opposed to means-tested programs that may be perceived to benefit some groups over others (Rothstein & Uslaner, 2005; Wilson, 1987, 1996). Policies must be seen to work, and to be given adequate resources and political support. Otherwise, the gap between expectations raised by progressive policies and the disappointment of dashed hopes can increase inter-group tensions and mistrust (Misztal, 1996).

To conclude, current social cohesion policy approaches, which focus on diversity as a problem, often fail to account for how group conflicts are underpinned and exacerbated by structural inequality. By mis-specifying the problem, the targets of public policy tend to be individuals and groups, often immigrants and ethnic minorities, rather than more broad-based targets, such as systemic and structural inequalities. This takes away from investments in truly public, collective enterprises that potentially benefit everyone and in which everyone has a stake.

References

We're All in This Together


Phan


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