Minorities and Mistrust: 
The Cushioning Impact of Informal Social Contacts and Political-Institutional Fairness

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Paper to be presented at the European Consortium for Political Research Joint Session of Workshops, Helsinki May 7-12, 2007.
Diversity as a dilemma for the generation of social capital?

The great enthusiasm that originally was attached to the concepts of social capital and social trust has recently been defused by the combined problems of ethnic diversity and immigration. The question has been raised if increased community heterogeneity may diminish or even destroy social capital. For example, a recent article concludes that “more extensive diversity in terms of nationalities within the community is significantly and negatively associated with social capital” (Coffé, 2006 #1850, p. 1068).

This causality could occur at both the individual level and the contextual level. At the individual level, members of ethnic minorities have often been exposed to distinct formative experiences. As a population incorporates a greater number of immigrants and ethnic minorities, the level of social trust may go down. Of course, in principle this process could both enhance and erode social capital and trust depending on how trusting immigrants and ethnic natives are respectively. For several reasons, however, the effect is probably negative in most cases as immigrants and refugees arriving in a new country are more likely than the native population to have experienced oppression, discrimination and other types of social hardship that are negatively related to social trust. By the same token, immigrants and ethnic minorities—once settled in a new country—tend to be more socio-economically vulnerable: they run a higher risk of becoming unemployed, they tend to live in the roughest urban neighbourhoods, etc. In short, they are in many important ways not equal to the majority population and inequality seem to breed distrust (Uslaner 2002). Especially if minority mistrust is passed on to new generations through socialisation mechanisms, a “minority culture of mistrust” may arise. This culture may be extremely hard to eradicate as it is rooted in the almost universally precarious situation and experiences of immigrant minorities.

Moving to the contextual level, it has been argued that also ethnic natives and majorities themselves are affected by diversity. Increasing diversity, the argument goes, not only changes the composition of the individuals that make up the population, but also alters the context in which everybody’s socio-political attitudes are formed. The arguments here are simple and seemingly compelling. People tend to have most of their social contacts with and thereby develop a propensity to trust people from their own ethnic/religious group (Alesina and La Ferrara 2000). One explanation is that individuals from different ethnic groups may
have different norms and values, which can make it more difficult to predict the behaviour of others leading to increased uncertainty in social relations (Misztal 1996). Moreover, experimental work based in ideas from non-cooperative game theory show that communication seems to be important for establishing individual-to-individual trust, sustaining the argument that increased ethnic diversity makes communication less frequent (Sally 1995). In sum, if societies become more socially diverse and multi-ethnic, for example by increased immigration and/or less assimilation of new immigrant groups, contacts will be less frequent which will hamper the development of generalized interpersonal trust and social capital (Alesina and La Ferrara 2002). The problem becomes aggravated because close personal contacts and functioning social networks that bridges ethnic divisions are rare (Leigh 2006). Moreover, the risk is that societies promoting multi-culturalism may damage the overall social cohesion in society and thereby important parts of its social capital. The reason is that the various groups that are supported by such multi-cultural policies (for example by having their own schools), will develop group-based distrust towards citizens that belong to other groups or towards the majority population. Minority communities may well develop intra-group trust and intra-group social capital but this will be detrimental for society as a whole (Uslaner 2007). According to a statement from the Saguaro Seminar on Civic Engagement in America at Harvard University which is led by Robert Putnam, empirical research shows that (in the short-term at least):

immigration and ethnic diversity challenge community cohesion. Extensive multivariate analysis of a large national sample of Americans has found that (with many other factors held constant) people of all ethnic backgrounds tend to “hunker down” and become less trusting of all races and ethnicities (including people of their own race) in more diverse neighborhoods.¹

All this is to say that a conflict has arisen between two normative ideals – the idea of the multicultural and diverse society and the idea that societies need a large stock of social capital. Policy-wise, this tension may cause quite some problems. If social capital is really a form of capital, policy-makers need to know how to “invest.” On the other hand, such investments may become harder or even impossible to accomplish if it comes into conflict with other strongly held normative ideals such as the multi-culturalist idea that groups of

¹ See http://www.ksg.harvard.edu/saguaro/pdfs/FTcorrection.pdf
citizens have a right to develop and/or maintain their distinct ways of life and ethnic/religious identity. Apparently, two normative ideals that many think are indispensable may turn out to be mutually exclusive. According to some critics, this had led to an almost apocalyptic notion of recent social developments within the social capital approach. Since increased ethnic diversity seem to be an unstoppable development, we can expect a decline of social capital and thereby, if the theory is correct, less economic development, more malfunctioning democratic institutions, more crime, social anomie, personal unhappiness and many other social ills (Hallberg and Lund 2005).  

Another example of this conflict between normative ideals and policy can be taken from the research directed at the problem for local communities in taking care of what is known as their “common pool resources” (Ostrom 1990). While research have shown that local communities’ capacities to handle the “tragedy of the commons” problem is much more developed than standard game theory would predict, it is not at all certain that they could produce the necessary amount of public goods to overcome the “social trap” situation if the community in question is also ethnically diverse {Dasgupta, 2005 #1848}. The reason is that one central asset these communities need in order to develop the often complex and sophisticated institutional arrangement for managing their natural resources in a sustainable way are enduring networks, shared norms about the importance of reciprocity, interpersonal trust, or in other words social capital (Ostrom 1990:36). On the contrary, it seems likely that local communities that succeed in managing their common pool resource(s) in a sustainable manner and produce the necessary amount of “public goods” are ethnically homogeneous. The reason is that arranging a local institutional framework for managing common pool resources demands a lot of social cooperation which will only come about if social trust exists and thus social capital is available. In this line of (mostly economic) research, a recent paper reviewing the literature states that “the negative association between ethnic heterogeneity and public goods provision is widely accepted” (Habyarimana et al. 2006). Another group of authors state that the negative relation between ethnic heterogeneity and a society’s propensity to produce the necessary amount of public goods is “one of the most powerful hypotheses in political economy” (Banerjee, Somanathan and Iyer 2005). They add that this is

2 This discussion has also reached the public debate, see e.g., John Lloyd in Financial Times July 12, 2004 “Research shows disturbing picture of modern life”; and Financial Times “Leader,” Oct. 12, 2006.
3 It may be noted that Elinor Ostrom already in 1990 wrote that “shared norms that reduce the cost of monitoring and sanctioning activities can be viewed as a social capital to be utilized in solving CPR problems.
not only the case in such obvious and extreme cases like civil wars but also under “normal” times (cf. Bjørnskov 2007).  

**Contribution and plan of the paper**

We use Swedish survey data to gauge the relationship between individual-level minority status and generalized interpersonal trust. In doing this, we consider the potentially cushioning role of two groups of interaction variables. First, formal and/or informal social interaction may cushion the negative impact of minority status on interpersonal trust. Second, a similar role may be played by perceptions of being treated in a fair and even-handed manner by the authorities and public service organizations responsible for the implementation of social and welfare state policies (Kumlin and Rothstein 2005; Nannestad and Svendsen 2005). Overall, the empirical results will make us take a more optimistic stance than much of the research cited above. The minority “culture of mistrust” is by no means cut in stone, but has a potential to wither away as a consequence of positive experiences of social interaction and institutional fairness. More than this, because the two interaction variables have a particularly positive impact on trust among minorities, high levels of these variables help closing the trust gap between minorities and others.

Much of the emerging literature on social capital and (various types of) heterogeneity has approached the issue of diversity from a contextual point of view (but see You 2005). In contrast, at this stage in our research we have chosen to zoom in on the individual-level impact of belonging to an ethnic and/or linguistic minority. In concentrating on the individual level we leave aside for the moment the potential existence of “rain-maker effects.” These refer to the possibility that things like social networks and fair treatment may have benefits not only for the individuals who experience them, but also for those residing in contexts marked by dense networks and fair treatment. On the other hand, the theoretical contrast between individual-level experience effects and contextual rainmaker effects should not be exaggerated. As we shall see, similar theoretical assumptions can be used to deduct related implications at both levels.  

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4 However, it should be added that according to some recent analyses, there is very little to speak for the argument that multiculturalism would erode the political support for social policies (Banting and Kymlicka 2003; 2004).  
5 In later versions of this paper we hope to look also for rainmaker effects, as about one-third of our sample contains residents of either of the twenty-one districts of Göteborg (the second largest and most segregated city in Sweden). These districts vary
The moderating role of social interaction

The literature review above conveys a certain scepticism towards diversity in empirical research. As Anderson and Paskeviciute (2006:785) explain, “On balance most scholars of comparative politics view population heterogeneity in a negative light, arguing that it breeds conflict that is difficult to resolve and, as a consequence, political systems that are inherently more unstable.” Underlying such scepticism is the basic assumption that individuals tend to have a greater understanding and affection for “people of their own kind.” Such informational and emotional deficits create a basic tendency to put greater faith in those who share the same ethnic background and affiliation as oneself. Equally important, however, such deficits are also thought to hamper social interaction with distrusted out-groups, and encourage interaction with the in-group. Thus, the less one understands and cares for a group of people, the less likely it is that one meets, talks to, or otherwise interacts with members of that group. So the basic tendency that creates mistrust across groups also undermines increased social interaction as a potential remedy for its problematic consequences. Over time such psychological tendencies may be institutionalized in opportunity structures for social interaction, so that informal social networks and more formal civic organizations grow biased towards interaction with the in-group.

These assumptions generate the expectation that ethnic minorities in a society display lower levels of trust compared to the majority. Ethnic minorities must necessarily deal with many members and aspects of a dominant culture that is relatively unlikely to arouse affection, understanding, and—in turn—generalized trust in other people. Of course, as noted in the introduction, there are additional reasons for negative correlations between minority status and trust. Oppression, economic hardship, discrimination and other formative experiences in a previous country may play a role as well.

tremendously in ethnic diversity and other relevant contextual features and thus offer a promising laboratory for future efforts.
In recent years, however, some scholars have called into question the idea that minorities in a society are necessarily less trusting than the majority. Individuals and the contexts they operate actually do vary considerably in the density and character of social networks. Depending on the nature of such networks, ethnic diversity (at the contextual level) and minority status (at the individual level) could have rather varying effects on generalized trust.

Two simple distinctions are of importance here. One is the often made distinction between “bonding” and “bridging” social capital. Bonding denotes in-group contacts and is thought to mainly reinforce in-group trust as well as out-group suspicion. Bridging, by contrast, refers to cross-cutting contacts, which are assumed to convey positive information, stimulate emotional sympathy for other groups, and have more positive effects on generalized trust (Kääriäinen, 2006 #1842; Svendsen, 2006 #1843). Second, it is important to distinguish between “formal” and “informal” social networks. Formal networks are those built in organized settings such as clubs, churches, civic associations etc. Informal contacts, by contrast, are more spontaneous and unstructured. The myriads of examples include lending the neighbour some sugar, chatting with the local store-owner, or nodding to a well-known face in the street.

Empirical studies seem to confirm that the nature of interaction matters. For example, Paxton’s cross-national, macro-level panel results (1998) indicated that whereas trust is enhanced by membership in bridging associations—which are connected to other organisations and the surrounding society—exactly the opposite is true for membership in organisations where other members tend to be isolated and socially disconnected (see also Fennema and Tillie forthcoming). Such findings have a potential to stir even more pessimism about multiculturalism, as it is frequently assumed that members of minorities are especially prone to join bonding organisations where members have similar ethnic and religious affiliation. If true, the negative impact of minority status on generalized trust should be greater among individuals who are highly active in organised civic life. Minority members are more likely to participate in organized settings that are detrimental to generalized trust, thus magnifying the trust gap at high levels of formal social interaction.

Informal social interaction might function differently. For a member of a small minority, it is hard to avoid encountering members of the majority, or of other minorities, in everyday life: at the store, at work, in the yard, when leaving children at the day-care centre, on the bus, in the street etc. Of course, this supply of plurality does not necessarily mean that individuals
from different groups interact more with others. But if they do, their contacts will easily be of a cross-cutting nature. Members of a large ethnic majority, on the other hand, often stand a smaller chance of encountering members of other ethnic minorities. Those belonging to the majority have an easier time living their lives without really having to interact with “the others”. If these assumptions are true, one would expect that informal social interaction has more positive effects on generalized trust among members of ethnic minorities, compared to members of the ethnic majority. As minority members increase their interactions with other fellow citizens, chances are higher that those interactions will involve interaction with “others.” Majority members, by contrast, will usually have to expand their networks much more before they come to include a person belonging to another group.

Of course, these predictions presuppose that informal interaction is less biased towards the in-group compared to formal, organized interaction. The validity of this assumption is likely to vary across countries and contexts. For instance, the prediction should be more valid where the ethnic minority group is small, thus making unstructured encounters with “the others” more likely. By the same token it should be more valid where particular ethnic minorities do not dominate a certain geographical area or part of a city. Informal contacts are less likely to display bridging contacts for residents of Chinatown or Little Italy, even though they are minority members in the society at large.

In support of these predictions, Marschall and Stolle (2004) studied the impact of neighbourhood-level ethnic diversity using a sample of Detroit residents form the early 1970s. A central finding was that higher degrees of neighbourhood-level heterogeneity and sociability had positive effects on generalized trust among blacks. The effects among whites were not significantly different from zero. These differences were attributed to a tendency that bridging social contacts have the greatest positive effects trust, coupled with the fact that blacks tend to live in more diverse neighbourhoods compared to whites. Further, Marschall and Stolle distinguished measured the impact of both “formal” interaction as reflected by membership and activity in civil society organisations, as well as that of “informal” social networks with neighbours. Both types on interaction mattered—given that they occurred in a bridging setting—but the informal interaction turned out to be more influential.

The moderating role of institutional fairness
A further argument in this paper is that the perceived fairness of procedures and outcomes of certain political institutions may be as influential for trust as social interaction. Moreover, analogous with our assumptions about social interaction, we argue that institutional fairness both raises the general level of trust as well as closes the trust gaps between the majority and the minority (Dinesen 2006). The latter is thought to occur because institutional fairness has a particularly positive impact among minorities (Nannestad and Svendsen 2005).

A cornerstone of the institutional fairness perspective is that experiences and information affecting trust can only be imperfectly generated by direct social interaction among citizens. As pointed out by numerous theorists, the value of social contacts as an information source about the trustworthiness of others is limited by the fact that one can only have so many social contacts, so that these can only be generalized with great caution (Hardin 2002). Clearly, people are in need of additional information sources about what to expect from “the generalized other.” This is where institutional fairness explanations enter. The assumption is that citizens learn lessons about the trustworthiness (i.e., the moral standard) of “most people” in their society by generalizing their institutional fairness perceptions. Institutional fairness factors have informational value here, given that institutions in turn structure a myriad of relationships and behaviours—not only one’s own behaviour and relations (Rothstein and Eek 2006). Therefore, one may think of such experiences as “heuristics” for forming their system of beliefs about the general level of trustworthiness in their society (Scholz 1998).

The concept of equality is key in institutional fairness approaches. The assumption is that if the state apparently treats me with “equal concern and respect” (Dworkin 1977), that says something about the preferences and moral standing of the majority that has created, that support, and is affected by the institutions in question.

Empirical research on generalized trust is slowly warming to this approach. For example, Letki (2003, 2006), (Kim 2005) and (Dinesen 2006) find that the extent to which citizens are trustworthy and law-abiding is not much affected by the extent to which people live in a context marked by a vibrant civil society. Rather, what seems to matter is the extent to which central elements of democratic and bureaucratic institutions are perceived to perform well, as well as on the extent to which institutions perform well as measured by “objective” indicators.
Furthermore, a distinct set of studies have conceived of institutional factors in terms of *procedural justice*. If institutional procedures ensure that every citizen get a fair and equal treatment with respect to existing rules, the argument goes, it makes more sense to assume that other citizens, and public officials are less involved in different kinds of dishonest behaviour. By contrast, seemingly unfair (i.e., unequal) procedures can be seen as an indication that a greater number of bureaucrats and fellow citizens are dishonest and not to be trusted. In this spirit, a series of studies have found a cross-country correlation between corruption and trust (Rothstein and Stolle 2003; Rothstein and Uslaner 2005; You 2005). Similarly, in a previous study we found that experiences with welfare state institutions matter. Experiences with means-testing, discretionary “client” institutions tend to be detrimental to trust, whereas experiences of non-meanstesting, non-discretionary services tend to have positive effects. Likewise, individuals who perceive poor procedural justice in their dealings with welfare state services display lower trust (Kumlin and Rothstein 2005).

Another set of studies suggest that also the equality of distributional outcomes may matter for trust (i.e., distributive justice). This link was for long neglected in the social capital research despite obvious empirical indicators. It is for example interesting that the steep decline in social capital that Putnam has reported for the United States took place at the same time as economic inequality rose sharply, but this is not mentioned as one possible cause for the “collapse” of social capital in his analysis (Putnam 2000; but see Larsen 2007, forthcoming). It seems reasonable to argue that in societies with large economic and social inequalities should not be a fertile ground for social trust. Rich and poor people would live very separate lives, their children would never go to the same schools, they would never visit the same hospitals or other similar facilities. Their relations to and perception of the police and other law enforcing authorities would be very different. The empirical evidence for a relation between social trust, social capital and equality is also quite good (Casey, 2005 #1847; Uslaner, 2002 #988; You, 2006 #1751). A related argument is that ethnic diversity as such does not hamper trust but may do so if coupled with residential segregation and high levels of inequality between groups (Uslaner 2007). Studying rural India, Banherjee, Somanathan and Iyer (2005:639) argue that in diverse societies, distributional issues between groups are very important “since the memory, real or imagined, of having been exploited can create a divide that will continue to hurt the economy many years into the future”. (cf. Rothstein 2005).
Finally, in support of both the procedural and the distributive fairness approach, You (2005) estimated multilevel models using World Value Study data from 80 countries. He shows that countries with low corruption, high level of income equality and stable democratic systems display higher levels of generalized trust, and that ethnic diversity loses significance once these three institutional factors are accounted for (You 2005). Moreover, of particular interest for this paper were a couple of significant cross-level interactions between contextual-level fairness and individual-level minority status: trust differences between members of ethnic minorities and others tended to be smaller in more equal and democratic countries.

We suspect that fairness variables may exercise a greater effect among minorities because minorities are evaluating institutional structures that have been created by, are supported by, and affect the majority group. Majorities, by contrast, are evaluating institutional structures that represent and affect mostly people from their own group. Hence, institutional experiences among minorities could be said to have greater “bridging” qualities and informational value as to whether most “other” people can be trusted.

The Swedish case

Throughout the paper we consider the implications of this setting for our findings. For this purpose, some background information about the Swedish case is in order. On the face of things, Sweden seems a puzzling case. Although the country has become much more ethnically diverse over the last twenty-five years due to immigration, the level of interpersonal trust remains, in a comparative perspective, very high and it is also exceptionally stable (Rothstein 2004). Similarly, in contrast to the predictions made in some studies (Alesina and Glaeser 2004), support for welfare state policies remains high and stable throughout a period of significant increase in ethnic, religious, and racial diversity (Svallfors 2006).

Specifically, demographic statistics show that during that last twenty-five years or so, Sweden has changed dramatically from being a very ethnically and religiously homogenous society to almost the opposite. In 1940, only one percent of the population was born outside Sweden (including people born in the other Nordic countries). This increased to about 7 percent in 1970, to 12 percent in 2005 (the EU 15 average is 10 percent). Counting second-generation immigrants, around 20 percent of the population now have immigrant background.
In addition, the composition of those with immigrant background has changed dramatically. In 1970, ninety percent of immigrants were born in Europe, sixty percent in one of the other Nordic countries (Sweden had a heavy work-force immigration from Finland during this period). In 1970, less than 0.2 percent of the population were born in Asia, Africa or Latin-America. It is maybe here we see the most dramatic change since in 2005, four percent of the population were born in these parts of the world, comprising thirty-five percent of people born outside Sweden. Since the early 1970s, most immigrants have come under refugee status or as relatives to people already given residency. Another indicator of this change is that membership of Muslim congregations has increased from around 17,000 in 1985 to over 100,000 in 2005. Most immigrants are concentrated to the larger metropolitan areas such as greater Stockholm and Göteborg. At the political level, multiculturalism has been accepted by the (until October 2006) ruling Social Democratic party. At the rhetorical level, policies for the integration of immigrants have been ideologically manufactured as universal and inclusive while at the practical level of implementation they have for the most part remained specifically directed to the needs of immigrants, thus contributing to their identity as immigrants {Dahlström, 2004 #1849}.

As explained below, a third of our sample are Göteborg residents. It is the second largest city in Sweden with about 500,000 inhabitants located on the West Coast. According to a recent investigation, ethnically based residential segregation has increased between 1990 and 2002 and it is highly connected to economic inequalities. Moreover, according to this report, Göteborg it is the most ethnically segregated city in Sweden (residential segregation). However, while immigrants are heavily concentrated to certain residential areas, they are not divided into specific areas by ethnicity. There is no equivalent to “china town” or similar ethnically “pure” enclaves. On the contrary, immigrants from specific countries/regions live mixed with other immigrants from many other countries/regions. Thus, when it comes to the type of informal contacts we describe above, immigrants tend to meet immigrants from other countries to a large extent. Also, at the time of data collection Swedes were in a small majority even in the most ethnically diverse area.

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6 Statistics Sweden, Beskrivning av Sveriges Befolkningsstatistik 2005. Örebro: Statistiska Centralbyrån 2005. Thanks to professor Jan Ekberg at Växjö University for providing us with information about this data.  
7 Data from Swedish Commission for State Grants to Religious Communities, which is a civil service authority under the Ministry of Culture. Thanks to Carl Dahlström for providing this information.  
Data and measurement

We use a survey conducted in 1999 by the SOM Institute at Göteborg University.\(^9\) The sampling area is Western Sweden (or more correctly the Västra Götaland region), a region which contains 1.5 of the 9 million Swedish inhabitants. Göteborg, the second largest city in Sweden, is located in the region. About one-third of the random sample are Göteborg residents.

The measure of minority status is a dummy variable which takes on the value 1 if the respondent, or one of the respondent’s parents, grew up outside the Nordic countries (9 percent in the sample). The measure includes both first and second generation immigrants as the prediction that minorities display less trust partly builds on socialisation theory, where socialisation is a potential reason why minority cultures of mistrust may be present and resilient. Moreover, we focus on non-Nordics as the Nordic countries are generally at the top of the social trust league in international comparisons. Thus, to quite some extent the minority dummy taps whether the respondent has a background in a country where trust is significantly lower compared to Sweden and other Nordic countries.

Descriptive statistics for other main variables are found in Table 1. The dependent variable is generalized trust measured along an 11-point continuous scale ranging from 0 (“people can generally not be trusted”) to 10 (“people can generally be trusted”), where the mid-alternative was not explicitly labelled.\(^{10}\)

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\(^9\) The SOM studies are conducted by the SOM Institute, which is operated jointly by the Dept. of Journalism and Mass Communications (JMG), the Dept. of Political Science, and the School of Management at Göteborg University. Each year since 1986 the SOM Institute has conducted a nationally representative questionnaire on the topic of Society, Opinion, and Mass Media (thus the name SOM). The nationwide study, Riks-SOM, has included 6,000 people since 1999. The study is conducted in the form of a questionnaire distributed by mail. For more information, see Holmberg and Weibull (2002), and visit the institute’s home page at [www.som.gu.se](http://www.som.gu.se). Since 1992, the SOM institute has also conducted a number of local and regional surveys, including an annual survey in West Sweden. The bulk of our data comes from the 1999 version of this study. In the early West Sweden SOM surveys, the sampling area covered Göteborg and a smaller number of municipalities near the city. In 1998, the survey was expanded so as to cover the entire Västra Götaland region. This region contains 1.5 of the 8.9 million Swedish inhabitants. Göteborg, the second largest city in Sweden, is located in the region.

\(^{10}\) One can of course debate at length what type of social phenomena the general trust question used in for example the World Value Study and other similar surveys such as the one we have used actually measures and why high levels of social trust would translate into a form of capital (Uslaner 2002; Cook, Hardin and Levi 2005; Hardin 2006). We tend to agree with Jan Delhey and Kenneth Newton that when people answer if they believe that “most other people can be trusted,” it is reasonable to interpret this as their evaluation of the moral standard of the society in which they live (Delhey and Newton 2004; Delhey and Newton 2005). The assumption we make is that this perception have important implications for actual behavior in many situations. Logically, if most people think that most people in their society will behave in an honest way, the individual agents who enter into a transaction with someone whom for her is unknown, have less reason to fear becoming a victim of treacherous or exploitative behaviour. Therefore, mutually beneficial cooperation between people who do not have personalized knowledge about each others will be more common in a society with a high level of social trust. This does not
Moreover, the equal treatment measure comes from a question battery with the following head question: “If you look back on your own personal contacts with public authorities and services during the last twelve months, to what extent do the following statements fit with your own experience.” Here, we use the item “I was treated worse than most others.” The response alternatives were “fits well,” “fits rather well,” “fits rather poorly,” “fits very poorly,” and “have not been in contact.” The information was scored between 0 and 1 with no contact as a middle category, and with higher values denoting greater experienced fairness.11 This item arguably has a potential to capture both procedural and distributive aspects of fairness and equal treatment. While this is a limitation in the analysis, our main concern is not to separate between different types of fairness, but rather to compare fairness effects to other independent variables. Moreover, previous research has shown that separate measures of these aspects nevertheless have a tendency to correlate strongly (Kumlin 2004), which strengthens our belief that the item in question capture fairness perceptions of outcomes as well as of procedures.

Informal social interaction is measured by an index measuring how often during the last 12 months the respondent “has socialized with neighbours” and “helped/received help from a neighbour.” The index ranges from 0 (“never” on both items) to 1 (“several times a week” on both items. Finally, formal social interaction in organised settings is measured by a variable counting how many of the following types of organizations in which the respondent is currently involved, defined as, at a minimum, holding membership (mean=2.5; SD=1.9).

**Empirical analysis**

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11 What is the justification for treating non-contact along the experience variable, and don’t know along the sociotropic variable, as neutral middle categories? While there are no strict theoretical reasons we found empirically that these categories actually tend to function as middle categories with respect to the dependent variable. In other words, although non-contact must still be regarded as “categories apart” on a conceptual level, no empirical information is lost by simply treating it as a middle category.
To find out how non-Nordic background, social interaction and institutional fairness affect trust we now look at the six OLS regression models reported in Table 2. Model 1 establishes that respondents who grew up, or have a parent who grew up, outside the Nordic area are less likely than others to trust (-.99). Model 2 then shows that most of this effect (-.83) remains when controlling for organized civic activity, informal neighbour contacts, equal treatment, a host of socio-economic usual suspects (age, class identification, income, and employment status), as well as for left-right self-placement and subjective life satisfaction.

Model 2 yield some additional interesting observations. First, both formal participation (.09) and membership in organized social life are positively associated with trust and this effect is matched by that of informal contacts with neighbours (.50). Both these effects, however, are clearly smaller than the impact of equal treatment in contacts with public services and authorities (.96). This finding underscores the importance of the institutional fairness perspective as a general explanation for trust.

[TABLE 2]

Based on Model 2 only, some would probably be tempted to conclude that minority status has an unavoidable negative impact in itself, regardless of actual socio-economic and other experiences in the new country. One version of this stance that we have discussed is that immigrants often bring a deep-seated culture of mistrust with them, much of which first-generation immigrants tend to transmit to the second generation. Another explanation in the same vein is that immigrants must necessarily deal with a foreign culture on a day-to-day basis, one which is unlikely to arouse affection or understanding. Therefore, according to this argument immigrants are necessarily less trusting than others.

Models 3-5, however, suggest that trust differences between minorities and others are not cut stone. These models let the impact of minority status interact with social network variables (formal and informal), as well equal treatment. Consistent with our predictions, the trust difference tends to shrink at higher levels of informal neighbour interaction (1.06) and institutional fairness (1.14). Equally consistent with the hypotheses, there is no significant interaction between the minority effect and formal participation in organisation. So while informal interaction and institutional fairness have particularly positive trust effects among minorities—thus closing the trust gap at high levels—this is not the case for formal civic
participation. The potential explanation we have suggested is that minority groups may be especially prone to formally organize themselves along minority lines, thus hindering the particularly bridging interaction that is thought to underlie the other interactions. By contrast, informal social interaction and institutional fairness have particularly positive trust effects among minorities. Our hypothesis here is that informal interaction and institutional fairness—under the right circumstances—have particularly bridging qualities for minorities. Consistent with this idea, both these interaction terms have substantively important effects on the trust gap between non-Nordics and others.

Model 6 estimates the interaction effects involving fairness and informal contacts controlling for the whole gamut of variables. While the estimates for the interaction coefficients do not change any of our main conclusions, it should be noted that the fairness interaction falls just short of conventional levels of statistical significance. Still, we choose to interpret this interaction effect as the coefficient remains substantively strong and largely unaltered even in the face of the considerably higher multicollinearity introduced by the simultaneous inclusion of several interactions.

To better grasp the meaning of the interactions we look at the predicted value plots in Figures 1-3. Specifically, Figure 1 plots predicted trust among the majority and non-Nordic minority respectively at different levels of experienced fairness. At low levels of fairness, the trust gap is about two units along the trust scale; at high levels the gap has been reduced to about one trust unit. Furthermore, while fairness is predicted to have a positive impact among both groups the effect is stronger among non-Nordics thus diminishing the trust gap at high levels of fairness. This finding supports the theoretical assumption that experienced institutional fairness has particularly bridging qualities and implications for minorities.

[FIGURES 1-3]

Figure 2 does the same thing as Figure 1, but now with respect to the density of informal neighbour interaction. Here, one notices that neighbour contacts is hardly predicted to have any impact at all on trust among the large majority. In contrast, among non-Nordics the regression slope is considerably steeper, which supports the notion that informal social

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12 In both Figures 1 and 2, all “other” variables are set to their means, except neighbour contacts (in Figure 1) and experienced fairness (in Figure 2) which are set to zero.
contacts tend to have greater bridging content among minorities in Sweden. Of course, as we have emphasized, this pattern is hardly a natural law, but probably contingent on particular minorities not being overly geographically concentrated and dominant. As we have explained, the minority group in Sweden is composed of individuals from a plethora of countries and ethnic backgrounds. All these groups tend to live in the same neighbourhoods rather than claim particular areas for their particular groups. What is more, at least in 1999 Swedes were in a small majority even in areas containing the largest proportion of minorities.

Figure 3, finally, plots predicted trust differences among majority and minority, at three interesting combinations of procedural fairness and informal social interaction: (1) those who experienced poor procedural fairness and never interact with neighbours, (2) those who score average on both fairness and social interaction, and (3) those who experienced excellent procedural fairness and interact with neighbours several times a week. Interestingly, at simultaneously high levels of both informal neighbour interaction and institutional fairness minorities are not predicted to be any less trusting than others. In fact, non-Nordics are even predicted to be somewhat more trusting than others, although the difference is very small and not statistically significant.

**Conclusions**

As Russell Hardin (2006) has argued, it is impossible to actually know anything specific about the trustworthiness of all individuals who comprise “people in general” in one’s society. Still, as is well-known, people in different societies give on average very different answers to the survey question about generalized trust. From what sort of sources do people who answer this question get their information about “the moral standard” of the society in which they live? In reality, people will have to make do with whatever heuristics, imperfect information, collective memories and myths that are available to them since anything approaching “perfect information” is not available (Young 1998).

We have gauged the importance of three potential generators of trust: equal treatment in personal contacts with public authorities and services, informal social contacts, and activities in formally organized settings. Particular attention has been paid to effect differences between
ethnic majority and minority members respectively. Taken together, the results lend support for our arguments and predictions. Informal social interaction and institutional fairness, it seems, are not only beneficial for general trust levels. What is more, they seem to be particularly beneficial for minorities. Therefore, at the highest levels of informal interaction and fairness, trust differences between minority and majority are not be found. In this sense, informal social interaction and institutional fairness have a capacity to cushion against the “minority culture of mistrust” foretold in much previous research.

The cushioning function of these variables can be understood using the distinction between bridging and bonding. Specifically, equal treatment and informal social interactions may have particularly bridging qualities for minorities. When it comes to equal treatment, this is because minorities are experiencing institutions that presumably mirror the moral standing of “the others.” The behavior of local school teachers, policemen, the social security administrators, the staff at the public health clinics etc, is an important source of information about the moral standard of the society in which one lives. As for informal social interaction, minorities are—at least under the right contextual circumstances—more likely than majority members to encounter “the others.” The right circumstances include specific minority groups not being too large or dominant in particular geographical areas. Of course, we have only investigated the impact of informal social interaction in one context where we believe the circumstances are relatively conducive to a cushioning impact. Future research, however, may fruitfully investigate how contextual variation in these respects affect the effect patterns.

Equally consistent with the expectations, we did not find activities in formal civil society organisations to have a particularly cushioning impact. The number of organisation memberships had both a weaker overall impact on trust, and did not have a stronger impact among minority members. Of course, we have suggested—but not explicitly tested—that minority groups may be especially prone to organize themselves along minority lines, thus hindering quite some bridging interaction.

In sum, this paper delivers some good news for those hoping that social capital and diversity can be reconciled. In societies were the worst forms of economic inequality are rectified by a variety of social programs, where corruption is low and “street-level bureaucrats” deliver the services in a way that is perceived to be in line with standard requirements for procedural fairness, and were there is considerable possibilities for informal social contacts with
“others”, increased ethnic diversity does not spell disaster for the regeneration of generalized trust and social capital.
TABLES AND FIGURES

Table 1 Descriptive statistics for key variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>mean</th>
<th>SD</th>
<th>min</th>
<th>max</th>
<th>N</th>
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<tr>
<td>Generalized trust</td>
<td>6.42</td>
<td>2.39</td>
<td>0</td>
<td>10</td>
<td>3623</td>
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<td>Equal treatment</td>
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<td>.25</td>
<td>0</td>
<td>1</td>
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<td>Informal neighbour contacts</td>
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<td>1</td>
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<tr>
<td>Number of organizational memberships</td>
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<td>1.88</td>
<td>0</td>
<td>16</td>
<td>3647</td>
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</table>
Table 2 Generalized trust (0-10) as a function of minority status, bureaucratic-institutional fairness, and informal neighbour contacts (unstandardized OLS estimates)

<table>
<thead>
<tr>
<th></th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
<th>Model 5</th>
<th>Model 6</th>
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</thead>
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<tr>
<td><strong>Main effects</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Non-Nordic background</td>
<td>-.99***</td>
<td>-.83***</td>
<td>-.83***</td>
<td>-1.28*</td>
<td>-1.25***</td>
<td>-1.48***</td>
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<td>Number of organizational memberships</td>
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<td>.19***</td>
<td>.10***</td>
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<td>Informal Neighbour contacts (0-1)</td>
<td>.50***</td>
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<tr>
<td>Equal treatment (0-1)</td>
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<td></td>
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<tr>
<td><strong>Interaction terms</strong></td>
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<td>Organizational memberships x Non-Nordic background</td>
<td></td>
<td>-.03</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Informal neighbour contacts x Non-Nordic background</td>
<td></td>
<td></td>
<td>1.06**</td>
<td></td>
<td>1.23*</td>
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</tr>
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<td>Equal treatment x Non-Nordic background</td>
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<td></td>
<td>1.14**</td>
<td>.94 (p=.152)</td>
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<td>Education (1-3)</td>
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<td>.32***</td>
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<td></td>
<td>.32***</td>
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<td>Middle class identification</td>
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<td>.26**</td>
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<td>Household income</td>
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<td>.08***</td>
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<tr>
<td>Life satisfaction (1-4)</td>
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<td>.63***</td>
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<tr>
<td>Left-right self-placement (1-5)</td>
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<tr>
<td>Unemployed</td>
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<td></td>
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<tr>
<td><strong>Adjusted R-squared</strong></td>
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<td>.11</td>
<td>.03</td>
<td>.02</td>
<td>.04</td>
<td>.12</td>
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</tbody>
</table>

*p<.10  ** p<.05  *** p<.01

Comment: Data from the 1999 West Sweden SOM survey. N=2340 or more. The models also contain intercepts, the estimates of which are not displayed.
Figure 1: Trust and Equal treatment

Figure 2: Trust and informal neighbour contacts

Note: Predicted values from model 6 in Table 1.
Figure 3 Predicted generalized trust at different levels of institutional fairness and neighbor contacts

Comment: Predicted values from model 6, Table 1.
References


