Ethnic Diversity, Social Trust and the Moderating Role of Subnational Integration Policy

Birte Gundelach¹ and Anita Manatschal²

Abstract
Increasing ethnic diversity and whether or not it impacts on social trust are highly debated topics. Numerous studies report a negative relationship between diversity and trust, particularly in the United States. A growing body of follow-up studies has examined the extent to which these findings can be transferred to Europe, but the results remain inconclusive. Moving beyond the discussion of the mere existence or absence of diversity effects on trust, this study is concerned with the moderation of this relationship. It addresses the neglected role of subnational integration policies influencing the impact of diversity on trust. Empirical tests not only indicate that integration policies moderate the relationship but also suggest that the influence of policies varies substantively according to the specific policy aspect under consideration.

Keywords
generalised trust, ethnic diversity, integration policy

Introduction
An expanding body of research focuses on the relationship between ethnically diverse local contexts – such as neighbourhoods, municipalities and regions – and social trust. In addition to a large number of studies in the North American context, there is a growing number of analyses for several European countries – in particular, Great Britain and the Netherlands, but also Germany, Denmark and Sweden (Dinesen and Sønderskov, 2015; Gijsberts et al., 2012; Gundelach and Freitag, 2014; Koopmans and Schaeffer, 2015; Rudolph and Popp, 2010; Stolle and Harell, 2013; Sturgis et al., 2011; Wallman Lundåsen and Wollebæk, 2013).

¹Centre for Democracy Studies Aarau, University of Zurich, Switzerland
²Institute of Governmental Studies, University of California – Berkeley, Berkeley, CA, USA

Corresponding author:
Birte Gundelach, Centre for Democracy Studies Aarau, University of Zurich, Küttingerstrasse 25, 5000 Aarau, Switzerland.
Email: birte.gundelach@zda.uzh.ch
Studies for the European context show a great deal of heterogeneity with regard to research findings (see van der Meer and Tolsma, 2014). Definite consensus has yet to be found concerning the effects of ethnically diverse contexts on the development of social trust. Although many of these studies detect a negative association between ethnically diverse context and social trust (e.g. Dinesen and Sønderskov, 2012; Gundelach and Traummüller, 2014; Öberg et al., 2011), some authors describe the empirically found relationship as statistically significant, but substantively negligible (Laurence, 2011; Stolle et al., 2013; Sturgis et al. 2011). Other scholars argue completely against the existence of any meaningful relationship between ethnic diversity and social trust (Gijsberts et al., 2012; Tolsma et al., 2009).

Moving beyond the discussion of the existence or absence of effects of diversity on trust, this study is concerned with the moderation of the relationship between diversity and trust. Whereas existing neighbourhood studies predominantly analyse the moderation of the relationship by interethnic contact, social status or citizenship (Gundelach and Freitag, 2014; Koopmans and Veit, 2014; Stolle and Harell, 2013; Tolsma et al., 2009), we address a further theoretically important, but so far neglected moderator – the role of integration policies (Bloemraad and Wright, 2014; Harell and Stolle, 2010; Hooghe, 2007; Wright, 2011). In addition to the study published by Kesler and Bloemraad (2010) who investigated the moderating role of integration policies in an international comparative perspective (see also Lupo, 2010), we aim to deepen the understanding of this moderation by zooming in to the subnational level of analysis. Moreover, we conceptualise integration policy in a more nuanced way than Kesler and Bloemraad (2010). Rather than using a dichotomous coding of ‘strong’ versus ‘weak’ multicultural policies and taking into consideration that specific components of integration policy may yield varying outcomes, we distinguish different aspects of integration policy and use continuous scales of integration policy in our analysis. More specifically, our conceptualisation is based on the idea of immigrants’ rights and obligations in areas considered relevant for integration (Koopmans et al., 2005, 2012; Niessen et al., 2007). Accordingly, integration policies are captured in terms of the ease or difficulty of immigrants’ social access and considers five areas: nationality (civic rights), political participation (political rights), cantonal employment (sociostructural rights), family reunification, and religious minority rights or cultural obligations. In addition, we use a continuous classification for each policy aspect, ranging from restrictive to liberal (civic, political, sociostructural rights and family reunification) or from assimilationist to multiculturalist (cultural rights and obligations) (Manatschal, 2011).

Our focus on communities in Switzerland enables us to bring together two important requirements for valid empirical evidence in the research on ethnic diversity and trust: the consideration of experienced ethnic diversity in the local social context (Öberg et al., 2011; Stolle et al., 2008; Tolsma et al., 2009) as well as the consideration of the significant role of political institutions in shaping trusting attitudes (Freitag and Bühlmann, 2009). In other words, whereas international comparative analyses have been criticised for being unable to capture the ethnically diverse character of daily social interactions, we measure ethnic diversity at the level of Swiss communities which provide a central social context for social interaction in Swiss day-to-day life. Subnational analyses often do not allow for a meaningful consideration of policy contexts because they do not show significant variation across the observed subnational units. This is, however, not a problem in strongly federally organised Switzerland, where integration policies vary significantly across cantons. A look at different cantonal approaches to naturalisation as one central
aspect of integration policy suffices to substantiate this point. In Switzerland, naturalisation is a three-level process which has to be approved by the municipality, the canton and the Swiss federation, with each level defining its own naturalisation requirements (Helbling, 2008: 12ff.). For instance, in addition to the national residence requirement of 12 years, the required cantonal residence period for naturalisation ranges from 2 years (canton of Zurich) to up to 12 years (canton of Nidwald), which even surpasses comparable variance between European countries (see Vink and Bauböck, 2011).

Using these advantages of the Swiss polity – which has occasionally been referred to as a ‘microcosm of Europe’ (Rokkan, 1974) with the cantons approximating a most similar systems setting – we are able to test the impact of ethnic diversity experienced in the local community and the moderation of this impact by highly diversified cantonal integration policies. Finally, with 22.4% of non-nationals, Switzerland ranks among the top destinations of post-World War II immigration, and it exhibits the second largest foreign immigrant share in Europe after Luxembourg. The fact that Switzerland is an immigration country par excellence makes it a paradigmatic case to test our hypotheses in a setting where ethnic diversity is a real feature of everyday social interaction.

In methodological terms, we operationalise the impact of integration policies on the relationship between local ethnic diversity and social trust by means of three-level hierarchical modelling. Applying this research design, we test the impact of cantonal integration policies on the relationship between communally experienced ethnic diversity and individual attitudes on social trust.

The remainder of the article proceeds in four main sections. The next section ‘Linking Ethnic Diversity, Social Trust and Integration Policy’ illustrates the theoretical background for the relationship between diversity, trust and the moderating role of integration policies and derives specific hypotheses to be empirically tested. In the Data and Methods section, we elaborate on the research design, followed by the Empirical Analysis with the presentation and discussion of the empirical results. The Conclusion summarises the most important findings and discusses their implications.

**Linking Ethnic Diversity, Social Trust and Integration Policy**

An important assumption within the theoretical framework of diversity effects on social, that is, interpersonal, trust is that the individual’s social context influences individual trusting attitudes in a substantive manner (Huckfeldt, 1986). Trust can be described as the expectation that others will contribute to the well-being of a person or a group or at least that they will refrain from harmful actions (Freitag and Traummüller, 2009; Newton, 2007). The benefits that social capital theory ascribes to widely shared trust in a given community are assumed to be gained mainly from one specific form of social trust, namely generalised trust (Fukuyama, 1995). In contrast to particularised trust, which is trust at close social range and which refers to people one knows from everyday interactions, generalised trust is a rather abstract attitude towards people in general, encompassing unknown strangers about whom no information exists (Freitag and Bauer, 2013).

In addition to central individual characteristics, it is assumed that experience within as well as the mere observance and perception of the social context is critical for generalised trust. With respect to the ethnic diversity of one’s social context, classical social–psychological theory offers a number of important insights on how the degree of ethnic diversity can influence generalised trust (Sherif, 1966; Tajfel and Turner, 1986).
Ethnically diverse contexts stimulate processes of social categorisation in which individuals are categorised as being members of an ingroup or outgroup according to their ethnic origin (Brown, 2010; Tajfel and Turner, 1986). These processes of social differentiation occur on the basis of different categories depending on the specific context of social interaction. In general, categorisation is based on salient, widely used as well as highly visible categories such as sex, age and ethnic origin (Brewer, 2003). In new immigrant countries, where the ethnic composition of the population is changing continuously, ethnic belonging is a particularly salient social category. As Social Identity Theory states, social categorisation usually involves a persistent ingroup bias, that is, the evaluation of one’s own group (ingroup) is more favourable than that of the outgroup (Hewstone et al., 2002; Tajfel and Turner, 1986). This assumption is also reflected in the widely observed ‘homophily principle’: human beings prefer and trust the familiar (McPherson et al., 2001).

Although ingroup bias and homophily are not necessarily accompanied by outgroup derogation, the consequences of social categorisation make people arrange themselves by specific salient group memberships which could generate fertile ground for conflict, competition and distrust in ethnically diverse contexts (Blumer, 1958; Brewer, 1999). Confictive intergroup relations may be based on – perceived or real – competition over political power or scarce resources (Blalock, 1967; Sherif, 1966). In addition to these political and economic interpretations of ethnic competition, current debates in Western countries of immigration shift the attention to a cultural interpretation of ethnic competition: Ethnic diversity evokes ‘symbolic threats’ concerning the competition of divergent morals, values and identities (Stephan and Stephan, 1985; Tajfel and Turner, 1986). Based on social–psychological processes of social categorisation and classical conflict theoretical reasoning, we would expect that growing ethnic diversity weakens social trust, in particular, trust towards minority outgroups. Previous research on the impact of ethnic diversity on social trust usually assumes that distrust towards minority outgroups gradually affects the generalised trusting attitudes of the majority society (van der Meer and Tolsma, 2014, but see Dinesen and Sønderskov, 2015). Casual social interaction with unknown people should involve more minority outgroup members as ethnic diversity increases. As people tend to distrust people who are different from themselves, generalised trust, that is, trust in people about whom no previous information exists, is expected to weaken in social contexts with increasing ethnic diversity. Robert Putnam (2007) further postulates that ethnic diversity should also compromise ingroup trust due to a growing general uncertainty about shared social norms and moral values in ethnically diverse context (Putnam, 2007, see also Öberg et al., 2011; Van der Meer and Tolsma, 2014).2 All in all, these assumptions lead to the following hypothesis:

Hypothesis 1: Immigration-induced ethnic diversity weakens generalised trust owing to ingroup bias, group competition and uncertainty about shared social norms and moral values.

With regard to the politico-institutional context in which processes of social categorisation occur and where perceptions of economic, political and/or cultural threats are supposed to characterise intergroup relations, it is important to understand whether operative integration policies are effective in attenuating ingroup bias and threat perceptions. Existing research on the outcomes of integration policies presents mixed results regarding
the performance of these regimes, for instance, in the area of immigrants’ sociopolitical integration (Manatschal and Stadelmann-Steffen, 2014; Wright and Bloemraad, 2012).

The same holds for the few studies considering the effect of integration regimes on individual social and political attitudes. In his comparative analysis of Western European countries, Steven Weldon (2006) observes that tolerance of ethnic minorities is highest in those countries which exhibit the most liberal and inclusive citizenship regimes. Similar results are presented by Tim Reeskens (2010) for generalised trust, while Zimdars and Tampubolol (2012) show that more inclusive integration policies can even counterbalance potential negative effects of increasing diversity. Kesler and Bloemraad (2010), in turn, observe a slightly negative moderating effect of strong multiculturalist (as opposed to weak multiculturalist) regimes on the relationship between ethnic diversity and social trust. This finding has been qualified by a recent study of Gundelach and Traunmüller (2014) for Germany, where the authors document that a negative relationship between ethnic diversity and social trust even persists in a country pursuing an assimilationist integration policy. As for political trust, Jack Citrin et al. (2014) find no evidence that multicultural policies have a net effect on this variant of trust, but that an extensive adoption of multicultural policies magnifies the degree to which hostility to immigration is negatively associated with political support. Regarding political attitudes, Hooghe and de Vroome (2015) further report that especially respondents with higher education levels tend to respond in a more positive manner to multiculturalist policies than respondents with lower education levels. Interestingly, only a few studies consider the possibility that single policy dimensions may yield varying and even opposing outcomes on public opinion. Matthew Wright (2011) was able to show in his cross-country over-time analysis that mainstream respondents became much more exclusive in their understanding of national identity in the most politically multicultural countries, whereas respondents’ notions of national identity became more inclusive in countries with liberal citizenship regimes. Other studies shift the focus from nationals to immigrants’ attitudes and perceptions. While Dinesen and Hooghe (2010) find no significant moderating effect of integration policy on differential trust levels between immigrants and natives, Wright and Bloemraad (2012) observe that immigrants’ levels of generalised trust are highest in countries with liberal citizenship regimes and multiculturalist policies (see also Heath and Demireva, 2014).

Each of these studies highlights pertinent aspects of how integration policy relates to public opinion. Overall, however, existing research reflects a general lack of consensus on how integration regimes may affect social trust in immigrant countries, and it is ‘too thin to draw strong conclusions’ (Bloemraad and Wright, 2014: 315). At the same time, most of these studies either focus on only one aspect of integration policy (e.g. recognition of cultural diversity; often referred to as ‘multiculturalist policies’) or rely on rather crude composite indices of integration regimes, which cover multiple policy areas such as citizenship, anti-discrimination, family reunification, cultural or religious matters, political participation, and so on (Huddleston et al., 2011; Koopmans et al., 2005, 2012). What is more, these studies focus unanimously on national policies, which might not be the most adequate analytical level when investigating interpersonal interactions (Kesler and Bloemraad, 2010: 326). Based on these considerations, we build our analysis on subnational policy variation and hypothesise that different aspects of integration policy may yield varying outcomes (Manatschal and Stadelmann-Steffen, 2014; Wright, 2011).

By regulating immigrants’ access to certain rights and obligations, integration policies directly alter the relationship between immigrants and natives. Therefore, and in line with existing research, we expect that integration policies provide particularly powerful
instruments to moderate the negative relationship between ethnic diversity and social trust postulated in conflict theory (see Hypothesis 1).

Following an egalitarian line of reasoning, liberal integration policies, by granting immigrants access to certain rights and resources and by (re-)defining ‘who belongs to us’ (Helbling, 2008: 23), might have the potential to soften formerly salient differences between the ingroup and outgroup and may thus help to reduce social distrust. However, taking the perspective of Realistic Group Conflict Theory, integration policies might also be seen as instruments regulating immigrants’ access to contested social resources, which might cause a fear of status loss among the ‘majority society’ and therefore increase inter-group competition and social distrust (Kesler and Bloemraad, 2010: 324). We specify these competing hypotheses for the five specific categories of integration policy and account – in an exploratory manner – for the possibility of contrasting effects, meaning that different hypotheses apply for single policy aspects.

The egalitarian hypothesis stating that liberal integration policy is able to soften formerly salient differences between the ingroup and outgroup, thereby helping to promote social trust in ethnically diverse contexts, is based on the assumption that immigrants are broadly and visibly perceived as equal members of society. By treating immigrants on a fair and equal basis, liberal integration policies are expected to diminish social distance and to engender feelings of general inclusion, which should in turn generate social trust (Dinesen and Hooghe, 2010: 700; Kesler and Bloemraad, 2010: 324; Reeskens, 2010; Weldon, 2006: 165). This equality is most visibly demonstrated through cultural difference rights as well as sociostructural rights. Like in many other European countries (see, for instance, Koopmans et al., 2005: 52), the most fervent public discussions regarding cultural difference rights in Switzerland focus on Islam, which is why we consider this aspect to capture the cultural difference rights. The public focus on Islam is only partly justified by the increasing numerical presence of Muslims in Switzerland.3 What matters probably more in this context, and as the Swiss vote on banning the construction of minarets in 2009 showed, is that the cultural threat caused by immigration plays an important role in public perceptions in Switzerland (Freitag and Rapp, 2013). If, for instance, a municipality provides the facility for burials according to Islamic customs, Islamic cemeteries or graveyards clearly shape the self-perception of this municipality as a multicultural community. From an egalitarian perspective, diversity should be much less of a threat, and social distrust stemming from ethnic diversity should be lower.

Similarly, an ethnically diverse public administration or police force as an indicator of liberal sociostructural rights is a strong and overt signal of a multicultural and inclusive community (Federal Commission on Migration, 2005). As a result, liberal regulations in the area of sociostructural rights should minimise the perceived group difference between Swiss citizens and immigrants and therefore reduce the negative effect of ethnic diversity on social trust. The same holds for immigrants elected to public office (political participation rights) or naturalised individuals (civic rights). Such examples challenge the stereotypical assumption that politicians or citizens are overwhelmingly of Swiss origin and thereby contribute to the ‘reconstruction of social identities’ (Putnam, 2007: 159). Family reunification, finally, contributes in a numerical way to the visibility of immigrants, as an increasing number of immigrants participate in more diverse areas of society, including labour markets, school systems and public life.

Hypothesis 2: The negative relationship between immigration-induced ethnic diversity and social trust is attenuated by liberal integration policies in the areas of
naturalisation, political participation, sociostructural rights, family reunification and cultural difference.

In turn, the conflict hypothesis stating that liberal integration policies increase inter-group competition and thereby weaken social trust in ethnically diverse contexts relies on the assumption that these policies might shift power relations among immigrants and the majority society. One could expect that liberal policies in the areas of civic as well as political rights have a high ‘empowering potential’ for immigrants, as they grant immigrants political voice. Citizenship status as well as access to political participation might then not primarily be perceived as a decrease in social distance, but be viewed as a status threat by members of the majority society and aggravate intergroup competition between natives and immigrants. Sociostructural rights might equally be perceived as status threat by the majority population, as immigrants compete with natives over jobs in the cantonal administration. In a similar vein, liberal policies in the area of family reuniification could lead to increased immigration which may be accompanied by economic threats perceived by the majority.

In addition to the perception of tangible economic threats, group conflict and social distrust might arise due to ‘symbolic threats’ concerning the competition over divergent morals, values and identities. Accordingly, one could expect that policies fostering, for instance, religious minority rights could threaten dominant religious values and ideologies. Similar concerns reverberate in critical accounts of multiculturalist policies, which are blamed for exacerbating social divisions, fuelling divisiveness and retarding immigrants’ integration (Huntington, 2004; Ireland, 2006: 139; Kesler and Bloemraad, 2010: 324). By highlighting instead of accommodating cultural differences, liberal policies in the area of religious and cultural rights may also aggravate the negative relationship between ethnic diversity and social trust.

Hypothesis 3: The negative relationship between immigration-induced ethnic diversity and social trust is intensified by liberal integration policies in the areas of naturalisation, political participation, sociostructural rights, family reunification and cultural difference.

Data and Methods

To investigate the impact of cantonal integration policies on the relationship between ethnic diversity in the local social context of Swiss communities and individual attitudes of social trust, we need to combine different datasets for three different levels of analysis, meaning individuals, communes and cantons. Individual variables are taken from data surveyed by the Swiss Volunteering Survey – Communities 2010. Community data rely on official information published by the Swiss Tax administration and the Federal Statistical Office. Cantonal data on integration policies rely on data collected by Anita Manatschal (2011).

The Swiss Volunteering Survey – Communities 2010 contains survey data from roughly 5000 individuals in 60 randomly selected medium-sized Swiss communities. Within the dataset, there are on average 83 respondents per community, with a minimum of 34 and a maximum of 119 respondents. The average population size of the selected communities is about 5000 inhabitants. The size of the local social context of the Swiss community therefore corresponds to typical neighbourhood studies on ethnic diversity and social trust (Stolle et al., 2008; Sturgis et al., 2011). The 60 selected communities are situated in 17 of overall 26 Swiss cantons.
As in most previous studies on ethnic diversity and social trust, we operationalise individual social trust as generalised trust (Gijsberts et al., 2012; Stolle and Harell, 2013; Uslaner, 2011). Generalised trust is a rather abstract attitude towards people in general, encompassing unknown strangers about whom no information exists. Generalised trust was measured using the following survey question:

Would you say that most people can be trusted or that you need to be very careful in dealing with people? If we assume a scale of 0 to 10, where 0 means you can’t be too careful and 10 means that most people can be trusted, where would you see yourself on this scale?

In accordance with most research on this topic, we use the Herfindahl index in order to measure ethnic diversity in Swiss communities. We calculate the index by relying on Swiss census data. The calculation of the index is based on national citizenship as a proxy for ethnic origin (Gundelach and Traunmüller, 2014; Leigh, 2006). We are well aware that this measurement of ethnic diversity is only a rough indicator of the degree of communal ethnic diversity. Citizenship is a legal status and will not necessarily align with the social attribute of individuals’ migration background. Nevertheless, due to the particularities of the restrictive Swiss citizenship law, which is based on descent (*jus sanguinis*), in the Swiss context, citizenship is a better proxy for ethnicity than would be the case in many other European societies, where citizenship is acquired by birth (*jus soli*).6

As elaborated in the theoretical section, our conceptualisation and measurement of cantonal integration policy draw on internationally established approaches which are based on the idea of immigrants’ access to civic, political and sociostructural rights, family reunification as well as cultural rights and obligations (Koopmans et al., 2005; Niessen et al., 2007). Civic rights comprise cantonal requirements for naturalisation regarding fees, period of residence, procedures and right of appeal. Political rights include the aspect of political participation rights captured by non-nationals’ rights to vote and the cantonal provision of an immigrant commission. The policy aspect family reunification considers the varying extent of facilitation of family reunification for European Union (EU) nationals compared to third-country nationals, as well as requirements regarding the housing situation of the applicant. Cultural rights and obligations include indicators measuring cultural obligations as well as specific religious rights. Cultural obligations are first captured by the degree of cultural integration required for naturalisation as it is defined by cantonal citizenship laws, and second by the cantonal implementation of integration agreements, which attach the condition of language skills to the issuance of residence permits. Religious rights, in turn, comprise the legal tendency towards recognition of minorities’ religions in general, as well as a minority specific indicator as to whether cantons provide facilities for Islamic burials. Since there are no systematic cantonal regulations on this issue available, this indicator is captured by the mere existence (absolute number and age) of Islamic cemeteries within cantons. Finally, sociostructural rights refer to the cantonal openness towards immigrants regarding jobs in the cantonal administration, teaching positions, the police service or the cantonal judiciary. Each policy indicator is coded based on a continuous scale ranging from restrictive to liberal (civic and political rights, sociostructural rights and family reunification) or from assimilationist to multiculturalist (cultural rights and obligations). The higher the values on the policy measurement scale, the more liberal or multiculturalist the respective policy. The time span covered by the different integration policy indices ranges from 2005 to 2008 (for more details on all sub-indicators, their coding and index creation, see Manatschal, 2011).
In the analyses to follow, our models control for several known predictors of social trust. At the community level, our models include measures of social disadvantage indicated by the mean income in the community and the unemployment rate (Letki, 2008). In addition, models include a variable accounting for the neighbourhood’s age structure as well as one indicating the Swiss language region, that is, German-speaking versus French- and Italian-speaking communities (Freitag, 2001). In further robustness tests, we also control for the potential impact of income inequality and urbanisation (Freitag and Traunmüller, 2009; Uslaner and Brown, 2005).7 At the individual level, we consider sex, age, education, income, citizenship, associational membership, duration of residency as well as intercultural contact (Freitag and Bühlmann, 2009; Gundelach and Freitag, 2014; Uslaner, 2002). We refrain from including additional controls at the cantonal level, which would render the analytical models unnecessarily complex. Important covariates of cantonal integration policies are the cultural linguistic context and, strongly related to this cultural component, public opinion about immigrants.8 We already control for the cultural linguistic context at the community level, which allows for a much more fine-grained account of cultural effects than a cantonal control variable. As our hypotheses focus on the impact of increasing ethnic diversity on the trusting attitudes of the majority society, we excluded foreigners from the dataset. A detailed description of all variables and descriptive statistics can be found in the supplementary information online (Tables S1–S3).

We apply three-level linear modelling, implying that individual respondents are nested in communities, which, in turn, are embedded in cantons. In order to account for the moderation of integration policies on the relationship between ethnic diversity and social trust, we introduce cross-level interaction terms – multiplying the Herfindahl index for ethnic diversity with the integration policy considered.

Rather than omitting respondents with missing data on certain variables, missing data were replaced by means of multiple imputation (King et al., 2001). In multiple imputations, m values for each missing cell in the data matrix are imputed which results in m-completed datasets. We imputed a total of 10 datasets. In these imputed datasets, the missing values are replaced by different imputations that reflect the uncertainty about the missing data. We imputed missing values using multivariate normal regression and included all variables in the imputation model that we use in our regression model to test the relationship between ethnic diversity, integration policy and trust (Enders, 2010). The results displayed in the Empirical Analysis section below represent the average result across the 10 imputed datasets (Rubin, 1987).

**Empirical Analysis**

To begin, we estimated a model without inclusion of integration policies in order to observe the net effect of ethnic diversity on generalised trust (see Table 1).9

Controlling for important individual variables as well as central community characteristics (in particular, social disadvantages), we observe a rather slight, but statistically significant negative effect of ethnic diversity on generalised trust. Comparing ethnically homogeneous communities (with a Herfindahl index score of 0) with communities showing the maximum value of observed ethnic diversity (0.68) leads to a difference of \(-0.9\) points on the measurement scale for generalised trust (0.68 \times \(\beta_{\text{ethnic diversity}} = -1.278, \text{SE} = 0.33\)). Further analyses not presented here show that the effect of ethnic diversity on generalised trust remains robust even when controlling for income inequality (\(\beta_{\text{ethnic diversity}} = -1.278, \text{SE} = 0.33\)), as
Table 1. Ethnic Diversity and Generalised Trust.

<table>
<thead>
<tr>
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<th>Coefficient</th>
<th>SE</th>
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<tr>
<td><strong>Model 1</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Constant</td>
<td>5.508***</td>
<td>(0.30)</td>
</tr>
<tr>
<td>Individual level</td>
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<td></td>
</tr>
<tr>
<td>Sex</td>
<td>0.026</td>
<td>(0.06)</td>
</tr>
<tr>
<td>Age</td>
<td>0.003+</td>
<td>(0.00)</td>
</tr>
<tr>
<td>Education (reference: low)</td>
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<td></td>
</tr>
<tr>
<td>Middle</td>
<td>0.101</td>
<td>(0.10)</td>
</tr>
<tr>
<td>High</td>
<td>0.419***</td>
<td>(0.12)</td>
</tr>
<tr>
<td>Other</td>
<td>0.087</td>
<td>(0.33)</td>
</tr>
<tr>
<td>Income</td>
<td>0.113***</td>
<td>(0.02)</td>
</tr>
<tr>
<td>Associate membership</td>
<td>0.465***</td>
<td>(0.06)</td>
</tr>
<tr>
<td>Duration of residency</td>
<td>0.016</td>
<td>(0.04)</td>
</tr>
<tr>
<td>Contextual level: community</td>
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<td></td>
</tr>
<tr>
<td>Ethnic diversity</td>
<td>−1.292***</td>
<td>(0.32)</td>
</tr>
<tr>
<td>Mean income</td>
<td>−0.011</td>
<td>(0.01)</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>−0.004</td>
<td>(0.04)</td>
</tr>
<tr>
<td>Age structure</td>
<td>1.712*</td>
<td>(0.86)</td>
</tr>
<tr>
<td>Language region</td>
<td>0.235**</td>
<td>(0.09)</td>
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<tr>
<td>Random effects</td>
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<tr>
<td>Intercept standard deviation: canton</td>
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<td>(0.00)</td>
</tr>
<tr>
<td>Intercept standard deviation: community</td>
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<td>(0.09)</td>
</tr>
<tr>
<td>Residual standard deviation</td>
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<td>(0.02)</td>
</tr>
<tr>
<td>Number of cases</td>
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<td></td>
</tr>
<tr>
<td>N Individuals</td>
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<td></td>
</tr>
<tr>
<td>N Communities</td>
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<td></td>
</tr>
<tr>
<td>N Cantons</td>
<td>17</td>
<td></td>
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SE: standard error.
Results of 10 multiple imputed datasets. Linear hierarchical regression analysis.
+p < 0.10, *p < 0.05, **p < 0.01, ***p < 0.001.

well as when controlling for urbanisation ($\beta_{\text{ethnic diversity}} = −1.261$, SE=0.32) at the community level. Neither income inequality nor urbanisation shows an independent statistically significant effect on generalised trust. Regarding other community characteristics, we observe higher generalised trust in communities with larger shares of people aged over 64 years as well as higher trust in German-speaking communities (Freitag, 2001). The results for the individual-level control variables in model 1 are in line with the results of previous investigations. Older people, those in higher social class groups as well as active club members, indicate higher propensities to trust strangers (Sturgis et al., 2011; Stolle et al., 2008).

Of greater interest for our purposes are of course the model estimates for interaction effects concerning ethnic diversity and integration policies. Our main aim is to investigate the extent to which the observed negative effect of ethnic diversity on social trust is moderated, that is, reinforced or attenuated, by distinct integration policies. The model estimates for these interaction effects are presented in Table 2.

In accordance with relevant research on integration policies and as outlined above, we distinguish five specific integration policy areas for which cantonal data are
Table 2. Ethnic Diversity, Generalised Trust and Integration Policies.

<table>
<thead>
<tr>
<th></th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
<th>Model 5</th>
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<td>SSR</td>
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<td>FAM</td>
<td>CRO</td>
<td>SSR</td>
<td>PART</td>
<td>CIV</td>
</tr>
<tr>
<td>Coefficient</td>
<td>SE</td>
<td>Coefficient</td>
<td>SE</td>
<td>Coefficient</td>
<td>SE</td>
<td>Coefficient</td>
<td>SE</td>
<td>Coefficient</td>
<td>SE</td>
</tr>
<tr>
<td>Constant</td>
<td>5.507***</td>
<td>(0.30)</td>
<td>5.570***</td>
<td>(0.30)</td>
<td>5.494***</td>
<td>(0.30)</td>
<td>5.471***</td>
<td>(0.30)</td>
<td>5.664***</td>
</tr>
<tr>
<td>Individual level variables controlled (see Table 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ethnic diversity</td>
<td>−1.291***</td>
<td>(0.32)</td>
<td>−0.937**</td>
<td>(0.34)</td>
<td>−1.274***</td>
<td>(0.33)</td>
<td>−0.887*</td>
<td>(0.38)</td>
<td>−1.264***</td>
</tr>
<tr>
<td>Integration policy</td>
<td>−0.036</td>
<td>(0.17)</td>
<td>−0.581***</td>
<td>(0.22)</td>
<td>0.068</td>
<td>(0.16)</td>
<td>0.396+</td>
<td>(0.22)</td>
<td>0.358**</td>
</tr>
<tr>
<td>Diversity* policy</td>
<td>0.005</td>
<td>(0.62)</td>
<td>1.521**</td>
<td>(0.58)</td>
<td>−0.135</td>
<td>(0.43)</td>
<td>−1.221*</td>
<td>(0.62)</td>
<td>−1.170**</td>
</tr>
<tr>
<td>Mean income</td>
<td>−0.010</td>
<td>(0.01)</td>
<td>−0.017</td>
<td>(0.01)</td>
<td>−0.011</td>
<td>(0.01)</td>
<td>−0.013</td>
<td>(0.01)</td>
<td>−0.008</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>−0.05</td>
<td>(0.04)</td>
<td>−0.019</td>
<td>(0.04)</td>
<td>−0.004</td>
<td>(0.04)</td>
<td>−0.027</td>
<td>(0.04)</td>
<td>−0.034</td>
</tr>
<tr>
<td>Age structure</td>
<td>1.784*</td>
<td>(0.87)</td>
<td>1.621+</td>
<td>(0.85)</td>
<td>1.720*</td>
<td>(0.86)</td>
<td>2.065*</td>
<td>(0.87)</td>
<td>1.725*</td>
</tr>
<tr>
<td>Language region</td>
<td>0.228***</td>
<td>(0.10)</td>
<td>0.160+</td>
<td>(0.09)</td>
<td>0.247*</td>
<td>(0.11)</td>
<td>0.172+</td>
<td>(0.09)</td>
<td>0.183*</td>
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<tr>
<td>Random effects</td>
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<tr>
<td>Intercept standard deviation canton</td>
<td>0.00</td>
<td>(0.00)</td>
<td>0.00</td>
<td>(0.00)</td>
<td>0.00</td>
<td>(0.00)</td>
<td>0.00</td>
<td>(0.00)</td>
<td>0.00</td>
</tr>
<tr>
<td>Intercept standard deviation community</td>
<td>0.02</td>
<td>(0.08)</td>
<td>0.00</td>
<td>(0.00)</td>
<td>0.02</td>
<td>(1.21)</td>
<td>0.00</td>
<td>(0.06)</td>
<td>0.00</td>
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<td>Residual standard deviation</td>
<td>2.03</td>
<td>(0.02)</td>
<td>2.03</td>
<td>(0.03)</td>
<td>2.03</td>
<td>(0.02)</td>
<td>2.03</td>
<td>(0.03)</td>
<td>2.03</td>
</tr>
<tr>
<td>Number of cases</td>
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<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>N individuals</td>
<td>4556</td>
<td>4556</td>
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<td>4556</td>
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<td></td>
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</tr>
<tr>
<td>N communities</td>
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<td>60</td>
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<td>60</td>
<td>60</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N cantons</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td>17</td>
<td></td>
<td></td>
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</table>

CRO: cultural rights and obligations; SSR: sociostructural rights; PART: political participation rights; CIV: civic rights; FAM: family reunification.

Results of 10 multiple imputed datasets. Linear hierarchical regression analysis.

+*p < 0.10; **p < 0.05; ***p < 0.01; ****p < 0.001.
available: Cultural rights and obligations (CRO), sociostructural rights (SSR), political participation rights (PART), civic rights (CIV) and policies concerning family reunification (FAM).

As displayed in Table 2, statistically significant interaction effects (see Berry et al., 2012) are found for sociostructural rights and civic rights as well as policies on family reunification. In line with our expectation of potentially contrasting effects, we observe a positive coefficient for the interaction between ethnic diversity and sociostructural rights, but negative coefficients for the interaction between ethnic diversity and civic rights as well as policies on family reunification.

Figure 1 illustrates these results graphically by depicting marginal effects of ethnic diversity on generalised trust as a function of each integration policy category considered.

In Figure 1(a), we see that granting sociostructural rights such as access for immigrants to cantonal employment in the administration, to teaching positions, to the police service and the judiciary effectively attenuates the negative effect of ethnic diversity on generalised trust. The histogram portraying the frequency distribution for sociostructural rights also shows that the largest part of the sample falls within the region of statistical significance of the marginal effect of ethnic diversity on generalised trust. The reductive impact of ethnic diversity loses its significance in cantons with intermediate to liberal policies (policy index values above 0.1). In other words, the negative relationship between ethnic diversity and generalised trust can only be observed in cantons where immigrants’ access to employment in public institutions is restricted.

Figure 1 (b) and (c) demonstrate in contrast that the negative relationship between ethnic diversity and generalised trust is significantly reinforced when civic rights for immigrants and regulations on family reunification are more liberally designed. In both cases, the majority of the sample falls within the region of statistical significance of the marginal effect. Whereas there is no systematic impact of ethnic diversity on generalised trust in cantons with the most restrictive practice of civic rights and regulations on family reunification, there is a significant and increasingly reductive effect of diversity on generalised trust in cantons where civic rights and family reunification are designed more liberally.10

In sum, these results support our approach to differentiate between specific aspects of integration policy: liberal policies concerning sociostructural rights attenuate negative effects of ethnic diversity on generalised trust. Multicultural openness in cantonal public institutions thus seems to cushion threats and ingroup/outgroup divisions driven by ethnic diversity. In contrast, negative correlations between diversity and trust are reinforced in communities where rather liberal – as opposed to restrictive – policies concerning civic rights for immigrants and family reunification are effective.

However, neither for policies on cultural rights and obligations nor for political participation rights do we observe any statistically significant moderating effects. Considering that Switzerland is commonly classified as an assimilationist country with a restrictive understanding of political citizenship and only modest concessions to cultural pluralism (Koopmans et al., 2005; Skenderovic, 2009), these findings may not be that surprising, since this assimilationist national orientation reverberates at the subnational level. As a consequence, political participation rights are not very widespread and are mostly restricted to the Latin part of Switzerland. Similar arguments hold for religious minority rights. While international instruments consider a variety of policy indicators to capture cultural difference rights,11 we were only able to rely on two indicators: the existence of Islamic graveyards and the mere legal tendency to recognise minority religions (see Table S1).
Figure 1. Marginal Effects of Ethnic Diversity on Social Trust as a Function of Specific Integration Policies (Sociostructural Rights (a), Civic Rights (b) and Regulations on Family Reunification (c)). Plots Are Based on Statistically Significant Interaction Effects Between Ethnic Diversity and Integration Policies (Models 3, 5 and 6, Table 2).
Further analyses not reported here show that the inclusion of individual intercultural contact (Allport, 1954; Pettigrew, 1998) does not alter the results presented in this article in any substantive way (model parameter estimates are available upon request).

**Conclusion**

Particularly in the European context, existing research on ethnic diversity and social trust remains inconclusive. Whereas some studies observe a negative association between ethnically diverse contexts and social trust, others question the existence of any meaningful relationship between ethnic diversity and the development of social trust.

Moving beyond the discussion of the mere existence or absence of diversity effects on social trust, this article focuses on the hitherto neglected moderating role of integration policies from a subnational comparative perspective. We consider that specific components of integration policy may yield varying outcomes by distinguishing between five different aspects of integration policy: naturalisation (civic rights), political participation (political rights), family reunification, access to cantonal employment (socio-structural rights) as well as religious minority rights or cultural obligations. Our empirical analyses show that the differentiated approach paid off, as we observe distinct moderating effects of single aspects of integration policy on the relationship between ethnic diversity and social trust.

In line with theoretical expectations derived from conflict theory, we observe a negative relationship between local ethnic diversity and social trust in Swiss communities. Concerning the moderating role of subnational integration policy, our analyses partly corroborate the positive hypothesis that liberal integration policies have the potential to mute negative reactions to immigration-induced diversity. This is particularly true for socio-structural rights that regulate immigrants’ access to cantonal employment, for example, in the public administration, the police, the judiciary or for teaching positions. These policies seem to contribute significantly to the visibility of ethnic diversity in a municipality or canton thereby shaping the self-perception of the respective community as a multicultural place. Moreover, liberal access to public employment seems to imply a rather low ‘empowering potential’ for immigrants, as cantonal employment constitutes a very specific, restricted and, most notably, not necessarily contested area of influence for immigrants. This notion is underscored by looking at the current recruitment strategies of cantonal police departments, revealing that the shift to less rigid employment requirements for non-nationals is often a consequence of the low attractiveness of this job for nationals.

However, the negative relationship between ethnic diversity and social trust can also be intensified in certain policy contexts, as observed here for the policy categories civic rights and family reunification. As our findings suggest, easier access to family reunification increases distrust in diverse contexts. Interestingly, this also applies to civic rights, although naturalisation represents the ultimate process rendering the status of immigrants equal to that of natives. While easier access to naturalisation and family reunification de facto contributes to an equal standing of immigrants within the society, it might not be perceived as such primarily by the Swiss majority population. Our results suggest that these policies have a high empowering potential, which might evoke feelings of status or cultural threat among the majority population. This leads to the paradoxical result that the policies which contribute most overtly to a culturally diverse reconstruction of societies in the long-term seem to reinforce the negative relationship between ethnic diversity and social trust, at least in the short run.
One final caveat is in order with regard to the presented empirical results. The survey data used in our analyses only contain data for 17 out of a total of 26 cantons. Thus, our analyses share the omnipresent limitation of studies on the effects of integration policies with regard to a relatively small number of context units (Dinesen and Hooghe, 2010; Reeskens, 2010; Wright and Bloemraad, 2012). At the same time, the subnational comparative research design of our study has the important advantage that cantons approximate most similar systems, which allows us to focus on the factors of central interest while holding constant many additional context factors.

Although our results can only be suggestive in the light of the specific setting at hand, and in the face of current data limitations, they are an important step on the way to disentangling the inconclusive empirical evidence regarding research on social trust in ethnically diverse contexts. As we have shown, integration policy has a substantive impact on the relationship between diversity and social trust. Future studies based on a larger number of contextual policy units and using countries where political as well as cultural and religious minority rights have a stronger legal foundation than in Switzerland should test the robustness and generalisability of our results. By following the differentiated approach proposed in this article, prospective research might particularly answer the question to what extent the negative relationship between ethnic diversity and social trust in the United States may be traced back to that country’s liberal citizenship policies, compared to several European countries.

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**Notes**

1. See 2010 census data on [http://www.bfs.admin.ch/bfs/portal/de/index/themen/01/07/blank/key/01/01.html](http://www.bfs.admin.ch/bfs/portal/de/index/themen/01/07/blank/key/01/01.html), last accessed: 12 June 2015. Switzerland’s large non-national share is not least a product of a restrictive *jus sanguinis* citizenship regime at the national level. However, the country also scores highest when it comes to absolute levels of immigrant influx per 1000 inhabitants in Europe (Meuleman et al., 2009: 362).

2. At this point, one might wonder to what extent variation in the main independent variable (ethnic diversity) is driven by natives’ attitudes towards immigrants (and their trust in immigrants). Until 2003, naturalisation decisions were made by municipal referendums in several Swiss municipalities. Naturalisation decisions by municipal referendums, however, have been shown to be discriminatory towards certain ethnic-cultural groups and they have been prohibited by the Swiss Federal Court in 2003 (see Hainmüller and Hangartner, 2013). Due to the former procedure of municipal referendums, it cannot be ruled out completely that some communal variation of ethnic diversity is still driven by attitudes towards immigrants in certain municipalities. We thank the anonymous reviewer who pointed out this matter.

3. While most non-nationals in Switzerland continue to immigrate from neighbouring countries such as Italy (16.6%) or Germany (15.1%), the share of immigrants from predominantly Muslim countries such as Kosovo or Turkey, which together account for 7.7% of Switzerland’s non-national population, is increasing. Today, Islam is already the second largest religion in Switzerland after Christianity (see 2010 census data on: [http://www.bfs.admin.ch/bfs/portal/de/index/themen/01/07/blank/key/01/01.html](http://www.bfs.admin.ch/bfs/portal/de/index/themen/01/07/blank/key/01/01.html); [http://www.bfs.admin.ch/bfs/portal/de/index/themen/01/05/blank/key/religionen.html](http://www.bfs.admin.ch/bfs/portal/de/index/themen/01/05/blank/key/religionen.html), last accessed: 12 June 2015).

4. The full set of selected communities comprises Swiss municipalities with population sizes of 2000 up to 20,000 inhabitants. As such, the random sample constitutes a representative sample of medium-sized communities in Switzerland. Large urban communities as well as very small rural communities are not part of the sample.

5. Cantons included in the sample are (number of communities in sample in brackets): Zürich (9), Bern (8), Aargau (7), St. Gallen (6), Waadt (5), Genf (4), Luzern (4), Graubünden (3), Basel-Land (2), Fribourg (2), Schwyz (2), Tessin (2), Wallis (2), Appenzell Ausserrhoden (1), Solothurn (1), Thurgau (1), Zug (1). Not
sampled are the cantons Jura, Nidwalden, Obwalden, Appenzell Innerhoden, Basel-Stadt, Neuchâtel, Uri, Schaffhausen and Glarus.

6 The Herfindahl index is computed as $HI = 1 - \sum_{i} s_{i}^{2}$ where $N$ is the number of characteristic values considered (i.e. number of nationalities) and $s_{i}$ is the fraction of individuals with characteristic value $i$ in the population. The index ranges from 0 to 1. It can be understood as the probability that two randomly chosen individuals in one region are different with regard to the considered characteristic value (Blau, 1977).

7 Taking into account the extensive literature on how interpersonal trust benefits income (e.g. Knack and Keefer, 1997), reversed causality seems to be a potential problem here. Addressing this endogeneity challenge surpasses the scope of this study. It is, however, worth noting that Alesina and Ferrara (2002: 223) provide empirical evidence showing that the relationship between income inequality and trust remains robust to the estimation of instrumental variables. Future research on ethnic diversity and social trust should consider the potential problem of endogeneity more thoroughly. We thank an anonymous reviewer for highlighting this point.

8 Cantonal integration policies exhibit a limitrophe coinage: In line with France’s jus soli citizenship conception, policies in French-speaking cantons are more liberal than the ones in German-speaking cantons and the Italian-speaking canton Tessin, which in turn exposed to the more restrictive jus sanguinis citizenship ideologies of German-speaking countries and Italy (Manatschal, 2012).

9 The empty null-model can be found in Table S4 in the online appendix.

10 Given the relatively small number of cantonal units (17), we tested in further analyses not presented here whether any canton has to be considered a statistical outlier which significantly distorts the presented results. We calculated Cook’s distances using the influence.ME package in R and detected no influential cases (Nieuwenhuis et al., 2015; van der Meer et al., 2010).


12 We calculated additional models including an interaction between language region and ethnic diversity in order to test to which extent cultural legacies drive the observed impact of integration policies on the relationship between diversity and trust. The results show that language region is not the predominant explanatory factor. Instead, integration policy seems to produce systematic effects on the diversity-trust link on its own (results are available upon request).


Supplementary Information

Additional information is provided with the online version of this article.

Table S1. Operationalisation and Sources of Variables.
Table S2. Descriptive Statistics: Individual Variables.
Table S3. Descriptive Statistics: Contextual Level.
Table S4. Ethnic Diversity and Generalised Trust (Empty Model).

References


**Author Biographies**

**Birte Gundelach** is a postdoctoral researcher at the Centre for Democracy Studies Aarau (ZDA) and at the Department of Political Science at the University of Zurich. Her research focuses on social trust, political and social participation and ethnic diversity. Previous research has appeared in *Political Behavior* and *Nonprofit and Voluntary Sector Quarterly*, among others.

**Anita Manatschal** is a postdoctoral researcher at the Institute of Governmental Studies at the University of California, Berkeley. Her research interests embrace migration, civic engagement, comparative policy analysis and political institutions. Recent publications have appeared in journals such as *Ethnic and Racial Studies, Rationality and Society, Journal of Ethnic and Migration Studies, Comparative European Politics, Swiss Political Science Review, Acta Sociologica, West European Politics* and *Policy Sciences*, as well as in various edited volumes and monographs.