

# SOCIAL COHESION, GLOBAL GOVERNANCE AND THE FUTURE OF POLITICS

## Understanding and fostering social cohesion

**Gianluca Grimalda**, Kiel Institute for the World Economy and IPSP  
**Nicholas Tänzer**, Kiel Institute for the World Economy

[www.t20argentina.org](http://www.t20argentina.org)



/T20Solutions



@T20Solutions



/T20Solutions



## Abstract

*We offer theoretical foundations for the notion of social cohesion, provide empirical evidence for its drivers and impact on policy-relevant targets (such as GDP and well-being) and analyze its trend. We then offer several recommendations on how to foster social cohesion, pertaining to either its “objective” component – e.g. facilitating participation in association and community work, inserting “service-learning” into school curricula, acting for inclusive growth – and its “subjective” component – e.g. encouraging media and civil society to self-regulate to reduce the diffusion of false information, improving tolerance across groups and removing stereotypes over immigrants’ perceived lack of integration in society.*

## Challenge

Originating from the Latin word ‘*cohaerere*’ (to stick, to be tied together), social cohesion refers to the sense of community and the solidarity exhibited by people of a society. A cohesive society can be defined as being “*characterized by resilient social relations, a positive emotional connectedness between its members and the community and a pronounced focus on the common good*” (Bertelsmann Foundation, 2013: 12; Tönnies (1887), Durkheim (1897)). The literature identifies two dimensions of social cohesion:

- **Horizontal** Vs. **vertical**: The horizontal dimension looks at inter-individual relationships – such as how much trust people put in others, or the willingness to join associations. The vertical dimension focuses on relationship between the individual and a superordinate institution, such as state and government, looking for instance at how much trust citizens put in their governments.
- **Subjective** (or cognitive) Vs. **objective** (or behavioral): Social cohesion encompasses both the perceived sense of belonging of a member to her group (subjective dimension), as well as the concrete manifestations of her attachment to (or embeddedness into) the group (behavioural dimension) (Bollen and Hoyle 1990). The perceived intimacy of a relationship is as important for an individual as the “objective” number of relationships that a person holds (Williams and Solano 1983).

Social cohesion is a crucial variable for society’s welfare. As documented in the Appendix, section A1, social cohesion has a direct positive effect on the quality of institutions, and thus on economic growth, as well as on subjective well-being and health. Social cohesion is thwarted by social divisions triggered by income, ethnicity,



political parties, caste, language, gender differences or other demographic variables. Rising levels of inequality and increased immigration undermine social cohesion, if these processes are not properly handled.

Section A2 in the Appendix documents the evolution of social cohesion in an international comparative perspective. Although social cohesion shows relative stability in the aggregate, some worrying trends emerge analyzing its underlying components, particularly acceptance of racial diversity and trust in governments, which show decreasing trends. Moreover, with spiraling levels of inequality, social cohesion seems under threat. Milanovic (2016) and Acevedo (2018) show that while the global elites have amassed large portions of income over the last two decades, the incomes of the poor have remained stagnant over the last three decades. The success of populist political movements in the West may be accounted for by the resentment experienced by those left behind with respect to the élites breaking away from the “social contract”.

Fostering social cohesion requires dealing with both its objective and subjective components, addressing aspects as disparate as correcting individuals’ stereotypes over other groups in society - particularly immigrants and racially diverse others -, facilitating participation in associations and the undertaking of community work, and implement macro-policies aiming at inclusive growth. These challenges require a comprehensive and integrated approach. In many cases civil society and bottom-up initiatives should take center stage, while governments take on a subsidiary facilitating role only.

## 1. Conceptualizing social cohesion

As mentioned in the “Challenge” section, social cohesion rests on both a horizontal / vertical dimension, and on a subjective / objective dimension. Various components of each category are enumerated in Table 1, which draws on Bertelsmann (2013) and Chan et al. (2005).



**Table 1.** Measuring Social Cohesion: A two-by-two framework (based on Chan et al. 2005 and Bertelsmann Foundation, 2013)

	Subjective component	Objective component
Horizontal dimension	<p>General trust in other citizens</p> <p>Willingness to cooperate and help other citizens</p> <p>Sense of belonging to the community and identification</p> <p>Acceptance of diversity</p>	<p>Memberships in associations, trade unions, clubs etc.</p> <p>Community work, donations</p> <p>Respect for social rules</p>
Vertical dimension	<p>Trust in institutions</p> <p>Trust in leaders and public figures</p> <p>Perception of fairness</p>	<p>Civic and Political participation</p>

## 2. Recommendations

### 2.1 Tackling the “objective” side of social cohesion

#### **Recommendation 1: Facilitate the constitution and the participation in associations and community work**

Participation in associations is a key component of social cohesion. We recommend that governments facilitate both the creation of associations and the likelihood with which people can join. This may take the form of providing fiscal incentives for the constitution of associations, in particular through tax discounts for donations to charities, conceding loans for start-up projects to associations whose goals seem particularly worth of support, providing the general public with information over associations’ activities.

#### **Recommendation 2: Offer educational programs providing students with the opportunity to engage in community work and association membership.**

So called service-learning, i.e. the practice of inserting active participation in volunteer associations as a requirement of school curricula, has been implemented in some countries such as the US, though never on an extensive scale. Analyses of its impact are unambiguously positive. Not only does service-learning enhance the probability of future volunteerism (Griffith 2010), but also personal well-being and life satisfaction



in the long run (Bowman et al. 2010). It also reduces teenage pregnancy, alcohol consumption and criminal conduct (Allen et al. 1997), while improving educational achievements, political activity and attitudes toward civic participation (Hart et al. 2008). The available evidence clearly indicates that the establishment of such programs would have beneficial effects for both social cohesion and well-being.

### **Recommendation 3: Facilitate the opportunities for citizens' enforcement of social rules**

Another constituent element of social cohesion is rule abidance. Incentivizing social norms compliance “from above” may run the risk of backfiring through so-called crowding-out effects (see Appendix: section A4). This is the tendency for “intrinsically motivated” people to give up on pro-social behavior when material incentives are set to favor such pro-social behavior. There have been nonetheless a number of initiatives in which public authorities offered support and coordination, rather than monetary incentives, in order to provide public goods. One example is the so-called “Neighbourhood Watch” initiative, whereby citizens of a certain neighborhood are encouraged to take explicit actions to watch over their district of residence, and to exchange information over security issues with both other citizens and the police. These initiatives seem capable of reducing crime activities (Bennett et al., 2006) and increase citizens' sense of security (Henig, 1984). We endorse public authorities encouraging such activities, offering coordination and expertise among citizens. A number of public goods could also be provided in the process.

### **Recommendation 4: Facilitate citizens' political engagement**

A wide range of democratic innovations has been implemented, particularly in Latin America, to increase and deepen citizens' participation in the political decision-making process (see IPSP: Chapter 14 for a review).

- *Participatory budgeting* involves citizens in the definition, formulation, decision, and control over several aspects of the municipal budget. In the pioneering case of Porto Alegre, Brazil, popular assemblies gather thousands of individuals with the goal of formulating demands over infrastructure and investment. Some of these demands are then selected in a transparent political process, in which relative poverty enters as a key criterion for selection. Many other municipalities in Latin America adopted similar practices.
- *Policy councils* foster co-governance among public authorities, civil society, business leaders and service providers. Policy councils may have a deliberative and agenda-setting function, or a management and decision-making functions - for example in the health sector -or the representative purpose of including minority groups in the policy process.



- *National public policy conferences* involve large number of citizens in a multi-level deliberation process aiming at formulating demands to the national government. Although such policy proposals are non-binding, the experience in Brazil shows that the national government is open to implementing these demands.
- *Mini-publics* involve groups of citizens that are randomly selected from the population at large, who are asked to express their recommendation on a set of social or political issues, upon receiving evidence and information from experts.

Actual voting in political elections may also be encouraged, for instance increasing the number of polling stations, extending their opening time, fixing voting on festive days rather than during the working week.

These activities are worth being pursued, not only for their practical consequences, which often entail redistribution toward disadvantaged groups, but also because they foster inclusion (Avritzer, 2009; Wampler, 2007). The political psychological literature suggests that having a “voice” is extremely important for individuals, often well beyond the instrumental value that this voice might have on final outcomes (Grimalda et al., 2016).

### **Recommendation 5: Comply with a strategy of inclusive growth**

In other works of this taskforce we have laid out the foundations of inclusive growth (Boarini et al, 2017). That is a process whereby growth (a) is meant to benefit all economic and social groups in the population, leaving no one behind; (b) considers a comprehensive notion of well-being that is not limited to income but looks at other aspects of objective and subjective well-being, such as in particular individuals' inclusion in the society. Reducing economic and social inequality and facilitating the access to education at all levels can improve both inclusive growth and social cohesion.

### **Recommendation 6: Empower individuals as consumers and workers**

The above recommendations mainly focus on community life, but we recognize that empowerment of individuals in other life domains is also important for social cohesion. In particular, helping consumers to have a say in the patterns of production could be important to enhance their involvement in society (Micheletti et al., 2003). Improving the governance of companies and businesses organizations through enhanced collective bargaining and other forms of democratization may also be important. Finally, fostering the activities of social enterprises and “B-corp” firms<sup>1</sup> will also enhance individuals' inclusions in society, as the frontier between community and economic activity becomes more blurred.

---

<sup>1</sup> <https://www.bcorporation.net/>



## 2.2 Tackling the “subjective” side of social cohesion

Dealing with individuals’ process of opinion formation is problematic, because the need to sanction the transmission of factually wrong information needs to be balanced with the need to respect individuals’ autonomy in forming their own values and views of the world. Nevertheless, we believe that there is ample space for action. In Appendix, section A5, we clarify in which sense an individual may end up having an incorrect vision of reality. We assume that individuals receive imperfect “signals” over the true state of the world, and that value judgement might affect the interpretations of such signals because of cognitive dissonance. Even if cognitive or judgement errors are inevitable, it is obvious that the more a fact becomes uncontroversial, the higher the probability that the individual will eventually form the correct view on such fact. In the specific case of social cohesion, the more the government acts to foster social cohesion, the more likely it is that the individual will in the end form the correct opinion on how much she can expect from the rest of society. For this reason, we encourage policy-makers to take measures to improve the set of variables that has been identified as relevant determinants of social cohesion.

### **Recommendation 7: Improve integration of immigrants in society**

In many Western countries integration is subject to a “test” of knowledge of the language, culture and institution of the recipient countries. Although we believe that language is important, the effectiveness of such tests has been challenged. We propose alternatives.

Discrimination rests on evolved psychological propensities to categorize the self and others into groups, to identify the self with one - or more - of such groups, and to also categorize others into groups (see Appendix, section A3). Although it may be unavoidable to construe social relationships in terms of an “us vs them” perspective, education and cultural processes should prevent this perspective to become a conflictual one.

One of the possible causes of discrimination is so called statistical discrimination. That is the phenomenon whereby individuals belonging to a certain group are attributed the same characteristics that are believed to hold for the whole group. Note that the belief may be true. Most typically, though, the beliefs are unfounded or factually false and people belonging to certain groups will be stereotypically discriminated against (Dorough and Glöckner, 2016). Immigrants in many countries are statistically discriminated against on the basis of stereotypical beliefs that they lack work ethic, or hold too different values from those held by natives in order to be integrated in society. An effective way to break down such beliefs relies once more, we believe, on volunteerism and community work. We envisage immigrants’ participation into voluntary associations involving both natives and immigrants, which perform





beneficial activities for the community.

Such type of activities would have many advantages in addition to the public goods they provide. They would permit “transmission” of the relevant social norms from natives to immigrants, let alone language skills. They would contribute to remove natives’ prejudices associated with immigrants’ poor work ethic, or their unwillingness to integrate into the native community. Moreover, they would demonstrate to the native population immigrants’ willingness to contribute to the common good. The involvement in such activities should not be compulsory but accessible on a voluntary basis by both immigrants and associations. Public authorities should nonetheless play a role in encouraging immigrants’ participation explaining their benefits. Associations may receive subsidies to implement these activities, though preferably this should not be the case to remove crowding-out effects. The existence of such activities and their beneficial consequences should be disseminated across citizens.

Several Western governments have been considering bans on wearing clothing strongly associated with religious practices in public spaces - most typically the headscarf as symbol of Islam. We believe that such policies are actually counterproductive, because they reinforce the “us vs them” construal of social relationship. The people who are at the receiving ends of such bans will feel discriminated against, thus thwarting their process of integration into society. We therefore do not encourage such bans.

### **Recommendation 8: Improve reciprocal tolerance across different ethnic and social groups**

The social psychological literature is divided over so-called conflict and contact theory, which state that mixing racial groups causes either further radicalization (conflict theory), or, on the contrary, the removal of psychological cleavages (contact theory) (see Putnam, 2007, for a review). We do not believe that integration strategies can always be effective in the short-term, hence we are not surprised that conflict theory appears to be dominant in many instances. Nonetheless, we note that the existence of very diverse attitudes toward immigration across geographical regions in a country or across countries - e.g. negative attitudes towards immigrants are concentrated in Eastern Germany within Germany, or in Eastern and Southern Europe within Europe - point to the extreme power that different educational systems can have in shaping attitudes towards immigration. We share Putnam’s (2007) view that a society that is racially and ethnically diverse will enrich its citizens in the long term under many perspectives - not least the economic one. Hence, societies should be prepared to pay the short-term costs of removing segregation barriers in order to reap the long-term benefits of a diverse society.

The same approach holds not only for racial groups but also for economic groups. Urban spaces tend to be highly segregated across income classes, with the rich



occupying different areas from the poor (see IPSP, chapter 5). This entails that social interactions become segmented and do not reach out to people who are economically diverse. These divisions facilitate lack of solidarity from the rich towards the poor, thus favoring the élites breaking away from the social contract, amassing their wealth in tax havens and subtracting it from the country's tax base. Even in this case, we advocate a patient approach of mixing together of people from different economic classes, overcoming the actual patterns of strong segregation. We believe that this social policy would engender various positive effects, both in augmenting the sense of inclusion by the poor, and increasing the sense of duty and obligation towards society by the rich.

**Recommendation 9: Engage in a public dialogue with the media, broadly defined, in order to discard the diffusion of so-called “fake news”**

The rapid diffusion of social media has brought to the fore the possibility of so-called “fake news” – the artefactual diffusion of false facts, mainly to shift political or electoral consensus. Finding strategies to intervene on this issue is complicated by the risk of limiting individual freedom of expression. Nonetheless, it is of paramount importance to acknowledge that media should be treated as a public good for society, alike other sectors – e.g. education – and infrastructures (see IPSP, chapter 13), because of their importance for the democratic functioning of societies. The increasing concentration in the media and information industry is in this sense worrying and should be monitored by public authorities. The lack of transparency and accountability by media companies should also be addressed.

Bottom-up solutions coming from civil society should play a major role in the monitoring of the media. We endorse a national and global dialogue among governments, civil society and the media sector – broadly defined. The government should encourage the media sector to voluntarily subscribe to codes of conduct aiming to eradicate the phenomenon of false reporting or fake news. This strategy may also rely on auditing and certification by credible authorities independent from the government over the reliability of a certain news source – be it an official media company or a Twitter account. An example of such codes of conduct is laid out in the “Journalism Trust Initiative”.<sup>2</sup> Empowering “fact-checking” associations, whose aim is to highlight and disseminate the misreporting of information, should also be encouraged.

**Recommendation 10: Identify sensitive areas for trust in governments and implement policies to improve consensus**

Extensive survey research permits to identify areas of government activities to which public opinion is particularly sensitive. Recent research conducted within the OECD

---

2 <https://ethicaljournalismnetwork.org/rsf-trust-initiative>



Trustlab project<sup>3</sup> identifies government integrity – meaning, mainly, refraining from bribery and corruption practices – as the characteristic that is of greatest importance to the public of four Western countries. This factor is nearly twice as important as other factors, such as effectiveness and responsiveness to citizens' demands. This evidence clearly suggests that the one area where governments are expected to come clean to the public is that of perceived corruption.

Existing policies are reviewed in Appendix: section A6.

---

<sup>3</sup> [https://www.oecd.org/naec/TRUSTLAB\\_NAEC\\_final.pdf](https://www.oecd.org/naec/TRUSTLAB_NAEC_final.pdf)



## References

1. Adida, C. L., Laitin, D. D., & Valfort, M. A. (2010). Identifying barriers to Muslim integration in France. *Proceedings of the National Academy of Sciences*, 107 (52), 22384-22390.
2. Alesina, A., & La Ferrara, E. (2002). Who trusts others? *Journal of public economics*, 85 (2), 207-234.
3. Allen, J. P., Philliber, S., Herrling, S., & Kuperminc, G. P. (1997). Preventing teen pregnancy and academic failure: Experimental evaluation of a developmentally based approach. *Child Development*, 68 (4), 729-742.
4. Andreoni, James. (2004). *Philanthropy*. L. A. Gérard Varet, S. C. Kolm and J. Mercier Ythier, *Handbooks of Giving, Reciprocity and Altruism*. Amsterdam: Elsevier/North Holland.
5. Atkinson, A. B. (2015). *Inequality*. Harvard University Press.
6. Avritzer, L. 2009. *Participatory Institutions in Democratic Brazil*, Baltimore, MA: The Johns Hopkins University Press.
7. Bénabou, R., & Tirole, J. (2006). Incentives and prosocial behavior. *American economic review*, 96(5), 1652-1678.
8. Bennett, T., Holloway, K., & Farrington, D. P. (2006). Does neighborhood watch reduce crime? A systematic review and meta-analysis. *Journal of Experimental Criminology*, 2(4), 437-458.
9. Berger-Schmitt, R. (2002). Considering social cohesion in quality of life assessments: Concept and measurement. *Social indicators research*, 58 (1-3), 403-428.
10. Bertelsmann Foundation (2013). *Social Cohesion Radar. Measuring Common Ground. An International Comparison*
11. Bertrand, M., & Mullainathan, S. (2004). Are Emily and Greg more employable than Lakisha and Jamal? A field experiment on labor market discrimination. *American economic review*, 94 (4), 991-1013.
12. Bisin, A., & Verdier, T. (2011). The economics of cultural transmission and socialization. In: Benhabib, J., Bisin, A., & Jackson M. O. (Eds.). *Handbook of social economics*. Amsterdam: North-Holland.



13. Boarini R, Causa O, Fleurbaey M, Grimalda G, Woolard I (2017). Reducing inequalities and strengthening social cohesion through Inclusive Growth: a roadmap for action. *G20 Insights. T20 Task Force on Global Inequality and Social Cohesion*.
14. Bosch, M., Carnero, M. A., & Farre, L. (2010). Information and discrimination in the rental housing market: Evidence from a field experiment. *Regional science and urban Economics*, 40 (1), 11-19.
15. Bowles, S., & Polania-Reyes, S. (2012). Economic incentives and social preferences: substitutes or complements?. *Journal of Economic Literature*, 50(2), 368-425.
16. Bowman, N., Brandenberger, J., Lapsley, D., Hill, P., & Quaranto, J. (2010). Serving in College, Flourishing in Adulthood: Does Community Engagement During the College Years Predict Adult Well-Being? *Applied Psychology: Health and Well-Being*, 2 (1), 14-34.
17. Brewer, M. B. (1999). The psychology of prejudice: Ingroup love and outgroup hate? *Journal of social issues*, 55 (3), 429-444.
18. Carron, A. V., & Spink, K. S. (1995). The group size-cohesion relationship in minimal groups. *Small group research*, 26 (1), 86-105.
19. Chan, J., To, H. P., & Chan, E. (2006). Reconsidering social cohesion: Developing a definition and analytical framework for empirical research. *Social indicators research*, 75 (2), 273-302.
20. Correll, J., Park, B., Judd, C. M., & Wittenbrink, B. (2002). The police officer's dilemma: Using ethnicity to disambiguate potentially threatening individuals. *Journal of personality and social psychology*, 83 (6), 1314.
21. Deci, E. L., & Ryan, R. M. (1987). The support of autonomy and the control of behavior. *Journal of personality and social psychology*, 53 (6), 1024.
22. Delhey, J., & Dragolov, G. (2016). Happier together. Social cohesion and subjective well-being in Europe. *International Journal of Psychology*, 51(3), 163-176.
23. Durkheim, E. (1897). *Le suicide: Etude de sociologie*. Paris: Felix Alcan.
24. Dorrough AR, Glöckner A. Multinational investigation of cross-societal cooperation. *Proceedings of the National Academy of Sciences*. 2016;113(39):10836-41.
25. Easterly, W., Ritzen, J., & Woolcock, M. (2006). Social cohesion, institutions, and



growth. *Economics & Politics*, 18 (2), 103-120.

26. Eisenberg, N., Fabes, R. A., & Spinrad, T. L. (1998). *Prosocial development*. John Wiley & Sons, Inc..

27. Festinger, L. (1962). *A theory of cognitive dissonance* (Vol. 2). Stanford university press.

28. Foa, R. (2011). The Economic Rationale for Social Cohesion–The Cross-Country Evidence. OECD International Conference on Social Cohesion and Development [citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.230.2442&rep=rep1&type=pdf](http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.230.2442&rep=rep1&type=pdf).

29. Griffith, J. (2010). Community Service Among a Panel of Beginning College Students: Its Prevalence and Relationship to Having Been Required and to Supporting “Capital”. *Nonprofit and Voluntary Sector Quarterly*, 39 (5), 884-900.

30. Grimalda G, Kar A, Proto E (2016). Procedural Fairness in Lotteries Assigning Initial Roles in a Dynamic Setting, *Experimental Economics*, 19: 819-841. doi: 10.1007/s10683-015-9469-5.

31. Hart, D., Matsuba, M. K., & Atkins, R. (2008). The moral and civic effects of learning to serve. In: Nucci, L. P., & Narvaez, D. (Eds.). *Handbook of moral and character education*. New York: Routledge.

32. Helliwell, J. F., & Putnam, R. D. (2007). Education and social capital. *Eastern Economic Journal*, 33 (1), 1-19.

33. Helliwell, J. F., & Wang, S. (2011). Trust and wellbeing. *International Journal of Wellbeing*, 1 (1), 42-78.

34. Henig, J. R. (1984). Citizens against crime: An assessment of the neighborhood watch program in Washington, DC. *Occasional Paper*, 2.

35. Heyneman, S. P. (2000). From the party/state to multiethnic democracy: Education and social cohesion in Europe and Central Asia. *Educational evaluation and policy analysis*, 22 (2), 173-191.

36. Hooghe, M., Reeskens, T., Stolle, D., & Trappers, A. (2009). Ethnic diversity and generalized trust in Europe: A cross-national multilevel study. *Comparative political studies*, 42 (2), 198-223.

37. International Panel on Social Progress (IPSP) (2018). “Rethinking Society for



the Twenty-First Century: Report of the International Panel on Social Progress". Cambridge: Cambridge University Press.

38. Kawachi, I., & Berkman, L. F. (2001). Social ties and mental health. *Journal of Urban health*, 78 (3), 458-467.

39. Kawachi, I., Kennedy, B. P., Lochner, K., & Prothrow-Stith, D. (1997). Social capital, income inequality, and mortality. *American journal of public health*, 87 (9), 1491-1498.

40. Kesler, C., & Bloemraad, I. (2010). Does immigration erode social capital? The conditional effects of immigration-generated diversity on trust, membership, and participation across 19 countries, 1981-2000. *Canadian Journal of Political Science*, 43 (2), 319-347.

41. Knack, S., & Keefer, P. (1997). Does social capital have an economic payoff? A cross-country investigation. *The Quarterly journal of economics*, 112(4), 1251-1288.

42. Mellström, Carl, and Magnus Johannesson. "Crowding out in blood donation: was Titmuss right?." *Journal of the European Economic Association* 6.4 (2008): 845-863.

43. Micheletti M, Føllesdal A, Stolle D (eds.). *Politics, Products and Markets*. Exploring Political Consumerism Past and Present. New Brunswick, NJ: Transaction Press; 2003.

44. Nannestad, P. (2008). What have we learned about generalized trust, if anything? *Annual Review of Political Science*, 11, 413-436.

45. Nunn, N., & Wantchekon, L. (2011). The slave trade and the origins of mistrust in Africa. *American Economic Review*, 101 (7), 3221-52.

46. *of Social Cohesion*. Gütersloh, Germany: Bertelsmann-Foundation.

47. Pahl, R. E. (1991). The search for social cohesion: from Durkheim to the European Commission. *European Journal of Sociology*, 32 (2), 345-360.

48. Putnam, R. D. (2007). E pluribus unum: Diversity and community in the twenty-first century. *Scandinavian political studies*, 30 (2), 137-174.

49. Putnam, R. D. (2007). E pluribus unum: Diversity and community in the twenty-first century the 2006 Johan Skytte Prize Lecture. *Scandinavian political studies*, 30(2), 137-174.

50. Putnam, R. D., Leonardi, R., & Nanetti, R. Y. (1993). Making democracy work: Civic



institutions in modern Italy. Princeton: Princeton University Press.

51. Riach, P. A., & Rich, J. (2002). Field experiments of discrimination in the market place. *The economic journal*, 112 (483), 480-518.

52. Roccas, S., & Brewer, M. B. (2002). Social identity complexity. *Personality and Social Psychology Review*, 6 (2), 88-106.

53. Rodrik, D. (1999). Where did all the growth go? External shocks, social conflict, and growth collapses. *Journal of economic growth*, 4 (4), 385-412.

54. Tajfel, H., & Turner, J. C. (1986). The social identity theory of intergroup behavior. In Worchel, S., & Austin, W. G. (Eds.). *Psychology of intergroup relations*. Chicago: Nelson-Hall.

55. Titmuss, Richard M. (1970). *The Gift Relationship*. Allen and Unwin.

56. Tönnies, F. (1887). *Gemeinschaft und Gesellschaft*. Abhandlung des Communismus und des Socialismus als empirischer Culturformen. Leipzig: Fues's Verlag.

57. Uslaner, E. M. (2002). *The moral foundations of trust*. Cambridge: Cambridge University Press.

58. Wampler, B. 2007. *Participatory Budgeting in Brazil: Contestation, Cooperation, and Accountability*, Pennsylvania: Penn State University Press.





## Appendix: Supporting materials

### A1. Drivers and ramifications of social cohesion

We here summarize the empirical work on the determinants of social cohesion and on its effects on other key variables for policy.

- **Racial diversity:** The existence of cleavages across ethnic and racial lines is often considered as the main obstacle to social cohesion (Easterly et al. 2006). Such cleavages are based on what the social psychology literature – particularly Social Identity Theory (see Appendix, section A3) – identifies as a key component of human psychology, i.e. the tendency to categorize people into groups, to identify with one group and to draw comparisons across groups. Racial diversity offers a very strong group demarcation. At the cognitive level, identification of race occurs even faster than identification of gender or age in human brains (Eisenberg et al., 1998).

The seminal work of Alesina and La Ferrara (2002) supports the idea that more diverse communities are associated with *lower* levels of horizontal (but not vertical) trust, and in willingness to join associations, across US municipalities. Hence, racial diversity can be thought of as lowering social cohesion. They account for this evidence with aversion to diversity. Some subsequent studies replicated this result (Putnam 2007) in the United Kingdom or Canada, while others did not (Nannestad 2008). Interestingly, no correlation between generalized trust and ethnic fractionalization was found at the national level across 20 European countries (Hooghe et al. 2009). Hence, the effect of ethnic diversity may be specific to culture or historical trajectories.

- **Economic inequality:** Kawachi et al. (1997) demonstrate a generally negative impact of income inequality on horizontal trust. This result may be due to lack of optimism that one will benefit from societal progress (Uslaner 2002). Interestingly, evidence has been provided that immigration has a negative effect on social cohesion only in countries with high levels of economic inequality (Kesler and Bloemraad 2010).
- **Education:** A positive relationship between education and social cohesion has been empirically confirmed (Helliwell and Putnam 2007). The reason is that creating a mutual identity and facilitating cooperation within the society is one of the main purposes of public education (Heynemann, 2000).
- **Historical events:** In line with the idea that cultural values may be very persistent over time (Bisin & Verdier 2015), there is also evidence that historical



events influence social cohesion in the long term. Nowadays trust is still lower among ethnic groups in Africa which were most affected by slave trade in the past (Nunn & Wantchekon 2011). Likewise, Northern Italian cities with more inclusive political structures in the medieval still possessed higher levels of social capital nearly a thousand years later (Putnam et al. 1993).

Social cohesion has important ramifications on variables that are of clear interest for individuals' well-being:

- **GDP:** Social cohesion has been demonstrated to have both a direct positive effect on GDP (Foa 2011), partly caused by the huge economic costs of inter-racial conflict and war, or an indirect effect, through the facilitation of better institutions like the juridical system or freedom of expression (Easterly et al. 2006). Similarly, it has been shown that countries whose GDP was more strongly affected by the economic crises in the 1970s had scarcely cohesive societies (Rodrik 1999).
- **Subjective well-being:** It has been shown that increased trust has the same impact on life satisfaction as an increase by two-thirds of household income (Helliwell and Wang 2011). A positive relationship between well-being and overall social cohesion has also been established (Delhey, J., & Dragolov, 2016).
- **Health:** Data from 39 US states indicate that social cohesion fosters mental (Kawachi and Berkman 2001) as well as physical health, even moderating the effect of income equality on increased mortality. It has also been demonstrated that a disinvestment in social capital leads to the rise of mortality rates (Kawachi et al. 1997).

## A2.Evolution of social cohesion

The Social Cohesion Radar of the Bertelsmann Foundation (2013) has measured social cohesion in four waves across 34 OECD countries. The analysis shows broad international differences, with Scandinavian countries being ranked at the top throughout all four waves, Eastern European countries at the bottom, and Central European countries in the middle. Whereas the levels of social cohesion in Canada and the US were similar to those in Northern Europe in the 1990s, both countries experienced substantial declines during the last 15 years. Conversely, social cohesion has remained stable - but at low levels - in several Southern European Countries that were severely affected by the Great Recession originated in 2008. This may be due to the stability over time of the objective dimension, particularly association membership. On the contrary, the subjective component experienced a decrease in trust in institutions in many countries (see Figure 1 in the Appendix), and even more markedly, in acceptance of diversity.



Germany is a notable case, with acceptance of diversity dropping while the overall indicator of social cohesion has risen. The evolution of World Value Survey indicators of horizontal trust does not show any obvious trend over a time span of about 20 years (see Figure 2). It also shows very little variation comparing the wave before and after the 2008 Great Recession (not reported).

It is often claimed that social cohesion is decreasing in our societies because of rising inequalities and the impact of the Great Recession. Although it is difficult to draw generalizations, the analysis of these indicators would tentatively suggest that Western societies are overall more resilient and cohesive than one could think of. This is of course a consequence of the fact that all the different components of the index enter with equal weight in the overall index. In that sense, it is worrying to see a drop in acceptance of diversity and trust in institutions, while it is reassuring that trust in others does not seem to follow the same trend. We also point out that indicators of how much people can expect to be supported and helped by others, especially in a time of crisis, are absent from international social survey. Since this seems to be an important constituent of sense of community and of the perception of solidarity that citizens experience, it seems that a fundamental component of social cohesion cannot be properly measured.

T20  
ARGENTINA 2018  
THINK 20

CARI / CONSEJO ARGENTINO PARA LAS  
RELACIONES INTERNACIONALES

CIPPEC®