

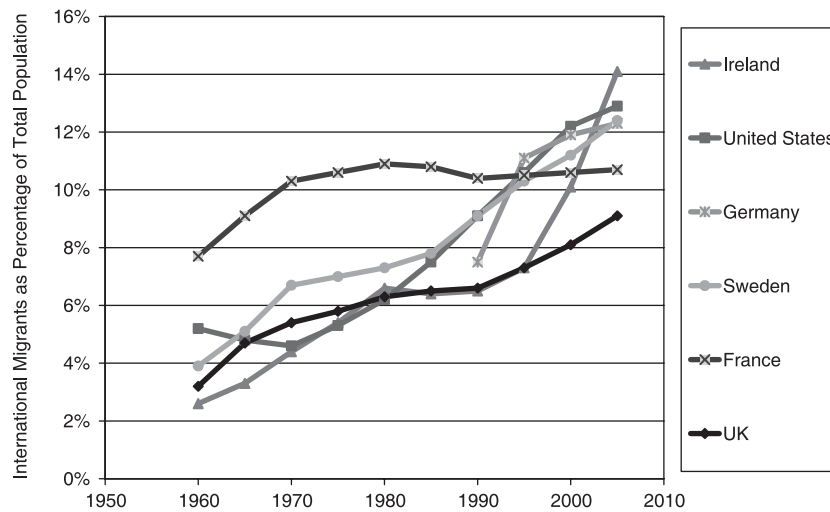
effects of diversity by constructing new, more encompassing identities. Thus, the central challenge for modern, diversifying societies is to create a new, broader sense of 'we'.

The Prospects and Benefits of Immigration and Ethnic Diversity

Figure 1 provides illustrative evidence that immigration has grown remarkably across the advanced nations of the world over the last half century. This chart shows the trends in six different countries, selected more or less at random, with quite different historical trajectories: the United States, Ireland, Sweden, Germany, Britain and France. Although these countries began at somewhat different starting points in the 1960s (France relatively higher, Ireland relatively lower), the general pattern is a clear convergence toward a much higher number of immigrants as a fraction of the total population.

Of course, not all immigrants are ethnically different from the native population: Danish immigrants do not significantly alter the ethnic mix in Sweden, nor do Canadian immigrants in the United States. Conversely, much of the ethnic diversity in the United States, especially black-white

Figure 1. Growth of Immigration in Selected OECD Countries, 1960–2005.



Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, 'Trends in Total Migrant Stock: The 2005 Revision', <http://esa.un.org/migration>, 27 September 2006.

diversity, is entirely unrelated to immigration since the ancestors of most African-Americans have been in the United States longer than the ancestors of most white Americans. So diversity and immigration are not identical, and in our subsequent, more detailed analyses we will need to make that distinction more explicit and rigorous. Nonetheless, as a general rule, the mounting wave of immigration depicted in Figure 1 has increased ethnic diversity in the receiving countries. Moreover, because immigrant groups typically have higher fertility rates than native-born groups, ethnic diversity in virtually all of these countries would still increase in the years ahead, even if all new immigration were somehow halted (Smith & Edmonston 1997).

So our societies will inevitably be more ethnically diverse tomorrow than they are today. And that diversity will be a valuable national asset.³ It is not merely that national cuisine is enhanced by immigration, or even that culture of all sorts is enhanced by diversity, though culture and cuisine in my own country provide powerful evidence of those benefits.

- Creativity in general seems to be enhanced by immigration and diversity (Simonton 1999). Throughout history, for example, immigrants have accounted for three to four times as many of America's Nobel Laureates, National Academy of Science members, Academy Award film directors and winners of Kennedy Center awards in the performing arts as native-born Americans (Lerner & Roy 1984; Simonton 1999, Chapter 6; Smith & Edmonston 1997, 384–5). If we were to include second-generation immigrants (i.e. the children of immigrants), the contribution of immigrants would be even greater. Many (though not all) of the scores of studies of collective creativity in work groups (in business, education and so on) find that diversity fosters creativity (Webber & Donahue 2001; O'Reilly et al. 1997; Williams & O'Reilly 1998). Scott Page (2007) has powerfully summarized evidence that diversity (especially intellectual diversity) produces much better, faster problem-solving.
- Immigration is generally associated with more rapid economic growth. The economics profession has debated the short-run economic consequences of immigration for native workers. While there are important distributional effects to be considered, especially the impact of immigration on low-wage native workers in the US, the weight of the evidence suggests that the net effect of immigration is to increase national income. One recent study, for example, suggests that the income of native-born Americans rises more rapidly, *ceteris paribus*, if they are living in places with more immigrants than if they are living in places with fewer immigrants.⁴
- In advanced countries with aging populations, immigration is important to help offset the impending fiscal effects of the retirement of the baby-boom generation (Smith & Edmonston 1997, Chapters 6 and 7). In my country, for example, young immigrant workers (documented and

undocumented) contribute financially to our Social Security system, but will not draw benefits for several decades, if at all, thus mitigating the otherwise unsustainable imbalance in the medium term between outflow and inflow into our national coffers.⁵ This effect is even more important in the more rapidly aging nations of Europe and East Asia.

- New research from the World Bank has highlighted yet another benefit from immigration, one of special relevance to the Nordic countries that have long played a disproportionate role on issues of global development. This new research suggests that immigration from the global South to the richer North greatly enhances development in the South, partly because of remittances from immigrants to their families back home and partly because of the transfer of technology and new ideas through immigrant networks. So powerful is this effect that despite 'brain drain' costs, increasing annual northward immigration by only three percentage points might produce net benefits greater than meeting all our national targets for development assistance *plus* cancelling all Third World debt *plus* abolishing all barriers to Third World trade (World Bank 2005; Pritchett 2006).

In short, immigration and multicultural diversity have powerful advantages for both sending and receiving countries. Yet what about the effects on social capital?

Immigration and Diversity Foster Social Isolation

In the theoretical toolkit of social science we find two diametrically opposed perspectives on the effects of diversity on social connections. The first, usually labelled the 'contact hypothesis', argues that diversity fosters interethnic tolerance and social solidarity. As we have more contact with people who are unlike us, we overcome our initial hesitation and ignorance and come to trust them more. Some of the most striking evidence in support of the contact hypothesis came originally from a famous study of the American soldier during the Second World War. White soldiers were asked how they would feel about having black soldiers serving in the same platoon with them. As Table 1 shows, among white soldiers who in fact had no contact with black soldiers, most opposed the idea. On the other hand, white soldiers who had been assigned to units with black soldiers were much more relaxed about the idea of racial integration (Stouffer 1949).

Evidence of this sort suggested to social psychologists, beginning with Gordon Allport in the 1950s, the optimistic hypothesis that if we have more contact with people of other ethnic and racial backgrounds (or at least more contact in the right circumstances), we will all begin to trust one another more.⁶ More formally, according to this theory, diversity reduces ethnocentric