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**Outgroup Neighbor Exposure (ONE):
A Framework for Hyperlocal Residential Segregation**

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Abstract

The “contact hypothesis,” or the idea that effective interpersonal contact can ameliorate outgroup prejudice, is a central (even if sometimes implicit) motivation for the quantitative measurement of residential segregation. However, extant segregation metrics typically do not account for group diversity or spatial arrangements *within* administratively defined neighborhoods, such as census blocks, which are the sites of everyday outgroup interactions that modulate anomie or trust between groups. We introduce ONE (**O**utgroup **N**eighbor **E**xposure), a simple framework combining neighborhood diversity and neighbor homophily to better account for salient outgroup contact opportunities. Using a unique census-scale demographic microdataset, we apply our framework to examine outgroup contact opportunities for two of the most spatially and socio-economically marginalized groups in India—Dalits (historically “untouchable” caste groups) and Muslims. We uncover a non-monotonic association between neighborhood diversity and neighbor homophily, such that the most diverse neighborhoods are associated with the greatest hyperlocal segregation.

Key words: Contact Hypothesis, Segregation, Diversity, India