# Contents

## Contents

List of Tables iii

List of Figures v

Preface vii

## 1 Introduction 1

1.1 Cities: People, Production, Consumption 1

1.2 Immigrants in the Netherlands 3

1.3 Ethnic Diversity, Wages, House Prices 6

1.4 Research Challenges 9

1.5 Dissertation Overview 10

## 2 Economic Impacts of Ethnic Diversity 15

2.1 Introduction 15

2.2 Data 18

2.3 Average Effects 22

2.4 The Role of Spatial Sorting 27

2.5 Results 31

2.6 Ethnic Diversity and Consumer Amenities 36

2.7 Remaining Estimation Issues 37

2.8 Conclusions 43

Appendix 2.1 44

## 3 Valuation of Ethnic Diversity 49

3.1 Introduction 49

3.2 Theoretical Background 52

3.3 A Multivariate Finite Mixture Model 55

3.4 Data 56

3.5 Results 59

3.6 Conclusions 70

Appendix 3.1 71
# Contents

4 Living Apart Together 77
   4.1 Introduction 77
   4.2 Theoretical Model 80
   4.3 Identification Strategy 85
   4.4 Data and Operationalisation 88
   4.5 Distribution of Treatments and Outcome 93
   4.6 Results 98
      4.6.1 Multivariate Results 99
      4.6.2 Trade-off 103
   4.7 Conclusion 110
   Appendix 4.1 110

5 Ethnic Drift and White Flight 115
   5.1 Introduction 115
   5.2 Econometric Model 118
   5.3 Data 123
   5.4 Results 131
   5.5 Conclusion 139
   Appendix 5.1 141

6 Conclusion 147
   6.1 Immigrants, Diversity and Urban Externalities 147
   6.2 Economic Impacts of Ethnic Diversity 149
   6.3 Heterogeneous Individuals 150
   6.4 Living Apart Together 151
   6.5 Neighborhood Relocation and Ethnicity 153
   6.6 Social Relevance and Future Research 154

References 157

Samenvatting (summary in Dutch) 169