



Evidence of the Economic and Social Advantages of Intercultural Cities Approach

Meta-analytic assessment

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Global civilization could never be anything other than the coalition at global levels of cultures, each of them retaining its originality.

C. Lévi-Strauss

1. Introduction

Contemporary societies are experiencing growing diversity both at different levels (firms, cities, regions, countries) and in different arenas (cultural, social, and economic). One of the main reasons is the process of globalization that has pushed the cross-country flows of ideas, knowledge, goods, capital and people.² Undoubtedly, no feature of globalization is considered with more unease than the large flows of workers that come from different cultural backgrounds and areas of the world.

This phenomenon is causing many tensions and policy makers have to tackle new problems and policy dilemmas. The growing mobility of workers, with varying skills, education and abilities can potentially represent an extraordinary resource. However, native citizens often perceive immigration as a threat. The resulting hostility and anxiety has the potential to explode in discrimination and xenophobia, thus making the cohabitation among diverse environments even more difficult. The awareness of this trade-off and risks has produced a heated political and economic debate and immigration-reform plans/integration policies are at the moment key issues in the institutional agenda.

From a policy perspective, the challenge is to design and implement strategies for the management of diversity that can help tapping the potential benefits of diversity while minimising its costs. This is particularly crucial for urban communities for two main reasons. First, these communities are small enough that their officials dealt directly with

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² In the last years there has been a remarkable surge in international immigration towards developed countries. In particular, the main "immigration" countries are, in decreasing order, Australia, Switzerland, Canada, the United States, and the EU. For example, in 1970 only 4.8% of the US residents were foreign-born and this percentage has grown to 8% in 1990 and to 12.5% in the year 2000 (Ottaviano, Peri, 2006). In the EU the net immigration rate was 4.7% in 2000. It should be noted that the concept of 'immigrant' in the EU not include the population groups relocating within the 27 EU countries, which partially explains the comparatively low percentage of EU immigration.

the public without hiding behind bureaucracy. Second, their governmental institutions are large enough to have specialists and educated professionals in management (Tobert, Mossberger and McNeal 2008; De Lancer, Julnes and Holzer 2001).

The Intercultural cities approach represents one of such management strategies. The Intercultural cities approach publicly advocates respect for diversity and a pluralistic city identity. In an Intercultural city, most citizens regard diversity as an asset accepting that all cultures change as they meet each other in the public space. The city actively combats prejudice and discrimination and ensures equal opportunities for all by adapting its governance structures, institutions and services to the needs of a diverse population, without compromising the principles of human rights, democracy and the rule of law. In partnership with business, civil society and public service professionals, the Intercultural city develops a range of policies and actions to encourage greater mixing and interaction between diverse groups (Wood, 2009).

Being designed, developed and first applied in 11 European pilot cities within the last few years this approach resulted in adoption and/or reformation of policies related to the needs of the cities' diverse communities. It encouraged establishment or further development of relevant governance mechanisms and institutions that work today to ensure inclusion and equality and to enhance citizens' participation. Productive involvement of public institutions and business organizations, local NGOs and community associations, media and a variety of youth organizations in intercultural policy formation today is evidence of already existing coordinated structures for empowerment of diverse communities in the pilot cities. Sustainability of these structures - as a necessary condition for enduring development of heterogeneous communities - depends on widespread understanding of diversity as an asset, as a source of dynamism, innovation, creativity, and growth. The will of community members and city administrators to make necessary changes to meet the needs and requirements of a diverse population is another determinant of enduring development of diverse communities. This understanding is at the core of the Intercultural cities approach.

Given its novelty, this concept has not been widely analyzed by social scientists. Yet, a number of studies has been conducted focusing on the key elements, concepts, and settings characterising the Intercultural cities approach. This includes growth, productivity and employment impact of diversity; governance structures and processes; urban space planning; housing and neighbourhood policies; security and policing policies.

The goal of this meta-analysis is thus to review the Intercultural cities approach in the light of the scholarly literature on the foregoing sets of issues. The literature on diversity is vast and cuts across very different research areas (from anthropology to economics, from history to psychology). It is beyond the purpose of the paper to cover comprehensively the whole literature. Our, more limited, purpose is to summarise, in an organised manner, the main axes of debate that are relevant to a better understanding of the Intercultural cities approach. This will allow to provide informed summary-recommendations to city policy-makers on the challenges and advantages this approach represents, and to offer quality advice on how using public policy tools the city managers could transform these challenges into benefits and new opportunities. Particularly, this paper looks at the following questions:

- ✧ Can diversity in complex urban environments represent an advantage for creativity, innovation and growth?

- ♣ If so, how city officials can foster this environment using public policy tools? And specifically, to what extent reshaping city policies and institutions from an Intercultural cities perspective may make a difference?

In what follows, Section 2 discusses briefly the notion of diversity. Section 3 reviews the literature analysing some of the potential benefits and costs of diversity, Section 4 identifies conditions for maximising the benefits and minimising the costs. Section 5 reviews the Intercultural cities approach in the light of Section 2 to 5. Section 6 concludes.

2. Understanding diversity: basic notions

In the general discussion, the term ‘cultural diversity’ mostly refers to ethno-linguistic differences. In economics and sociology, empirical studies tend to focus on specific ethnic groups (Kagan, 2009:224-225), or use certain ‘identity’ markers (Extra and Yağmur, 2004; Fearon, 2003; Bellini *et al*, 2009) to differentiate population groupings. Ethnicity and language (and, to a lesser extent, religion) are often considered the salient characteristics for the identification of sub-groups in a population (Ottaviano and Peri, 2005). A variety of indexes is then used to measure and compare diversity across countries, regions or cities (Easterly and Levine, 1997; Bossert, D’Ambrosio and La Ferrara, 2011; Desmet, Ortuño-Ortín and Weber, 2009).

The anthropological research has highlighted, however, that diversity is the outcome of complex and dynamic processes through which individuals and groups continuously categorise themselves and are categorised by others. In this context, ethnicity is only one dimension of diversity. People also differ by age, gender, income, occupation, class, physical abilities, location etc. These axes of diversity are equally important in influencing behaviours and life choices. Furthermore, they are not independent from each other, and interact in determining individual outcomes and the formation of social categories. These processes do not happen in a vacuum but are context-embedded and power-laden. Specific characteristics are salient in one context and not in another. Power relations define context and influence cultural attitudes and responses (van Londen and de Ruijter, 2010). This implies that diversity may assume very different social and spatial configurations, depending on how different axes of diversity interact, and its outcomes crucially depend on contexts.

While these processes are of all ages, globalisation is making them more rapid, complex and relevant. Increased mobility, tourism and labour migration have brought others very close to us. These ‘others’ no longer live in some distant country but right in our own town or neighbourhood. European countries and cities, a few decades ago still culturally and ethnically homogeneous, have now hosting large, in number and size, communities of foreigners from all over the world resulting in new cultural dynamics and complex interconnected landscape (Appadurai, 1996). What is evident is that diversity cannot longer be organised in the mosaic of the nation-states but need to be addressed also at the city and local level. This is where the Intercultural cities approach become even more crucial.

3. Diversity: potential benefits and costs

The Universal Declaration on Cultural Diversity (UNESCO, 2001) stresses the positive potential of diversity: "...cultural diversity is as necessary for humankind as biodiversity is for nature (Art. 1)" and that it is "one of the roots of development understood not simply in terms of economic growth, but also as a means to achieve a more satisfactory intellectual, emotional, moral and spiritual existence (Art. 3)".

Hannerz (1996) spells out a number of perspectives under which diversity can have positive value for human wellbeing and development. The first relates to the enjoyment that stems from sheer differences. Here cultural diversity has a pure existence value, a value *per se*, independently from any actual or potential use. We enjoy looking at art masterpieces from different cultural backgrounds, tasting food from other countries, hearing different languages. We simply love variety. Such "love for variety" is actually at the foundation of the monopolistic competition literature in economics (although the reference is to mostly to products, rather than to cultural issues). The second perspective concerns creativity. Meeting people with different cultural backgrounds brings new knowledge, forces new questions, and solicits to explore new approaches, thereby stimulating creativity and problem solving. The third perspective is about resilience, intended as the capacity of a system to stand negative shocks and adapt to new conditions. Every cultural tradition maintains knowledge and abilities that may turn useful in specific conditions. Diversity therefore multiplies the options available to solve problems and adapt to shocks. Marglin says that cultural diversity could be the key to the survival of humanity (Marglin, 1990: 15-17), bringing the example of the importance that the knowledge of primitive hunter-gatherers could have in a post nuclear disaster scenario.

Diversity can also have negative effects due to difficult interactions ('communication barriers') between different cultures, incompatible behaviours, lack of shared values and norms or sheer antipathy. Diversity may generate fear of losing national identity and reactions against 'aliens' such as reciprocal distaste. Social conflicts may arise when immigrants are seen as competitors for housing, jobs and social benefits (Kempen and Özüekren, 1998), or when they are seen as a threat to the alleged cultural homogeneity of the indigenous population (Faist and Häußermann, 1996). According to the OSCE High Commissioner on National Minorities ethnic conflict is one of the main sources of large-scale violence in Europe today (OSCE, 2012).

In economics, sociology and management studies, a large literature has studied the concrete impact of diversity in the operational outcomes of firms and cities. A selection of studies is discussed below to further clarify the key elements of the trade-off and understand under which conditions the trade-off can be solved to reap the diversity benefits (Section 4).

Research at the level of organisations and teams

An established literature provides evidence of the impact of diversity on companies and organisations. Some contributions found a robust correlation between diversity and task performance or problem solving skills (Richard, Kochan and McMillan-Capehart, 2002; Hong and Page, 2001, 2004; Page, 2007; Lazear, 1999a). A standard assumption in this kind of studies is that heterogeneity entails different ways of solving problems, a richer set of alternative solutions and therefore high-quality decisions. Diverse productive skills and approaches may result in innovation and creativity (Berliant and Fujita, 2008). The search for best practices is an example of how firms may gain from multicultural teams. Lazear (1999) provides a comprehensive modelling of these effects. He defines the global firm as

a team whose members come from different cultures or countries. Combining workers who have different cultures, legal systems and languages imposes costs on the firm that would not be present if all the workers were similar: translation costs and costs of transacting across borders are an example of these costs. However, complementarities between the workers, in terms of disjoint and relevant skills, offset the costs of cross-cultural dealing and justify the existence of global firms.

Social and organizational psychologists distinguish between demographic and cognitive diversity. Demographic diversity refers to demographic characteristics of the population (including the ethnic background). Cognitive diversity refers to the variety of skills, preferences and knowledge. Empirical results tend to show that demographic diversity may reduce social cohesion and increase the probability of socio-emotional conflict (De Dreu & Van Vianen, 2001; Jehn et al., 1999; Williams & O'Reilly, 1998) while cognitive diversity can lead to better decisions and more effective team work (e.g., Brodbeck et al., 2002). Demographic diversity is therefore positive only insofar it correlates positively with cognitive diversity and the consequent benefits of cognitive diversity more than outbalance the costs of demographic diversity. Section 3 below discusses some of the conditions under which this can happen.

Research at the level of countries and cities

The link between cultural diversity and economic performance has attracted considerable attention also in the economics literature over the last decade. It is generally recognized that immigration produces a wide range of economic effects in host countries, both positive and negative. There is a large and growing body of literature on the subject, e.g. Borjas 1994, 1995, 1999, 2003; Borjas, Freeman and Katz, 1997; Card 1990, 2001; Card and Di Nardo, 2000).

The traditional wisdom had been that diverse societies promote conflicts and predatory behaviour, stifling economic growth. Consistently with this view, Easterly and Levine (1997) use cross-country regressions and find that richer diversity is associated with slower economic growth. While the findings were strongly criticised (see for example Arcand *et al* 2000), the Easterly and Levine results were further confirmed by other studies. For instance, Alesina and La Ferrara (2005) find that, *ceteris paribus*, a complete heterogeneous society (i.e., where each individual forms a different group) would have income annual growth by 2 percentage points lower than in a complete homogeneous society (i.e., where all individuals belong to the same group). Similarly, Angrist and Kugler (2002) find a small but significant negative impact of migration on employment levels in the EU. However, other studies have questioned that logic by showing that higher ethnic diversity is not necessarily harmful to economic development (see, e.g., Lian and Oneal, 1997 - other boundary conditions further qualifying and restricting the Easterly and Levine (type of) results are discussed in Section 3 below).

Immigrants pay taxes and demand public goods influencing by this policies of redistribution (Razin and Sadka 2000; Straubhaar 2002). One can argue that the higher the diversity of agents in a population, the harder to reach a decision taking into account the whole set of preferences. Some authors have emphasized the relevance of this argument to the provision of local public goods stating that more diverse societies are less willing to accumulate resources for collective purposes. The general finding is that communities with a higher degree of ethnic diversity are less willing to pool their resources for public goods provision. Intuitively, in the presence of higher diversity each ethnic group cares

less about the provisions granted to other ethnic groups. This causes the under-provision of public goods because individuals do not pay the marginal cost of a service. In fact, several contributions find that diversity influences negatively both the quantity of supplied public good (Alesina and La Ferrara, 2005; Alesina, Baqir and Easterly, 1999, 2000; Poterba, 1997; Ottaviano and Peri, 2005) and the quality/efficiency of their provision (La Porta, Lopez de Silanes, Shleifer and Vishny, 1999; Alesina, Devleeschauwer, Easterly, Kurlat and Wacziarg, 2003). However, in the case of well-defined markets, where people understand the value of contributing to the costs of the services they use, there is no efficiency loss from heterogeneity.

Cities have a specific role in the diversity-welfare nexus. Cities are where the large range of goods, services, ideas and skills is accumulated. Cities are where cultures and languages more often meet, where cultural and racial conflicts more often explode; and where the processes of innovation and growth are firmly grounded (Jacobs, 1961, 1969, 1984; Bairoch, 1985, Sassen, 1991, 1994). Several classical writings have related diversity with urban agglomeration and highlighted that the functioning and thriving of urban clusters relies on the variety of people, factors, goods and services within them. Examples abound in the urban studies literature. Jacobs (1969) views economic diversity as the key factor to city's success. The core activities of economic life, innovation and imitation, can only happen in cities, because cities are "versatile enough at production to possess the necessary foundation for the new and added production work" given the "complex symbiotic relationships formed among their various producers" and because, city markets are "at once diverse and concentrated" (Jacobs, 1984: 39). Sassen (1994) highlights how 'global cities' (such as London, Paris, New York, and Tokyo), and their diversity, have a strategic role in global growth and innovation processes. A key feature of these cities is the cultural diversity of their populations. Similarly, Bairoch (1985) sees cities and their diversity as the engines of economic growth. Such diversity, however, has been seen mainly in terms of the diversified provision of consumer goods and services, as well as productive inputs (see, e.g. Quigley, 1998; Glaeser et al., 2001).

More recently, in his work within the nexus of sociology and economics, Richard Florida (2002a, 2002b) further reinforces this positive view of diversity in cities. Florida argues that 'diverse' and tolerant cities are more likely to be populated by creative people, thus attracting industries such as high tech and research that heavily rely on creativity and innovative ability.

Putnam (2000) offers however more negative views on diversity, specifically for what concerns social outcomes. Specifically, he shows that in heterogeneous communities fewer people vote, volunteer, give to charity and work on community projects. Similarly, Putnam (2007) finds that diversity is negatively correlated with both in-group and out-group solidarity (i.e., bonding and bridging capital) and with trust among neighbours across US metropolitan areas.

Two recent studies by Ottaviano and Peri (2005, 2006) have investigated the productivity effect of diversity in cities. Their main finding is that, on average, cultural diversity has a net positive impact on the productivity of native citizens, with causation running from the former to the latter. In other words, a more multicultural city environment makes native population more productive. This result is qualified in two specific respects. First, local diversity has a negative effect on the provision of public goods, which is consistent with previous findings at the national level. Second, the positive effects are stronger when only second and third generation immigrants are considered, which suggests that the positive effects are reaped only when some degree of integration between communities takes place.

Ottaviano and Peri (2006) find that spatial selection of native residents in cities with high or low diversity reflects some of their characteristics. For instance, people with higher education, higher international experience, and higher exposure to culture and news may be more appreciative of diversity. They may also be different from other natives in several characteristics that are related to productivity. If this is true, 'tolerant' cities are more productive due to the characteristics of their native residents rather than to the 'diversity' of these cities.

The complementarities of skills between native and foreign-born workers play a key role in the literature. Even at the same level of education, problem solving, creativity and adaptability may differ between native and foreign-born workers so that reciprocal learning may take place. Foreign-born population may provide services that are not substitutable by those of natives. Indeed, host-country native and foreign-born workers tend to choose different "occupations". Card (2001) provides interesting data (the study is conducted on US cities). Among less educated, for instance, foreign born were highly over-represented in the professions like tailors (54% of foreign-born in 1990) and plaster-stucco masons (44%) while native workers were over-represented among crane operators (99%). Among highly educated the same is true. Foreign-born are, for instance, highly overrepresented in scientific and technological fields (45% of medical scientists and 33% of computer engineers were foreign-born) while US-born are largely over-represented among lawyers (less than 4% are foreign-born) or museum curators and archivists (less than 3% are foreign-born). Even within the same occupation often native and foreign-born provide different services and benefit from complementing each other. Among less educated, for instance, a Chinese cook and a US-born cook or an Italian tailor and a US-born tailor do not provide the same services. Similarly, among highly educated professionals a German trained physicist (more inclined to theory) is not perfectly substitutable with a US-trained one (more inclined to experimental approach). As long as the overall production benefits from larger diversity of skills and services, cultural diversity will have a positive impact on it. Because of a taste for variety, this may increase the value of total production.

Recent OECD studies have been also accentuating immigrants' contributions to the economic growth. It has been noticed in particular that immigrants contribute to the economies of their host countries via bringing new skills and competencies and via the direct creation of new businesses. They create businesses in a wide range of sectors and occupations including innovative areas; immigrants' contribution to employment creation has been increasing steadily over the last ten years (OECD, 2010). OECD "[Open for Business](#) - Migrant Entrepreneurship in OECD Countries"³ (2010) publication additionally highlights that foreign-born entrepreneurs can play an important role in maintaining and developing economic activities in specific urban and rural areas at risk of economic or demographic decline. It argues that "a more comprehensive knowledge of migrant entrepreneurship can help guide appropriate policies to encourage and sustain migrant entrepreneurship, [especially] ...in the specific context of the recent economic crisis and the recovery phase. The publication calls for the necessity of designing specific admission policies for migrant entrepreneurs and provide simplified channels of access, ensuring that foreign entrepreneurs and investors face no obstacles in bringing their human capital and financial resources to a new country. In OECD countries, entrepreneurship is slightly higher among foreign-born than natives and the total number of persons employed in migrant businesses is substantial, although the survival rate of these businesses is often

3 OECD. Dec 2010. [Open for Business](#) - Migrant Entrepreneurship in OECD Countries.

lower than that of their native counterparts. Migrant entrepreneurship has gone beyond traditional ethnic businesses.⁴

4. The conditions: tapping the diversity benefits

The foregoing survey of the empirical literature has so far delivered a large number of positive evidence regarding the effects of diversity on economic performance and policies. It also made it clear that diversity embodies a continuous trade-off between costs and benefits.

These costs and benefits depend not only on the number and relative sizes of cultural groups living in the city but also their degree of integration, the institutional and political environment that encourages or undermines this integration. And it is up to city managers and administrators to set the appropriate conditions in order to amplify social and economic benefits of heterogeneous communities.

To the purposes of this paper, this Section groups the vast scholarly literature on these issues, under three (interrelated) sets of conditions: those concerning the configuration of diversity itself, those related to the institutional and governance settings; and those related to the design of diversity policies.

Conditions related to the (spatial and social) configurations of diversity

A classical example (discussed in Putnam 2007) provides a very useful illustration of how different configurations of diversity may be relevant to trust and social solidarity. During the Second World War, white soldiers in the US army were asked how they would feel having black soldier in their platoon. Most of white soldiers not having already black soldier in their platoon opposed the idea. On the contrary, white soldiers who had been assigned to mixed platoon were much more relaxed about the idea of racial integration (Stouffer 1949). The example has been used in literature to support the "contact theory" according to which, fostering cross-group contact and interaction would favour trust and social solidarity. The opposite theory ("conflict theory") would suggest that inter-ethnic contact would reduce trust and solidarity.

A rich literature has looked at the impact of *residential segregation*, as a specific configuration of diversity. If contact theory would hold, residential segregation would imply worse socio-economic outcomes.

Research does not give conclusive insights however. Number of studies looked at the impact of segregation on those living in the enclaves. Cutler e Glaeser (1997) find, that afro-american living in segregated enclaves in US cities have worse socio-economic outcome (in terms of school, occupation, number of single parents) than their peers living in other parts of the city. Just below 40% of the effect is explained by the lack of appropriate role model and by the travel-to-work and travel-to-school time. Other results go however in the other direction. Collins e Margo (2000) find that living in enclaves improves social and economic conditions and so Edin et al (2003) using quasi-experimental data in the Swedish context.

4 OECD, 2011. Entrepreneurship and Employment Creation of Immigrants. Document available at http://www.oecd.org/document/0,3746,en_2649_37415_46424519_1_1_1_1,00.html

Epidemiological studies carried out in the UK and in the US found lower rates of schizophrenia and suicide among individuals living in quarters where their ethnic group is less represented (Wilkinson and Pickett, 2009). Considering the impact of segregation on the city as a whole, research that takes into account spatial segregation seems to provoke a re-consideration of earlier findings on the effects of cultural and ethnic diversity on socio-economic outcomes. For instance, Alesina and Zhuravskaya (2011) show that it is the spatial segregation of diversity and not diversity *per se* that leads to increased instability, lower quality of regulation and weaker rule of law across 90 world countries. Similarly, Uslander (2009) reassesses Putnam's (2007) main findings and shows that the spatial segregation of diversity is responsible for the lower bonding and bridging capital across (sets of) US cities and world countries.

This variability of results may be explained by taking into account the time dimensions. At least initially, migrants may prefer to live nearby to people with similar tastes and language. This may also help to get a job and access transport services (Patterson, 1997; Thernstrom and Thernstrom, 1997; Ihlanfeldt and Scafidi, 2002; Cutler, Glaeser and Vidgor, 2008). As a consequence, first generation individuals living in ethnic enclaves tend to have higher income and better life conditions than their peers living outside. Such homogenous ethnic enclave may however persist over the long-term and become detrimental to their inhabitants. This happens because the enclave acts as a barrier that reduces economic and social integration in the host society, as migrants tend to not develop connections and economic relations with the outside (Korac 2009). As a consequence, individuals living in the enclave have lower incomes, higher probability of being excluded from the labour market and lower linguistic skills than their peers living outside the enclave. By hampering the circulation of ideas and cross-group interaction, segregation would also lead to long-term negative effects on the prosperity of the city as a whole. If true, these mechanism would open an interesting gap between short-term interest at the individual level and long-term interest at the social level that policy is called to close.

Residential segregation can be read as a specific configuration of diversity where ethnicity and residential location converge. Section 2 discusses however diversity as a multidimensional phenomenon, involving not only ethnicity and location, but also class, income, age, education etc. Can we, and how, extend the type of discussion about residential segregation to involve these other axes of diversity?

Wallman (2011) compares local systems with similar degrees of ethnic diversity and show that they may exhibit very different patterns of social relations depending on pattern of interrelations between the different diversity axes. She compares two ideal types of diversity configuration. In [ideal] Type A there is no neat overlap of the axes of diversity – of ethnicity, work, income, housing etc. In [ideal] Type B by contrast, people from the same ethnic group are more likely to work together and to live in relatively homogeneous neighbourhoods. Psychology uses the notion of *diversity fault lines* to describe Type B situations (e.g., "when all team members with technical expertise are male and those with knowledge about marketing and sales are female" - Homan *et al*, 2007: 1189).

Comparing within and across cities, studies have shown that Type B local systems are more conservative and have stronger ethnic boundaries than their Type A counterparts. In Type B systems, trust, social networks and social capital are concentrated within the ethnic group and the system is resistant to outsiders. In Type A systems, on the contrary, it is easier for incomers to make a home (Wallman 1998); the locus of identification, solidarity and participation is the local system, not the ethnic group, In these conditions degrees of social inclusion and cohesion will be enhanced. This approach is comparative and not predictive,

but "consistency of contrasts implies that similar population mix may lead to very different cultural patterns, and that the same social or economic policy will have different impact in the two kinds of local system" (Wallman, 2011: 13). Strikingly similar results are obtained in the psychological literature where diversity fault lines are shown to affect negatively the operational capability of teams because they provoke subgroup categorization - "us-them" distinctions - thereby reducing trust and feelings of responsibility towards the group (Knippenberg and Schippers, 2007).

It is very important to consider that the different diversity configurations are not exogenously given, but arise endogenously from individual and policy choices.

We discussed above how residential segregation may arise out of individual choices looking for short-term benefit to the detriment of long-term social interest. Akerlof and Kranton (2010) find similar lock-in effects explaining other diversity configurations (including but not restricted to residential segregation). Specifically, they introduce the notion of identity into an economic model and apply the model to explain issues such as the high crime rates and the low education level of blacks in the US. In their model, a black willing to integrate in the economy suffers an identity loss (as it does not behave like the average black). This identity loss may be sufficient to discourage him from further pursuing integration. The key issue is that the more blacks give up, the higher the identity loss the others would have to suffer to integrate. This feedback effect locks the black population in the high-crime, low-education status that we observe. In our terminology above, it creates a diversity fault line (or Type B model) that separates one group from the other consistently across multiple diversity axes (race, but also income, position in the labour market, education level, residential location).⁵

As in the case of residential segregation, this type of lock-in mechanisms opens a gap between individual short-term choice and long-term social interest on which policy may act. Specifically, the role of policy would be to intervene to break (or avoid the formation of) diversity fault lines that could emerge endogenously out of individual choices. This would require actions at different levels and in multiplicity of domains: schools, workplaces, urban public spaces to favour encountering and mixing across ethnic and other social boundaries.

Conditions related to the context (values, institutions and governance)

Institutions, values and governance mechanisms have an important role to play in shaping diversity to socio-economic outcomes relationships.

At the cities and team level, several strands of research point to the importance of tolerance and openness to differences. In sociology, Florida (2002a) argues that cities where differences are appreciated are able to attract creative people and therefore will become more creative and more innovative. In his view, tolerance becomes the ultimate driver of thriving, creative and innovative cities. In psychology, Homan *et al* (2007) find that the disruptive effects of diversity fault lines on the operational efficiency of working teams can be overcome by convincing the team members of the value of diversity.

Number of cross-country economic studies point out to the importance of the quality of institutions. Collier (2001) affirms that democracies are better at coping with ethnic

5 The Akerlof-Kranton models provide an alternative explanation to those approaches that see (quite rigidly) 'culture' as the ultimate explanation to differences in the levels of income, development and social advancement, across countries and across ethnic groups within countries. See for instance Landes (2000), Fukuyama (1995), Harrison (1985 and Huntington (1996). The literature is comprehensively reported and discussed in Harrison and Huntington (2000).

diversity and Alesina and La Ferrara (2005) find that diversity has negative effects on productivity and growth only in non-democratic regimes. More generally, Easterly (2001) accentuates the importance of good institutions in mitigating the negative impact of diversity on growth. Dustmann and Frattini (2011) provide tentative evidence for a relationship between labour market institutions and immigrants' economic integration. Also, Helliwell (2003) suggests that the negative interaction of diversity and social capital found in Putnam (2000) is the product of governmental policy so that this negative relationship cannot be generalized.

Overall, it could appear that framed within efficient institutions, diversity may indeed serve as a valuable asset for society. In particular, democratic institutions and a tolerant environment that allow differences to express themselves and interact freely seem pre-conditions for reaping the benefits of diversity.

A wide literature, mainly in political sciences, suggest that this may not be sufficient and highlights also the limitation of representative democracy in accounting for the multiplicity and complexity of interests, views and identities in our complex societies. The concept of governance come therefore to the fore, as a broad notion that encompasses and transcends that of government, and allows for a pluralism of actors, including non-official organisations (profit and no profit) along government bodies, into the processes of making (and then managing) public policies and activities. The call is therefore for more open and participatory democracy processes that allows other actors (civil society organisations, NGOs, grassroots movements) representing specific legitimate interests to have a voice. Recent literature has highlighted that the involvement of civil society in governance arrangements and in decision-making processes is however not unproblematic, raising issues with regard to the notions of accountability, representativeness and responsiveness of the actors. The challenge is then to define new forms of legitimisation and clarify under which conditions the new forms of governance may enhance democracy and are better able to empower citizens. To this task, the city appears, once again, as the most appropriate level, where new forms and type of participatory and inclusive policy processes can be designed and implemented.

Designing diversity policies: ethnicisation and inequality issues

The final set of conditions relates to the design of diversity policies. Two major issues are considered.

First, research shows that the tendency to frame diversity policies and practices in ethnic terms might results in reinforcing barriers and dividing society rather than fostering interconnections. This is a major point raised by Sen (2006) who discusses religion-centred political approaches for building peace in troubled areas of the world. Sen argues that the stress on religion, by downplaying non-religious values and affiliations, has strengthened the position of the religious establishments and increased the sense of distance between communities. Empirical research at country level also shows important examples of such counter-effects. In Bolivia the government enacted a series of reforms over 1980-2005 to grant rights to indigenous people. Rather than creating a truly pluralistic society, this resulted in a dual institutional system, clearly categorising indigenous people as something 'other' from the rest of the population (Galindo, 2010). Similar outcomes were obtained in Sweden (Hamde and Wåhlin, 2010) during the 1970s, when a number of Immigrant Organisations were created with the task of maintaining and promoting migrants languages and cultural activities resulting in separating migrant communities and creating islands rather than

interconnection. At more micro-level, Kuechler, Kürti and Elkadi (2010) study how national authorities and city councils organise and use festivals in promoting intercultural dialogue. Their research reveals that such events, when framed in ethnic terms (ie, organising a festival for a specific minority), tend to lead to a decrease in community involvement and result in lower levels of intercultural relations in the neighbourhood. This happens because ethnically-framed festivals tend to promote the idea that the communities to which are dedicated are cultural 'others', ultimately reinforcing, rather than weakening, cultural distinctions and barriers. For all the above reasons, it is therefore important that diversity policies and practices acknowledge the multidimensional nature of diversity and use a-ethnic perspectives, going over and above ethnic boundaries. Policies and practices should be designed to promote informal encountering and help local groups organise around other-than-ethnic axes of difference. Encounters do not need to be necessarily formal; they can happen in environments such as churches, sports, schools, cafes, streets and all sorts of urban spaces. Bracalenti *et al* (2009) shows how local systems that facilitate encountering and interactions resulted in higher level of identification, participation and solidarity in the local community, across cultural and ethnic boundaries

Second, an important literature has stressed the relevance of how power relations structure and influence diversity outcomes. Bourdieu (1979, 1991) represents a classical reference. In Bourdieu's views, the dominating class has not only economic capital, but also social and symbolic capital and use them to set social norms, to which the other parts of society are called to relate and are measured against. Through this mechanism, (cultural) attitudes, values and behaviours reflect and ultimately underpin the perpetuation of socio-economic hierarchies. Originating in feminist thinking, the intersectionality literature also shows how differences (e.g., race, gender, ethnicity, age) reinforce each other building a *matrix* of domination that structures power relations and hierarchies in society. The matrix emphasises the interconnections and interdependencies between the different forms of oppression and expose the limitation of mono-dimensional approaches. (Crenshaw, 1989; Mc Call, 2005). The literature focuses mainly on black women as representing a specific viewpoint of society, in that they are subject to a double form of oppression (e.g., black women have lower salaries and higher probability of being discriminated than both average women and average men - Browne e Misra, 2003), but the intersectionality approach may have much broader relevance. Bowman and Betancur (2010), for instance, use intersectionality to study ethnic entrepreneurship in the US. They show how afro-american entrepreneurs are confined in very specific sector and face the higher barriers to the start-up and expansion of their activity than any other ethnic group. Diversity policies that ignore the inequality dimension may have negative unintended effects by reinforcing rather than weakening barriers (Bowman and Betancur, 2010). Diversity policies and initiatives need therefore to consider and address actual and potential underlying inequality issues (for instance stemming from people's socio-economic backgrounds).

5. Dealing with diversity: The Intercultural cities approach

The heated public debate on diversity highlights that traditional policy models to address diversity do not appear anymore appropriate to the challenge. This Section reviews those models in the light of the discussion under 3 and 4 and discusses how the Intercultural cities approach may provide innovative and more appropriate ways.

Janssens and Zanoni (2009) provide a useful four-fold categorisation of traditional models. The first model is the '*segregation*' model, under which policy encourages/mandates one or more (cultural) groups to keep separated from the rest of society in one or multiple domains (residential location, occupation etc). The model acknowledges and allows differences to persist but keep them separated and avoids/limits interaction. Minorities are allowed to keep their own cultural expressions, but are excluded from the rest of society. Forms of segregation may emerge endogenously (as discussed in Section 3) leading to the emergence of spatially-separated ethnic enclaves in urban areas. Insofar they are accepted by policy, such forms of segregation do assume a normative value and represent a policy model. The apartheid system in South Africa, where separation was mandatory, represents the extreme case. The guest worker model in Germany, based on the rigid distinction between natives and foreigners, may also be categorised under the segregation model. Janssens and Zanoni (2009) argue that, as the model implicitly assumes incompatibility between racial and cultural groups, it lacks legitimacy in contemporary democratic societies. The model may also be questioned both on empirical grounds. As we have discussed above, empirical evidence show that (residential) segregation may, in the long term, undermine interactions and limit reciprocal knowledge between ethnic and cultural groups therefore weakening trust and leading to worse socio-economic outcomes.

The second model is the '*assimilation*' model, in which minority groups are expected to completely absorb and incorporate into the local culture. The French model, presenting the French citizen and state as the ideal for everybody, is often put forward as an example of an assimilation policy. The model is based on the implicit assumption of a linear acculturation model, where minorities progressively assimilate into the majority culture. Opposite to the segregation model, assimilation allows minorities to participate to the economic, social and political life in the host society, but demands cultural differences to vanish over time. Similarly to the segregation model, this model is questionable. First, its ultimate objective of erasing cultural differences would deny to society the positive potential of diversity and may be not acceptable from a the viewpoint of democratic and pluralistic contemporary societies. In practice, also, the radical attitudes of second and third generation migrants (for instance in France and the UK) shows that the assumption of linear acculturation does not hold to reality. *Marginalisation*, which consists in excluding a group from the rest of society while also eroding its cultural identity (as in the case of Roma in Europe or native people in the US), adds together the problems and limitations of the first two models.

A fourth model, the '*multiculturalism*' emerged more recently as an attempt to remedy the shortcoming of both the segregation and the assimilation model. The model stresses the freedom of minorities to maintain own identity and cultural practices, also through legal provisions. The UK and Swedish model can be reconducted under this category. Given existing power relations, however, the danger is that the celebration of diversity masks an underlying attempt to define other segments and features as 'foreign', as misplaced, even as illegitimate, producing and re-producing social hierarchies in society (de Ruijter, 1995) and postponing rather than avoiding assimilation. In this context, policies to grant rights to minorities, promoting their language and cultural activities may result in reinforcing barriers and creating islands rather than fostering interconnection. These are the basic criticisms raised to the politics of 'diversity' in the US, where the concept emerged as a legitimate sibling of the civil right movement with the purpose of including other minorities in the fight. On the one hand, some say that the emphasis on diversity ultimately veils the more fundamental struggles for racial equality (Bowman and Betancur, 2010). On the other hand, others argue that politics of diversity emphasise "the separeteness of the threads rather

than the forceful interweave" in the "single garment" that M. L. King used to describe the common destiny of humanity (Wood, 2003: 5-6). Under scrutiny in particular are those policies and practices that attribute special rights to ethnic groups, and that therefore (incorrectly) emphasise ethnicity over other characteristics that distinguish human beings from each other. In the EU, recent criticisms to multiculturalism expressed by European leader such as David Cameron ("we have encouraged different cultures to live separate lives, apart from each other and apart from the mainstream") and Angela Merkel ("[we thought] people would live side-by-side happily")⁶ echoes the very same weaknesses of the multicultural model.

The failures of multiculturalism do not however imply that a return to the assimilation or segregation models is necessary or possible. Rather, what is needed is the (re-)invention of new approaches that respect and value the positive potential of differences while allowing people to build relations over and above differences. Following up on discussion in Section 4, the focus should be on favouring (formal and informal) encounters and mobilising citizens on issues of common interests that cut across ethnic and social boundaries while setting out conditions for fair and equitable negotiations (Janssens and Zanoni, 2010). The city, rather than the nation state, increasingly appear as the appropriate local to this task. Banerjee writes of the need for 'convivial cities' (Banerjee 2001: 19), and Amin speaks of participatory and open-ended engagement to sustain 'micro publics of negotiation' (Amin, 2002: 17). The objective should be to generate "the acquisition and routinization of everyday practices for getting on with others in the inherently fleeting encounters that comprise city life" (Vertovec, 2007: 4).

Towards a new model: The Intercultural cities approach

The Intercultural cities approach proposes a new model that, at the level of cities, seeks to overcome the limitations and weaknesses of the traditional models of segregation, assimilation and multiculturalism. The review shows that the Intercultural cities approach reflects and builds on the research findings discussed in Section 2 to 4:

- it regards diversity as an asset for local development. In that, it promotes tolerance and openness to differences, which is shown to be the pre-conditions for reaping the benefits of diversity in cities and in organisations;
- it promotes the active involvement of public institutions, business organisations, local NGOs and community associations in (intercultural) policy formation. This is consistent with the opening of public policy-making advocated by research. It will provide for the active empowerment of cities' diverse communities and help migrant to integrate in and contribute to the economic and social life of the city.
- it promotes the vision of a city where informal encounters between residents with different cultural and ethnic background is easy and facilitated by the design of urban spaces and institutions. It aims at promoting open spaces of interaction, which will help breaking diversity fault lines, sustaining trust and social cohesion and facilitating the circulation of ideas and creativity.
- it acts across a variety of domains (education, public administration and governance, public service provision - e.g. housing, urban planning, security, sanitary services, health, and education, - business and labour market, conflict

⁶ Respectively at the Security Conference, München, February 2011 (Cameron), and at the Cdu and Csu Youth Congress, Potsdam, October 2010 (Merkel).

mediation, citizens' involvement, media relations, cultural and civil life). This will help mobilising citizens across other-than-ethnic issues weakening cultural divisions.

- overall, the high level of trust and social cohesion help to prevent conflicts and violence, increase policy effectiveness and make the city attractive for people and investors alike.

The review demonstrates that the advantages of the Intercultural cities approach can be important and are not solely economic. The benefits of the approach expand to city administration and governance, urban planning and housing, education, public service, business and entrepreneurship, quality of social capital, innovation, civic engagement, social cohesion, and to the variety of choices in cultural and social life of all citizens. The examples of these benefits have been broadly presented in the scholarly works. Table 1 in the *Appendix* offers a range of examples.

The Intercultural cities approach has been tested by a range of cities in Western and Eastern Europe which are striving, each in accordance with its history and circumstances, to adopt a positive approach to diversity and manage it as an asset, rather than as a threat. The collective input of these cities has contributed thoughtful reflections and examples of good practice, has shaped a unique approach to migrant/minority integration called intercultural integration.

Additionally, an Intercultural Cities Index has been developed using the above listed elements of the Intercultural cities approach. The purpose of the Index is to track cities' performance along the established Intercultural cities strategic objectives (in the above listed) areas over time. As a result, a city will be able to make well informed judgments about the impact and outcomes of its intercultural policies implementation and resource investment. As of today, 44 cities in the world have been evaluated using this Index. Managers of the evaluated cities were then provided with specific policy advice and recommendations in the variety of policy areas, particularly those where additional improvements are needed.⁷

6. Conclusions

Immigration and cultural diversity are burning topics, whose economic, social and political implications have to be entirely comprehended. For many countries, and Europe in particular, the issue of multi-ethnicity will be one of the major challenges in the next years. The heated institutional debate has been accompanied by a large and growing theoretical and empirical literature on the consequences of migration.

What is evident from this literature is that institutional and public administration structures in host countries are best positioned to develop the capacities to steer the effects of immigration on the society by providing for increasing benefits of heterogeneous communities and reducing their negative effects.

⁷ Please see http://www.coe.int/t/dg4/cultureheritage/culture/Cities/Index/default_en.asp for details about the Intercultural Cities Index. Khovanova-Rubicondo (2009) offers an intermediate evaluation of the programme and an application of the Intercultural cities index. The paper is available at http://www.coe.int/t/dg4/cultureheritage/culture/cities/EvaluationInterculturalCities_en.pdf.

The Intercultural cities approach provides an attempt to build a new model to tackle this challenge.

This paper reviewed the Intercultural cities approach against scholarly literature on diversity (and its impact on the economic and social life of cities), with a view to offer practical advice to city administrators on the utility Intercultural cities approach and provide some functional recommendations on its implementation. This analysis also commented on how public policy tools could be used by city managers to transform the challenges of heterogeneous communities into their benefits and new opportunities.

The current paper answered positively to the question concerning the advantages of complex and diverse urban environments for innovation and productivity and highlighted and how reshaping the range of city policies and institutions from an intercultural perspective could make a decisive difference for enhancing positive economic and social outcomes of diverse urban communities.

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Appendix

**Table 1. Summary of Urban Policy Areas and Environments
benefitting from the specifically designed integration policy measures similar to those
offered by the Intercultural cities approach**

Article	Synopsis	Benefitting Area of Policy & Environment
<p>Kloosterman, 2010. Matching opportunities with resources: a framework for analysing migrant entrepreneurship from a mixed environment perspective. <i>Entrepreneurship and Regional Development</i>, V22 p. 25-45</p>	<p>Offers an analysis of benefits of entrepreneurship is presented.</p>	<p>Business & Entrepreneurship</p>
<p>Kalwant and Myers, Martin. 2009. Gypsy, Roma and Traveler pupils in schools in the UK: inclusion and 'good practice'. <i>International Journal of Inclusive Education</i>, 13(3), p. 299</p>	<p>Where an inclusive ethos works successfully it is often the result of a wider social engagement between the school and community.</p>	<p>Education</p>
<p>Susan A. Banducci, Todd Donovan, Jeffrey A. Karp. 2004. Minority Representation, Empowerment, and Participation <i>The Journal of Politics</i>, Vol. 66, No. 2, pp. 534-556</p>	<p>Minority representation strengthens representational links, fosters more positive attitudes toward government, and encourages political participation. It also leads to more positive evaluations of governmental responsiveness and increased electoral participation</p>	<p>City governance</p>
<p>Dedoussi, 2007. Issues of Diversity in Academia: Through the Eyes of 'Third-Country' Faculty <i>Higher Education</i>, Vol. 54, No. 1 p. 135</p>	<p>Diversity practices and action can facilitate the integration of third-country faculties in universities.</p>	<p>Education</p>
<p>Blakeley, Georgina and Evans, Brendan. 2010. Citizen participation in East Manchester: from practice to theory. <i>Representation</i>, 46(3), p. 325</p>	<p>It is valuable to build on existing practice in assessing democratic involvement rather than to proceed simply on the basis of normative theoretical ideals.</p>	<p>City governance</p>

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Florida, R. (2003), Cities and the Creative Class. *City and Community*, 2: 3–19.

Diversity of urban environments contributes to increased creativity and innovation opportunities.

Innovation & Creativity

[Driessen, Smit, Slegers](#), 2005. Parental Involvement and Educational Achievement [Parental Involvement and Educational Achievement](#). *British Educational Research Journal*, V31(4)

Schools with numerous minority pupils provide a considerable amount of extra effort with respect to parental involvement, but that a direct effect of such involvement cannot be demonstrated.

Education, Integration

[Alice Quioco, Francisco Rios](#). 2000. [The Power of Their Presence: Minority Group Teachers and Schooling](#) *Review of Educational Research*, V70(4) p485

Demonstrates the power of the presence of minority group teachers in making a real difference in students' lives

Education

[Sylvie Paré, Winnie Frohn, Marie-Eve Laurin](#). 2004 [Diversity Management: New Challenges Faced by Local Governments in the Montreal Metropolitan Area](#) *Public Performance & Management Review*, V27(4) p. 91

Offers best practices in management of cities and towns, in particular with respect to the development of programs and policies designed to accommodate emerging populations with special needs

Governance
Citizens' involvement

[John Punter, Matthew Carmona](#). 1997. [Design Policies in Local Plans: Recommendations for Good Practice](#) *The Town Planning Review*, V68 (2)

Emphasizes the importance of community (including mixed) consultation in such substantive policy areas as urban design, architecture, landscape, and conservation

Citizens' involvement
Governance

Perspective Syed, J. 2008. Employment Prospects for Skilled Migrants: A Relational Perspective. *Human Resource Management Review*, 18 (1)

Takes a relational perspective on employment prospects for migrant workers addressing issues related to diversity and diversity management at macro-national, meso-organizational, and micro-individual levels.

Employment

Syed, J. 2008. The representation of cultural diversity in Urdu-language newspapers in Pakistan: A study of Jang and Nawaiwaqt. *South Asia-Journal of South Asian Studies*, 31 (2). pp. 317-347

Examines how different ideologies are operative in the media texts and provides examples of perspectives regarding cultural diversity.

Media relations

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<p>King, Patricia M., Baxter Magolda, Marcia B. 2005. A Developmental Model of Intercultural Maturity <i>Journal of College Student Development - Volume 46, N6, pp. 571-592</i></p>	<p>Focuses on the analysis of intercultural maturity as a desired collegiate outcome.</p>	<p>Social capital, Integration</p>
<p>Qing Gua; Michele Schweisfurth; Christopher Daya. 2010. Learning and growing in a 'foreign' context: intercultural experiences of international students. <i>Open source</i></p>	<p>Discusses transitional experiences of international students both in terms of their maturation and human development and their intercultural adaptation within a different educational environment and a different culture and society.</p>	<p>Education, Integration</p>
<p>Rhys Andrews. Civic Engagement, Ethnic Heterogeneity, and Social Capital in Urban Areas Evidence from England Centre for Local and Regional Government Research, Cardiff University</p>	<p>Argues that civic engagement is intrinsically linked to social capital: political participation and associational activity can minimize negative externalities for social capital associated with ethnic heterogeneity, such as mistrust and lack of respect.</p>	<p>Civic engagement, Social capital</p>
<p>A. Aizlewood and P. Bevelander. Recreational Participation Among Ethnic Minorities and Immigrants in Canada and the Netherlands. <i>Journal of Immigrant and Refugee Studies</i>. v4(3).</p>	<p>Finds that socio-demographic characteristics are generally much stronger predictors of participation than characteristics associated with minority status, regardless of country.</p>	<p>Civic engagement</p>
<p>Krishna Pendakur. Language knowledge as human capital and ethnicity. <i>International Migration Review</i>. 36(1)</p>	<p>Conditional on knowledge of a majority language, knowledge of a minority language is associated with lower earnings.</p>	<p>Social capital, Integration, Employment</p>
<p>Ottaviano, G.I.P. and G. Peri. 2005. Cities and Cultures. <i>Journal of Urban Economics</i>, 58(2), 304-337.</p>	<p>Higher immigration contributes to increased wages of local population in urban communities</p>	<p>Economy, Business, Social capital</p>
<p>Ram, Monder and Smallbone, David. 2003. Policies to support ethnic minority enterprise: the English experience. <i>Entrepreneurship & Regional Development</i>, 15(2), 151</p>	<p>Depictures the advantages of encouraging immigrant entrepreneurship.</p>	<p>Business, Economy</p>
<p>Kitching, J. , Smallbone, D. & Athayde, R. 2009. Ethnic diasporas and business competitiveness: minority-owned enterprises in London. <i>Journal of Ethnic and Migration Studies</i>, 35(4), pp. 689-705</p>	<p>Depictures the advantages of encouraging immigrant entrepreneurship.</p>	<p>Business, Economy</p>

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<p>Deakins, D., Smallbone, D., Ishaq, M., Whittam, G. & Wyper, J. 2009. Minority ethnic enterprise in Scotland. <i>Journal of Ethnic and Migration Studies</i>, 35(2), pp. 309-330.</p>	<p>Depictures the advantages of encouraging immigrant entrepreneurship.</p>	<p>Business, Economy</p>
<p>Partridge, J. and Furtan, H. 2008 Increasing Canada's International Competitiveness: Is There A Link between Skilled Immigrants and Innovation? <i>American Agricultural Economics Association Meeting, Orlando FL, July 27-29.</i></p>	<p>Skilled immigrants, who are proficient in either English or French, have a significant and positive impact on innovation flow in their home province.</p>	<p>Innovation, Social Capital, Economy</p>
<p>Marcus Berliant & Masahisa Fujita. 2009. Dynamics of knowledge creation and transfer: The two person case. <i>International Journal of Economic Theory</i>. V 5(2), p. 155</p>	<p>Heterogeneity of people in their state of knowledge is essential for successful cooperation in the joint creation of new ideas.</p>	<p>Innovation, Social Capital, Economy</p>
<p>De Dreu and West. 2001. Minority Dissent and Team Innovation: The Importance of Participation in Decision Making. <i>Journal of Applied Psychology</i>, 68, 1191</p>	<p>More innovations happen under high levels of minority dissent, but only at a high degree of participation in team decision making.</p>	<p>Innovation, Business</p>
<p>Joel Wachtler, Charlan Nemeth. 1983. Creative problem solving as a result of majority vs minority influence. <i>European Journal of Social Psychology</i>, Volume 13, Issue 1, p 45</p>	<p>The minorities are more efficient in finding new solutions to the problem and are not influenced by majority.</p>	<p>Innovation, Creativity, Social Capital</p>
<p>Birenee, Chan-woo Kim, Truelove. 2004. Learning about Difference, Learning with Others, Learning to Transgress <i>Journal of Social Issues</i> V60(1) p195</p>	<p>intergroup learning - learning about other groups, educating others about one's own groups, intention to bridge intergroup differences, and reflecting on one's own group - helps to reduce prejudice and promote diversity.</p>	<p>Social capital, Integration, Education, Safety</p>
<p>Selden and Selden. 2001 Rethinking diversity in public organizations for the 21st century: Moving toward a multicultural model. <i>Administration & Society</i>, 33(3), 303-329.</p>	<p>Proposes a new process for managing diversity that facilitates the development and promulgation of a multicultural organization</p>	<p>Social capital, Integration</p>
<p>David Pitts. 2009. Diversity Management, Job Satisfaction, and Performance: Evidence from U.S. Federal Agencies <i>Public Administration Review</i>. V 69(2), 328</p>	<p>Diversity management is strongly linked to both work group performance and job satisfaction, and that people of color see benefits from diversity management above and beyond those experienced by white employees</p>	<p>Social capital, Business</p>

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<p>Sowa and Selden. 2003. Administrative Discretion and Active Representation: An Expansion of the Theory of Representative Bureaucracy. <i>Public Administration Review</i> 63 (6), 700.</p>	<p>Administrators who perceive themselves as possessing significant discretion and who assume the role of minority representative in their agencies are more likely to enact policy outcomes that favor minority interests</p>	<p>City governance</p>
<p>Let's Meet! Let's Exchange! LETS as an Instrument for Linking Asylum Seekers and the Host Community in the Netherlands. 2008. <i>Journal of Refugee Studies</i> Sep 1(21), 326</p>	<p>Illustrates how the gap between asylum seekers and local people was bridged by stimulating contact between them in a structured fashion</p>	<p>Social capital, Integration</p>
<p>Seeland, Dübendorfer. 2009. Making friends in Zurich's urban forests and parks: The role of public green space for social inclusion of youths from different cultures. <i>Forest Policy and Economics</i></p>	<p>Public urban green spaces play an important role for children and youths in making contacts and friends across cultures, which is considered a prerequisite for social inclusion</p>	<p>Social inclusion, Integration, Public space</p>
<p>Karin Peters. Being Together in Urban Parks: Connecting Public Space, Leisure, and Diversity. Leisure Sciences, v32(5) p 418</p>	<p>explores the extent and nature of interethnic interactions by focusing on leisure activities in the public spaces of ethnically mixed neighborhoods</p>	<p>Public space</p>
<p>Susan Araia, Alison Pedlar. 2001. Moving beyond individualism in leisure theory: a critical analysis of concepts of community and social engagement. Leisure Studies, v22(3) p 185</p>	<p>Participation in communities of celebration entails people coming together in sports, festivals, hobbies, volunteering, and the arts, and finding in these leisure activities common and public goods.</p>	<p>Public space, Civic engagement</p>
<p>Umbach. 2006. The Contribution of Faculty of Color to Undergraduate Education <i>Research in Higher Education</i>, Vol. 47, No. 3 p. 317-</p>	<p>This study finds compelling evidence that foreign-born faculty provide an important contribution to undergraduate education</p>	<p>Education</p>
<p>Akerlof G. A., R. E. Kranton (2010), <i>Identity Economics</i>, Princeton University Press, Princeton, US.</p>	<p>Provides economic modelling of cultural change to explain issues such as the persistence of low education and high crime rates in the black community</p>	<p>Understanding diversity</p>

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<p>Hannerz U. (1996), <i>Transnational Connections. Culture, People, Places</i>, Routledge, London-New York.</p>	<p>Provides an in-depth anthropological analysis of contemporary issues in diversity and diversity management, at global and local level</p>	<p>Understanding diversity</p>
<p>Homan A. C., D. van Knippenberg, G. A. van Kleef, e C. K. W. De Dreu (2007), Bridging faultlines by valuing diversity: Diversity beliefs, information elaboration, and performance in diverse work groups, <i>Journal of Applied Psychology</i>, 92, pp. 1189-1199.</p>	<p>Shows how tolerance and openness to diversity help bridging diversity fault lines and improving operational effectiveness of diverse team. In so doing, it surveys recent literature on diversity fault lines.</p>	<p>Innovation and business</p>
<p>Jacobs J., (1961), <i>The Death and Life of Great American Cities</i>, New York, Vintage, US.</p>	<p>Classical reference on cities. Diversity is the key factor to city's success. Provides inspiring analyses of the city urban space</p>	<p>Urban spaces</p>
<p>Janssens M., Zanoni P. Facilitating Intercultural Encounters within a Global Context: Towards Processual Conditions, in <i>Sustainable Cities. Diversity, Economic Growth, Social Cohesion</i>, Janssens M., Pinelli D., Reyman D.C., Wallman Sandra (eds), Edward Elgar, London, UK.</p>	<p>Provides a comprehensive analysis of contemporary diversity issues for a critical discussion of traditional diversity management models. It highlights the main element of a new approach to diversity management</p>	<p>Governance of diversity</p>
<p>Putnam R. D. (2007), <i>E Pluribus Unum: Diversity and Community in the Twenty-first Century</i>, The 2006 Johan Skytte Prize Lecture, <i>Scandinavian Political Studies</i> 30.</p>	<p>Provides extensive survey of existing literature on the pros and cons of diversity (in economics, management studies, sociology). It analyses the relationship between diversity and social capital across US metropolitan areas.</p>	<p>City governance, Social capital</p>
<p>Page S. (2007), <i>The Difference: How the power of diversity creates better groups, firms, schools and societies</i>, Princeton University Press, Princeton, US.</p>	<p>Comprehensive survey of the potential benefits of diversity in a variety of settings</p>	<p>Innovation, creativity</p>
<p>Sen, A. K. (2006), <i>Identity and Violence. The Illusion of Destiny</i>, W.W. Norton, New York, US.</p>	<p>Sets out in a clear and easy-to-read manner the importance of diversity and identity in contemporary societies. It discusses the multidimensionality of diversity and what consequences this has for diversity policies.</p>	<p>Understanding diversity, governance of diversity</p>

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Wallman S. (2011) The capability of places. Methods for modelling community response to intrusion and change, Pluto Press, London, UK.

Summarising 30 years of research, the book analyses and compares local systems with similar degrees of ethnic diversity and show that they may exhibit very different patterns of social relations depending on pattern of interrelations between the different diversity axes and the urban space

Urban space, governance of diversity

Williams K.Y., O'Reilly C.A. (1998), Demography and diversity in organisations: A review of 40 years of research, in Staw B.M., Cummings L.I (eds), Research in Organisational Behaviour, vol 20, Jai Press, Greenwich, US.

Provides comprehensive survey of psychological research on diversity and innovation in organisations

Innovation, business

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