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Economic Growth and Innovation in Multicultural Environments

ENGIME

FINAL REPORT

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Economic Growth and Innovation in Multicultural Environments

ENGIME

Final report

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Preface

Within the Fifth Community RTD Framework Programme of the European Union (1998–2002), the Key Action 'Improving the Socio-economic Knowledge Base' had broad and ambitious objectives, namely: to improve our understanding of the structural changes taking place in European society, to identify ways of managing these changes and to promote the active involvement of European citizens in shaping their own futures. A further important aim was to mobilise the research communities in the social sciences and humanities at the European level and to provide scientific support to policies at various levels, with particular attention to EU policy fields.

This Key Action had a total budget of EUR 155 million and was implemented through three Calls for proposals. As a result, 185 projects involving more than 1 600 research teams from 38 countries have been selected for funding and have started their research between 1999 and 2002.

Most of these projects are now finalised and results are systematically published in the form of a Final Report.

The calls have addressed different but interrelated research themes which have contributed to the objectives outlined above. These themes can be grouped under a certain number of areas of policy relevance, each of which are addressed by a significant number of projects from a variety of perspectives.

These areas are the following:

- ***Societal trends and structural change***

16 projects, total investment of EUR 14.6 million, 164 teams

- ***Quality of life of European citizens***

5 projects, total investment of EUR 6.4 million, 36 teams

- ***European socio-economic models and challenges***

9 projects, total investment of EUR 9.3 million, 91 teams

- ***Social cohesion, migration and welfare***

30 projects, total investment of EUR 28 million, 249 teams

- ***Employment and changes in work***

18 projects, total investment of EUR 17.5 million, 149 teams

- ***Gender, participation and quality of life***

13 projects, total investment of EUR 12.3 million, 97 teams

- ***Dynamics of knowledge, generation and use***

8 projects, total investment of EUR 6.1 million, 77 teams

- ***Education, training and new forms of learning***

14 projects, total investment of EUR 12.9 million, 105 teams

- ***Economic development and dynamics***

22 projects, total investment of EUR 15.3 million, 134 teams

- ***Governance, democracy and citizenship***

28 projects; total investment of EUR 25.5 million, 233 teams

- ***Challenges from European enlargement***

13 projects, total investment of EUR 12.8 million, 116 teams

- ***Infrastructures to build the European research area***

9 projects, total investment of EUR 15.4 million, 74 teams

This publication contains the final report of the project 'Economic Growth and Innovation in Multicultural Environments', whose work has primarily contributed to the area 'Employment and unemployment in Europe'.

The report contains information about the main scientific findings of ENGIME and their policy implications. The research was carried out by nine teams over a period of 42 months, starting in July 2001.

The abstract and executive summary presented in this edition offer the reader an overview of the main scientific and policy conclusions, before the main body of the research provided in the other chapters of this report.

As the results of the projects financed under the Key Action become available to the scientific and policy communities, Priority 7 'Citizens and Governance in a knowledge based society' of the Sixth Framework Programme is building on the progress already made and aims at making a further contribution to the development of a European Research Area in the social sciences and the humanities.

I hope readers find the information in this publication both interesting and useful as well as clear evidence of the importance attached by the European Union to fostering research in the field of social sciences and the humanities.

J.-M. BAER,

Director

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Acknowledgements

We firstly would like to thanks all 65 external participants and 23 researchers that contributed to ENGIME activities. In particular;

Section III. 2. is based on D03, which actively involved all Network partners.

Section III. 3., III. 4., III. 5., III. 6., III. 7. and III. 8. are based on the workshops deliverables (D05-D33, as prepared by local organisers in collaboration with the Steering Committee).

Section IV. 2. and Section IV. 3. are based on Maddy Janssens and Patrizia Zanoni (KULeuven) re-elaboration of the analytical results of workshops.

Section IV. 4. is based on Gianmarco I.P. Ottaviano (FEEM and Università di Bologna) and Giovanni Peri (UCLA) presentation in Workshop 6 (re-elaborated and completed by Dino Pinelli and Elena Bellini, FEEM).

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Section IV. 5.2. (Banska-Bistrika) is based on Alexandra Bitusikova (Matej Bel University) paper presented in Workshop 1

Section IV. 5.3. (Baroda) is based on Alaknanda Patel (India) paper presented in Workshop 3.

Section IV. 5.4. (Chicago) is based on Richard C. Longworth (senior writer for the Chicago Tribune) paper presented in Workshop 6.

Section IV. 5.5. (Roma) is based on Raffaele Bracalenti and Kristine Crane (IPRS, Rome) paper presented in Workshop 4 and 6.

List of abbreviations

AMPI	Athens Migration Policy Initiative
ENGIME	Economic Growth and Innovation in Multicultural Environments. Thematic Network financed by FP5, Key-Action: *Improving socio-economic knowledge base.*
EU	European Union.
EURODIV	Cultural Diversity in Europe: A Series of Conferences. Financed by FP6, Marie Curie Series of Conferences.
NGOs	Non-Governmental Organisations.
NUTS	Nomenclature des Unités Territoriales Statistiques.
GDP	Gross Domestic Product.
SMEs	Small and Medium Enterprises.
SUS.DIV	Sustainable Development in a Diverse World. Network of Excellence financed by FP6, Priority 7: *Citizens and governance in a knowledge-based society.*
UK	United Kingdom.
UNDP	United Nations Development Programme.
UNESCO	United Nations Educational Scientific and Cultural Organisation.
US	United States.

Abstract

Diversity is increasingly at the core of the academic and political debate. On the one hand, diversity is referred to as a main asset for development and human welfare. At the global level, the 2001 *Universal Declaration on Cultural Diversity* of the United Nations Educational Scientific and Cultural Organisation (UNESCO) states that "cultural diversity is as necessary for humankind as biodiversity is for nature" (Art. 1). Similarly, at the European level diversity is seen as the core concept of European identity (and *United in Diversity* is the motto proposed by the European Constitution). On the other hand, the processes of European integration, enlargement, new migration flows and the compression of time and space induced by globalisation bring diversity to the forefront, facing policy-makers with formidable questions, concerning as different areas as migration, labour market, education and language policies as well as the physical, political and social structure of cities. These processes raise a series of questions to policy-makers, which touch upon different areas of policy-making, ranging from labour market, education, migration policies to issues related to urban areas, governance and political responsibility, citizenship.

Building on six inter-disciplinary Workshops, we propose a policy framework for dealing with diversity. In the new framework, a priori rules are replaced by issue-specific negotiation processes, whose decisions are valid only over a definite time span. The negotiation processes are characterised by three conditions. Firstly, negotiation does not start with the assumption of commonality nor strives towards commonality. Rather, compatibility of actions should be searched. The act of defining common values and motives implies the danger of establishing the superiority of one form of life and the inferiority of another. The principle is to promote dialogue between individuals and groups with different identities without asking these actors to develop a shared system of basic values or common worldview. Secondly, the relationships among different individuals and groups take place in an open/heterogeneous setting, rather than in a closed/homogenous setting. Flexible system boundaries allow connections and relationships outside the core. Finally, in searching for compatibility of the actions, parties of the negotiation process need to avoid a discourse of cultural rights and fixed identities. Rather, they need to strive for non-ethnicisation, e.g. to avoid attributing the reasons of particular behaviours and practices to the cultural backgrounds of the other. Although the analytical focus was on the cities, such a framework derives from broader considerations and is therefore more generally applicable.

I. EXECUTIVE SUMMARY

1. Introduction

Diversity is increasingly at the core of the academic and political debate. On the one hand, diversity is referred to as a main asset for development and human welfare. At the global level, the *Universal Declaration on Cultural Diversity* (UNESCO, 2001) states that "cultural diversity is as necessary for humankind as biodiversity is for nature" (Art. 1). Similarly, at the European level diversity is seen as the core concept of European identity (and *United in Diversity* is the motto proposed by the European Constitution). On the other hand, the processes of European integration, enlargement, new migration flows and the compression of time and space induced by globalisation bring diversity to the forefront, facing policy-makers with formidable questions, concerning as different areas as migration, labour market,education and language policies as well as the physical, political and social structure of cities.

These processes raise a series of questions to policy-makers, which touch upon different areas of policy-making, ranging from labour market, education, migration policies to issues related to urban areas, governance and political responsibility, citizenship.

This Thematic Network on *Economic Growth and Innovation in Multicultural Environments* (ENGIME) intended to provide European researchers with an interdisciplinary forum to address those questions.

Our starting point was that diversity entails both costs and benefits. On the cost side, a common culture and a common language allow individuasl to interact (and trade) more easily: a contract need not be translated if two individuals speak the same language. Moreover, cultural diversity may often lead to cultural shocks and conflicts. On the benefit side, skills and knowledge are often culture-specific: individuals with different cultural backgrounds have different skills, expertise and experiences. If different skills, expertise and experiences are relevant to each other, cultural diversity creates an environment where the gains from complementarities can be significant, provided that there exists enough communication between individuals and relationships are created.

Our working hypothesis was that *cities* offer a natural laboratory for analysing diversity at work. *Cities* are the places where costs (for example in the form of cultural and racial conflicts) and benefits (for example in the form of cross-cultural knowledge spillovers that foster the processes of innovation and assign to cities a central role in the process of economic growth) of diversity show up. Whether benefits or costs will prevail depends on the degree of cross-cultural communication and cross-cultural complementarities. Not all

cities are culturally differentiated: there are cities that are culturally diversified and cities that are not. The challenge is to understand whether and under which conditions (policy, regulatory, institutional), cities that are culturally diversified have an advantage in terms of economic growth with respect to cities that are less culturally diversified. Given the high density of population and the variety of cultures represented, Europe as a whole reproduces on a world scale some of the characteristics that urban centres have on a national and regional scale. Our intention was to draw general lessons concerning the design of Europe-wide institutions and policies.

2. The six workshops

A series of six interdisciplinary workshops were organised on specialised themes to favour confrontation and exchanges across disciplines on common questions. Indeed, confrontation and exchanges proved very valuable and a synthesising effort by Network partners led to the identification of a set of conditions that should characterise a new policy framework for dealing with diversity. Based on the analytical framework described in Section II., six themes were selected by ENGIME partners to be covered in the workshops. The workshop was preceded by a first phase devoted to define the work field.

The six themes define a pattern of workshops around that "complex symbiotic relationship" that Jacobs (1969, p 224) suggests to be at the core of the creative dynamic of the urban economies. *Cross-cultural communication* is the key word that links the workshops together.

Workshop 1 invited scholars from different disciplines to jointly participate in a dialogue on mapping diversity. The objective was to confront how different disciplines define diversity and conduct research on diversity. Workshop 2 studied the form of *communication* (the stress was on the individual level). Workshop 3 studied the mechanisms that cause *communication* to break down in society and the consequent social costs. Workshop 4 studied trust and social capital, the processes through which they are created and destroyed and their consequences on social life, as a way to restore *communication*. Workshop 5 summarised the issues and studied the forms of governance that help to create communication and relationships. Workshop 6 focused on the benefits of diversity.

Each Workshop was organised and hosted by a different partner and steered by an interdisciplinary committee comprising representatives from other partners. Workshops were designed to both activate and mobilise research, and encourage and facilitate shared learning across disciplines:

- Prior to each workshop, a *call for papers* was drawn up by the Steering Committee, discussed between partners, and circulated to a wide-reaching mailing list, comprising?(iling) the mailing lists of individual partners (therefore addressing very different research communities);

- During each workshop, the structure provided occasions for intense interdisciplinary discussion. At each workshop, the papers were selected (from the call and ad-hoc invitees) to represent a variety of disciplines (and contributors were invited to present in a non-technical manner, to facilitate discussion). Ample time was provided for discussion after presentations. Plenary sessions were alternated with discussion in small groups to facilitate interaction and learning;

- After each workshop a Summary of the discussion in the workshop was drafted by the responsible partners. A (non technical) Policy brief summarised the main concepts for policy-makers.

Overall, the following figures summarise the network activities:

- around 65 speakers contributed to the 6 workshops;

- other 16 researchers were actively involved;

- 25 papers were published in the Working Paper series of the coordinator (accessible through the coordinator website and distributed through the Social Science Research Network) and around 10 papers are currently under evaluation for publication;

- 4 newsletters have been sent to more than 500 addresses;

- the manuscript for a book on "DiverCities-A multidisciplinary perspective on diversity in cities" is ready and being submitted to publishers;

- the ENGIME web site provides access to the complete documentation: http://www.feem.it/engime.

In what follows a summary of each Workshop is provided.

Our first workshop invited scholars from different disciplines to jointly participate in a dialogue on diversity with the objective of mapping ways in which different disciplines define diversity and conduct research on diversity. First, defining diversity and differences was discussed using insights from the disciplines of anthropology, biology, economics and organisation theory. These contributions focused on the evolutions in

theorising and studying diversity. Second, current research on diversity was presented from both a quantitative and qualitative approach. From a quantitative perspective, the focus was on operationalising diversity in terms of indicators of diversity. From a qualitative perspective, case studies on diversity in cities were presented to increase our understanding of the factors influencing the possibility of diversity.

The second workshop focused on intercultural communication and multiculturalism. The workshop brought together researchers from various disciplines and practitioners with a twofold objective. Firstly, it intended to provide a map of the different types and forms of interaction that may be present in a multicultural environment and the different communication models available to practitioners and researchers. The exposure to these models and experiences creates a framework to analyse different concepts and dimensions related to the study of different types and forms of communication across cultures. It also shows how practitioners of communication make use of these models in their work. Secondly, it explored how diversity and multiculturalism create a sense of identity in multicultural cities and how these identities affect interpersonal and inter-group communication within and across the cities. This topic intended to explore the different conflicts and contradictions that multiculturalism and diversity may pose to inhabitants of multicultural cities. It focused on differences in perception of "the other" and how these perceptions contribute to form (individual and collective) cultural identities in multicultural cities. Indeed, the city and its function as creator of communication and relationships was the final object of the analysis.

The Third ENGIME workshop "Social Dynamics and Conflicts in Multicultural Cities" focused on the relationship between diversity, inequality and conflict and their implications for economic welfare and growth. In the first part, the issue of conflict was analysed from a multidisciplinary perspective, using insights from economics, law and psychology. These contributions focused on the consequences that religious beliefs may have on the generation of wealth and social inequality; the role of heterogeneity in shaping cross-group solidarity and social provision of public goods; the relation between cultural traditions and civic virtue and the role of community policy to solve cultural conflicts. The psychology dimension brought in light the relationship between conflict in work teams and innovation and creativity at work. In the second part, diversity and conflicts were discussed through a series of case-studies. The focus was on interactions between immigrants and host society in different cities or neighbourhood types, the "established-outsider relation", the role of languages and racism to increase our understanding of the factors influencing the possibility of conflicts.

The Fourth ENGIME workshop aimed at examining governance in its various manifestations at the city level. The challenge of cultural diversity in contemporary society calls for the modification of political concepts and instruments. The shift from government, a top-down mechanism in which an elected body imposes its will, to governance, which endorses a participatory strategy to include the underrepresented members of society, exemplifies this evolution. The European Commission's White Paper on Governance emphasises transparency and the decentralisation of power, and the Council of Europe specifies the following manifestations of governance strategies: the recognition of minority languages in schools and institutions, religious diversity in public institutions, and the inclusion of language competencies in employment criteria. Governing cultural diversity is of course a trans-national concept that has various meanings and manifestations throughout the world. Governance inevitably moves beyond the recognition that multiculturalism is good for society and confronts the challenges that this reality creates. The workshop fittingly took place in Rome, a cradle of historical pluralism and host to contemporary diversity dynamics, and one of the goals of the workshop was to understand how governance tools are being used in this city.

The Fifth ENGIME Workshop focused on Social Capital. Urban areas are characterised by a continuously growing diversity of the citizens in all aspects, economic, sociological and political. As a consequence it appears necessary to find an efficient way of managing all these aspects of diversity. Under such circumstances the term "Social Capital" becomes central in the political and in the social sciences analysis, not only because this term could explain the differentiation in the level of economic development, but also because it could suggest alternative ways for different groups to succeed in managing their economic and social life. The main goal of the workshop was to shed light on the role of social capital and its main components, such as trust and networks, in all the dimensions of social life in the modern multicultural cities. We could summarise the two-day workshop, considering that it tried in general to deal with two different issues. Firstly, "what social capital consists of and how social capital affects economic growth" and secondly, "how social capital might contribute to the integration of the immigrants in local communities".

The final workshop was different with respect to previous ones. There was not a call for papers. Rather, selected experts, academics and policy-makers were invited to discuss a set of propositions elaborated and presented by the Network's partners. Propositions were based on previous Workshops' learning points. The objective was to discuss the main results of three years of the network's activity.

The conference was organised in two days and four sessions. The first day was devoted to the understanding of diversity and diversity policies (Session 1) and its role in explaining the function of cities as a "driver of growth" (Session 2). The second day was more specific and explored two issues that characterise the types and level of cross-cultural relationships taking place in the city: the spatial and social structure of the city (Session 3) and the governance system (Session 4).

Session 1 aimed at constructing a common ground of discussion among participants. In particular:

- it proposed a critical review of the definitions of diversity, and analyses how it relates to other terms used in literature and in the public debate (culture, ethnicity, multiculturalism, pluralism, etc.);

- it presented and discussed different approaches and policy strategies to deal with diversity (segregation, assimilation, integration, etc.), and analyses their meaning, implications and effects for creativity, innovation, and sustainable development;

- it introduced the ENGIME approach and summarises the main results of the network's activities.

Session 2 intended to discuss the role of diversity in constructing an innovative, creative and dynamic city, thereby contributing to overall development. The background is to be found in scholars such as Jacobs (1969, 1984) and Bairoch (1988) who argued that most innovations happen in cities and stressed the importance that the "variety of cultural occasions, aspects, inhabitants, visitors and also tastes, abilities, needs and even obsessions" have in the processes of innovation, creativity and growth. In particular, Session 2:

- it discusses recent results in economic and sociological research concerning the role that diversity (in all its dimensions; economic, social and cultural) plays in urban processes;

- and particularly concerning the importance of diversity in the processes of innovation and growth.

Session 3 discussed the interplay of several factors creating boundaries that divide communities and individuals. Physical structures, such as walls, fences and gates can be constructed around a community to guarantee security and privacy (the so-called "gated communities"). More often, social and economic processes build boundaries, creating closed communities, isolated from the external world. Besides, boundaries can be

reinforced by cultural factors, because, for example, the symbolic value of a built environment gives a strong sense of belonging to a space. Wallman (2003) shows that vital diversity emerges only as a delicate equilibrium, when an urban community is open but at the same time capable of maintaining a crucial core of interrelatedness. Session 3 explored the crucial features (physical, cultural, and socio-economic) of this delicate equilibrium, in particular:

- it explored the processes through which physical, social, economic, and cultural factors interplay to create boundaries;

- and discussed what policies and measures should be put in place to foster dialogue and cross-cultural interactions.

Session 4 discussed governance as a strategy of managing both changing processes of governing and the diversity that is evolving in contemporary society. Governance invokes open and dynamic processes that cannot be formalised and may trigger change in both the actors and the system involved. The Session explored the role, features, possibility and suitability of a governance approach to diversity. In particular,

- it explored the issue of creating a standardised language of participation that must be flexible enough to provide for the participation of various actors;

- it discussed whether and to what extent governance is an effective strategy for integrating ethnic minorities and introducing/dealing with diversity in a political system;

- it analysed how governance can counter, or respond to the imperfections of democracy insofar as it (democracy) is unable to adequately represent minority groups (and if the influence of governance would then alter our notions of democracy or allow new political systems to evolve).

3. A new policy framework

The Workshops highlighted some common lines of discussion, although in very different settings and disciplinary background. It was a major effort of the network to try to summarise them into a coherent framework.

Our starting points were the following:

Firstly, that the recent increase in the global flows of people, goods and information, this unprecedented phenomenon may, affect how people define their own and others' identity, and how they enter into relationships with each other.

Secondly, that, parallel to that, our understanding of diversity has changed. We need to move away from the traditional view of culture as an integrated neatly fitting together whole, identifiable with a human collectivity normally resident in a determined territory. We need to move towards a view of culture that is relational (arising in the relationship among people) and dynamically constructed within the globalised urban context (where, symmetrically, the city is increasingly viewed as a dynamically constructed process, rather than a statically defined place). The result is a context characterised by multiplicity, networks of relationships and a simultaneous reinforcement of global and local forces (henceforth, multicultural society).

The implications can be summarised as follows.

Firstly, traditional political policies (segregation, assimilation and integration) should be challenged as their premises are no longer valid. They all assume that identity is based on a fixed cultural background, that migrants are either staying for a long time or coming back home, that acculturation is a linear process taking place in a homogenous and fixed context. These assumptions do not hold in the current world, where culture and identity is fluid, multiple and hybrid and acculturation takes place in international networks, in a context which is heterogeneous and changing.

Secondly, new guiding principles are proposed. They are based on processual conditions rather than on a definition of a-priori rules of which behaviour is allowed and which is not. A priori rules are replaced by issue-specific negotiation processes, whose decisions are valid only over a definite time span. The negotiation processes are characterised by three conditions. Firstly, negotiation does not start with the assumption of commonality nor does it strive towards commonality. Rather, compatibility of actions should be searched. The act of defining common values and motives implies the danger of establishing the superiority of one form of life and the inferiority of another. The principle is to promote dialogue between individuals and groups with different identities without asking these actors to develop a shared system of basic values or common worldview. Secondly, the relationships among different individuals and groups take place in an open/heterogeneous setting, rather than in a closed/homogenous setting. Flexible system boundaries allow connections and relationships outside the core. Finally, in searching for compatibility of the actions, parties of the negotiation process need to avoid a discourse of cultural rights and fixed identities. Rather, they need to strive for non-ethnicisation, e.g. avoiding attributing the reasons of particular behaviours and practices to the cultural backgrounds of the other.

Some empirical support to the theoretical modelling developed above is provided both at macro- and micro-level.

At a macro-level, a review of cross-countries and cross-regions econometrics studies shows that a set of conditions that have been found relevant for diversity positively influence growth, creativity and social cohesion. They concern:

- The institutional setting. There exists an adequate institutional base where open confrontation between people can take place on an equal basis (openness);
- The structure of diversity. There does not exist a situation of dominance of one cultural group on the others (fragmentation);
- The geographical distribution of groups. Groups live close enough to interact (proximity);
- The level of resources. There exists an adequate level of economic resources to be shared out between groups. Economic hardship increases the possibility of conflict, social stresses, bad economic outcomes (income).

At a micro-level, a set of case-studies (among those presented during the workshops) were analysed in order to provide evidence of the guidelines at work. In particular the following cases were analysed.

3.1. London. Demonstrating 'good' diversity: option and choice in the local system

Battersea is a borough in south inner London. Despite being a mixed inner city area, it does not find race or ethnic relations a central or even a consistently important issue. Despite being typical inner city residents, the life of Battersea's residents is not a bleak tale of deprivation and disadvantage. By contrast, Bow, in the east end of London, is marked by ethnic contrast. Over history, it is an area where some street conflicts are unambiguously racial conflicts. Life is generally hard.

Yet, Battersea and Bow areas are comparable in size and resource base, operate in the same metropolitan system and are part of the same national culture; both populations are[1] dominantly low income working-class, with a growing sprinkling of 'gentry' and a visible ethnic mixture. Nevertheless, Battersea and Bow are socially different kinds of

[1] The ethnographic present here refers to the 1980s.

places, with different patterns of livelihood and different capacity to adapt to economic or demographic change.

The difference is that, *as local systems,* Battersea and Bow are at opposite ends of an open: closed, heterogeneous: homogeneous continuum. The contrast is consistent through ten separate dimensions: industrial structure; industrial type; employment opportunities; travel to work patterns; travel facilities; labour movement; housing options; gatekeepers; criteria for membership; political traditions. By each measure, Bow is markedly less open and less heterogeneous than Battersea; and by the same measures, Bow's style is consistently less flexible and more exclusionary. In Battersea, diversity operates in a delicate equilibrium: it is open, mixed, and/but including the crucial *solid core of interrelatedness*. The heterogeneity of *this* local system both multiplies economic and identity options *and* allows open access to them. Hence 'good' diversity:- heterogeneity pertains throughout the system so that each layer feeds back on/reinforces the other.

3.2. Banská Bystrica. Post-Socialist city on the way to diversity

Banská Bystrica is a medium-sized city situated in the mountainous region of Central Slovakia on the Hron river, with a long tradition of multiculturality. This chapter studies Banská Bystrica urban diversity and integrity in the light of political, socio-economic and cultural changes. On the example of three different historical periods (1918 – 1948: the democratic Czechoslovakia; 1948 – 1989: the communist Czechoslovakia; 1989 up to the present: building new democracy in a new state) the study shows transformations of the city and urban life.

The research results show how political systems influence conditions, in which urban diversity and heterogeneity develop. During the democratic period of the first Czechoslovak Republic (1918 – 1948 with the exception of the World War II), Banská Bystrica was a multicultural city with a rich ethnic, religious and social differentiation of the inhabitants who communicated in three languages. After the communist coup in 1948, the situation dramatically changed. Within a few years the city became a grey, dull place with no or strictly limited social life. A tTotalitarian regime was systematically suppressing any diversity or pluralism in public spaces for fear of a mass protest against the regime. After the 'velvet revolution' in 1989 and the 'velvet divorce' in 1993 dramatic political, economic, social and cultural changes transformed the face of the city completely. Diversity was brought back to the public *fora*, leading to higher economic growth of the city, but a more colourful diverse urban life.

The chapter highlights democracy and totalitarianism as two different solutions to the 'diversity vs. same-ness' and the 'private vs. public space' trade-offs discussed in Chapter III. Allowing diversity in the public sphere and making open confrontation possible, democracy created the conditions for diversity to flourish and contribute to the economic and social prosperity of the city.

3.3. Baroda. Cultural diversity: conflicts and prosperity

Baroda, a city in the state of Gujarat, has for long been a microcosm of India's multicultural ethos, with people of different religious faith, caste groups, original indigenous inhabitants and migrant workers ensuring diverse cultural practices and lifestyle. Their contribution made Baroda a leading centre for academic excellence, artistic endeavour and business enterprise. Strong benevolent state policies provided justice, equal opportunities and an effective use of social capital so that citizens could live in harmony in their individual as well as shared space.

Despite the vehement antagonism between Hindus and Muslims after the partition of India, a general rise in the level of well-being because of vibrant economic activities through fertiliser and petrochemical complexes, engineering industries, oil refinery and small-scale production units kept the city essentially strife-free. The 21st century, however, started on a different note. In early 2002, violence of an unbelievable dimension and brutality broke out between the two communities with rampant killing, looting and destruction of homes, business premises and places of worship.

The chapter discusses the historical changes that have led to the breaking of the positive relationship. Before, the two communities were living separately, each of them contributing in a specific well-defined way to the economy and prosperity of the city. A set of rules were shared between communities, as in a sort of informal city constitution, providing clear identity and objectives to the people of both communities. Boundaries have now fallen down. Individuals and groups can now interact and compete more freely. However, in the absence of the possibility of open negotiation (hampered by the remaining of traditions), the relationships are exploding into conflicts, rather than positive cooperation.

3.4. Chicago. A story of diversity

The history of Chicago rests on its diversity. Germans, Poles, Lithuanians, Irish, Slovaks, Croats, Italians – the great waves of European immigration - built industrial-era Chicago. Mexicans, Cubans, Chinese, Jews came too, and the city thrived. If older eastern cities like Boston and Philadelphia had developed their civic characteristics and culture before

the great age of immigration, Chicago's character and culture was literally shaped by these newcomers. When heavy industry died after World War II, new immigrants – more Mexicans but also Asians, from Korea, the Philippines, Palestine and Iraq, India and Pakistan – rescued Chicago from its Rust Belt torpor. Chicago, which once seemed doomed to follow Detroit into a sort of decrepitude, reinvented itself for the global era.

The chapter shows how a delicate equilibrium between separated-ness and interrelated-ness(?) across cultural groups characterised Chicagoan economic, political and social life through time, thus making diversity the basis of the economic thrive of the city. Negotiations and compromises always sustained the equilibrium. In the economic arena, big companies are (informally) discriminating new immigrants, yet economic opportunities are offered (and rapidly filled in) in other sectors of the economy. Cultural groups specialised initially in niche production and services, yet breaking out through generations to the outside of the ethnic community. In the political arena, the city is dominated by established communities, but new immigrants find some form of access to the political arena, either by being integrated in the democratic party (as in older days) or providing money (as it is more the case nowadays). It is not textbook democracy, but it amounts to a rough social contract – votes, and money, for services – between governors and governed. Through Chicago's history, negotiations and compromises allowed short-terms costs (both for immigrants and the host community) to be waved, while tapping the long-term benefits of diversity.

3.5. Rome. Electing foreign representatives to the Rome city government: governance strategies

Since the beginning in the 1980s Rome has gradually evolved into a multicultural city posing new questions and challenges to local authorities. Initially, an emergency approach was used, focusing on covering basic needs. More recently, the concept of local citizenship came to the fore and more elaborate pathways were explored. In order to involve immigrants in the development of the city, four Council Members were elected on March 28 2004 to represent legal foreigners living in Rome. They do not have the right to vote, but can participate in and contribute to the discussion. Additionally, 23 foreigners were elected to a consultative body and 20 representatives from each of Rome's municipalities.

Three risks were inherent to the process: firstly, that the elections remain only of symbolic significance (masking the fundamental issue of giving immigrants legal voting rights); secondly, that the elections would be themselves exclusionary thus creating a

salient separation between foreigners and Italians; and finally that the elections fragment the ethnic communities in Rome instead of creating cohesion.

Through interviews and quantitative analysis the chapter shows that the process was certainly successful in terms of migrants' participation. In particular, it led to the creation of good channels between different communities and, paradoxically, the lack of money helped to increase the level of communication within and across various communities as well as the involvement of Italian political parties. Holding elections that were separate (from Italians), rather than making segregation salient, made migrants aware of their self-presentation to the city. This created a sense of visible empowerment amongst immigrants. Despite most interviewees acknowledged the overall success of the experiment, the lack of voting power (reflecting an inherent hierarchy between communities) was recognised as a potential cause of failure in the long run.

3.6. Antwerp. Integration of non-natives into the regular labour market: The Paradox project

The condition of non-natives in the labour market in large cities such as for example Brussels and Antwerp, represents a major problem. The unemployment rate among non-natives is much higher than among natives and higher than in any other Belgian city. From May 2002 to November 2004 the project Paradox aimed at integrating non-natives (and people older than 45) into the regular labour market by means of placement in Small and Medium Sized Enterprises (SMEs) in and around Antwerp. The project was co-financed by the Equal programme of the European Commission. Counsellors intermediated between the SMEs and the potential candidates at three levels: helping SMEs to adapt their job profiles; helping job-seekers to adapt their self-presentation and expectations; and helping SMEs and non-natives to communicate after the placement. The counsellors were operating within the framework of fair competition between firms and employers were paying the market price for the placement. In the two years and a half of the project 313 non-natives were helped and 54 were placed on job. Near the end of the project (summer 2004), more than half of those were still working.

The chapter shows how cultural barriers often work at the very micro level. Wrong expectations by job-seekers (for example, because they had an education qualification not recognised in Belgium); wrong ways of spelling out the job description (imposing un-necessary requirements to applicants) and minor miscommunication on the job after placement (taken as due to bad competence or worse) represented the main obstacles to the employment of non-natives. In these conditions, because of imperfect information, the market would fail to deliver the optimal outcome (placement would not take place).

Public intervention is therefore needed. As in Paradox, intervention does not need to be imposed to the market. Rather it should operate through the market. The market allows negotiation to take place in a more flexible manner and reduces the danger of ethnicisation of the issue.

4. Conclusions

A new framework for dealing with diversity is proposed, building on an inter-disciplinary brainstorming taking place over six Workshops. New guiding principles are proposed, based on processual conditions rather than on a definition of a-priori rules of which behaviour is allowed and which is not. A priori rules are replaced by issue-specific negotiation processes, whose decisions are valid only over a definite time span. Using the case-studies and empirical exercises we have illustrated how these negotiations might work in practice. Although the analytical focus was on the cities, such a framework derives from broader considerations and is therefore more generally applicable.

II. BACKGROUND AND OBJECTIVES OF THE PROJECT

Diversity is increasingly at the core of the academic and political debate. On the one hand, diversity is referred to as a main asset for development and human welfare. At the global level, the *Universal Declaration on Cultural Diversity* (United Nations Educational, Scientific and Cultural Organisation - UNESCO, 2001) states that "cultural diversity is as necessary for humankind as biodiversity is for nature" (Art. 1). Similarly, at the European level diversity is seen as the core concept of European identity (and *United in Diversity* is the motto proposed by the European Constitution). On the other hand, the processes of European integration, enlargement, new migration flows and the compression of time and space induced by globalisation bring diversity to the forefront, facing policy-makers with formidable questions, concerning as different areas as migration, labour market,education and language policies as well as the physical, political and social structure of cities.

The European Union (EU) can be thought of as the biggest laboratory of intercultural collaboration of today's world (Hofstede, 1991). In 1994, the Killilea Report of the European Parliament (1994. explanatory statement, par.6) said that an "*estimated 40 million Community citizens speak a language other than the nine official European Community languages and the two national languages, Irish and Letzeburgesch. This represents one person in eight. In addition, 12 million people descended from immigrants speak a non-European language*". The process of enlargement and immigration from outside Europe are further increasing the degree of diversity, while EU institutions are being formed and profound structural changes, such as the process of globalisation and the raising of a knowledge-base economy, are taking place.

These processes raise a series of questions to policy-makers, which touch upon different areas of policy-making, ranging from labour market, education, migration policies to issues related to urban areas, governance and political responsibility, citizenship.

This Thematic Network on Economic Growth and Innovation in Multicultural Environments (ENGIME) intended to provide European researchers with an interdisciplinary forum to address those questions.

Our starting point was that diversity entails both costs and benefits. On the cost side, a common culture and a common language allows individuals to interact (and trade) more easily: a contract need not be translated if two individuals speak the same language. Moreover, cultural diversity may often lead to cultural shocks and conflicts. On the benefit side, skills and knowledge are often culture-specific: individuals with different cultural backgrounds have different skills, expertise and experiences. If different skills,

expertise and experiences are relevant to each other, cultural diversity creates an environment where the gains from complementarities can be significant, provided that there exists enough communication between individuals and relationships are created.

Our working hypothesis was that *cities* offer a natural laboratory for analysing diversity at work. *Cities* are the places where costs (for example in the form of cultural and racial conflicts) and benefits (for example in the form of cross-cultural knowledge spillovers that foster the processes of innovation and assign to cities a central role in the process of economic growth) of diversity show up. Whether benefits or costs will prevail depends on the degree of cross-cultural communication and cross-cultural complementarities. Not all cities are culturally differentiated: there are cities that are culturally diversified and cities that are not. The challenge is to understand whether and under which conditions (policy, regulatory, institutional), cities that are culturally diversified have an advantage in terms of economic growth with respect to cities that are less culturally diversified. Given the high density of population and the variety of cultures represented, Europe as a whole reproduces on a world scale some of the characteristics that urban centres have on a national and regional scale. Our intention was to draw general lessons concerning the design of Europe-wide institutions and policies.

In what follows, Section 0 describes the methodology and discusses the analytical results. Section 0 summarises the results into a new framework (set of conditions) for dealing with diversity productively at local, national and international level. Empirical evidence supporting the theoretical argumentations is also provided. Section 0 discusses future prospects.

III. SCIENTIFIC DESCRIPTION OF PROJECT RESULTS AND METHODOLOGY

ENGIME is a Thematic Network. As such, the stress was on creating networks and occasions for exchanges of knowledge, rather than on the creation of new knowledge.

A series of six interdisciplinary workshops were organised on specialised themes to favour confrontation and exchanges across disciplines on common questions. Indeed, confrontation and exchanges proved very valuable and a synthesising effort by Network partners led to the identification of a set of conditions that should characterise a new policy framework for dealing with diversity. These conditions will be discussed at length in Section 0. In what follows, we firstly discuss the methodological approach underneath the organisation of the network; secondly we discuss the content and analytical results of the work undertaken; finally, we discuss the synthesis results of the network.

It is important to explain the processual nature of our work. Analytical results of one workshop are subsequently elaborated in the following ones. Yet, they are important *per se*, as they provide the ground for the synthetic results described in Section IV..

1. Design and rationale of the six workshops

Based on the analytical framework described in Section II., six themes were selected by ENGIME partners to be covered in the workshops. The workshop was preceded by a first phase devoted to define the work field.

The six themes define a pattern of workshops around that "complex symbiotic relationship" that Jacobs (1969, p 224) suggests to be at the core of the creative dynamic of the urban economies. *Cross-cultural communication* is the key word that links the workshops together.

Workshop 1 invited scholars from different disciplines to jointly participate in a dialogue on mapping diversity. The objective was to confront how different disciplines define diversity and conduct research on diversity. Workshop 2 studied the form of *communication* (the stress was on the individual level). Workshop 3 studied the mechanisms that cause *communication* to break down in society and the consequent social costs. Workshop 4 studied trust and social capital, the processes through which they are created and destroyed and their consequences on social life, as a way to restore *communication*. Workshop 5 summarised the issues and studies the forms of governance that help to create communication and relationships. Workshop 5 focused on the benefits of diversity.

Each Workshop was organised and hosted by a different partner and steered by an interdisciplinary committee comprising representatives from other partners. Workshops were designed to both activate and mobilise research, and encourage and facilitate shared learning across disciplines: (la parte sotto è già presente prima)

- Prior to each workshop, a *call for papers* was drawn up by the Steering Committee, discussed between partners, and circulated to a wide-reaching mailing list, compiling the mailing lists of individual partners (therefore addressing very different research communities);

- During each workshop, the structure provided occasions for intense interdisciplinary discussion. At each workshop, the papers were selected (from the call and ad-hoc invitees) to represent a variety of disciplines (and contributors were invited to present in a non-technical manner, to facilitate discussion). Ample time was provided for discussion after presentations. Plenary sessions were alternated with discussion in small groups to facilitate interaction and learning;

- After each workshop a Summary of the discussion in the workshop was drafted by the responsible partners. A Policy brief summarised the main concepts in a less-technical way for policy-makers.

Overall, the following figures summarise the network activities:

- around 65 speakers contributed to the 6 workshops;

- other 16 researchers were actively involved;

- 25 papers were published in the Working Paper series of the coordinator (accessible through the coordinator website and distributed throughn the Social Science Research Network) and around 10 papers are currently under evaluation for publication;

- 4 newsletters have been sent to more than 500 addresses;

- the manuscript for a book on "DiverCities-A multidisciplinary perspective on diversity in cities" is ready and being submitted to publishers;

- the ENGIME web site provides access to the complete documentation: http://www.feem.it/engime.

In what follows a summary of each Workshop is provided.

2. The preparatory phase: a glossary

The first phase prepared the workfield by starting to create a common ground of discussion. The following eight keywords were selected to structure interdisciplinary discussion: growth and development; culture; social capital and trust; conflict; and governance. The reasons for selecting *Development* and *Culture* are straightforward as they represent the key-issues of the network. *Innovation* and *Conflict* represent the positive and negative side of diversity at work. The existence of *Communication* across different cultures determines whether increasing diversity would result in more *conflict* or, on the contrary, more *innovation. Institution, Social capital* and *Trust* and *Governance* are four key concepts for communities to restore communication across cultures. *Globalisation* is a current process that is leading to more and more contacts across cultures, and cannot be overlooked in this Network.

The objective was not to agree on common definitions of the main concepts but rather to highlight common research questions and major differences in the disciplinary approaches. The idea was to provide a multidisciplinary rather than a specialised tool in order to enable disciplines to speak to each other. The exercise was not without problems. In fact, some interesting lessons can be drawn from the difficulties we faced in this preliminary phase of ENGIME.

- We faced the problem of being too specialised and concentrated on one aspect of the concept. For example, growth can be interpreted widely in economics terms but will leave out some interesting sociological aspects.

- Some words are not explicitly dealt with in some disciplines and finding their significance therefore requires an extra effort.

- The need to include different sections within each definition became obvious as some aspects of the definition needed to be 'treated apart' or further explained for the purpose of clarity.

- The order of the concepts also became very important as we realised that the interconnection between the definitions meant we had to be careful to avoid being repetitive.

- The importance of involving different disciplines in the process of this glossary, apart from the obvious aspect of creating a multidisciplinary tool, stems also from the constructive critical side of this exercise, and hopefully reaching a rather exhaustive, accurate and entertaining analysis.

In what follows we summarise in a nutshell the main issues highlighted by the discussion. For each concept we briefly summarise the main definition(s) and theoretical approaches. Then, we report the main points of discussion in the network. This will help identify key issues that will be used to read the results of the workshops.

Growth and development. The discussion started from traditional definitions of development and growth. Following Perroux (1961)[2], scholars often distinguish between the concepts of 'growth', 'development' and even 'economic advancement'. 'Growth' usually means simple increase in production, 'development' implies underlying structural change as well; and 'economic advancement' adds the idea of broader social and cultural transformation or change. Over time, two closely related strands of research have emerged in economics: theories of growth have their focus on advanced countries, while theories of development focus on issues that are more closely related to developing countries[3].

The discussion highlighted some sort of convergence of these two strands. While traditional theories of growth were specifically oriented to advanced countries and had a tendency to dismiss ideas and concepts originating in the development field, some of these concepts are now at the centre of more recent theories of growth such as endogenous growth theories (concepts such as externalities, increasing returns and other non-convexities). The concept of endogeneity of the process of growth and development came to the fore: institutions, cultures and economic structure all co-participate in affecting the final outcome. Besides, the question of sustainability (of the resources – natural, cultural and economic - and institutions needed for the process to continue in the long-term) represents a key concept in both fields. Divergence still characterises the measurement of growth and development. While measuring growth is traditionally done using the economic accounts (Gross Domestic Product or Gross Value Added, usually expressed per capita, or per worker); measuring development involves the compiling of different dimensions in a single index. Experiences such as the Human Development Index are not yet completely satisfactory.

Culture. The oldest definition of the term '*culture*' referred to the cultivation of soil or the raising of some plant or animal. In the Age of Enlightenment, the word was used figuratively and referred to the work of someone who improves his/her mind by reading. Another meaning appeared in the 19th century in Germany. This new meaning came from the work of the philosopher Herder. According to Herder, every culture is

[2] Perroux, F, L'economie du XX siecle, Paris, 1961.
[3] See also Key-Word 1 Section 4 *Theories of Development.*

distinguished by its 'Volksgeist', its original inspiration. In this sense, 'culture' is formed by the major collective and distinctive features of a people. The concept of culture was further developed mainly by Anglo-Saxon sociologists or anthropologists, who were influenced by the German tradition. Edward Tylor describes culture as 'that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society' (Tylor, 1994). This definition was resolutely opposed to racist theories (in which biological factors were perceived as the cause of the variety of ways and customs) and to the evolutionist theories in which every people or country is placed on a scale going from savagery to high civilisation). 'Cultural differences are acquired differences, acquired by socialisation in specific cultural contexts.' (Sökefeld).

Traditionally, cultural differences have been generally defined by referring to demographic traits such as gender, race, ethnicity, age, (dis)ability, religion, social class etc. This happened in disciplines as different as psychology, economics and political sciences. Most empirical studies investigate the impact of one or a few of these diversity traits on specific organisational outcomes (see Milliken and Martins, 1996 for a review in psychology or Alesina and La Ferrara, 2004 for a review in economics). For example, they relate ethnicity, language or gender to employee satisfaction, discrimination, decision making, communication, and wage differences, creativity, innovation. In political sciences, the debate on multiculturalism reflected this view of culture as a fixed group characteristic.

Our discussion highlighted an important trend in different research strands towards a more dynamic and relational concept of identity (and differences). Recent research in psychology, for example, favours a non-essentialised reframing of identity toward relational embeddedness, where the concept of identity is not one of cross-time and cross-situational coherence but one of multiphrenic embeddedness (Gergen, 1991). From this perspective, identity is "best seen as a set of contradictory, fluid, contextual constrained positions within which people are capable of exercising choice" (Ely, 1995; p.184). Similarly, in political sciences, the debate is moving on in considering the fact that, if it is true that the idea of a citizen without social ties is an illusion, it is also true that individuals are not locked into their culture of origin. The content of a group's culture is not static. It depends on history, and evolves. The culture of origin is one of the numerous resources that individuals can use in a 'do-it-yourself' cultural identity. Cultural identity is expressed in relation to the others, it is context-specific, and dynamically changing. The challenge is to design new methodologies for empirical research that are able to take on this new approach to identity and diversity. Going beyond traditional

approaches where groups are identified on the basis of demographic characteristics, recent studies try to define groups on the basis of self-categorisation (Fearon, 2003).

Communication. In the 15th century, communication is almost synonymous of communion, meaning: *to share*. Today, communication refers to the process of intentionally stimulating meanings through the use of symbolic information (Jandt, 2001).

Discussion highlighted three fundamental points. Firstly, communication plays a key role in our societies the more so the more technology is developing in influencing our behaviour. Nothing but technologies' level stands in the way of a faster and faster communication. However, other words could be more useful: speaking, speech, or word (« he's a man of his word »), talk (in French: *la parole*). These words characterise a deeper reality. Speech serves to communicate, but it has many other uses too. It can do good or evil, it can cure or kill, it can be hesitant or authoritarian, playful or serious. It goes with each human tiny event. But speaking needs time, because some speeches are fast (like chattering) but others are rare (like confession). Thinking about communication, we must always remember that, behind this notion, there are individuals speaking. Secondly, communication is context-dependent and culture is one of the variables defining the context. Transmitting and interpreting messages is a simultaneous process. The 'filters' influence the process of transmitting and interpreting messages as they give us 'leads' on what to expect from the interaction. The filters also influence what we pay attention to (selection process) and how we choose to interpret the received messages. Finally, communication plays an important role in the economy (although it remains a black box for most of the economic research). Historians and sociologists such as Jacobs (1969, 1984) and Bairoch (1988), observed that most innovations happen in cities, and concluded that the opportunities that individuals have in cities to meet each other help them get ideas and innovate (Jacobs, 1969). Marshall (1890) discusses the transfer of knowledge in an occupation to explain the existence of industrial clusters. Economic theory has formalised this idea into the concept of '*knowledge spillover*': the knowledge of one individual spills over other individuals and improves other people's productivity. Knowledge spillovers have a key role in two major strands of economic research: in explaining endogenous economic growth and in explaining geographical agglomerations (such as cities) which confirm the key role of communication in our research.

Institution. Schotter (1981) defines an institution as *regularity in social behaviour* that is agreed upon by all members of society, that specifies behaviour in specific recurrent situations and that is either self-policing or policied by some external authority. This

approach stresses the fact that institutions are, to use a game theoretical framework, self-enforcing equilibrium outcomes. North (1990, 1991) defines institutions as the rules of the game –both formal rules (laws) and informal constraints (conventions, norms of behaviour and self-imposed codes of conduct) and their enforcement characteristics, which shape human interactions. He further states that institutions create order, reduce uncertainty and transaction costs, and provide an incentive structure in the economy. This approach stresses the fact that institutions represent constraints on human actions and behaviour. A similar approach is used in Kasper and Streit (1998) who define institutions as '*rules of human interaction* that constrain possibly opportunistic and erratic individual behaviour, thereby making human behaviour more predictable and thus facilitating the division of labour and wealth creation'.

Discussion focused on 'Culture' and 'institutions' as overlapping and interdependent concepts. On the one hand, if we accept the definition of institution as the rules of the game – both formal rules (laws) and informal constraints (conventions, norms of behaviour and self-imposed codes of conduct), it is possible to classify culture as a form of institution. On the other hand, faced with different possible institutional arrangements, cultural and social factors impact institutional selection. Greif (1994, 1995) studies the Maghribi and Genoese traders of the late medieval period and concludes that different cultural heritages led to diverse trajectories of societal organisation (led to different institutional arrangements). 'Distinct cultures provided different focal points while distinct social processes provided different initial networks for information transmission among the Maghribi and the Genoese traders, leading to the emergence of distinct institutions in fundamentally the same situation.' (Greif, 1995, p. 20)..

Globalisation. The term globalisation was used for the first time in 1968 by Marshall McLuhan in his famous book *War and Peace in the Global Village*. Analysing the role of television in the unfolding of the events linked to the war in Vietnam, McLuhan showed how the media in the 1960s had begun to play an important part in current affairs by shaping public opinion, and more generally predicted the decisive role which modern communication technologies were to play in the world in the acceleration of progress. The word was taken up again by Theodore Levitt in 1983, in his article *The Globalisation of Markets*, to describe the vast changes which have taken place over the past two decades in international economy with the convergence of world markets[4]. According to Raghavan (1995), the term globalisation "is also being used synonymously for

[4] In Latin countries the term mondialisation is also often used in lieu of globalisation (Nadoulek, 19??) and although some authors - particularly in the Francophone world - distinguish between the two, attributing a more critical meaning to the first, etymologically speaking they are synonymous, and in our opinion there does not appear to be enough evidence that a very clear distinction between them can be made.

'liberalisation' and 'greater openness' of economies – implying both liberalisation of the domestic economy and external liberalisation." Advances in transport, communications and information technology are a determining factor in the globalisation process. On the subject, Mr Renato Ruggiero, former WTO chairman and ex-Italian Minister of Foreign Affairs - speaking at the Telecom-95 to heads of the major telecommunications enterprises of the G-7 countries - said that while "liberalisation of capital and trade flows is creating a global economy, the liberalisation of telecommunications, which can bring high quality, medical, education and business services to every village in the world, will globalise human society itself."

Indeed, the discussion stressed the pre-eminent role of *information* in the globalisation process which led the concept being gradually extended from the economic sphere to several political, sociological and cultural spheres, and one which affects several areas, including human rights, citizenship, democracy, local and global identities, multiculturalism and the "clash of cultures". It follows that globalisation implies a world system in which different cultures are interconnected on several levels. In this sense Held (1991) describes globalisation as "the intensification of world-wide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice-versa".

Social capital and trust. The origin of the concept of *social capital* can be dated back to Jacobs (1961), or even to Banfield (1958), who attributed the underdevelopment of Southern Italy to the lack of social trust outside the strict family circle. More recently, social capital was defined independently by Pierre Bourdieu and James Coleman in the 1980s, as being 'the social ties or membership of particular communities that made resources, advantages and opportunities available to individuals'. Putnam has popularised the concept of social capital as 'features of social life - networks, norms and trust - that enable participants to act together more effectively to pursue shared objectives'. *Trust* may be defined as '… the belief that the other party will not show opportunistic behaviour in vulnerable circumstances'. Opportunistic behaviour is here interpreted as in a game theory context (the prisoner's dilemma) i.e. 'self-interest with guile'. Putnam (1993) identifies the stock of *social capital* as a determinant of institutional performance across northern and southern Italian regions. He suggests that the different stock of social capital could also have contributed to the differences in economic development patterns across the two groups of regions. Trust, co-operative norms and associations within groups fall within the definition of social capital he uses. The main reason underlying this conclusion is that quite often contracts are incomplete, which makes the parties vulnerable: one party may cheat on the other. A high level of interpersonal trust reduces the enforcement and transaction cost. Laws and rational

behaviour are not enough to ensure a properly functioning market economy. At least a minimum reservoir of trust, moral standards and reciprocity must prevail. As such, trust may be viewed as a lubricant of the market system. (Fukuyama, 1995).

The discussion highlighted the intellectual appeal of the concepts of trust and social capital and the relative strong impact they had on the political and cultural debate. However economists tended to stress that their empirical content is scarce and the theoretical foundations still weak (Solow, 1995; Manski, 2000). Indeed, Putnam (1993) admits that the mechanisms through which 'the norms and network of civic community contribute to economic prosperity' need further investigations.

Conflict. The broader definition of conflict defines it as being a serious disagreement or argument. It can be a prolonged armed struggle, a state of mind in which a person experiences a clash of opposing wishes or needs or a serious incompatibility between two of more opinions, principles or interests. Conflict can be defined as an extreme form of competition where contenders seek to disable or destroy opponents or even convert them into a supply of resources. Conflict needs not always to be violent but can take the form of industrial or legal conflicts. In a world of business, a firm might find ways of sabotaging competing enterprises without actually assassinating their executives. Nevertheless, warfare serves well as a convenient metaphor for strife and contention generally (Hirshleifer, 2001). Examples of conflictual interactions are 'hot' and 'cold' wars[5], lawsuits, strikes, redistributive politics and family rivalries. In particular, the *materialistic theory* attributes conflict to competition for resources. Barbarian invasions of civilised cities and empires in ancient times were motivated by consumables, slaves, etc. In contrast, *attitudinal theories* of conflict direct attention to the respective preference functions. The relative weights attributable to genetic versus cultural determinants attitudes towards conflicts is still an open question. Finally, *informational theories* of conflict emphasise differences of perceptions or beliefs. Three key elements emerge, which can be interpreted in an economic way as: preferences (hostile preference), opportunities (economic gain) and perceptions (mistaken perceptions). These three forces shape a rational individual choice of engaging in a conflict. In turn, preferences, opportunities and perceptions will themselves depend upon some factors, in particular:

- *Preferences* (malevolence or benevolence) is likely to be a function of kinship and shared cultural heritage.

[5] According to 'The New Oxford Dictionary of English', war is defined as: 'a state of armed conflict between different nations or states or different groups within a nation or state'. Terrorism is instead defined as 'the use of violence and intimidation in the pursuit of political aims'.

- *Opportunities* may depend on Malthusian population pressures, on economics of increasing returns, the division of labour and the possibility of enforcing agreements.

- *Perceptions* may be influenced by communications, and past and on-going demonstrated hostilities.

Cultural (shaping preferences and perceptions) and economic (shaping opportunities) factors appear to both underpin the explosion of conflict. A brief literature review on the economic costs of conflict showed that conflicts have important economic consequences. Economic consequences of ethnic diversity and conflicts have been recently analysed in economic literature. Alesina, Baqir and Easterly (1999) analyse how heterogeneity of preferences across ethnic groups in a city influence the provision of public goods. Results show that the shares of spending on productive public goods are inversely related to the city's ethnic fragmentation even after controlling for other socio-economic and demographic determinants. *Ethnic diversity implies less-than-efficient provision of public goods*. Abadie and Gardeazabal (2001) analyse the economic effects of conflict (using the terrorist conflict in the Basque Country as a case study) and find that in the *Basque Country Gross Domestic Product (GDP) per capita is lower by about 10 percent points* relative to a 'synthetic' built control region. These gaps seem also to widen in response to spikes in terrorist activity[6].

Governance. The concept of governance is often opposed to that of government, where government is intended as 'the complex of political institutions, laws, and customs through which the function of governing is carried out' (Merriam-Webster), while a governance approach implies that conventional boundaries between politics, policies and administration become less significant than the question of how the whole ensemble works (or fails to work). In this sense governance is a broader notion referring to the act of running a government, state, regime, etc., that encompasses and transcends that of government, in that it is a process of management and control involving several actors, and specifically interaction between formal institutions and those of civil society. In accordance with the above definition the concept of governance obviously applies to a wide range of fields, not least the management of cultural pluralism. While in more culturally homogeneous and undifferentiated communities the interests of most of their members are likely to coincide, in multicultural contexts, where there is a need to reach a great diversity of people in the community, governance becomes essential in order to

[6] Abadie, A., and Gardeazabal, J., 'The Economic Costs of Conflict: A Case-Control Study for the Basque Country'', NBER Working paper N°8478, September 2001.

ensure the participation and inclusion in the decision-making process of people from diverse cultural backgrounds and to prevent discrimination. In this sense the adoption of a governance model is already a first step towards recognising changes and extending participation to newly emerging contexts.

Europe is now facing these very issues as it undergoes the process of transformation of its political order, which places the centre of political decision-making even further than previously for many of its citizens. If, in this context, strategies implemented according to a governance model have a profound meaning in all sectors of policy-making, this is even truer in the symbolically highly-charged area of cultural diversity, as these obviously directly affect the composition and, consequently, the identity, of local communities. 'Multiculturalism will be an unavoidable dimension of European citizenship, since it would allow both for the inclusion of new cultural values, and therefore the shaping of value community (...) beyond national stories.' (Dacyl, 2000).

3. Workshop 1: Mapping Diversity: Understanding the Dynamics of Multicultural Cities

(Leuven, 16-17/05/02)

3.1. The objectives

Our first workshop invited scholars from different disciplines to jointly participate in a dialogue on mapping diversity with the objective of providing a map of ways in which different disciplines define diversity and conduct research on diversity. (già corretto in precedenza)

First, the definitions of diversity and differences were discussed using insights from the disciplines of anthropology, biology, economics and organisation theory. These contributions focused on the evolutions in theorising and studying diversity. Second, current research on diversity was presented from both a quantitative and qualitative approach. From a quantitative perspective, the focus was on operationalising diversity in terms of indicators of diversity. From a qualitative perspective, case studies on diversity in cities were presented to increase our understanding of the factors influencing the possibility of diversity.

3.2.Key learning points

From the discussions, five main topics emerged that seem crucial in understanding the dynamics of diversity in multicultural cities. A first topic addresses the difficulty of defining diversity and points to the importance of the relational construction of diversity and the need to contextualise diversity in terms of socio-economic power. A second topic introduces the notion of space as an important condition of diversity. The following two topics then address ways of 'managing' diversity. The distinction is made between an integrative and coordinative model where differences are either approached in a hierarchical versus non-hierarchical way. The other topic relates to the role of institutions in achieving a non-hierarchical way of dealing with differences. Finally, a fifth topic puts forward the question and need to find new ways of experiencing differences that are less threatening. Besides these five topics, reflections on how to conduct interdisciplinary research as well as future research questions emerged. These seven issues will now be discussed in depth.

A. Defining diversity

Diversity is a complex notion and can refer to different dimensions and layers of reality. We present here insights from the discipline of organisation studies in which diversity is mainly defined in terms of group characteristics. From biology, we remember the distinction between alpha, beta and gamma indicators of diversity. However, the danger of defining and operationalising diversity in these terms is a static definition and a de-contextualised approach of diversity. Two reflections on defining diversity therefore refer to a relational construction of diversity and incorporating the relationship of diversity with the socio-economic position of people.

A.1. Diversity as different group characteristics

Within the discipline of organisation studies, diversity is mainly defined in terms of different categories that refer to group characteristics with the purpose of further examining the effects of these characteristics on work-related outcomes. An important categorisation is the distinction between primary and secondary characteristics. This distinction refers to the central versus the acquired elements that can influence the way people perceive themselves and their environment. The *primary* dimensions include gender, age, ethnicity, sexual orientation, race and physical condition, while education, religion, geographical origin, income, marital status and profession fall under the *secondary* dimensions. Other categorisations refer to variable (education, religion) versus

invariable (gender, ethnicity) dimensions and observable (gender, race) versus non-observable (education, sexual orientation) diversity dimensions.

While these types of categorisations refer to demographic and representative differences, other types of categorisations relate to functional differences. Functional differences refer to the differences in the way we learn, think, process information and deal with authority: task-related knowledge, skills and capacities; values, views and attitudes; cognitive and attitudinal styles; and status in the organisation such as one's hierarchical position, professional domain, departmental affiliation and seniority. These ways of defining and operationalising differences is emphasised by researchers who are interested in examining the economic effects of diversity. In contrast, researchers who are more interested in diversity because of a moral-ethical perspective (examining social injustice) seem to focus more on the demographic and representative differences.

A.2. Measuring diversity

In order to carry out meaningful empirical research, diversity needs to be measured. This is possible at least for what concerns the observable variables discussed above. Ecologists have been dealing with and have attempted to measure diversity for a long time. Some of the concepts developed by ecologists are also relevant for our research:

- *Alfa*, *beta* and *gamma* diversity refer to how diversity is spatially organised (a key concept in our analysis, see below). *Alpha* diversity refers to diversity within a particular sample: within-habitat diversity. *Beta* diversity refers to diversity associated with changes in sample composition along an environmental gradient: between-habitat diversity. *Gamma* diversity refers to differences across samples when they are combined into a single sample. *Gamma* diversity measures landscape diversity: the total number of species observed in all habitats within a geographical area.

- *Evenness* and *richness* refer to the relative weight attributed to minorities in the population (also a key concept in the socio-economic analysis of diversity).

However, when diversity refers to economic rankable variables (such as income), diversity indexes should take account of an additional dimension: the distance between each class or type of individuals.

A.3. A relational construction of diversity

A first important reflection on the notion of diversity is its relational nature. 'Who you are' is being constructed in relationship to other people. For instance, you will experience a more local identity (I am a person from Leuven) when coming in contact with people from another city (a person from Bruges); you will construct a more regional identity (I am a Flemish person) when in contact with a person from another region (a Walloon person); a national identity (I am a Belgian) will arise when being in another country (The Netherlands); and a European identity will be constructed when being in another continent like the United States (US). So, diversity and identity are constructed in relationship to others. And it seems the more distant the relationship is, the broader the identity is being constructed.

This reflection is grounded in the discussion whether identity and diversity is a static or dynamic conception. Several diversity studies link individuals' identity directly to the social category they belong to on the basis of their individual characteristics. For instance, a person is being identified as 'a woman' if she belongs to the social category of women. According to this perspective, a person's identity is conceived as stable, fixed, unitary and internally consistent. It is an objective set of characteristics, which leads to a specific identity. Other researchers however favour a reframing of identity toward relational embeddedness, where the concept of identity is not one of cross-time and cross-situational coherence but one of multiphrenic embeddedness. From this perspective, identity is best seen as a set of contradictory, fluid, contextual constrained positions within which people are capable of exercising choice. Questions like 'Who am I?' or 'What kind of person am I?' are not answered once and for all, but are being constructed as social interactions and experiences change, not only over time, but also during the work day as one encounters a variety of people and situations. Important in this relational perspective is the fluid, processual nature of identity that is contingent upon social relations (Alvesson & Billing, 1997). Behaviour that was formerly attributed to the individual alone is now seen as arising out of the negotiated relationship with other individuals. Even if people belong to the same social category, the meaning of their identity is not necessarily the same because they develop their identity in close interaction with other people who confirm, support or disrupt different identity claims.

A.4. The socio-economic and historical context of diversity

A second reflection refers to the importance of the socio-economic and historical context to fully understand the dynamics of diversity. Given the importance of intergroup dynamics for diversity, contemporary interactions are considered to be influenced by the legacy of prior interactions among members of those groups. It is the economic power and the history of intergroup relations, which is the social-cultural background on which the effects of diversity are constructed. Therefore, diversity cannot be fully understood when one approaches this notion as only an individual or group phenomenon, a trait of an individual or of a group. What is needed is a more holistic approach incorporating a socio-economic and historical perspective to understand how, for instance, segregation and oppressed mechanisms function in society.

B. Space as (im)possibility for diversity

The notion of 'space' or 'spatial structure' emerged throughout the presentation of the case studies and discussions as an important factor to understand where and when diversity is allowed.

Diversity and differences need space so they can express themselves. For instance, the case study of Banská Bystrica in Slovakia taught us that public spaces are crucial in the way they stimulate diversity and pluralism. For instance, a square with restaurants and pubs where people can meet; walking promenades; cultural festivities that attract people to a square are specific examples of urban planning that allows diversity in the streets of the city. In contrast, a square that is a traffic junction of public transport or social and cultural activities that are only allowed in private homes are practices that seem to support a totalitarian regime. The case study further shows that diversity seems to flourish only in democratic conditions. Besides, it needs instruments and tools, such as planned and organised public spaces for public debate. The ideas of space and democracy bring us to the notion of public and private spheres and its links to diversity. Often the conviction is that in public domains, commonality of values and beliefs is necessary (see integrative model). Cultural conformity becomes then a condition and a vehicle for obtaining full citizenship. At the same time, one recognises however the right of minorities to experience their own culture. The solution then is to allow the expression of cultural differences in the private domain. So, democracy is here perceived as a combination of public domains where everybody is equal with private domains where diversity is allowed. A first remark towards this way of conceiving democracy is the contestable distinction between public and private domains. In daily practice, theses two domains are interchangeable. A second, more important, reflection is that democracy

may mean that differences are also allowed in the public domains. Consequently, public spaces need be organised and planned in such a way that diversity is made possible.

Space seems to be also closely linked to the notion of segregation. In a segregated society, groups cluster together, living in separate neighbourhoods where they can create their own space in which they can express their differences. So, again it is spatial structure and the way space is being used that provides researchers and policy makers with a lens and tools to understand and manage diversity.

C. Managing differences: the integrative model and coordinative model

Diversity and dealing with diversity implies the ability to deal with uncertainty, unknown situations, limited means and one's own shortcomings. This problem of dealing with uncertainty can be approached from at least two different angles: an integrative and a coordinative point of view.

In the integrative point of view, uniformity is advocated. The advocates of this view adhere to the conviction that society will disintegrate if its members don't have common motives, cognitions and values. They think that a plural society can only function adequately if there is commonality of fundamental values and standards between the various groups in society. The ultimate goal however seems to be the abolition of differences. It is the dominant segment of society that will define other segments and features as 'foreign', as misplaced, as illegitimate. In addition it is a confirmation and reinforcement of the social hierarchy. Within this integrative model, the various assimilation programmes focus on breaking down and transforming ethnic identity. They intend to build up and mobilise a link with an 'imagined community'. The ideal of this community is an ethnic, religious, linguistic and cultural homogeneity.

A second way of approaching differences is according to the principles of a coordinative model. This model does not deal with commonality (as is the case in the integrative model) but with compatibility of views, and in particular, practices. From a normative point of view this model places less stringent and hence more realistic demands on the groups living together within the nation-state.

Another criterion to think about the difference between an integrative and coordinative model is the way in which differences are being structured. In an integrative model, one assumes a culture that overarches other cultural differences. Consequently, one creates a hierarchy of differences. It is likely that this hierarchy is leading to resistance of minority groups because their values are considered of less importance. Therefore, trying to establish a 'European' culture that incorporates all other national cultures may lead to

negative feelings and rejections from these national cultures. In contrast, in a coordinative model, the idea is to structure the differences in a non-hierarchical way. Structuring means here coordinating in the form of a network (rather than creating a hierarchical order). An example of such a coordinative model is circular networking like the Erasmus exchange program within Europe.

The difference between the integrative and coordinative model further refers to the underlying assumption of the existence of one best practice versus several 'best' practices. The belief in one best practice reflects a more homogeneous assumption where one approach can be considered the only and best approach. In contrast, the belief in several 'best' practices reflects a heterogeneous assumption. The notion of equifinality - there are many culturally distinct ways of reaching an objective - is here accepted.

However, problems are not solved by advocating this coordinative model. After all, integration and coordination have one common element: the demand of non-conflict of principles, criteria and (legal) rules. Incompatibilities should be banned. The conditions, however, under which and the way in which the 'process of banning' should occur are not easy to indicate. Choices are inevitable when it concerns conflicting views, for example equal rights of men and women, the integrity of the human body and the relation between the citizen and the state. While answers are difficult here, one necessary precondition is to promote dialogue between groups with different identities though without asking these groups to develop a shared system of basic values, or a common worldview.

A final important issue in the coordinative model is the way objectives and goals are being defined and formulated. While the formulation of a common goal seems to be necessary to achieve an inclusive community, the danger exists that the ‘common’ goal favours the dominant groups in society and therefore already creates a hierarchy. Defining the common goal is therefore in itself a coordinative action with attention to the needs of all parties involved. A common goal cannot be imposed by an external party but needs be created in a bottom-up way. This process of goal definition is crucial to ensure that future goal-oriented actions can be evaluated in terms of their compatibility.

D. Role of institutions and local action

Traditionally, institutions have tried to govern society by rules and procedures that create regular patterns of behaviour and stable institutions. Actors however learn to anticipate the demands of the system. The problem is that it is often only a superficial adjustment. People behave in accordance with the rules, but this does not mean that they believe in the purpose, effectiveness or legitimacy of the rules. The rules may not be internalised as

a compass for future action. Moreover, the process of globalisation and localisation creates a reality that seems to become too complex, too pluralistic, too open, too unpredictable and thus too unmanageable. Governments and their apparatuses can not operate like a society's control room. Their policy measures have insufficient effect; they have a shorter life span and lead to a stream of new measures intended to correct the previous ones. Such more and more partial adjustments can be characterised as detailed elaborations, additional rules and intensified control. So, a review and reassessment of institutions seems to be called for.

One suggestion that emerged is to perceive the role of institutions and government more as an enabler for local action than that of a decision-maker deciding what the local actions will be. Governments act then as a facilitator. They do not direct, but they inform and mediate, they bring parties together by articulating and co-ordinating their well-understood proper interests, they supervise the process and check to see whether the agreements made by the parties are observed and carried out. Confidence from the actors and citizens is here not won by cultivating an idealised image of consensus (cf. the integrative model) but by recognising the antagonistic character of the cooperation between the actors. It requires learning to handle uncertainty and diversity.

E. Need to search for other ways of experiencing differences

Contact with differences often seems to lead to confrontation and the question which difference is the best. This hierarchical way of thinking and evaluating seems to be inherent to dealing with diversity. Considering the negative consequences of this hierarchical way of thinking, the need arises to look for other ways of experiencing differences. A suggestion that emerged is to think about art as a possible form in which people from different cultures can meet. Art may stimulate a non-hierarchical way of experiencing differences, in which different expressions and values are put next to each other instead of above/under each other.

F. Interdisciplinary research

The different contributions in this workshop came from different disciplines leading to reflections on the way interdisciplinary research can and needs to be done.

A very important learning point was that an interdisciplinary discussion should not start with methodological issues. Methodology is the most 'fixed' part of each discipline. It is grounded in assumptions and paradigms with important implications for types of publications and consequently professional evaluation within the own discipline.

Therefore, discussion on methodological issues is likely to lead to debate and evaluative reactions on each other's method instead of cooperation.

Consequently, interdisciplinary research should start from problems that need be solved. When framing the research question in a problem-driven way (instead of interest-driven), it will emphasise the need for insights from different disciplines. In addition, the idea of a balanced methodology emerged where models try to incorporate as much context as possible. When using models, the challenge is to reduce complexity so it is manageable but without losing all contexts.

Another notion that was stressed is 'story telling'. Story telling is often considered to be a 'qualitative' method which encourages a social validation of 'objective' data that cannot be obtained through the orthodox processes of survey and fieldwork. The underlying idea of presenting a consistent and appealing account was however also appreciated by researchers with a quantitative perspective. It implies that a research account addresses the following issues or steps: 1) what is the issue at stake? (research question); 2) is it relevant in other contexts? (theoretical background/hypothesis formulating); 3) data collection; 4) analysing and interpreting the data (hypothesis testing); and 5) organising the interpretations and conclusion in a transferable way.

G. Research questions

To conclude, we present here the main research questions that emerged throughout the plenary and small group discussions.

Questions related to the economic effects of diversity:

- In organisation studies, the assumption (based on a few studies) is that diversity leads to more innovation and creativity because diversity means different framing of problems, more alternatives, and therefore a higher quality decision. Taking this assumption to the societal level, the question is: to what extent is there a relationship between diversity and creativity/innovation at the societal level and why?

- We assume that there is a relationship between diversity and growth but the question is through which processes. One possible reason may be the emergence of entrepreneurship as driver between diversity and growth. The question is then to what extent are diversity and entrepreneurship related and how does this influence economic growth?

- What are the spillover-effects when managing diversity effectively?

Questions related to space and public domain:

- How can urban planning create spatial structure so that diversity and democracy emerge?
- Which places create space for 'integration' or 'compatible actions'?
- How can the media, a public forum, create space for diversity?

Questions related to diversity and identities:

- In multicultural cities, we see that people act and develop identities while being embedded in networks of relationships that bind them with two or more nation states simultaneously. The ● question is how do people deal with this 'hybrid' identity?
- What are the factors and processes through which different dimensions of diversity become salient (national versus class versus education)?

4. Workshop 2: Communication across Cultures in Multicultural Cities

(The Hague, 7-8/11/02)

4.1. The objectives

The second workshop focused on intercultural communication and multiculturalism. The workshop brought together researchers from various disciplines and practitioners with a twofold objective. Firstly, it intended to provide a map of the different types and forms of interaction that may be present in a multicultural environment and the different communication models available to practitioners and researchers. The exposure to these models and experiences creates a framework to analyse different concepts and dimensions related to the study of different types and forms of communication across cultures. It also shows how practitioners of communication make use of these models in their work. Secondly, it explored how diversity and multiculturalism create a sense of identity in multicultural cities and how these identities affect interpersonal and inter-group communication within and across the cities. This topic intended to explore the different conflicts and contradictions that multiculturalism and diversity may pose to inhabitants of multicultural cities. It focused on differences in perception of "the other" and how these perceptions contribute to form (individual and collective) cultural identities in multicultural cities. Indeed, the city and its function as creator of communication and relationships was the final object of the analysis.

4.2. Key learning points

From the discussions, two general lessons emerged that seem crucial in understanding the forms, types and policies of communication in multicultural cities. From these two general lessons, four specific policy recommendations were drawn. They are discussed below.

A. Two lessons

The first lesson underlined how defining contemporary culture seems to be a complex task. The dimensions and dynamics of existing cultures are continuously changing and new cultural expressions are consequently emerging. The concepts of *place* and *space* prove to be useful in understanding the generation gap in a cross-cultural analysis. At the same time, they help concretely place, in time and space, "real" interaction (as opposed to "virtual" interaction) between real people.

In addition, as a result of globalisation and migratory influxes multicultural cities are increasingly characterised by the existence of *multiple identities*. These multiple identities are the challenge when dealing with tensions resulting from cultural pluralism, thus increasing the complexity of defining culture. *Tolerance* has proved useful in analysing and understanding the managing of these tensions. The degree of tolerance itself depends on tastes, political preferences and political correctness.

Tensions arising in multicultural cities also reflect the complexity of their cultural problems: social stratification, economics, politics and governance. The (social) *participation* of citizens in these different areas is a necessary start for a better understanding of the dynamics of communication.

The second lesson concerned available methods or *models* that could possibly be used to foster communication between diverse cultures. Cultural awareness, respect for cultural difference and reconciliation of cultural differences are the three pillars required for the *three- step approach* to the understanding of different forms and types of interactions among individuals in multicultural environments. Dialogue or *'dialogical communication'* is another method that could be used to stimulate the acculturation process at global level. Dialogical communication seems to have been useful in acculturation efforts in cities during periods of change. We also underlined the need to advocate any form of communication aimed at creating, or helping to create, *inclusive culture* in the city: the establishment of trans-cultural inclusive networks brought about through the everyday activities of interacting and communicating members of society.

We also discussed the role of language in communication between diverse cultures. The *language choice* in multicultural/multilingual environments is not clear. Language use is linked to group membership as well as to complex social definitions and behavioural norms. One important fact that emerged was that a multilinguistic city should no longer be analysed only by taking into consideration the dominant vs. the minority languages. Language can also represent a barrier in multicultural cities, particularly where a mediator's role is involved. However, depending on the contact strategy with certain ethnic groups, *mediators* can bring together different populations in a particularly effective cross-cultural form of communication.

From a more sociological and biological point of view, we tried to understand how diversity could stimulate or hinder communication. For example, fear of strangers is part of our social unconsciousness. In spite of the implied negative connotations, forging s*tereotypes and prejudices,* often is a first step in the process of learning more about "the others". It is an essential stage into a deeper reading of knowledge. The level of *flexibility* in individuals has also been questioned. In biology, one can say that some cultural identities are suited to coexistence whereas others are not. Insecurity and stability are therefore the consequences and managing diversity seems again to be crucial for finding feasible solutions. Managing diversity means the ability to effectively manage conflict, where diversity is an advantage rather than a threat or weakness. For this, intervention strategies at different levels should be implemented in multicultural cities, thus creating room for *cultural mediators*.

B. Three recommendations

A first recommendation is to recognise the need to find ***new forms of communication and expression.*** We must recognise the need for a multi-stake dialogue allowing the creation of ***open systems*** across communities and institutions of the city.

It is therefore necessary to provide new ***tools and tricks*** to stimulate effective intercultural communication. Communication professionals should be given a more active role in providing support in areas such as conflict management and mediation between culturally different groups. These new methods of trans-cultural communication play an important role in increasing awareness of the fact that new forms of culture will emerge by changing communication habits. The role of education in creating these new ways of communication is also essential: teaching about diversity and how to break down stereotypes is a necessary condition for furthering communication between heterogeneous groups. Use of communication tools, such as radio and TV, aimed at wide audiences, is also recommended for informing the ethnic or non local population on social

and political events, thus providing them with the opportunity of creating their own programmes.

These methods have been put in practice at The Hague, a city characterised by relatively highly and spatially segregated communities (Santhoki, 2003). The local government defined new programmes for restructuring neighbourhoods, holding office economies, supporting economic skills (for promoting entrepreneurship) and developing social education plans.

New creative ways of expression should be stimulated. Art as a cultural form is highlighted (Deru Simic, 2003), recognising its potential in allowing for a non-hierarchical and fluid way of expressing collective and individual cultural differences. These new forms of expression should help bridge the gaps between different groups at the city level (as, for example, the Dialogue Process introduced in the US political scene). We highlighted five points necessary to support art, innovation and creativity in multicultural cities:

- Providing creative individuals with favourable "working" conditions: for local authorities this might involve allowing grants, aimed at encouraging experiment, for innovation and pilot projects. For the same reasons, it may often be important to introduce skills, and, consequently, development opportunities, from outside, thus promoting more critical, imaginative ways of doing things.

- Creating spaces: creative people need to be based somewhere. These spaces are likely to be available in urban fringes and changing neighbourhoods, such as former ports and industrial areas. Cheap space reduces financial risk and, therefore, encourages experiments.

- Building new indicators of success: this means that cost-effectiveness indicators, which go beyond traditional cost-benefit analysis, need to be developed.

- Handling creative capacity: handling creative ideas appropriately and turning them into feasible projects. In this sense, cities need to know what art and cultural projects offer in terms of creating spaces for multiple forms of expression and for communicating cultural identity. This is not merely a matter of administrative competence, but rather a matter of allowing for the establishment of less hierarchical processes for the development of these projects (involving artists, communities, etc.).

- Balancing cosmopolitanism and locality: internationally oriented policies are valuable because competition and comparison with other cities provide a stimulus.

Cities, however, must strike a balance between cosmopolitanism and local roots. If the essence of local identity is lost, a city may lose confidence and its sense of direction.

A second recommendation concerns the need to identify and develop ***new ways of monitoring.*** New forms of *local* research and monitoring are required to define local aspirations, needs, trends and actual and potential conflicts in local communities. Monitoring is needed in order to allow cities sharing and learning from their failures and successes.

A first step could consist in distinguishing between culture change and acculturation. Culture change is brought about by internal sources within the community, whereas acculturation arises from sources that are external to the community. This distinction is useful in order to establish whether problems, conflicts, and communication breakdowns result from inside the community itself ("us"), or from "the others".

A second step for furthering new ways of local monitoring is to work on the urban structure of the city. Indeed, research shows that communication emerges as a "delicate equilibrium", when a small core of overlapping networks of social life, work and family help to maintain an open structure of communication between different ethnic groups living in the same neighbourhood (as in the case of Battersea in London – Wallman, 2003). Policies aiming to diversify housing are important because they promote dynamism.

Monitoring should also help understand local community aspirations in terms of common values.

Strategies to realise monitoring should not only be based on the minority/majority framework (as in the case of choosing which language to use, for example in Bruxelles). Local government should not focus on short-term projects. They have not been successful (as in the case of Rotterdam with its Antillian immigrants – Santhoki, 2003) Rather, they should concentrate on long-term programmes that co-ordinate projects and initiatives defined bottom-up by the various minorities. The objective, in fact, should be to narrow the gap between government services supply and the demands of minorities.

A final recommendation concerns future research. ***Experimental and pilot projects*** that bring together different ethnic/cultural groups are necessary. There is a need to highlight how different identities can live together, creating not only market opportunities for migrants but also enhancing social mobility for individuals, groups and excluded neighbourhoods.

It is also of high relevance to encourage and ***support large-scale longitudinal studies.*** These studies should focus on how people, in their day-to-day interactions, define their cultural differences, and most importantly, on the process of *cultural production*.

In this context, innovation at cultural and economic levels can be linked and eventually analysed and measured (as for example the role of entrepreneur skills in migrant groups).

5. Workshop 3: Social Dynamics and Conflicts in Multicultural Cities

(Milan, 20-21/03/03)

5.1. The objectives

The Third ENGIME workshop "Social Dynamics and Conflicts in Multicultural Cities" focused on the relationship between diversity, inequality and conflict and their implications for economic welfare and growth.

In the first part, the issue of conflict was analysed from a multidisciplinary perspective, using insights from economics, law and psychology. These contributions focused on the consequences that religious beliefs may have on the generation of wealth and social inequality; the role of heterogeneity in shaping cross-group solidarity and social provision of public goods; the relation between cultural traditions and civic virtue and the role of community policy to solve cultural conflicts. The psychology dimension shed light on the relationship between conflict in work teams and innovation and creativity at work.

In the second part, diversity and conflicts were discussed through a series of case-studies. The focus was on interactions between immigrants and host society in different cities or neighbourhood types, the "established-outsider relation", the role of languages and racism to increase our understanding of the factors influencing the possibility of conflicts.

Key learning points are discussed below.

5.2. Key learning points

From the discussions, three main topics emerged that seem to be crucial in understanding the social dynamics and conflicts in multicultural cities. A first topic points to the importance of the relation between diversity and conflict and insists on its two-way nature. The second topic explores the question related to diversity and inequality. In particular, the influence of heterogeneity on the functioning of the economy (participation

and public good provision) and the level of productivity is analysed. Finally, the dynamics of groups, their formation, division, and empowerment is looked at a theoretical level and using several case-studies.

A. A closer look at conflict

During the workshop we explored different forms of conflict and how each of those can be related to diversity. Conflicts are the consequences of differences of perceived interests or/and viewpoints between two independent parties. They can be based on preferences, personal taste, values, etc., i.e. *relationship conflicts*, or on procedures, policies, judgements of facts, distribution of resources and these are *task-conflicts*. They are therefore linked to cultural, ethnic, religious, etc. diversity but should not only be seen as a consequence of cultural diversity. Indeed, conflicts can happen even within very similar groups, at any level.

Conflict has commonly a bad image in terms of team effectiveness, growth and performance. Yet, in psychology of work and organisational theory, there seems to be a certain dimension of conflict which will stimulate critical aspects of team performance such as learning, creativity and innovativeness. Indeed, if conflict is task-based, research found that the relation between conflict and *creative* thought and/or *innovative* practice has an inverted U-shape. In other words, while an increase in task conflict is associated with an increase in innovation, innovation decreases at relatively high levels of task conflict.

Therefore, moderate conflict produces moderate level of cognitive activity and the role of *high trust* in fostering this positive effect of moderate conflict is important.

Conflicts are also due to rejection of the "otherness" and are observed under the form of racism and urban or youth violence when it takes an extreme form. In sociology, they are often two paradigms used to explain or characterise conflicts: *prejudice* based on pulsional criteria, and *discrimination* as a concrete social practice. Racial violence, or ethnic conflicts sometimes lead to changes in the legislative and legal framework of the country where they happen. In this sense, conflicts could also be understood as innovative.

Conflict and *migration* do not necessarily go together. There can exist stress-free relationships between migrants and residents/natives largely because of the attempt of the former to become a part of the mainstream society, and because of fear of conflict. This is done of course at the cost of erasing some of the cultural traditions of the migrants. Violence against immigrants is emphasised usually in period of economic

hardships, and *bargaining* as a preference for conflict resolution has been proposed as a successful solution to avoid conflict.

At the neighbourhood or local level, conflict arises over the status and the recognition of the different ethnic and religious groups, over the distribution of resources and defence of the interests of the various actors. These conflicts foster ethnicisation and stigmatisation. This could turn out to build greater *cohesion* in the group (at the local level especially) and therefore be an advantage at least for the members of the group.

It has also been argued that the critical factor in spreading violence and conflict is economic. *Coexistence* and sometimes promiscuity of different groups (natives versus immigrants for example) can give rise to daily conflicts or violence. But these conflicts are not always cross-cultural conflicts, but often assigned to *socio-economic and spatial segregation*.

In conclusion conflicts seem to be inevitable and are both a consequence and a reason of economic difficulties. Conflicts provoke losses of productivity (strikes) and efficiency (communication break-downs). Economic slowdowns and bad urban planning can give birth to or nourish them. Meanwhile there seems to be a level at which conflict, or more precisely a special type of conflict can be positive for innovation (task conflict in a work team) and for social peace (conflicts resulting in institutional and legal modifications aimed at reducing previous inequalities). As diversity does not always mean conflict, conflict does not always mean bad. The recipe seems to be in the moderation of conflict, therefore avoiding financial and economic hardships for example, and in managing it (bargaining as a conflict resolution for example).

B. Cultural diversity, inequality and economic performance

The discussion also addressed the relationships between diversity and inequality in cities. Inequality is to be interpreted not only as income inequality and social differences but also as lack of political power, lack of social recognition and respect. We attempted to distinguish between diversity and inequality, highlighting the dimensions where they overlap or diverge and tried to explore the questions related to diversity, inequality, injustice and domination.

As seen earlier, one of the backbones of the discussion is the role of economics in fostering conflicts. Indeed, when economic conditions are bad, diversity, with a mix of bad architecture or urban planning, can increase tensions within a multicultural city, as the "other" becomes the first target to one's problems. But is the reverse relationship

also true: as bad economics can lead to bad diversity (i.e. conflicts) can bad diversity lead to bad economics?

An important part of the discussion was based on the role of diversity in economics, more precisely on its consequences on the provision of a public good and the productivity of an economy. Theories and empirical studies do not concord on whether inequality is a good or a bad for efficiency or public good provision. Yet there seem to be some evidence that land inequality or income inequality damages the level of co-operation between the different groups, or that ethnic or racial diversity decreases funding or spending for public goods. Similar results are found when looking at the literature on community formation: assets inequality or racial fragmentation lead to a lower level of participation in groups.

A deeper analysis of inequality also revealed that in addition to the economy, the legal and cultural spheres are also important. Tests on the effect of the protestanisation of Latin America on the extreme social inequality in the region found a negative relationship between these two factors. When it is not religion, it could be the "ethnicisation" of social relationships and a certain feeling of victimhood that could bring the economy down.

C. To join or not to join the community

Conflicts result from divisions in different groups. We underlined the importance of understanding the way people form groups and access to them. The composition and size of a group can depend on *access rules*. The "open access" rule, by which anyone can join provided he or she can pay the cost, is shown to form a group of relatively poor individuals. The "restricted access" rule allows the members of the group to exclude someone by majority vote; This rule is shown to result in an unbalanced composition (in favour of the relatively rich). These two examples illustrate the fact that access rules combined with the shape of the income distribution influence participation in groups and inequality, even though this influence is ambiguous.

Groups can also be formed in a more "natural" manner, i.e. people with the same cultural traditions will gather together. Then the conflict at stake is not only concerning cross-cultural diversity but also, especially in larger culturally diverse cities, a conflict between two policy goals: the preservation of cultural traditions as many political liberals advocate and the necessity of civic virtue and social trust, often in short supply. The accommodation of some cultural traditions impose costs in terms of strife, conflict and the inability to pursue effectively important social goals. The discussion led to the result that the need for civic values and social trust should not be subject to absolute and non negotiable demands for the accommodation of cultural traditions. The role of institutions

in preserving those civic values is of the utmost importance. For example municipalities in Montreal are viewed as essential to the survival of the community established there. Their disappearance gave rise to an increase in conflicts that seemed to have been attenuated over the last few years. So in the case when there are two ethnic groups grounded in a socio-spatio-historical context, both of them with significant access to resources and occupying a significant space in the field of social relations, it seems relevant to understand "the game of powers" between the two groups. Language laws for example can be seen as compensating for the minority in social and economic terms. Indeed, the major group in size is not always the most powerful in terms of education and wealth. The conflict or trade-off is then to find a compromise between the benefits of size of the group and the costs of homogeneous policies (loss of some cultural or sub-cultural traditions to the benefit of homogeneity). There seems to be indeed a threshold beyond which diversity turns more often into division. A case-study on adolescents belonging to different ethnic origins finds that the level of local diversity can slightly disadvantage one group, in particular the immigrant groups, being more often targeted by the native group: 10 to 20% would be the turning point where conflicts arise. A higher percentage would not necessarily mean more conflicts. As the minority group is more represented, its power increases, institutions take the group into account and therefore leave less margin for potential bones of contention. The recommendation is then for local administration to channel extra attention and care into areas with a sizeable "minority" group. The role of the school system for example, viewed from the perspective of diversity, is to organise and facilitate the peaceful coexistence of differences within the public sphere of civil society (for example, "ethnic management" of the schooling of children immigrants in France). More generally, mediation of cultural conflict through political dialogue is also helping diminishing tensions.

Social cohesion and the formation of groups find also an explanation in the theory of established-outsider figurations. Indeed, it claims that the social cohesion of the established together with the stigmatisation of the outsider leads to status and power differentials (as seen previously) that exclude the outsiders and in turn produce more cohesion and stigmatisation. This is a way of explaining group cohesion; there also exist types of cohesion based on social oldness. There are three levels that overlap and affect each other which influence the established-outsider relations: societal level (two groups stand opposite to each other), city level (spatial hierarchy), neighbourhood level. An interesting research result concerns the evolution of certain established-outsider relationships which can modify to the point where the established are not always who we think they are. Indeed, immigrants can become the established ones due to their greater cohesion and their growing control over material resources in a neighbourhood for

example. Immigrants can then stigmatise the "former established" (as they do not have enough local cohesion to exclude and disadvantage the immigrants). Dynamics in terms of migrations but also in terms of cultural changes and religious developments give motion to the groups which increases difficulty to anticipate and manage conflicts.

D. Interdisciplinary research

The different contributions in this third workshop came from different disciplines and backgrounds leading to reflections on the way interdisciplinary research can and needs to be done.

We managed to overcome an important point underlined during the first workshop about methodological issues. Indeed the discussion left room for a real debate and learning from each other without discussing what is often the most 'fixed' part of each discipline. Therefore, discussion on methodological issues was replaced by debate and co-operation. The theme of the workshop itself, the progress made during the second workshop on inter-cultural communication and its different models might have helped to make participants and speakers aware of the risks of interdisciplinary conflicts and communication break-downs. Consequently, interdisciplinary research in this case worked well.

In addition to multi-disciplines we also had very different types of works exposed. Theories, empirical studies, case-studies, story-telling (or qualitative methods) also contributed to the "inter-disciplinarity" of the workshop. Research did not suffer from it as all made an effort to adapt their presentations and conclusions to a wider audience.

To conclude, we present here the main research questions that emerged throughout the plenary and small group discussions.

Questions related to the economic effects of conflict:

- In psychological studies, the importance of managing conflict at work was underlined. How to do it and how to extend it to the city level in order to develop creativity/innovation at the industrial and societal level?

- Theories of organisation behaviours may be too focused on linear effects such as: more heterogeneity means less efficiency. What is the alternative? How to develop a methodology which comprehends more automatically non linear effects?

Questions related to diversity:

- The accommodation of some cultural traditions will impose severe costs in terms of strife, conflicts and inability to pursue other social goals. What can institutions do to mitigate those risks? What is their role in giving more or less importance to a language knowing that it is often a marker for ethnic belonging?

- A more general request lies in the lack of official statistics about "minorities". In Europe, it is indeed impossible to build time-series or panel data at a sufficiently detailed level (NUTS[7] 2 and 3) because of the lack of data and of homogeneity in which data can be found for each country. Measuring cultural diversity would require more information on religions, ethnic or racial origins, language used at home, etc.

6. Workshop 4: Governance and Policies in Multicultural Cities

(Rome, 5-6/06/03)

6.1. The objectives

The challenge of cultural diversity in contemporary society calls for the modification of political concepts and instruments. The shift from government, a top-down mechanism in which an elected body imposes its will, to governance, which endorses a participatory strategy to include the underrepresented members of society, exemplifies this evolution. The European Commission's White Paper on Governance emphasises transparency and the decentralisation of power, and the Council of Europe specifies the following manifestations of governance strategies: the recognition of minority languages in schools and institutions, religious diversity in public institutions, and the inclusion of language competencies in employment criteria. Governing cultural diversity is of course a trans-national concept that has various meanings and manifestations throughout the world.

Governance inevitably moves beyond the recognition that multiculturalism is good for society and confronts the challenges that this reality creates. The aim of the workshop was to examine various manifestations of governance, particularly at the city level. The workshop fittingly took place in Rome, a cradle of historical pluralism and host to contemporary diversity dynamics, and one of the goals of the workshop was to understand how governance tools are being used in this city.

[7] Nomenclature des Unités Territoriales Statistiques.

6.2. Key learning points

In what follows, we discuss four main topics that emerged as crucial in understanding the role of governance in multicultural societies. A first topic concerns the definition itself of governance. The second topic focuses on governance in the context of Europe and recent migration flows. The third focuses on the practical experiences in European cities. Finally, we discuss three additional points emerging from the discussion.

A. An Introduction: What We Mean by Governance and Migration

Governance has multifarious definitions: it is a word, and moreover, a concept that has been used to describe and encompass many changes in contemporary society, namely those brought about by the process of economic globalisation and the issues to which this has given rise, such as environmental problems and the trafficking of drugs, arms and humans. The general objectives of governance are ultimately to reduce social conflicts, improve the management of difference and balance the interests of various stakeholders. To this end, governance has been used *normatively*, in reference to how organisations—and nation states to some extent—should function in a non-hierarchical way. When we talk about the *governance of migration*, we refer to states' adaptive strategies in facing to the challenge of diverse types of migration—from highly skilled or economically empowered migrants migrating across borders but within multinational corporations to economic immigrants and refugees. As Saskia Sassen writes, the latter is a big component of the globalised world as a result of shifts in the labour market and reliance on cheap labour (Sassen, 2002). While governance has clear implications for cross-border issues, and intra-state coordination of migratory movements—namely the cooperation between countries of arrival and host countries—our main interest with this project regards dealing with migration within host societies and making sure that migrants are not perceived—by the host society, nor by themselves—as the outsider and enemy. In other words, the implicit aim behind this governance strategy is to ensure that integration processes are a success and not a failure.

B. Governing migration in Europe

Starting in 2000, Europe has evolved from the concept of "Fortress Europe" to opening up its borders, with the realisation that immigrants are both an asset and a need, and indeed, the Europeanisation of migration and asylum policy embodies precisely the manifestation of governance strategies beyond the nation state that links a structure above the nation state level to the local level. The recognition of immigrants as being an asset and a need follows from both the demographic situation in Europe as well as the labour market, and indeed, the European Commission's "Communication to the European

Parliament on Integrating Migration Issues in Relations with Third Countries" defines migration as a strategic priority for the EU. But this premise is not a panacea for the changes that migration causes, and the economic benefits argument has a limited scope in underlining the broader benefits of migration. As Janina W. Dacyl writes, "It is not tangible stakes (profits, efficiency), but rather intangible values and principles (recognition, participation, equality, justice) which are (should be) at the centre of the discourse." (Dacyl, 2000). This emphasises the importance of *integrating* immigrants into the social framework of host societies—in other words, not excluding them from the norms and rights guaranteed to the autochthonous population—and recognising their differences and their right to participate fully in the host society. These differences can indeed have value for the host society, and recognition of this is one of the most formidable challenges of the governance of migration. As Dacyl continues, "This is true in spite of the fact that ultimately, in the context of implementation, these 'intangible' values and principles need to be translated into some more tangible implementation procedures, policy measures and partial stakes (goals)." In essence, this is the real challenge of "governing" migration within host societies—developing policies that are cognisant of immigrants' needs and moreover, their contributions to host societies. The idea is to move from aid-based policies to those that are pro-active and inclusive of immigrants' differences. Immigrants are themselves at the centre of a cultural shift towards a more open society, and they should feel like protagonists in this process.

C. Governing Migration in Europe's Cities

From a more theoretical perspective, the conceptual strength of the governance of migration lies in its ability to avoid creating direct causal links between migratory flows and some of the challenges that Western societies face as a consequence of migration such as poverty and the ghettoization of cities. Governance may in and of itself be considered a general policy recommendation because it does not invoke rigid top-down policies and has a global outlook, involving multiple actors on many different levels. Cities also take on a new and important role in this changed context. Indeed, the role that multiple actors may have is most visible in the context of 'global cities', what many scholars consider to be the locus of governance in which conflicting dynamics of immigration are played out:

> Immigration in Europe presents a political problem because the growing economic need co-exists with major social rejection of the phenomenon. The economy needs immigrants, but society does not—at least this is how things appear (Bolaffi, 2003).

Tackling 'social rejection' implicates the involvement of different actors in new global cities. Sandercock has advised that:

> We need to start understanding our cities as bearers of our entwined fates. We need to formulate within our city a shared notion of a common destiny. We need to see our city as the locus of citizenship, and to recognise multiple levels of citizenship as well as multiple levels of common destiny, from the city to the nation to transnational citizenship possibilities. We need to see our city and its multiple communities as spaces where we connect with the cultural other who is our neighbour (Sandercock, 1998).

The Metropolis Project focuses on the effects of international migration on metropolises. The project's premise is that effective integration of immigrants requires a better understanding of the effects of immigration on local communities, and not least, local labour markets[8]. The project aims to create both a framework for the systematic analysis of these effects as well as a process for assimilating the analyses' results.

Indeed, cities have taken on a greater role in governance strategies as a result of globalisation. Foreigners concentrate in large urban areas, and it is the task of the municipalities to tackle the challenge of diversity since the livelihood of both foreigners and the autochthonous population is determined at the local level. Pennix (2002) advocates "intensive and pro-active integration policies on this local level, where the citizen should regain its original meaning: an active and accepted participant in the daily life of these cities and thus both profiting from and contributing to the health of that city".

Some European cities have already begun implementing governance strategies on migration. For example, the city of Rome is experimenting with electing foreign Council Members and representatives from each of the respective immigrant communities. The general idea behind this is encompassed by "The Pact for Integration" and is the mayor's platform for recognising immigrants' potential contribution to the life of the city. As City of Rome immigration specialist Claudio Rossi writes, "The political motivation of the local government's interest in foreigners is no longer simply an expression of solidarity with those who are in need, a recognition of foreigners' rights, which have only been partially satisfied. This justifies the City's initiatives to take into account the rights of foreigners in governance processes. Foreigners are recognised as agents of local development insofar

[8] For further reading see: www.international.metropolis.net.

as they are consumers and producers of economic goods. And not only because they accept jobs that Italians will no longer accept, or because they pay taxes." (Rossi and Eckert Coen, 2004).

D. Other lessons:

Several other important points came out of the workshop presentations. We have grouped these according to the following categories: Ethnicisation; Representation, governance and voting rights; Border effect.

Categorisation / ethnicisation

1. National identity is still mainly based on citizenship, a principle (concept) rooted in the concept of the nation-state. This concept has been challenged by the fall of the Berlin Wall and the end of Communism as an ideological and political force, as well as migration and the diaspora communities that have developed as a consequence. There is a general lack of preparation in dealing with this change, particularly in academia.

2. In this setting, secular society in Western Europe has maintained religion in the private sphere, following from the idea of religion as a pre-modern system. But following the September 11th terrorist attacks, religion has been brought into the public sphere and increasingly politicised. This has led to the categorisation of religious groups with the corresponding use of labels. Instead, religion ought to be regarded as just one cognitive system by which people define themselves. It follows that religious affiliation is relevant insofar as it is a manifestation of the way in which people actually live their lives, and labelling religious groups can only be destructive to society as a whole and intercultural understanding in particular.

3. If religion is a cognitive system by which individuals may in part express their own identities, thereby acting as "agents of their own history", it is also true that all individuals are social beings that identify with communities. It follows that all communities have representatives that must negotiate on an official level, and this should not rest on regulation, but rather on addressing the particular needs and problems that each religious group may pose, thereby creating spaces for discussion without affirming causal relationships between religion and problems in society.

4. Similar mechanisms are at work when *ethnie (the ethnic group)* rather than religion defines the groups. Ethnic networks effectively provide for the material and psychological needs of immigrants as well as governance of their integration in host societies, particularly on an economic level insofar as ethnic entrepreneurship has become a salient feature of local economies. But these networks may also exist as "protective closed

walls" that stifle the full participation of immigrants in their host societies. 'Labelling' can again prove destructive.

Representation: Governance and Voting Rights

1. The perception of governance and application of its strategies is contingent upon historical and political culture. A particular risk is that consultative councils—those for immigrants, for example—that are creations of local political leaders-- remain dependent on these leaders, and thereby are without autonomous influence. Where representation is not tied to explicit rights, but is symbolical or rhetorical, groups or individuals are characterised by limited consultative-making power, but not real decision-making power. Conceptually, governance introduces non-traditional participatory strategies in political life, but in practice, traditional political tools such as voting rights are ultimately what determine fair political representation.

2. Government and identity have been much more important at the local level rather than the national one, specifically in institutional contexts such as Italy's where they have a high degree of autonomy. This model is useful for governing immigration at the local level as well. Indeed, local governments rather than the national government have been most effective in devising strategies for the integration of immigrants, and examples of successful integration are found on the local level since there is generally greater autonomy here.

Border Effect

1. The need to govern borders has become increasingly important with the process of globalisation and its implications for migration flows, along with threat of terrorism. In Europe, an opposing process has taken place, which is manifested in erasing most barriers and where they do exist, making them "smart borders." Border enforcement creates a host of complex, and often overlapping issues, and produces dynamic interactions. Physical barriers such as fences may, for example, create the need to re-design roads and restructure social services, along with the development of cultural phenomena such as street signs in various languages.

7. Workshop 5: Trust and Social Capital in Multicultural Cities

(Athens, 19-20/01/04)

7.1. The objectives

Urban areas are characterised by a continuously growing diversity of the citizens in all aspects, economic, sociological and political. As a consequence it appears that there is the necessity of an efficient way of managing all these aspects of diversity. Under such circumstances the term "Social Capital" becomes central in the political and in social sciences analysis, not only because this term could explain the differentiation in the level of economic development, but also because it could suggest alternative ways for different groups to succeed in managing their economic and social life.

The main goal of this multidisciplinary workshop was to shed light on the role of social capital and its main components, such as trust and networks, in all the dimensions of social life in the modern multicultural cities. We could summarise the two-day workshop, considering that it tried in general to deal with two different issues. Firstly, "what social capital consists of and how social capital affects economic growth" and secondly, "how social capital might contribute to the integration of the immigrants in local communities".

7.2. Key learning points

During the workshop four broader problematic categories came up. Starting from the components of social capital, the first problematic category involves the various dimensions of the concept of trust, how trust is achieved and what are the consequences of its absence. The second problematic category involves the different forms of social capital, and the way that they are shaped up. The third category involves the detailed clarification of the concept of social capital with regard to the immigrants and the characteristic way in which social capital is built among them. The fourth category involves the effectiveness of the above on the economic growth and development. Besides these four topics, reflections on how to conduct interdisciplinary research as well as future research questions emerged. These six issues will now be discussed in depth.

A. Types of "trust"

The title of this section coincides with the title of Eric Uslaner's paper, since a common aspect in a number of papers is the complexity of defining "trust". Generally speaking, we can distinguish between two types of trust to start with, the "strategic trust" and the "moralistic trust". Strategic trust takes its name from the fact that it consists of a choice

that contains risk and leads to benefits, while resulting from and attempting to deal with "uncertainty". Moralistic trust has to do with the *a priori* acceptance of the "value" of trust; we trust others because we are "required to behave like that".

It becomes evident that the cause for every different type of trust is different. While strategic trust is the outcome of our experience, since it comes from the socially shaped ability to predict others' behaviour, moralistic trust is not shaped that much from our social life. That does not mean that social life has no effect on "who" we trust, but rather it means that it is not the main factor that shapes this kind of trust.

We can also distinguish between two more types of trust, "generalised" and "particularised" trust. Generalised trust is similar to the moralistic trust, since it essentially involves a stance to life that spins around the identification that most of the people constitute members of a moral community, but it is distinct in the sense that it expresses more the extent (how many people do we trust) to which moral trust corresponds. Particularised trust involves people of similar background or proximal environment, and as a consequence that may cause (due to the limited extent) only limited benefits at the social, as well as at the individual level.

Another categorisation of the types of trust can be done on the basis of the process that trust is achieved. Based on that criterion we can distinguish three different kinds of trust a) institutional-based trust, b) trust based on social structure and networks and c) identity-based trust. The first kind of trust has three dimensions, since it can consist of the outcome of repetitive processes that stabilise our expectations about the behaviour of others and develop trust. In addition to that, it can be the outcome of the responsibilities and cooperation that shape social commonalities (family, economic status). Finally, it can be the outcome of formal social structures that focus on specific attributes of organisations or individuals.

Trust based on social structure and networks essentially refers to forms of trust that are shaped as the outcome of the existence of specific social structures. For example, the creation of dense networks is in favour of the creation and diffusion of trust not because they permit systematic behaviours (as a result of our expectations), but because they also permit the existence of effective sanctions. Finally, identity-based trust consists of that type of trust that is formed within a social organisation and can be caused by two distinct factors. On the one hand, participation in a social organisation and fulfilment of the responsibilities that result out of it and consequently the formation of trust offers satisfaction and prosperity to the participants. On the other hand, the existence of disagreements and conflicts within the context of a social organisation creates social

insecurity to the members of the organisation. The expression of trust behaviours and the construction of behavioural homogeneity secure them towards that insecurity.

Finally, we can distinguish trust according to the extent to which we experience it as members of a social association. Based on that criterion, we can draw a distinction between the members of the association who gain an important amount of trust from others and consequently feel greater social security, and those who face a fragile or uneasy sort of trust.

An important issue that comes up is how trust is formed. There is the belief that trust is constructed from participation in social organisations, while at the same time participation presupposes the existence of trust, in other words there is a circular relationship of causality. However, empirical studies demonstrate that this does not happen in practice systematically, while when this happens it boosts the particularised trust. Further, the one that is important and provides significant benefits is the generalised trust, the ability to trust people that are and think differently from us.

An important aspect of the two-day workshop was to examine the consequences of the absence of trust in economic as well as in social life. The absence of trust can probably lead the participants to an individualistic behaviour, maximising their performance, regardless of the negative externalities. Behaviours such as "rent seeking" or "lobbying" in political life for the satisfaction of individual advantages can lead the economy to a trap of low development with waste of resources for this kind of activities. In addition to that, the greater the return to investment in these forms of activities, the more probable, to the extent that trust is absent, the economy will result in this sort of trap.

B. Dimensions of social capital

The concept of trust is part of the broader concept of social capital. An important parameter of this concept is the idea of networks, although being part of social capital does not mean that they also form it. It is the specific way a network functions that shapes those social relationships which contribute to social capital. Networks can be studied through various approaches, such as the study of social groups and the relationships that evolve among them (the unit of the analysis is the group), or the reverse study, the "ego centred" in which the analysis starts from a narrow object and proceeds to the study of the relationships of the object within its social context (the unit of the analysis is the individual). Although the latter has certain constraints, for example the depth of the study of the relationships of people (up to how many people engage with an individual), or the ability of concurrent study of different relationships, it offers

the possibility for a greater understanding of the processes through which people shape their networks and of how these networks contribute to social capital.

If the person forms different networks of contact, for example people at work are different from neighbours or people of the same nation, then flexible networks are formed, more open to new participants, and better prepared to adapt to new conditions. On the contrary, if a person's contacts are limited (the people one works with are his/her neighbours, fellow countrymen and friends), then the networks become closed for everyone and impermeable. Essentially, we can talk about open and closed systems of relationships that facilitate or eliminate the development of relationships based on trust with people outside the system.

Social capital as opposed to other forms of capital does not have a physical substance, like the classical capital, and cannot be identified in physical existences, like for example the human capital. It consists of a "sources" form, in the sense that these sources contribute to the productive and developmental activity, but can be detected in the social relationships. At the same time, it increases the productivity of the rest of the productive factors, so it corresponds to both natures of the classical concept of capital (as a factor of increase of productivity and as a distinct source of productive activity). Specific social relationships, rules, formal or informal networks advance trust and cooperation among people, increasing in this way the effectiveness of society.

The state is an important factor in this context, since it can promote what we have named generalised trust, shaping the appropriate institutional framework, and acting with fairness and credibility. Also in this way, the effect of organisations of limited interests, whose negative role has been referred to the bibliography from Olson, can be decreased.

We can analyse the concept of social capital as a "resource" in the production process even further, by breaking it into its constituting components. So we can distinguish first of all the social help capital. Essentially, this consists of the sum of the resources which are indirectly available to every person as a result of the help of other people. Obviously, the sum of the resources depends positively on the number of personal contacts each person has, on the depth of his/her contacts, on the resources that the others possess, on his social context. This is important, since societies with generalised trust, with rules and traditions of behaviour that enhance cooperation and solidarity facilitate the development of social help capital.

We can also consider another form of social capital that is the social information capital, as it is defined by exchange of information in everyday interaction. Another form of social

capital is the social reputation capital, that basically consists of the ability to access sources due to the reputation that a person has and is not only function of the trust that a person gives off but also of other factors such as social status, personality etc. Finally, as a distinct category of social capital we can consider that form that can transform from an initial form to another that we call converting social capital.

Since we have made clear the different dimensions of social capital and its components, such as trust and networks, we can further study the way that it is shaped, especially in the case of immigrants, and its impact on economic development.

C. Social Capital in the case of immigrants.

In Europe, economic development has gone hand in hand with an increase of economic immigrants. The increase of immigrants has created a lot of discussions about the way that they will be embedded into local communities in order to confront the complicated problems that isolation and exclusion create. There are two important issues, on the one hand how networks of contacts are formed and consequently networks of trust, that is "social capital" broadly defined between communities of fellow countrymen, and on the other hand how the respective concepts are shaped between communities of different nationalities. Each of these questions gives important information on the ways of embedding immigrants.

Important also with regard to trust in the case of immigrants is the identity-based trust. A central point in the analysis is without doubt the way that identity is formed. Generally speaking, there are two theoretical approaches, the system-control view of the individual and the process-relational view of the individual. The first approach considers that identity for the individual is more or less constant, while personality is taken for granted. Considering the above the individual acts with the aim to take advantage of the chances of the environment and their impact on his condition of life. The second theoretical approach on the other side considers that identity is a characteristic that changes all the time through the interactions of the external environment. The individual forms his/her behaviour and consequently his/her identity in order to adapt to a complex and ever-changing environment. His/her identity is never perfectly shaped.

As a result of these different approaches as to what identity consists of and how it is formed, respectively, the approaches with regards to "who" we trust are formed. According to the first theoretical approach, the immigrants trust their fellow countrymen that interact with them. They collect information selectively, while information comes

from "in-group" and is always trustworthy. On the contrary, according to the process-relational approach, trust being a continual process cannot be determined from traditions and homogeneity of characteristics. It is determined from the continuous interaction between people and obviously cannot be once and for all for an individual. It seems that the organisations of immigrants often have a fixed perception of what consists of "national" and emphasise language, customs and traditions and diachronic transmission of these constant principles.

If this were the case, it could reduce the number and depth of social contact of immigrants: who will interact with the same people at work, school and in the neighbourhood. The more limited the scope of contacts the more limited the scope of people that immigrants trust (the same applies to natives), and consequently the possibilities for isolation instances and social exclusion and other social pathogenesis. In order to embed immigrants and shape the conditions of mutual trust, leading to the formation of social capital, a multiple scope is required as well as contacts of the immigrants.

We can distinguish two different dimensions of the relationships of the immigrants: On the one hand in terms of their interactions and on the other hand in terms of their relationships with the natives. Empirical studies demonstrate that within the context of interaction of immigrants, especially through their organisations, all forms of social-help capital are used, the social information capital, or the social reputation capital, either through weak ties, or strong ties. However the result of the function of these contacts is highly dependent on the distinct conditions. If the original core of immigrants has not laid the foundations of its relationships with the natives, then it will not be able to contribute essentially to any of the above forms of social capital.

Relationships among fellow countrymen are very important for the business dexterity shaped by immigrants. Networks of contacts between immigrants of the same nationality help to a great degree and in various ways the creation of business by them. This help involves for example the financing of investors from the family and the community, the formation of networks among fellow countrymen, at the national and international level, business networks that increase effectiveness of participating companies. Even further, help involves ensuring a constant base of consumers for the products of these companies that consists of fellow countrymen, and also ensuring supply of cheap labour.

With regard to the relationships between immigrants and the natives things are less promising. We can identify three types of social capital, according to the kind and place in which these relationships are formed. The first type is the social capital at workplaces,

social capital that is formed by the social contacts in the workplace. The automatisation of production resulted in labour as well as in the individual being more individualistic, and consequently in the decrease of the formation of social capital (as we assume it takes place by the developing contacts) in the workplace. Something similar happens with the contacts within a neighbourhood, contacts that form the social capital in the neighbourhood. Contacts are also restricted since immigrants do not develop contacts with the indigenous, while others develop limited ones. The last source of formation of contacts and consequently of social capital between the indigenous and the immigrants are the contacts in the context of participation in social events and groups (social capital in institutions of civil society). In that case too, contacts are limited, since mainly immigrants participate in organisations of immigrants and a limited number participates in broader events.

D. The effect of Social Capital on economic growth

An interesting topic in the workshop has been the effect of social capital on economic growth. Undoubtedly, and because social capital is a particularly broad concept, the way that affects economic growth is not clear, yet. We can make some hypotheses though with regard to its effects. How does social capital boost economic growth? Basically there are two dimensions of the concept of social capital that are quite interesting, networks and norms of generalised reciprocity. Both dimensions make important contributions; on the one hand they form long-term relationships and on the other hand they increase trust (as a result of long-term relationships). The specific relationship between the participants of the network associations and the developed trust affect productivity and economic growth through different channels. The first channel is through the decrease of the transaction cost. Between agents that do not trust each other their participation in long-term transactional relationships and specialised investments requires detailed contracts, which because of the amount of detailed parameters that need to be considered are often incomplete contracts. Generalised trust and decrease of opportunistic behaviour decreases the negative consequences from the existence of incomplete contracts.

At the same time norms of reciprocity help the decrease of the free-riding behaviours increasing at the same time the effectiveness of the action of voluntary organisations that provide collective or public goods. A last alley of effect of social capital on economic growth is through the encouragement of innovation. If we consider that innovations are a function of informal conversations then obviously the social capital and its components (association networks and norms of generalised reciprocity) contribute to their development. Obviously social capital has not only positive effects on economic growth

since the existence of constant association networks is related to the development of particular contacts between their members and the government and the channelling of resources from productive activities to those of rent-seeking.

Indeed, empirical studies show that social capital with various alternative measurements affects positively economic growth, as well as total factor productivity growth, while differences in social capital can explain the differences of the levels of development between different regions and countries. That positive effect is obvious with every measure of social capital (measures for voting, measures for newspapers reading, for participations in associations etc.).

Which are the factors that form positive conditions for the participation of people into association networks? A variable that seems to affect significantly the possibility of people in social networks seems to be education, because it increases the ability of participation in such networks, and also because it probably forms a more oriented behaviour to such concepts as solidarity, reciprocity, etc. Middle-aged people seem to have increased possibility for participation in comparison to older or younger ages, so age is also a determining factor of participation in social networks. Income is also a factor that is related positively to the possibility of participation, maybe because participation in such networks is a luxury. Sex seems to play an important role as well as the marital status. Men participate more and married people have a higher possibility of participation as opposed to single people.

E. Interdisciplinary work

As it became obvious from previous workshops the interdisciplinary work is necessary to a great extent in order to deal with the study of complex concepts such as social capital and association networks, concepts that anyway are the objects of study of various different disciplines. Interdisciplinary work in such a case most probably brings important results. There are many aspects in the concept of social capital so that certain branches have a relative advantage and can provide important insights to other disciplines without spending too much time on these concepts.

Undoubtedly, in order to exploit such synergy we need to overcome "trap issues". The most characteristic example are the discussions on methodological issues that lead to disagreements and conflicts between various disciplines. These "traps" can be overcome if the central issue is the detection of the problem and the investigation of solutions in collaboration.

The discussion in small groups between participants of the workshop shed light on different dimensions of social capital and their content that require further analysis.

- On the one hand to approach with greater clarity what is social capital and basically how it can be defined in its different dimensions (individual, collective, national level).

- How we measure it since social capital cannot be just the "participation" in a social organisation, it is not just a quantitative but also a qualitative concept.

- If participation in social groups forms conditions of trust, how will they be organised in a way that does not exclude some social groups and that makes the "positive effects" have a greater dispersion?

- If there are benefits from the communication between individuals there should be benefits from the contacts between social groups, consequently there should be an analysis of the relationships between different social organisations.

- How can the development of negative dimensions of social capital be avoided in the process of social integration.

- How analysis on social capital can consider the new conditions that are formed in the era of free international trade and globalisation.

8. Workshop 6: Multicultural cities: Diversity, Growth and Sustainable Development

(Rome, 18-19/11/2004)

8.1. The objectives

The final workshop was different with respect to the previous ones. There was not a call for papers. Rather, selected experts, academics and policy-makers were invited to discuss a set of propositions elaborated and presented by the Network's partners. Propositions were based on previous Workshops' learning points. The objective was to discuss the main results of three years of network's activity.

The conference was organised in two days and four sessions. The first day was devoted to the understanding of diversity and diversity policies (Session 1) and its role in explaining the function of cities as a "driver of growth" (Session 2). The second day was more specific and explored two issues that characterise the types and level of cross-

cultural relationships taking place in the city: the spatial and social structure of the city (Session 3) and the governance system (Session 4).

Session 1 aimed at constructing a common ground of discussion among participants. In particular:

- it proposed a critical review of the definitions of diversity, and analyses how it relates to other terms used in literature and in the public debate (culture, ethnicity, multiculturalism, pluralism, etc.);

- it presented and discussed different approaches and policy strategies to deal with diversity (segregation, assimilation, integration, etc.), and analyses their meaning, implications and effects for creativity, innovation, and sustainable development;

- it introduced the ENGIME approach and summarises the main results of the network's activities.

Session 2 intended to discuss the role of diversity in constructing an innovative, creative and dynamic city, thereby contributing to overall development. The background is to be found in scholars such as Jacobs (1969, 1984) and Bairoch (1988) who argued that most innovations happen in cities and stressed the importance that the "variety of cultural occasions, aspects, inhabitants, visitors and also tastes, abilities, needs and even obsessions" have in the processes of innovation, creativity and growth. In particular, Session 2:

- it discusses recent results in economic and sociological research concerning the role that diversity (in all its dimensions; economic, social and cultural) plays in urban processes;

- and particularly concerning the importance of diversity in the processes of innovation and growth.

Session 3 discussed the interplay of several factors creating boundaries that divide communities and individuals. Physical structures, such as walls, fences and gates can be constructed around a community to guarantee security and privacy (the so-called "gated communities"). More often, social and economic processes build boundaries, creating closed communities, isolated from the external world. Besides, boundaries can be reinforced by cultural factors, because, for example, the symbolic value of built environment gives a strong sense of belonging to a space. Wallman (2003) shows that vital diversity emerges only as a delicate equilibrium, when an urban community is open but at the same time capable of maintaining a crucial core of interrelatedness. Session 3

explored the crucial features (physical, cultural, and socio-economic) of this delicate equilibrium, in particular:

- it explored the processes through which physical, social, economic, and cultural factors interplay to create boundaries;

- and discussed what policies and measures should be put in place to foster dialogue and cross-cultural interactions.

Session 4 discussed governance as a strategy of managing both changing processes of governing and the diversity that is evolving in contemporary society. Governance invokes open and dynamic processes that cannot be formalised and may provoke change in both the actors and the system involved. The Session explored the role, features, possibility and suitability of a governance approach to diversity. In particular,

- it explored the issue of creating a standardised language of participation that must be flexible enough to provide for the participation of various actors;

- it discussed whether and to what extent governance is effectively a strategy for integrating ethnic minorities and introducing/dealing with diversity in a political system;

- it analysed how governance can counter, or respond to the imperfections of democracy insofar as it (democracy) is unable to adequately represent minority groups (and if the influence of governance would then alter our notions of democracy or allow new political systems to evolve).

8.2. Key learning points

In what follows, we firstly summarise for each Session the points elaborated by partners (*the theses*) and then discuss the main points (*the discussion*) raised by the discussion. Here we focus on the results and discussion taking place during the workshop. In Section 3 we will reconsider and develop further most of these points in order to draw a final list of policy implications.

Session 1: Diversity and diversity policies

The theses were presented by Maddy Jannssens and discussed by Arie de Ruijter (from a theoretical perspective) and Richard Longworth (presenting the case of Chicago). The text below strongly relies on all these contributions and on the following debate (without rigid boundaries between 'theses' and 'discussion').

The theses

Traditional policies on migration can be categorised into one of the three following labels:

- assimilation: minority groups are expected to assimilate or absorb the social and cultural characteristics of the majority, creating a '*transmuting pot',* with the final results of a complete incorporation;

- segregation: cultural groups are separated from each other in one or multiple domains. Each maintains its diversity, but there is no interaction or communication;

- integration: ethnic groups do not have to abandon their cultural background and yet, they are not isolated from each other.

All these policies, while they imply different goals and practices, tend to be based on two common premises that can no longer be assumed without a deeper scrutiny.

Firstly, they all tend to assume that an individual's identity is directly linked to the cultural group to which one belongs. Migrants are considered to be representatives of a neatly integrated cultural group and their identity and ethnicity are consequently based on certain shared traits of the group. Yet, this premise is not longer valid in the age of globalisation, when the emergence of a transnational system creates local contexts in which group boundaries are shifting, geographical bonds of identities become less 'natural' and new identities are construed.

Secondly, a common premise to previous migration policies is that migration represents a desire for long term settlement in the host country or, in contrast, that this migration is only temporary as migrants ultimately want to go back home. In both cases, however, the settlement is considered to be unidirectional. This assumption is based on the migration flows during the 20th century. However, recent migration flows tend to be more multidirectional in nature. Besides, it considers the host country as providing a homogeneous and fixed context. We need to establish new premises which must consider:

- Fluid, multiple and hybrid identities vs. identity based on fixed cultural background;

- Multidirectional migration flows and contacts vs. long-term settlement or back to home country;

- Context of international networks vs. a linear process of acculturation;

- Heterogeneous and unstable vs. homogeneous and fixed context.

From these new premises, it follows a set of conditions that should characterise a new form of interreladness. Overall, our suggestion is that governing cultural diversity in contemporary society requires a negotiation process in which individuals and groups search for temporary, issue-specific agreements. Such proposal poses less stringent demands on the process of interacting, starting with a rejection of common goals and only accepting communality of issues. The negotiation process is based on (see Section 4 below) the following principles:

- a common issue, rather than a common goal;

- compatibility of actions, rather than common values;

- interpersonal approach rather than non-ethnicisation of issues.

The discussion

The discussion centred around three issues. Firstly, the discussion identified two additional reasons for overcoming traditional 'cultural policies' and designing a new policy framework:

- the stress on the positive side of diversity is correct and it reflects current policy elaboration at the international level (de Ruijter quoted the Human Development Report 2004, United Nations Development Programme - UNDP). However, a positive outcome is not a necessary result. Ordering and categorisations are never only cognitive by nature, they are also socially and emotionally charged. Appeal to culture is an attempt to put the problem of collective identities on the 'political-social' agenda: a 'cultural policy' may give rise to suspicion of maintaining or even promoting a 'given' inequality instead of changing it;

- social cohesion builds on 'trust' that needs continuity and routine contacts; transparency of social arrangements; shared approval of the set of given rights and obligations. All these conditions are at stake in the current era of globalisation and multiple identities. Reality is too complex, too multiform, too open, too unpredictable and therefore beyond the Enlightenment notion of control implicit in traditional 'cultural policies'.

Secondly, the discussion highlighted potential problems with the processual conditions identified above. Issues at stake concern the following points (further discussed and developed in Section 3):

- Level of negotiation. The right level of negotiation needs to focus on lower territorial units or communities as there are the diverse actors themselves who will jointly decide on a compatible solution;

- Power differences. Given the discretion given to actors in the field, the question of power differences among the diverse actors arises: there is no way to guarantee that each group will have equal influence. The role of public policies in designing negotiation structures for ensuring a more balanced sharing of influencing power should be analysed;

- Incompatibility of actions. The proposed coordinative model requires, just as assimilation and integration policies, non-conflict of fundamental principles. However, sometimes actions may not be compatible and choices will be inevitable. For instance, clashes may still occur for conflicting views regarding equal rights of men and women or the integrity of the body. In this case, the question of 'who's deciding?' remains open.

Finally, the case-study presented on Chicago illustrates in practice some of the key concepts discussed at the theoretical level by Janssens and de Ruijter. The case-study shows how a delicate equilibrium between separated-ness and interrelated-ness across cultural groups characterised Chicagoan economic, political and social life through time, thus making diversity the basis of the economic thrive of the city. Negotiations and compromises always sustained the equilibrium. In the economic arena, big companies are (informally) discriminating new immigrants, yet economic opportunities are offered (and rapidly filled in) in other sectors of the economy. Cultural groups specialised initially in niche production and services, yet breaking out through generations to the outside of the ethnic community. In the political arena, the city is dominated by established communities, but new immigrants find some form of access to the political arena, either by being integrated in the democratic party (as in older days) or providing money (as it is more the case nowadays). It is not textbook democracy, but it amounts to a rough social contract – votes, and money, for services – between governors and governed. Through Chicago's history, negotiations and compromises allowed short-terms costs (both for immigrants and the host community) to be waived, while tapping the long-term benefits of diversity.

Session 2: Cities, diversity and growth

The theses were presented by Giovanni Peri and discussed by Klaus Desmet and Graziella Bertocchi. The text below relies on all these contributions and on the following debate (without rigid boundaries between 'theses' and 'discussion').

Theses

The introduction summarised recent economic literature on diversity and economic outcome and then presented new evidence concerning US cities.

The survey shows that cross-country studies generally find a negative impact of diversity on growth. Alesina and La Ferrara (2003). However, these results need a qualification as the diversity has a more negative effect at lower levels of income (Alesina and La Ferrara 2003) and it is significantly mitigated by 'good' institutions (Collier 2002). Again, the quality of institutions is likely to be not exogenous with respect to diversity. Besides, it seems that it is *dominance* rather than *fractionalisation* that negatively affect economic growth and positively the probability of civil wars and social conflicts (Collier 2001).

The survey also shows that a wide and more diverse literature has looked at diversity in cities and its role in development. The attention is generally more on the positive side, where the urban diversity (cultural and industrial) contributes to creative and innovative potential of the city. Jacobs (1961) sees diversity as the key factor of success: the variety of commercial activities, cultural occasions, aspects, inhabitants, visitors and also variety of tastes, abilities, needs and even obsessions are at the engine of urban development (Jacobs, 1961, p 137). Bairoch (1988) sees cities and their diversity as the engine of economic growth. Such diversity, however, has been mainly investigated in terms of diversified provision of consumers' good. Florida (2002) considers a concept of diversity closer to us. According to his work, openness to diversity is one of the important factors determining the attractiveness of a city or region for knowledge workers and therefore improves the creative capital of a city. Hence, more openness to diversity attracts more knowledge workers, which increases the possibilities to support high-tech industries and economic development based on talent and knowledge creation (Gertler, Florida, Gates and Vinodrai (2002)).

New evidence was presented providing supportive evidence to a positive causal link from cultural diversity to and (manca qualcosa??) economic outcomes. Ottaviano and Peri (2004a, b) find a positive impact of diversity economic outcomes. *Ceteris paribus,* the average wage of (while – da togliere?) male workers is higher in cities with higher degree of diversity (measured by the *fractionalisation* index). Ottaviano and Peri show that higher wages are the consequence of higher productivities and the the direction of causality goes from diversity to productivity. According to these results, a multicultural environment makes native (white) people more productive. The broad result is qualified under two specific points. Firstly, local diversity has a negative effect on the provision of public goods (consistently with findings at the national level). Second, the positive effects

are stronger where only immigrants from the second and third generation are considered (suggesting that the positive effects are reaped only when some degree of interaction between communities takes place).

Overall, the quantitative analysis was summarised in a set of conditions under which a positive relationship between diversity and sustainable development might emerge. Those conditions concern:

- The institutional setting. There exists an adequate institutional base where open confrontation between people can take place on an equal base (democracy);
- The structure of diversity. There does not exist a situation of dominance of one cultural group on the others (fragmentation);
- The geographical distribution of groups. Groups live close enough to interact (proximity);
- The level of resources. There exists an adequate level of economic resources to be shared out between groups. Economic hardship increases the possibility of conflict, social stresses, bad economic outcomes (income).

Discussion

The discussion centred the following four issues:

- To what extent the set of conditions identified by the quantitative analysis was consistent with the processual conditions discussed in Session 1. Quality of institutions and a fractionalised diversity (rather than dominance) go in the direction of putting the bases for non-hierarchical negotiation. Proximity seems to suggest that the benefits of diversity can be tapped only if and to the extent that differences enter into relationships. However, most of the empirical work remains to be carried out: policy variables are never explicitly considered in cross-country or cross-regional studies. Issues of ius-sanguinis vs. ius-soli are just starting to be considered. There is no evidence that the citizenship law influenced, *ceteris paribus,* the in-migration flows over 1950-1974. On the other hand, there is evidence that higher in-migration rate influenced positively the shift to jus-soli in the post-war period (1950-1999);
- Need for identifying the channels through which the effect takes place. We do not know whether it is a complementarity effect, or spillover, or a self-selection effect. Concerning diversity and the provision of public goods, Ottaviano and Peri (2004a,

b) confirm that even at a city level, higher diversity results in lower provision of public goods;

- The issue of measuring diversity. Measuring diversity for empirical analysis is an open question, concerning: the criterion used for selecting groups (languages, nationality, country of birth and self-categorisation are the most used), the identification of an appropriate index and, possibly, a measure of distance between cultural groups (in a sort of taxonomic exercise). All these questions are largely unresolved and results might depend on the approach to measurement adopted;

Session 3: Visible and invisible boundaries

The theses were presented by Sandra Wallman and discussed by Elsbeth van Hylckama Vlieg (boundaries in cities) and Steven Carter (boundaries at work). The text below relies heavily on their contributions and on the following debate (without rigid boundaries between 'theses' and 'discussion').

Theses

The introduction explored the processes through which physical, social, economic and cultural factors interplay to create boundaries between individuals and communities. Focusing on processes affecting the perception of difference, or better, the perception of significant difference, should add more dimensions to the understanding of what 'good' diversity is made of.

Observation raises some tantalising problems:

- difference which counts in one situation doesn't count in another.

- a difference which counts for some doesn't count for others.

- the perception of same-ness is not consistent even for one person.

To make sense of these inconsistencies we need to know:

- who perceives a [categorical] difference to be [socially] significant

- when and in what circumstances they do so.

- how and by what logic significant difference is marked.

- who/what makes it relevant to social relations. What is its effect?

We want to know how a social boundary is marked; how it is held in place; when and how it shifts. We need to understand the systematic process by which "visible & invisible" differences are combined, the process by which inert 'objective' difference takes on social and 'subjective' significance.

What can usefully be said about social boundaries?

A social boundary is symbolic, even when marked by real things. Being symbolic it is also situational, responding to changes in the relationship between its two sides – internal and external systems - just as a balloon responding to relative changes in pressures of air. But the balloon metaphor obscures the possibility that items and influences may pass across a social boundary without jeopardy to it. For this purpose, visualise a teabag.

Social boundaries define systems of action and/or they are systems of meaning. At the level of action, the system is a set of relationships bounded on the basis of territoriality, economic activity, politics etc. Symbolic identifications with those relationships give them their meaning. At this level, indices of value like race, language and culture come into play. Being symbolically and subjectively very rich, they are handy markers of inclusion in or exclusion from systems which may objectively be defined by quite other criteria. We may ask, for example, how far the race and culture of asylum seekers is the real reason for their exclusion.

Different kinds of difference can be articulated in a single system; criteria of inclusion and exclusion don't have to be consistent throughout. The greater is the number of overlapping layers marking the 'edge' of the system, the tighter its boundary. But note: as much as redundant boundary 'messages' may hold the dividing line between inside and outside, they are inherently conservative.

Comparison between local urban systems with congruent differences and those with looser, more open boundary formations makes the point: the latter are systematically more adaptable in the face of change. Indeed, in Workshop 2, we discussed that communication emerges as a "delicate equilibrium", when a small core of overlapping networks of social life, work and family help to maintain an open structure of communication between different ethnic groups living in the same neighbourhood (as in the case of Battersea in London – Wallman, 2003). In this setting, policies aiming at diversifying housing/jobs/leisure opportunities are important because they promote dynamism. In the context of the processual conditions discussed in Session 1, we can say that the openness of the system helps the negotiation process: a richer variety of issues can enter the process.

A social boundary happens as a reaction of one system to another. Whether criteria of self and other ascription coincide at any one time doesn't alter the fact that each side is manipulating difference to achieve particular ends, and to preserve itself in opposition to the other. Differences at the level of action and the level of meaning are not necessarily congruent, but both sides of the boundary and both kinds of difference invariably count.

Discussion

The two discussants added meat on these bones with insights from their own experience and professional perspectives – one in urban planning, the other in psychology and race awareness training. Both, as they speak, highlighted policies and measures put in place to foster dialogue and cross cultural interactions.

The first axe of discussion concerned the relationship between social boundaries and urban planning. In particular, it looked at the implications for urban planning of the conditions for 'vital diversity' discussed above (looser, more open boundary formations make the point: the latter are systematically more adaptable in the face of change). The starting point is that urban planning is moving towards an approach that has diversity at its core, understanding variety as an asset and trying to accommodate differences and demands of modern-day standards in a process of continuous social learning (row houses are preferred to high rise, multi-functionality is better than mono-functionality, public spaces need to be safe and encouraging). This implies that planning needs to take long-term perspectives and strategies, whose elaboration involves horizontal broadening of the actors involved to Non-Governmental Organisations (NGOs), and private actors, political will to deregulate and decentralise, mobilisation of people around common interests. The parallel with the processual conditions (which favour negotiation over rules, common goal over common principles; avoiding labelling and ethnicisation of issues) in Session 1 is striking.

The second axe of discussion concerned social boundaries at work, exploring social boundaries in smaller groups and environments. As urban planning is recognising the importance of diversity for cities, companies are increasingly taking on the challenge of diversity. A business case for diversity is increasingly recognised. This move can be motivated by external compliance or social obligation to address injustice as well as a genuine recognition that diversity can bring bottom-line benefits. This has important implications for models of managing which should evolve towards a bigger involvement of the staff, active listening, counselling and coaching and include new and flexible ways to achieve organisational goals and objectives.

Session 4: Participatory democracy: Breaking hierarchies in the political arena

The theses were presented by Raffaele Bracalenti and discussed by John Foot (the experience in Milan) and Suzan Fatayer (the experience in Naples). The text below relies heavily on their contributions and on the following debate (without rigid boundaries between 'theses' and 'discussion').

Theses

The introduction used the example of the recent election of *Consiglieri Aggiunti* to represent migrant communities in the local Council in Rome to illustrate the potentialities of opening political participation to minorities. Since the beginning of the 1980s Rome has gradually evolved into a multicultural city posing new questions and challenges to local authorities. Initially, an emergency approach was used, focusing on covering basic needs. More recently, the concept of local citizenship came to the fore and more elaborate pathways were explored. In order to involve immigrants in the development of the city, four Council Members were elected on March 28 2004 to represent legal foreigners living in Rome. They do not have the right to vote, but can participate in and contribute to the discussion. Additionally, 23 foreigners were elected to a consultative body and 20 representatives from each of Rome's municipalities.

Three risks were inherent to the process: firstly, that the elections remain only of symbolic significance (masking the fundamental issue of giving immigrants legal voting rights); secondly, that the elections would be themselves exclusionary thus creating a salient separation between foreigners and Italians; and finally that elections would fragment the ethnic communities in Rome instead of creating cohesion.

Bracalenti provided evidence that the process was certainly successful in terms of migrants' participation. In particular, it led to the creation of good channels between different communities and, paradoxically, the lack of money helped to increase the level of communication within and across various communities as well as the involvement of Italian political parties. Holding elections that were separate (from Italians), rather than making segregation salient, made migrants aware of their self-presentation to the city. This created a sense of visible empowerment amongst immigrants. Despite most interviewees acknowledged the overall success of the experiment, the lack of voting power (reflecting an inherent hierarchy between communities) was recognised as a potential cause of failure in the long run.

Discussion

The discussion took place by comparing the experience of Rome with that of two other Italian cities: Naples and Milan. Although being located in the same country, the three cities are very different in their economic, social and political backgrounds. Rome is the capital, core of public administration bodies. It is living a good economic momentum, under a 15-year centre-left administration (currently led by the ex-communist Walter Veltroni). Traditionally city of in-migration from the surrounding regions, it is recently experiencing in-migration from many non-European countries. Milan is the wealthiest city in Italy, location of business and financial and banking services as well as innovative manufacturers. Until Mani Pulite its local government was controlled by centre-left coalitions (various coalitions centred on the Socialist and Communist Parties). It has since been controlled by centre-right coalitions (and a strong presence of the anti-migration Northern League and ex-fascist Alleanza Nazionale). The two periods correspond to two different waves of in-migration: just after the war the city accommodated a large number of Italians coming from the south; now, a larger number of migrants come from outside Europe. Naples is the core of the Mezzogiorno, with everything that goes with it: unemployment, strong dependence on public money, strong black economy, high rates of criminality. Out-migration, rather than in-migration, is part of the history of the city.

Milan provides an interesting story with respect to the influence of voting rights on the position of minorities in the hosting society. In the 1950s and 1960s (a peak was reached in 1962 with more than 100,000 people arriving in Milan) migrants found public housing policies and stable jobs in manufacturing. The right to vote (thereby increasing their negotiating power in the local admin) and the booming economy (centred in manufacturing) provided a framework for stability and economic safety. The down-side was the creation of *ghettos*: in the vocabulary used in Session 1, segregation rather than integration seems to be the right word. With the current wave, the refusal of the right administration to enter into any negotiation with migrant communities (no public housing policies are offered and no provisions for temporary accommodation are in place – apart from very bad experiences) and the service-dominated economy (with no stable jobs) yields a completely different situation characterised by lack of stability and economic safety, but with migrants much more dispersed in the urban space and urban places (and activities) and less *ghetto* situations. The discussion highlighted several other factors influencing the outcome. Yet, the role of the right/not right to vote was recognised. It was also noted that the implications for the welfare of migrants and host population really remain to be explored.

Naples is passing through a completely new experience. Out-migration has been part of the history of the city. And out-migration is still part of the city, with highly educated people recently starting again to leave the city to move to northern Italy. Yet, the south (Naples being at the forefront) is the Italian door from northern Africa and the Balkans. The city is therefore accommodating an increasing number of migrants from these two areas. The black economy is the main provider of job opportunities. In such an open market, negotiation does take place, but in a context of power hierarchies often shaped by criminal organisations. Ethnicisation is not established by law, but labelling is the standard procedure in job selection. In this situation, the strategic choice of the city is to provide minimum services to migrants and overcome the small obstacles to newcomers.

IV. CONCLUSIONS AND POLICY IMPLICATIONS

This Section summarises the main concepts and lessons drawn from ENGIME. Building on some of the key learning points of each Workshop, Section IV. proposes a new policy framework by means of a set of 'processual conditions'. Examples of these conditions at work are then provided using some of the city-cases presented during the six Workshops.

In what follows, Section IV. 1 summarises the ENGIME approach. Section IV. 2 discusses the key concepts that underlie the work (diversity, cities and sustainable development) and reviews how their understanding has changed over the recent years. On this basis, Section IV. 3 reviews traditional policies and develops new theoretical arguments to deal productively with diversity, identifying four processual conditions. Empirical evidence supporting the theoretical arguments is provided in Section IV. 4 (at the macro-level) and IV. 5 (through case-studies, exploring micro-processes).

1. Introduction

'Diversity' is more and more at the core of European public debates and a central issue in policy-making. This is the result of the increasing flows of people, information and goods that are bringing a growing diversity of people to interact and collaborate across the world. At the European level, this phenomenon is reinforced by the twin processes of European integration and enlargement.

Growing diversity may generate frictions between people. At the same time, it may create a unique environment for cultural, social and economic development. Yet, we know very little on the mechanisms and conditions that must be put in place for the full benefits to be tapped.

Cities represent a natural laboratory to analyse diversity at work. In cities, diversity occurs 'in proximity,' offering more opportunities for cross-cultural communication and relationships. Cities are the places where costs (in the form of cultural and racial conflicts) and benefits (in the form of cross-cultural informal exchanges of knowledge that foster the processes of innovation and creativity) of diversity become clearer.

This Section explores whether and under which conditions diverse cities can flourish in economic prosperity and social peace.

2. The background: the key concepts and trends

2.1. Cities and diversity

In all times, cities in the world have played a key role in facilitating encounters between groups and individuals and as crossroads of cultures. The work of the first urban sociologists teaches us that the presence of difference within urban environments is not merely a conjuncture-bound phenomenon, caused by recent massive migration and the intensification of global connections, but rather one of the very foundational and distinctive characteristics of cities as cities. While the presence of (cultural) differences represents a foundational characteristic of cities, globalisation has, in a historically specific way, quantitatively and qualitatively transformed the ways in which demographic, social and cultural diversity occur in urban settings and re-shape those settings.

Within a globalised context, the cultural diversity of cities affects the way they function as cities, both internally and in relation to the local and wider contexts they are embedded in. Specific urban cultural communities are in fact part at once of the locality they inhabit, within which they interact on a day-to-day basis, and of broader national and international networks, what Smith (1995) has called 'transnational grassroots politics.' For instance, they work within the local labour market, but send remittances to family elsewhere, vote in the city but are exposed daily to the media of various parts of the world, practice their religion but otherwise organise their life according to local religion-based work and holidays calendars, develop and maintain local micro-networks but form their ideas and opinions from information originating elsewhere and retrieved through the internet, work in the city but spend their leisure time elsewhere, might not know the city they inhabit beyond the local neighbourhood but regularly travel to other cities or to their country of origin to visit family and friends, and send some goods to their country of origin and receive others from it.

The communities that have longer inhabited the urban space are forced to re-think their own use of the city, their relationships with the newcomers, and ultimately who they are individually and collectively.

2.2. Identity and diversity

As globalisation multiplies the points of reference, and individuals and groups become situated within multiple contexts, the *ethno* in ethnography takes on a slippery, non localised quality. The loosening of the ties between wealth, population and territory 'fundamentally alters the basis for cultural reproduction' (Appadurai, 1991: 193), leading to communities that are increasingly 'imagined' (Anderson, 1983) rather than socially practiced. Appadurai observes that, while relatively stable communities and networks remain, they are 'shot through with the woof of human motion, as more persons deal with the realities of having to move or the fantasies of wanting to move' (1996: 33-34). As a consequence, culture can today no longer be seen as spatially bounded, historically unselfconscious, or ethnically homogeneous. Identity is in fact no longer ascribed, inherited and inborn, but rather becomes a task, and agents become responsible for performing that task as well as carrying the consequences thereof. In particular, reflecting on how the societal evolution in the last decennia has impacted the thought about (cultural and ethnic) identity, two types of considerations come to mind.

First, there is a clear shift away from definitions of identity based on shared traits –such as language, religion, territory, ancestry, etc.– towards definitions stressing identity as shared meaning and emphasising (social) processes of meaning-making and meaning negotiation. Barth (1969) was the first work to challenge the 'hard nature' of social groups and to approach ethnicity through the practices and processes whereby ethnic boundaries are socially constructed. He maintained that it is ethnic boundaries that define groups rather than their inherent cultural characteristics. At the beginning of the 1980s, attention shifted from boundaries to the active creation of ethnic identities through shared ethnic narratives. The ethnic group came to be conceived of as an imagined community, and the study of ethnicity became above all a study of ethnic consciousness'.

A second consideration is closely related to the first and concerns the increasing legitimisation of difference and diversity that the increasing attention for identity entails. As cultural and ethnic groups come more and more intensively in contact with each other in globalised cities, and cultural and ethnic identity is increasingly understood as relational, flexible, plural, and negotiable, more emphasis comes to be put on difference. Economic, cultural, political and social discourses do not merely increasingly *acknowledge* differences, but also increasingly *legitimate* it as a fundamental (positive) feature of contemporary society. This phenomenon has been labelled the 'universalisation of particularism' or the 'global valorisation of particular identities' (Robertson, 1992: 130; 1994).

A clear example of this trend is found in management studies, where over the last 15 years diversity has become a well-established domain of research (Milliken and Martins, 1996). While such attention was stirred by the diversification of the labour force composition in Western countries, understood mainly as an increased presence of female and migrant workers, more recent studies have attempted to re-conceptualise diversity along the lines of the newer conceptualisations of identity. Diversity is here seen as a context-specific discourse, and the theoretical focus is often on the way that discourse is deployed in order to create, maintain and/or challenge existing power relations between individual and groups (Foldy, 2002; Zanoni and Janssens, 2004). As in recent conceptualisations of identity, here too, the emphasis is put on meaning, the processes of meaning-making, and the power dimension thereof. Similarly, political scientists started to recognise that if it is true that the idea of a citizen without social ties is an illusion, it is also true that individuals are not locked into their culture of origin. The content of a group's culture is not static. It depends on history, and evolves. The culture of origin is one of the numerous resources that individuals can use in a 'do-it-yourself' cultural identity.

3. The outcome: the need for updating our approaches and policies

On the basis of the arguments laid down in Section IV. 2, this Section presents our attempt of developing a new policy framework for dealing with diversity and making diverse cities socially and economically sustainable in the longer term.

Firstly, we review the literature on migration studies and psychological adjustment and discuss how the findings of these studies have led to different types of immigration policies or political responses to the presence of a large number of migrants, naturalised citizens and their families (Melotti, 1997). We discuss three well-known political policies – segregation, assimilation and integration- and analyse them along three issues which seem to drive the creation of a multicultural society.

Secondly, we question their appropriateness given the conditions of global contemporary society and argue that these global conditions have changed the nature of identity construction as well as the nature of immigration flows, indicating the need to develop policies that are able to govern cultural diversity in a dynamic, nonlinear and spatial-temporal complex way.

Finally, we conclude by proposing the general conditions of such a political policy.

3.1. Traditional policies: assimilation, segregation and integration

3.1.1. Reviewing the policies

Three main categories of traditional policies on migration (strongly drawing on early migration and psychological adjustment studies of 1930-1970) can be identified: assimilation, segregation and integration.

'Assimilation' refers to the fact that minority groups are expected to assimilate or absorb the social and cultural characteristics of the majority with as final result a complete incorporation. The policy relies on a straight-line model of acculturation: second-generation immigrants, born in the host country, increasingly acculturate themselves and increase their status compared to the previous generation. Assimilation is not only natural and inevitable, but also in the best interest of all (Carmon, 1996).

'Segregation' refers to the fact that one or more cultural groups are separated from the rest of society on one or multiple domains. This policy relies on the principle of (relative) autonomy, originally applied to organise different religions as in the Ottoman Empire (Gellner, 1987). While religious segregation is one type, segregation can also occur on an economic, social and spatial basis. More important than the different domains, however, is maybe the degree to which segregation is voluntary versus imposed. The most extreme form of segregation occurs when the governance mandates certain groups to separate themselves from the rest of society such as the apartheid system in South Africa. While this model was legitimatised based on the assumption of incompatibility of racial groups, it is today considered to be unacceptable in democratic societies.

The critique on segregation and assimilation has resulted in a third migrant policy: '*integration'.* From a normative perspective, integration refers to the accommodation process of other ethnic groups in which they do not have to either abandon their cultural background or become isolated from the majority. In this sense, integration is considered to be a 'third' way, different from the two other migrant policies of segregation and assimilation. It explicitly assumes the value of socio-cultural diversity and heterogeneity and attempts to create maximal interaction between the majority and other different ethnic groups. A notion that sometimes is used to refer to integration is the '*melting pot*' idea. In contrast to the 'transmuting pot' that follows the 'straight-line theory', this notion builds on the 'bumpy-line theory' according to which acculturation evolves irregularly through different patterns. Theoretically, the melting pot notion implies a two-way direction in which also the majority group assimilates particular cultural elements from the minority groups and blends them into the overall culture. Because of this two-way direction, it is sometimes argued that the melting pot needs to be differentiated

from assimilation (Carmon, 1996). Some authors (de Ruijter, 2003) however argue that 'melting pots' are either myths or failed projects as the majority group is likely to decide on the ideal of a community or nation state, making an assimilation project of melting pots. In France and Australia for instance, these policies are accused of formally promoting a discourse of integration but in practice putting forward an ideal type of citizenship. Minority cultures are tolerated but not truly acknowledged as they are expected to adhere to the ideal type in the long-term.

3.1.2. Challenging the premises of traditional policies

All the policies described above – while they imply different goals and practices – tend to be based on two similar premises: migrants' identities are inherently tied to their cultural group and their acculturation process represents a unidirectional settlement. In what follows we challenge these premises and discuss two alternatives.

Firstly, previous migration policies all tend to assume that an individual's identity is directly linked to the cultural group to which one belongs. Migrants are considered to be representatives of a neatly integrated cultural group and their identity and ethnicity are based on certain shared traits of the group. Consequently, the purpose of any policy - whether it is segregation, assimilation or integration- is to govern fixed cultural differences in appropriate ways until they eventually disappear into the main culture. Within the current global reality, however, individuals of all cultural backgrounds are increasingly claiming their own individuality. They may not necessarily opt for what may seem to be 'their' culture. The result is a lack of consistency among persons who are ascriptively of the same 'culture' but are not longer wholly notionally so. This trend towards individualisation is further reinforced by the ongoing dialectical processes of globalisation and localisation (de Ruijter, 2003). Globalisation and localisation constitute and feed each other implying that local happenings are shaped by events occurring far away and vice versa. The emergence of such transnational system creates local contexts in which group boundaries are shifting, geographical bonds of identities become less 'natural' and new identities are construed. Again, fixed cultural meanings can no longer be assumed, forcing policies to consider the dynamic construction of culture.

Secondly, a common premise to previous migration policies is that migration is unidirectional. Migration might either represent a desire for long term settlement in the host country, or be only temporary, as migrants ultimately return to their country of origin. In both cases, however, the settlement is considered to be unidirectional. This assumption is based on the migration flows during the 20th century. The desire for long-term settlement is typical for the needs and wishes of the European peasantry trying to

find a better place to live in the US in the beginning of the 20th century. In the second half of the century, substantial migration flows took place between the South and the North of Europe. While migratory policies and the migrants themselves assumed these movements would be temporary, the large majority of migrants ended up remaining in the host countries. A comparison of various migration waves indicates however that recent migration flows tend to be more multidirectional in nature. For instance, Latin American immigrants in the US tend to travel frequently back and forward between the US and their home country (Longworth, address to the Final Conference), as do migrants that remain within the (enlarged) EU. Such frequent movements keep immigrants close to their home country, allowing them to stay in touch with friends and families. It creates a lack of permanence that in previous immigration flows to the US and Northern Europe was present, instigating the question to what extent a migration policy can consider the norms of the host country to be dominant.

Thirdly, previous migration policies all assume that the host country has a stable and coherent culture into which migrants can acculturate. This assumption also needs to be questioned as today's national cultures are themselves increasingly becoming more global, disconnected from place and time (Featherstone, 1999, p. 177).

3.1.3. Establishing new premises

Firstly, culture, ethnicity and identity should no longer considered fixed and coherent but ratherfluid and hybrid. Identities are multiple and constantly in the make. Taking identity as a social construction, this perspective tends to emphasise the dynamic processes through which a particular identity is negotiated. It assumes that the construction of cultural repertoires occurs within a particular context, in relation to particular other individuals and through a particular language. Adopting such a perspective as the basis for policy-making implies that a policy of intercultural encounters is focused on the process of (inter)cultural construction. Rather than deciding which fixed cultural meaning needs to be adopted by whom, its main aim is to establish a constructive negotiation process among the different parties. Such negotiation process needs to be able to take into account the nonlinearity and complexity of intercultural encounters.

Secondly, the acculturation process is a network process instead of a linear one. The multidirectional nature of migration flows and the global interconnectedness questions the linearity of an acculturation process. Acculturation is no longer a gradual process through which ethnic groups increasingly acculturate themselves and increase their status compared to previous generations. It no longer means adjusting to or adopting a new, well-defined host culture but implies an interaction process that crosses national

boundaries and multiple group boundaries. Individuals from minority and majority groups interact with each other within the context of international networks. Although interconnectedness across great distances is not new and there have always been interactions and diffusion of ideas and habits, the image that each culture is a territorial, homogeneous entity with clear boundaries is increasingly questioned under the current global conditions.

3.2. A proposal for a new approach

In this final Section, we build on the new premises illustrated in the previous section to develop the basic features of a new policy framework for dealing productively with cultural diversity.

The starting point is two-fold:

Firstly, diversity is and will remain a feature of our cities. The inclusion of new groups means that they will not only have to emancipate socially and economically (labour market position, income, housing), but also culturally and politically. The struggle for the redefinition of what exists will logically lead to discomfort for older stakeholders. Such discomfort is not the expression of the crisis and disintegration of the community; it only marks the process of redefinition with new vitality as a (potential) result (de Ruijter, Addres to the Final Conference).

Secondly, cultural mix is not necessarily a good thing as such. The simple juxtaposition of different cultural assets is not invariably creative or productive of social capital(s) and might under specific circumstances even be a source of social conflict. Rather, a new policy framework should provide the conditions under which pre-imposed social hierarchies are weakened and differences can be expressed and interact in a positive manner.

The following features should characterise the policy framework:

Condition 1: Negotiation, rather than Rules. Our suggestion is that dealing with cultural diversity in contemporary society requires a negotiation process in which individuals and groups search for temporary, issue-specific agreements. Such proposal poses less stringent demands on the process of interacting, starting with a rejection of common goals and only accepting communality of issues. Given the dynamic and heterogeneous context in which individuals and groups construe their identities and ethnicity, we can no longer assume that common goals structure and guide our lives. A divergence of opinions and views are expected, making a conception of a common goal unlikely. However, despite this divergence, we acknowledge the need for some kind of collective project

because without it, we are reduced to mere consumers, without any sense of participation in the civic life of cities that we live in (Putnam, 1993).

Condition 2: Compatibility of Actions, rather than Common Values. To avoid social hierarchy and create more egalitarian relationships, it is crucial that the negotiation process is neither conditional upon full commonality of values nor strives to build such commonality. The principle is to promote dialogue between individuals and groups with different identities without asking these actors to develop a whole shared system of values reflecting a common worldview. Similar as starting from common issues instead of common goals, a search for compatibility of actions instead of common values places less stringent demands and hence more realistic demands on the groups living together within a glocal community. Diversity needs to be coordinated rather than 'integrated' through which plurality rather than uniformity can be achieved.

Condition 3: A Non-Ethnicisation Approach, rather than a Cultural Rights Approach. Searching for compatibility of cultural actions and practices, we further propose that the parties within the negotiation process need to avoid a discourse of cultural rights and fixed identities. Rather, they need to strive for non-ethnicisation, e.g. avoiding attributing the reasons of particular behaviours and practices to the cultural background of the other (Ford, 2003). The danger of a discourse of cultural rights is not because multicultural rights 'go too far' but because the arguments for and against cultural rights share socially destructive presumptions. First, when cultural practices are portrayed as cultural rights, the arguments often refer to radically divergent and incommensurable value systems (Ford, 2003). Second, when explaining all kinds of different practices through culture, one tends to stress the homogeneity of a particular cultural group. One assumes that a particular practice is the only expression of a cultural value, ignoring the variety of different behaviours of individuals within that group. The consequence again is that cultural practices are seen as fixed, reducing the possibility of finding compatibility of actions

As alternative to the discourse and practice of cultural rights, we propose that, in searching for compatibility of actions, the cultural difference itself is negotiated. By negotiating cultural differences, individuals and groups may come to understand that group-based differences are not as fixed as they imagined and that there is a variety of practices and behaviours within a particular cultural group. Through this process, coalitional politics and 'cross-cutting' group membership may be fostered, producing more moderate attitudes and the experience that members of other ethnic groups are also concerned about creating a liveable community.

3.3. Unsolved questions

Proposing a negotiation process that aims to create a form of interrelatedness which reflects more horizontal and less hierarchical relationships among diverse actors is appealing but, at the same time, raises new questions. Important questions refer in first instances to implementation issues. Given the issue-specific nature of the negotiation process, it is important to decide on the *right level of negotiation* that is required to address the issue at hand. In general, we expect that this right level of negotiation needs to focus on lower territorial units or communities as it is the diverse actors themselves who will jointly decide on a compatible solution.

However, given the discretion given to actors in the field, the question *of power differences among the various actors* arises. Proposing this political policy, we acknowledge that there is no way to guarantee that each group will have equal influence. Larger groups, more established groups and groups with disproportionate economic and social influence will have more power to shape the direction of a multicultural society than recent immigrants with little wealth or social prestige. However, governments or city councils can create more balanced relations through generating a general framework in which the particular negotiation issues need to be addressed. This general framework sets the overarching principles to which all solutions needs to adhere. Such principles limit the complete autonomy of dominant groups and offer minority groups higher chances on fair decisions. In addition, it is important that actions of government are not restricted to installing a general framework but that they sustain the negotiating process in order to increase the quality of the decision-making process. Possible actions to do so can refer to supporting the capacity-building of different organisations or offering training on negotiation skills.

Still another, fundamental, question refers to the possibility of *incompatibility of actions*. We need to acknowledge that the proposed coordinative model requires, just as assimilation and integration policies, non-conflict of fundamental principles. However, sometimes actions may not be compatible and choices will be inevitable. For instance, clashes may still occur when it concerns conflicting views regarding equal rights of men and women or the integrity of the body.

The above reflections may only be a start when implementing a process-driven political policy. The questions might be more numerous than first anticipated. At the same time, however, reinventing new forms of interrelatedness is a necessity and the empirical cases in the following chapters provide a first test of our three processual conditions.

4. Providing empirical support – analysis at the macro-level

This Section reviews empirical work concerning the impacts of diversity on socio-economic development using statistical analysis of data. The next section will report a set of case-studies using more qualitative approaches. Here, we firstly discuss the studies comparing diversity and development across countries and then the studies carried out at the city-level. Finally, we identify a common set of conditions (that are used to validate the theoretical consideration developed in Section IV. 3) that underlie a positive correlation between diversity and development.

4.1. Cross-country analysis

The seminal paper in the field is by Easterly and Levine (1997). They measured diversity (using a fractionalisation index calculated using the *Midas Atlas* database) in 172 countries and found that higher indexes of diversity are associated with slower growth. The paper spurred a vivid debate. Despite strong criticism (see for example Arcand *et al*, 2000), the Easterly and Levine results have been confirmed by a number of studies. In particular, Alesina and La Ferrara found that going from perfect homogeneity to complete heterogeneity (i.e., the index of fractionalisation going from 0 – there is just one group – to 1 – each individual from a different group) would reduce a country growth performance by 2 pp per annum. The effect is not negligible. Over 35 years, the income per capita would be reduced by fifty percent.

Research is currently directed to understand what features of society and diversity might determine these results.

Concerning the features of society, the literature has highlighted the role of the level of income and the quality of institutions. Alesina and La Ferrara (2003) found that diversity has a more negative effect at lower levels of income (implying that poorer countries suffer more from ethnic fragmentation). Collier (2002) argues that fractionalisation has negative effects on productivity and growth only in *non-democratic regimes*, implying that democracies deal better with diversity. His results are confirmed by Alesina and La Ferrara (2004). Easterly (2001) constructs an index of institutional quality aggregating Knack and Keefer (1995) data on contract repudiation, expropriation, rule of law and bureaucratic quality. He finds that the negative effect of ethnic diversity is significantly mitigated by 'good' institutions. Again, the quality of institutions is likely to be not exogenous with respect to diversity.

Concerning the specific features of diversity, the literature has analysed the effects of *fractionalisation* vs. *dominance* vs. *polarisation.* Collier (2001) looks at the relationships

between fractionalisation and the probability of civil wars. He finds a non-linear relationship and that the probability of civil wars is maximised at intermediate levels of fractionalisation. Collier (2001) finds that it is *dominance* rather than *fractionalisation* that negatively affects economic growth and positively the probability of civil wars and social conflicts. Alesina et al (2003) find fractionalisation dominates polarisation in explaining economic growth differentials.

4.2. Diversity in proximity: cities and firms as laboratory of diversity

A wide and more diverse literature has looked at diversity in cities and its role in development. The attention is generally more on the positive side, where urban diversity (cultural and industrial) contributes to creative and innovative potential of the city. Jacobs (1961) sees diversity as the key factor of success: the variety of commercial activities, cultural occasions, aspects, inhabitants, visitors and also variety of tastes, abilities, needs and even obsessions are the engine of urban development (Jacobs, 1961, p 137). Sassen (1994) studies 'global cities' - such as London, Paris, New York and Tokyo – and their strategic role in the development of activities that are central to world economic growth and innovation, such as finance and specialised services. A key characteristic of this sort of cities, the global cities, is the cultural diversity of their population. Bairoch (1988) sees cities and their diversity as the engine of economic growth. Such diversity, however, has been mainly investigated in terms of diversified provision of consumers' good. Florida (2002) considers a concept of diversity closer to us. According to his work, openness to diversity is one of the important factors determining the attractiveness of a city or region for knowledge workers and therefore improves the creative capital of a city. Hence, more openness to diversity attracts more knowledge workers, which increases the possibilities to support high-tech industries and economic development based on talent and knowledge creation (Gertler, Florida, Gates and Vinodrai (2002)).

Ottaviano and Peri (2003) provide supportive evidence to a positive causal link from cultural diversity to (come prima) (and – da togliere?) economic outcomes. They develop a theoretical model where cultural diversity has positive effects both on consumption (welfare gain from consuming a given bundle of goods is higher if consumption happens in a 'high-diversity' environment – *consumption amenities*) and productivity (given a certain set of inputs, production is higher if it takes place in a 'high-diversity' environment – *production amenities*). They test the model using wages and rents data for 200 US cities (Standard Metropolitan Statistical Areas). Confirming the suggestions of Florida, they find a positive impact of diversity economic outcomes. *Ceteris paribus,* the average wage of (while – come prima) male workers is higher in cities with higher

degrees of diversity (measured by the *fractionalisation* index). Without labour mobility, higher wages would reflect higher productivity. With labour mobility, higher wages could reflect a compensation for a lower quality of life (a consumption disamenity of diversity). In the latter case, however, local prices (and rents in particular) should be lower (as the willingness to pay to stay in a 'bad' place should be lower). The econometric analysis shows that rents are higher in more diverse cities, suggesting that diversity is associated with *production amenities.* According to these results, a multicultural environment makes native (white) people more productive. The broad result is qualified under two specific points. Firstly, local diversity has a negative effect on the provision of public goods (consistently with findings at the national level). Second, the positive effects are stronger where only immigrants from the second and third generation are considered (suggesting that the positive effects are reaped only when some degree of interaction between communities take place).

4.3. Conclusions: a set of conditions

Despite the difficulties and the conceptual and practical limitation of the attempts of measuring diversity, the quantitative analysis delivers interesting results.

The analysis at the level of countries shows that diversity might have negative effects on social and economic outcomes, in terms of non-efficient public policies and provision of public goods, conflicts and civil wars. However, this seems to apply only at a lower level of development, while *appropriate institutions* and *democracy* might waive the negative impact. Besides, *dominance,* rather than *fractionalisation,* appears to be the dimension of diversity which really causes the damage. Besides, the analysis at the level of cities and firms suggest that benefits can be substantial. In cities, differences are in *proximity*, relationships are created and potential benefits are better exploited.

Overall, these conditions reflect the theoretical argumentations provided in Section IV.: only when relationships are created and institutions are provided (manca qualcosa?)

the quantitative analysis does provide some indirect support the theoretical argumentation provided in shows that, under a specific set of conditions, a positive relationship between diversity and sustainable development might emerge. Those conditions concern:

- The institutional setting. There exists an adequate institutional base where open confrontation between people can take place on an equal base;
- The structure of diversity. There does not exist a situation of dominance of one cultural group on the others;

- The geographical distribution of groups. Groups live close enough to interact;
- The level of resources. There exists an adequate level of economic resources to be shared out between groups. Economic hardship increases the possibility of conflict, social stresses, and bad economic outcomes.

Those conditions reflect the theoretical argumentations provided in Section IV.

5. Providing empirical support – analysis at the micro-level

This Section reports a series of case-studies providing supporting evidence of how the theoretical arguments might work in practice.

5.1. London. Demonstrating 'good' diversity: option and choice in the local system

Battersea is a borough in south inner London. Despite being a mixed inner city area, it does not find race or ethnic relations a central or even a consistently important issue. Despite being typical inner city residents, the life of Battersea's residents is not a bleak tale of deprivation and disadvantage. By contrast, Bow, in the east end of London, is marked by ethnic contrast. Over history, it is an area where some street conflicts are unambiguously racial conflicts. Life is generally hard.

Yet, Battersea and Bow areas are comparable in size and resource base, operate in the same metropolitan system and are part of the same national culture; both populations are[9] dominantly low income working-class, with a growing sprinkling of 'gentry' and a visible ethnic mixture. Nevertheless, Battersea and Bow are socially different kinds of places, with different patterns of livelihood and different capacity to adapt to economic or demographic change.

The difference is that, *as local systems,* Battersea and Bow are at opposite ends of an open: closed, heterogeneous: homogeneous continuum. The contrast is consistent through ten separate dimensions: industrial structure; industrial type; employment opportunities; travel to work patterns; travel facilities; labour movement; housing options; gatekeepers; criteria for membership; political traditions. By each measure, Bow is markedly less open and less heterogeneous than Battersea; and by the same measures, Bow's style is consistently less flexible and more exclusionary. In Battersea, diversity operates in a delicate equilibrium: it is open, mixed, and/but including the crucial *solid core of interrelatedness*. The heterogeneity of *this* local system both

[9] The ethnographic present here refers to the 1980s.

multiplies economic and identity options *and* allows opens access to them. Hence 'good' diversity:- heterogeneity pertains throughout the system so that each layer feeds back on/reinforces the other.

5.2. Banská Bystrica. Post-Socialist city on the way to diversity

Banská Bystrica is a medium-sized city situated in the mountainous region of Central Slovakia on the Hron river, with a long tradition of multiculturality. This chapter studies Banská Bystrica urban diversity and integrity in the light of political, socio-economic and cultural changes. On the example of three different historical periods (1918 – 1948: the democratic Czechoslovakia; 1948 – 1989: the communist Czechoslovakia; 1989 up to the present: building new democracy in a new state) the study shows transformations of the city and urban life.

The research results show how political systems influence conditions, in which urban diversity and heterogeneity develop. During the democratic period of the first Czechoslovak Republic (1918 – 1948 with the exception of the World War II), Banská Bystrica was a multicultural city with a rich ethnic, religious and social differentiation of the inhabitants who communicated in three languages. After the communist coup in 1948, the situation dramatically changed. Within a few years the city became a grey, dull place with no or strictly limited social life. The totalitarian regime was systematically suppressing any diversity or pluralism in public spaces for fear of a mass protest against the regime. After the 'velvet revolution' in 1989 and the 'velvet divorce' in 1993 dramatic political, economic, social and cultural changes transformed the face of the city completely. Diversity was brought back to the public fora, leading to higher economic growth of the city, but a more colourful diverse urban life.

The chapter highlights democracy and totalitarianism as two different solutions to the 'diversity vs. same-ness' and the 'private vs. public space' trade-offs discussed in Chapter 2. Allowing diversity in the public sphere and making open confrontation possible, democracy created the conditions for diversity to flourish and contribute to the economic and social prosperity of the city.

5.3. Baroda. Cultural diversity: conflicts and prosperity

Baroda, a city in the state of Gujarat, has for long been a microcosm of India's multicultural ethos, with people of different religious faith, caste groups, original indigenous inhabitants and migrant workers ensuring diverse cultural practices and lifestyle. Their contribution made Baroda a leading centre for academic excellence, artistic endeavour and business enterprise. Strong benevolent state policies provided

justice, equal opportunities and an effective use of social capital so that citizens could live in harmony in their individual as well as shared space.

Despite the vehement antagonism between Hindus and Muslims after the partition of India, a general rise in the level of well-being because of vibrant economic activities through fertiliser and petrochemical complexes, engineering industries, oil refinery and small-scale production units kept the city essentially strife-free. The 21st century, however, started on a different note. In early 2002, violence of an unbelievable dimension and brutality broke out between the two communities with rampant killing, looting and destruction of homes, business premises and places of worship.

The chapter discusses the historical changes that have led to the breaking of the positive relationship. Before, the two communities were living separately, each of them contributing in a specific well-defined way to the economy and prosperity of the city. A set of rules was shared between communities, as in a sort of informal city constitution, providing clear identity and objectives to the people of both communities. Boundaries have now fallen down. Individuals and groups can now interact and compete more freely. However, in the absence of the possibility of open negotiation (hampered by the remaining of traditions), the relationships are exploding into conflicts, rather than positive cooperation.

5.4. Chicago. A story of diversity

The history of Chicago rests on its diversity. Germans, Poles, Lithuanians, Irish, Slovaks, Croats, Italians – the great waves of European immigration - built industrial-era Chicago. Mexicans, Cubans, Chinese, Jews came too, and the city thrived. If older eastern cities like Boston and Philadelphia had developed their civic characteristics and culture before the great age of immigration, Chicago's character and culture was literally shaped by these newcomers. When heavy industry died after World War II, new immigrants – more Mexicans but also Asians, from Korea, the Philippines, Palestine and Iraq, India and Pakistan – rescued Chicago from its Rust Belt torpor. Chicago, which once seemed doomed to follow Detroit into a sort of decrepitude, reinvented itself for the global era.

The chapter shows how a delicate equilibrium between separated-ness and interraled-ness across cultural groups characterised Chicagoan economic, political and social life through time, thus making diversity the basis of the economic thrive of the city. Negotiations and compromises always sustained the equilibrium. In the economic arena, big companies are (informally) discriminating new immigrants, yet economic opportunities are offered (and rapidly filled in) in other sectors of the economy. Cultural groups specialised initially in niche production and services, yet breaking out through

generations to the outside of the ethnic community. In the political arena, the city is dominated by established communities, but new immigrants find some form of access to the political arena, either by being integrated in the democratic party (as in older days) or providing money (as it is more the case nowadays). It is not textbook democracy, but it amounts to a rough social contract – votes, and money, for services – between governors and governed. Through Chicago's history, negotiations and compromises allowed short-term costs (both for immigrants and the host community) to be waved, while tapping the long-term benefits of diversity.

5.5. Rome. Electing foreign representatives to the Rome city government: governance strategies

Since the beginning of the 1980s Rome has gradually evolved into a multicultural city posing new questions and challenges to local authorities. Initially, an emergency approach was used, focusing on covering basic needs. More recently, the concept of local citizenship came to the fore and more elaborate pathways were explored. In order to involve immigrants in the development of the city, four Council Members were elected on March 28 2004 to represent legal foreigners living in Rome. They do not have the right to vote, but can participate in and contribute to the discussion. Additionally, 23 foreigners were elected to a consultative body and 20 representatives from each of Rome's municipalities.

Three risks were inherent to the process: firstly, that the elections remain only of symbolic significance (masking the fundamental issue of giving immigrants legal voting rights); secondly, that the elections would be themselves exclusionary thus creating a salient separation between foreigners and Italians; and finally that elections would fragment the ethnic communities in Rome instead of creating cohesion.

Through interviews and quantitative analysis the chapter shows that the process was certainly successful in terms of migrants' participation. In particular, it led to the creation of good channels between different communities and, paradoxically, the lack of money helped to increase the level of communication within and across various communities as well as the involvement of Italian political parties. Holding elections that were separate (from Italians), rather than making segregation salient, made migrants aware of their self-presentation to the city. This created a sense of visible empowerment amongst immigrants. Despite most interviewees acknowledged the overall success of the experiment, the lack of voting power (reflecting an inherent hierarchy between communities) was recognised as a potential cause of failure in the long run.

5.6. Antwerp. Integration of non-natives into the regular labour market: The Paradox project

The condition of non-natives in the labour market in large cities such as for example Brussels and Antwerp, represents a major problem. The unemployment rate among non-natives is much higher than among natives and higher than in any other Belgian city. From May 2002 to November 2004 the project Paradox aimed at integrating non-natives (and people older than 45) into the regular labour market by means of placement in small and medium sized enterprises (SMEs) in and around Antwerp. The project was co-financed by the Equal programme of the European Commission. Counsellors intermediated between the SMEs and the potential candidates at three levels: helping SMEs to adapt their job profiles; helping job-seekers to adapt their self-presentation and expectations; and helping SMEs and non-natives to communicate after the placement. The counsellors were operating within the framework of fair competition between firms and employers were paying the market price for the placement. In the two years and half of the project 313 non-natives were helped and 54 were placed on job. Near the end of the project (summer 2004), more than half of those were still working.

The chapter shows how barriers of cultural nature work often at the very micro level. Wrong expectations by job-seekers (for example, because they had an education qualification not recognised in Belgium); wrong ways of spelling out the job description (imposing un-necessary requirements to applicants) and minor miscommunication on the job after placement (taken as due to bad competence or worse) represented the main obstacles to the employment of non-natives. In these conditions, because of imperfect information, the market would fail to deliver the optimal outcome (placement would not take place). Public intervention is therefore needed. As in Paradox, intervention does not need to be imposed to the market. Rather it should operate through the market. The market allows negotiation to take place in a more flexible manner and reduces the danger of ethnicisation of the issue.

6. Conclusions

Section IV. elaborates the analytical conclusions of single Workshops to propose a new framework for dealing with diversity. Using the case-studies and empirical exercises the Section illustrates also how these conditions are working in practice. Although the analytical focus was on the cities, such a framework derives from broader considerations and is therefore more generally applicable.

V. DISSEMINATION AND EXPLOITATION OF RESULTS

During the lifetime of the Network, the following activities of dissemination were put in place:

- 6 workshops were organised, with 88 participants
    - 23 participants came from member institutions
    - 65 participants came from external institutions (research and policy-making communities);
- 35 papers were published in the Working Paper series of the coordinator (accessible through the coordinator website and the Economics Research Institutes Paper Series of SSRN, RePEc and in Econlit);
- 4 newsletters have been sent to more than 500 addresses;
- the manuscript for a book on "DiverCities-A multidisciplinary perspective on diversity in cities" is ready and being submitted to publishers;
- the ENGIME web site provides access to the complete documentation: http://www.feem.it/engime.

Besides these 'institutional' activities of the network, other initiatives included:

- the organisation of a Conference in Rome on 17 November 2004 (hosted by Confartigianato and financed by FEEM), for the presentation of the results to the general public (around 40 participants);
- the publication of short ENGIME summaries anda larger article concerning ENGIME in the coordinator's Newsletter (biannual and widely diffused to the European research and policy-making communities);
- the coverage in the local press of the activities of the Network (a copy of EXPAT, a Dutch magazine, was included in the second report);

Future activities are also foreseen. In the short-term, the results of ENGIME will be presented in the forthcoming International conference on "Dialogues on Milan" which will be scheduled by the Milan Chamber of Commerce for late June 2005. (lasci al futuro?)

Overall, the activities of the Network proved very valuable for the structuring of the research going on in different disciplines into a common (perspective) area of long-term inter-disciplinary collaboration. The partners are currently involved in two new European projects.

- EURODIV. EURODIV (Cultural Diversity in Europe: a Series of Conferences) will organise a series of five Conferences on the understanding of cultural diversity in Europe and the ways of dealing with diversity and its dynamics in the globalisation era. The project built on the results of ENGIME to structure the thematic foci of the Conferences. With respect to ENGIME, EURODIV has a stronger focus on the training of young researchers and intends to represent an opportunity for young researchers and leading scientists to communicate in a spirit of mutual learning, providing an organised and formal training at the frontiers of current research. All local organisers are former members of ENGIME;

- SUS.DIV. SUS.DIV (Sustainable Development in a Diverse World) is a Network of Excellence, FP6, Priority 7. The network builds on the ENGIME result to enlarge the scope and the network activity of the research. It brings together 32 institutions, 21 of those were either members of ENGIME or participated in ENGIME workshops. As a NoE, it includes research, training and dissemination activities. The Network will be working for the next five years.

These two initiatives will provide a stable framework to structure long-term collaborations, within the network and with the world outside.

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VII. ANNEXES

1. List of partner institutions

No	Institution
1	Fondazione Eni Enrico Mattei
2	University College London (Dept. of Anthropology)
3	Katholieke Universiteit Leuven
4	Istituto Psicoanalitico per le Ricerche Sociali
5	Université de Caen Basse Normandie - Laboratoire d'Analyse Socio-Anthropologique du Risque
6	Università Politecnica delle Marche
7	Center for Economic Research and Environmental Strategy
8	The Hague University
9	IDEA Strategische Economische Consulting

2. List of Publications

List of Working Papers resulting from ENGIME Workshop I Mapping Diversity: Understanding the dynamics of multicultural cities (Leuven, May 16-17, 2002)

Carole Maignan, Gianmarco Ottaviano and Dino Pinelli (eds.): Economic Growth, Innovation, Cultural Diversity: What are we all talking about? A Critical Survey of the State-of-the-Art, FEEM working paper No.12.2003

Carole Maignan, Gianmarco Ottaviano, Dino Pinnelli and Francesco Rullani: Bio-Ecological Diversity vs. Socio-Economic Diversity. A Comparison of Existing Measures, FEEM working paper No.13.2003

Maddy Janssens and Chris Steyaert: Theories of Diversity within Organisation Studies: Debates and Future Trajectories, FEEM working paper No.14.2003

Tuzin Baycan Leuvent, Enno Masurel and Peter Nijkamp: Diversity in Entrepreneurship: Ethnic and Female Roles in Urban Economic Life, FEEM working paper No.15.2003

Alexandra Bitusikova: Post-Communist City on its Way from Grey to Colourful: The Case Study from Slovakia, FEEM working paper No.16.2003

Billy E. Vaughn and Katarina Mlekov: A Stage Model of Developing an Inclusive Community, FEEM working paper No.17.2003

Selma van Londen and Arie de Ruijter: Managing Diversity in a Glocalizing World, FEEM working paper No.18.2003

David Frantz: Lorenzo Market between Diversity and Mutation, FEEM working paper No.69.2003

Ercole Sori: Mapping Diversity in Social History, FEEM working paper No.70.2003

List of Working Papers resulting from ENGIME Workshop II Communication across Cultures in Multicultural Cities (The Hague, November 7-8, 2002)

Ljiljana Deru Simic: What is Specific about Art/Cultural Projects?, FEEM working paper No.71.2003

Natalya V. Taranova: The Role of the City in Fostering Intergroup Communication in a Multicultural Environment: Saint-Petersburg's Case, FEEM working paper No.72.2003

Kristine Crane: The City as an Arena for the Expression of Multiple Identities in the Age of Globalisation and Migration, FEEM working paper No.73.2003

Kazuma Matoba: Glocal Dialogue- Transformation through Transcultural Communication, FEEM working paper No.74.2003

Catarina Reis Oliveira: Immigrants' Entrepreneurial Opportunities: The Case of the Chinese in Portugal, FEEM working paper No.75.2003

Sandra Wallman: The Diversity of Diversity - towards a typology of urban systems, FEEM working paper No.76.2003

Richard Pearce: A Biologist's View of Individual Cultural Identity for the Study of Cities, FEEM working paper No.77.2003

Vincent Merk: Communication Across Cultures: from Cultural Awareness to Reconciliation of the Dilemmas, FEEM working paper No.78.2003

List of Working Papers resulting from ENGIME Workshop III Social dynamics and conflicts in multicultural cities (Milan, March 20-21, 2003)

John Crowley, Marie-Cecile Naves: Anti-Racist Policies in France. From Ideological and Historical Schemes to Socio-Political Realities, FEEM working paper No.98.2003

Richard Thompson Ford: Cultural Rights and Civic Virtue, FEEM working paper No.99.2003

Alaknanda Patel: Cultural Diversity and Conflict in Multicultural Cities, FEEM working paper No.100.2003

David May: The Struggle of Becoming Established in a Deprived Inner-City Neighbourhood, FEEM working paper No.101.2003

Sébastien Arcand, Danielle Juteau, Sirma Bilge, And Francine Lemire: Municipal Reform on the Island of Montreal: Tensions Between Two Majority Groups in a Multicultural City, FEEM working paper No.102.2003

List of Working Papers resulting from ENGIME Workshop IV Governance and policies in multicultural cities (Rome, June 5-6, 2003)

Gianmarco I.P. Ottaviano and Giovanni Peri: The Economic Value of Cultural Diversity: Evidence from US Cities, FEEM working paper No.34.2004

Linda Chaib: Immigration and Local Urban Participatory Democracy: A Boston-Paris Comparison, FEEM working paper No.35.2004

Franca Eckert Coen and Claudio Rossi: Foreigners, Immigrants, Host Cities: The Policies of Multi-Ethnicity in Rome. Reading Governance in a Local Context, FEEM working paper No.36.2004

Kristine Crane: Governing Migration: Immigrant Groups' Strategies in Three Italian Cities – Rome, Naples and Bari, FEEM working paper No.37.2004

Kiflemariam Hamde: Mind in Africa, Body in Europe: The Struggle for Maintaining and Transforming Cultural Identity - A Note from the Experience of Eritrean Immigrants in Stockholm, FEEM working paper No.38.2004

List of Working Papers resulting from ENGIME Workshop V Trust ad Social Capital in Multicultural Cities (Athens, 19-20 January, 2004)

Asimina Christoforou: On the Determinants of Social Capital in Greece Compared to Countries of the EU, FEEM working paper, forthcoming

Eric Uslaner, Varieties of Trust, FEEM working paper, forthcoming

Thomas Lyon, Making Capitalism Work: Social Capital And Economic Growth In Italy: 1970: 1995, FEEM working paper, forthcoming

Sandra Wallman: Network Capital and Social Trust: pre-conditions for 'good' diversity?, FEEM working paper, forthcoming

List of Working Papers resulting from ENGIME Workshop VI Multicultural cities: Diversity, Growth and Sustainable Development (Rome, 18-19/11/2004)

Graziella Bertocchi and Chiara Strozzi: Citizenship Laws and International Migration in Hsitorical Perspective, FEEM working papers, forthcoming

Elsbeth van Hylckama Vlieg: Accommodating Differences, FEEM working paper, forthcoming

Renato Sansa and Ercole Sori, Governance of Diversity Between Social Dynamics and Conflicts in Multicultural Cities. A Selected Survey on Historical Bibliography, FEEM working paper, forthcoming

3. List of Workshops Presentations

List of presentations at ENGIME Workshop I Mapping Diversity: Understanding the dynamics of multicultural cities (Leuven, May 16-17, 2002)

Arie De Ruijter, *Managing Diversity in a Glocalizing World.*

Thierry Verdier, *Economic Approaches to Cultural Change and Cultural Diversity: Overview and Prospects.*

Carole Maignan, Dino Pinelli, Francesco Rullani and Gianmarco I.P. Ottaviano, *Measuring Diversity in Economics: Insights from Biology and Ecology.*

Ercole Sori and Marco Giovagnoli, *A Map of Diversity in Social History.*

Elena Saraceno, *Communicating Diversity Through the European Capital in Brussels.*

Billy E. Vaughn and Katarina Mlekov, *A Stage Model of Developing into an Inclusive Community.*

Alexandra Bitusikova, *Post-Communist City on its Way from Grey to Colourful: Case Study from Slovakia.*

Laura Šaliuvien and Regina Virvilait, *Lithuanian Cultural Origins and Transformation of Cultural Values While Transformation to Market Economics.*

Maddy Janssens and Chris Steyaert, *Theories of Diversity within Organisation Studies: Debates and Future Trajectories.*

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David Frantz, *San Lorenzo Market Between Diversity and Mutation.*

List of presentations at ENGIME Workshop II Communication across Cultures in Multicultural Cities (The Hague, November 7-8, 2002)

Vincent Merk, *Communication across Cultures, from Cultural Awareness to Reconciliation of the Dilemma's.*

Kazuma Matoba, *Glocal Dialogue, Transformation through Transcultural Communication.*

Rudy Janssens, *The use of Language in Multilinguistic Brussels.*

Ljiljana Deru Simic, *What is Special about Art/Cultural Projects?.*

Roseline Ricco, *Managing Diversity in Urban Environments.*

Sandra Wallman, *The Diversity of Diversity.*

Richard Pearce, *A Biologist's view of individual cultural identity for the study of cities*.

Kristine Crane, *The City as an Arena for the Expression of Multiple Identities in the Age of Globalisation and Migration.*

Karoll Kock, *Enlightening the dialogue: Antillians in a Multicultural Rotterdam.*

Natalja Taranova, *The Role of the City in Fostering Inter-group Communication in Multicultural Environments: The Case of St. Petersburg.*

S. Santokhi and A.M. Andriol, *Neighbourhood Transformation and Economic Activities: aspects of urban economic activities in segregated areas in the Hague.*

Catarina Reis Oliveira, *Immigrants' Entrepreneurial Opportunities: The case of Chinese in Portugal.*

List of presentations at ENGIME Workshop III Social dynamics and conflicts in multicultural cities (Milan, March 20-21, 2003)

Jose Caballero and Vicente Pons, *Religion and Economics: The Case of Social Inequality in Latin America.*

Richard Thompson Ford, *Cultural Difference and Civic Culture.*

Gianmarco Ottaviano and Giovanni Peri, *Diversity and Growth in US Cities.*

Joachim Brüβ, *Diversity and Inter-Ethnic Conflicts among Adolescents.*

David May, *The Struggle of Becoming Established in a Deprived Inner-City Neighbourhood.*

Alaknanda Patel, *The case of Baroda – India.*

Danielle Juteau, Sébastien Arcand, Sirma Bilge, Francine Lemire, Ethnic Relations, *Municipal Reform on the Island of Montreal. Tensions Between Two Majority Groups in a Multicultural City.*

John Crowley and Marie-Cécile Naves, *Anti-Racist Policy in France: From Ideology to Socio-Political Realities.*

List of presentations at ENGIME Workshop IV Governance and policies in multicultural cities (Rome, June 5-6, 2003)

Pandeli Glavanis, *The Relevance of Religion for Cultural Diversity.*

Franca Eckert Coen, *Managing Religious Diversity in the City of Rome.*

Charles Westin, *Categorisation and Citizenship: the Politics of Inclusion and Exclusion.*

Claudio Rossi, *Foreigners, Immigrants, Host Cities: Multiethnic Policies in Rome—Reading Governance in a Local Context.*

Kristine Crane, *Governing Migration: Immigrant Groups' Strategies in Three Italian Cities—Rome, Naples and Bari.*

Kiflemariam Hamde, *Mind in Africa, Body in Europe: The Struggle for Maintaining and Transforming Cultural Identity—A Note from the Experience of Eritrean Immigrants in Stockholm, Sweden.*

Linda Chaib, *Governing Immigration in Boston and Paris: A Comparative Perspective.*

Patrizia Riganti, *Cultural Heritage and Social Cohesion in Contemporary Cities: Tools and Methodologies for Assessing Public Differences.*

Marco Percoco, *Spatial Discrimination in the Cities and Migration Choice: An Economic Perspective.*

Bernardo Aguilar-Gonzalez, *Complexity and the Political Ecology of the US-Mexico Border Twin Cities: A Few Reflections.*

Nicoletta Ferro, *Ethics and Enterprises: Bridging the Moral Divide.*

List of presentations at ENGIME Workshop V Trust ad Social Capital in Multicultural Cities (Athens, 19-20 January, 2004)

Nikolaos Kolios, *Social Capital and Immigrant Entrepreneurship in a Central Athens Area.*

Asimina Christoforou, *On the Determinants of Social Capital in Greece Compared to Countries of the EU.*

Dafne Reymen, *EQUAL-project PARADOX*.

Eric M. Uslaner, *Varieties of Trust.*

Tryfon Kollintzas, *Corruption, Rent-seeking, Bad Human Capital and Growth.*

Kiflemariam Hamde, *The role of Identity-Based Trust in Immigrant Associations*.

Ernest M Mahaffey, *Presentation of Global Chicago Project.*

David May, *Immigrant Integration and the Role of Social Capital.*

Thomas P. Lyon, *Making Capitalism Work: Social Capital and Economic Growth in Italy, 1970-1995.*

Sandra Wallman, *Network Capital and Social Trust: Pre-conditions for Good Diversity?*

List of presentations at Workshop VI Multicultural cities: Diversity, Growth and Sustainable Development (Rome, 18-19/11/2004)

Maddy Janssens, *Theorizing cultural diversity and cultural diversity policies.*

Arie de Ruijter, *Cultural diversity and cultural diversity policies, a response to Maddy's.*

Richard Longworth, *Cultural diversity and cultural diversity policies: experience and lessons from Chicago.*

Giovanni Peri, *Cities, diversity and growth.*

Klaus Desmet (with Ignacio Ortuño and Shlomo Weber), *Linguistic conflict and redistribution.*

Graziella Bertocchi (with Chiara Strozzi), *Citizenship Laws and International Migration in Hsitorical Perspective.*

Sandra Wallman, *Visible and invisible boundaries: social boundaries in cities.*

Elsbeth van Hylckama Vlieg, *Accommodating Differences.*

Stephen Carter, *Discrimination and equality at work.*

Raffaele Bracalenti, *Participatory democracy in Rome.*

John Foot, *Immigration and Milan.*

Suzan Fatayer, *Immigration in Naples.*

Renato Sansa and Ercole Sori, *Governance of Diversity Between Social Dynamics and Conflicts in Multicultural Cities. A Selected Survey on Historical Bibliography.*

4. List of Deliverables

Deliverable No	Name and status
D01	ENGIME web site (completed)
D02	Final Workshops Programme (completed)
D03	What are we all speaking about? A critical survey of the state-of-the art (completed)
D05	Workshop I - Programme (completed)
D06	Workshop I - Papers (completed)
D07	Workshop I - Summary and research agenda (completed)
D08	Workshop I - Policy brief (completed)
D10	Workshop II - Call for papers and provisional programme (completed)
D11	Workshop II - Papers (completed)
D12	Workshop II - Summary and research agenda (completed)
D13	Workshop II - Policy brief (completed)
D14	Workshop III - Survey (completed)
D15	Workshop III - Call for Papers and Programme (completed)
D16	Workshop III - Papers (completed)
D17	Workshop III - Summary and research agenda (completed)
D18	Workshop III - Policy Brief (completed)

D19	Workshop IV – Survey (completed)
D20	Workshop IV - Call for Papers and Programme (completed)
D21	Workshop IV - Papers (completed)
D22	Workshop IV - Summary and Research Agenda (completed)
D23	Workshop IV - Policy Brief (completed)
D24	Workshop V - Survey (completed)
D25	Workshop V - Programme (completed)
D26	Workshop V - Papers (partially completed)
D27	Workshop V - Summary and Research Agenda (completed)
D28	Workshop V - Policy Brief (completed)
D30	Workshop VI - Programme (completed)
D31	Workshop VI - Papers (partially completed)
D32	Workshop VI - Summary and Research Agenda (completed)
D33	Workshop VI - Policy Brief (completed)
D34	Book I (partially completed)
D35	Book II (abandoned)

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