

Rijk en divers of diverse en rijk?

An invitation to correlate... and to collaborate

In the current status of the discussion on multiculturalism in The Netherlands many issues are mixed with each other. We can imagine a multivariate reality, in which many dimensions interact with each other. Some dimensions definitively have a causal relation with each other, some not. For example, it is possible to correlate petty criminality and ethnical background. It is known that allochtonen are highly present in the numbers that quantify criminality. We also know that the inhabitants of neighborhoods with a high percentage of allochtonen are likely to have a low education level. These two simple correlations has shaped to a great extent the socio-political debate on multiculturalism.

Now, since reality is better described by networks of interactions, rather than few relevant correlations, the Variogroep has endeavoured the search for other relations that might enrich our picture of the economics of migration. We have heard *ad nauseam* that allochtonen are correlated with problems. But could it be the case that allochtonen are (also) correlated with solutions?

Consider the ideas of thinkers as Florida (sketched in his book "The creative class"). It is stated that migration is a source of innovation. If a person migrates, eventually is faced with problems that require solutions. Residents have a standard set of solutions, but they might not be fully understood, or even communicate, to the newcomer. So he or she is forced to find other answers, eventually adding to innovative processes alive in a society. In the Dutch context this issue has been researched by Ruben Gowricharm and others in the book *Falende Institudies*. If we focus on The Netherlands it is known that allochtonen start more companies than autochtonen (data available from the Chamber of Commerce). Considering that The Netherlands, by world standards, is an entrepreneurial country, this is in itself a noticeable indicator of the influence of allochtonen in the economic process. It opens the possibility that allochtonen are creators of jobs and riches.

Now, at the Variogroep we do not aim to produce black and white pictures of reality. To start with, precisions can be made on the statements above. Innovation and migrants are related, but technological and scientific innovation are well correlated with academically educated migrants, rather than with blue collar workers. The "ethnic business" sector of the dutch economy blooms, but business started by allochtonen have a higher rate of failure than the ones started by autochtonen. In second place, and perhaps more important, causal relations are difficult to infer from correlations. We do not know if migrants are attracted to (existing) innovative labour or if they create it. Same with starter entrepreneurs: Do they start more new business because they are innovators, or because they are driven by discrimination to work on their own? What is the cause and what is the effect?

To gain new insight in the interactions that determine the influence of migrants in the economics of a region more than a simple correlation analyze is needed. Once interesting correlations are found we must move on, and look for causes and effects. To use a well trodden example: we know that chickens and eggs are correlated. But to say that eggs are first, we need to understand natural history and bird genetics. (eggs are first because once, long time ago, a chicken-like bird laid a genetically mutated egg that produced a chicken). Going back to allochtonen and economics, the Variogroep has shown, analyzing data from the CBS (Centraal Bureau voor Statistiek) that there is a strong correlation between Bruto Binnenlandse Product and percentage of allochtoon population, across regions of The Netherlands. Now: what is the cause, and what is the effect?

The correlation that we have found is an important preliminary result. More precise analysis are still to be done, refining the level of the analysis both at the population side, and at the economical side: In the nearby future we intend to discriminate between western and non-western allochtonen, generations, level of education, labour sectors. On the economical side, we intend to refine our analyze on the sources of BBP per region. Regional economics are driven by different sectors: universities or tourism, services or transport. Will the pattern that we have found remain after these discriminations are made? That is an open question. And further it is important to identify meaningful comparisons. There are regions with similar PPB but different percentage of allochtoon population, and regions with similar allochtoon population and different PPB. What are the factors that cause these differences? Dominant labour sector per region? Education level of the population? Or else? Those questions are to be explored in a second phase of our project.

We intend to tackle this project in several ways. Our research team is currently active with the refining of the statistics used in the CBS data available. Further, in the first half of 2008 we will organize a conference on the economics of migration. Researchers from the academic sector are being contacted, as much as interested politicians, relevant entrepreneurs and experts from the statistical sciences. In this conference we intend to present our analysis so far and open the debate on potential causal relations. Further research will be developed in collaboration with partners at different institutions. The Variogroep believes in across-fields synergies, and here creates them to tackle a question that ultimately, is a question relevant for the coming decades: What is the value of diversity for an european country?