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Understanding Urban Inequality: A Model Based on Existing Theories and an Empirical Illustration

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Introduction

During the last decades of the twentieth century, interesting theories have been formulated to explain urban dynamics in the advanced economies. The two most important ones, Sassen's theory on social polarization (1988; 1991; 1994) and Wilson's theory on spatial mismatch (1987; 1996), have quite different origins and focus on different empirical phenomena. Sassen's theory evolved from her interest in international migration and the emergence of 'global cities' (for a review, see Burgers, 1995b). Wilson's theory was formulated to describe and explain the predicament of African Americans in the United States. More recently, his work centres more specifically on living conditions of the ghetto-poor in American inner cities. In spite of these differences in origin and focus, there are two reasons why Sassen's and Wilson's theories can be used in a more general way to understand urban inequality. First, although Sassen developed her views on social polarization within the framework of studying global cities, the latter concept has been so much generalized, if not inflated, by the author herself (1994) that the difference between 'global' cities and 'big cities' is becoming blurred. Secondly, although Wilson developed his theoretical considerations while studying the unemployment of African Americans in US cities, because of their general character they can be expected to pertain to other ethnic or racial groups, should they be in the same position as African Americans.[1]

In both Sassen's and Wilson's reasoning, a prominent element is 'economic restructuring' — in short: the shift from industrial to post-industrial labour markets. Economic restructuring is brought about, so it is suggested, by the internationalization of the economy, which, in its turn, is made possible by the rise of information technology. But where Sassen sketches the decline of the middle classes, Wilson suggests the formation of an unemployed ghetto-underclass whose members, for reasons of lack of education and spatial location, fail to join the ranks of an expanding, and not a decreasing, middle class. It seems easy to decide which theory is right and which one is wrong. But in actual practice, it is not. Institutional, cultural and socio-historical variables may cause economic restructuring — the decisive factor for both Sassen and Wilson for the development of forms of social inequality in an urban context — to have different

1 We certainly are not the first to compare Sassen's and Wilson's theories in an empirical way. Roger Waldinger (1996) has done so explicitly and several other empirical evaluations of especially Sassen's work implicitly or explicitly have made use of Wilson's line of reasoning as a competing theoretical model (*cf*. Hamnett, 1994).

outcomes for different countries, different groups and different cities. That is why we need additional theoretical perspectives in order to explain and understand urban change. In this article, we will first outline the main theories on the changing social structure of cities, then we will suggest a theoretical model which seeks to integrate the relevant insights of the theories discussed. This model, we claim, is heuristically powerful in terms of analysing urban social dynamics and comparing cities. Then we provide an empirical example of the heuristic value of the model we present. We compare Amsterdam and Rotterdam, the two largest cities in the Netherlands, and show how these two cities differ in terms of labour market inequality and the position of minority groups. In the concluding section, we discuss the relevance of our model for further empirical research and the development of urban theory.

Theoretical perspectives on economic restructuring and local consequences: towards an explanatory model

Undoubtedly the most influential and comprehensive theoretical framework for local consequences of global economic restructuring is Saskia Sassen's (1991) work on global cities. Sassen contends that we have entered a new phase in an ongoing process of economic change. This new phase consists of the internationalization of production through foreign investment, a process that partly explains why international migration is growing. It is not poverty, overpopulation or economic stagnation of third-world countries *per se* which generate migration, nor are the economic opportunities of the rich countries sufficiently strong pull factors. Rather, countries of origin and destination of migratory flows are directly related in one way or another, and international investment is an important link in this respect. For Sassen, economic globalization is essentially the relocation of production activities by transnational corporations. The process of economic globalization, Sassen argues, presupposes locations that operate as loci of control: global cities. These cities are important production sites for the vast array of specialized (especially financial) services needed for the management and control functions they fulfil. At the same time, global cities are key destinations of migrants. The most important reason, according to Sassen, for the vast majority of new migrants to settle in global cities is the fact that the particular economy of these cities generates not only high-level specialized jobs but also a vast number of low-wage jobs. Specialized services and corporate headquarters, where the attractive jobs are to be found, are also an important source of low-wage jobs. Because of this peculiar occupational structure, global cities are dual cities, polarized along ethnic and social lines.

Sassen's thesis that global restructuring creates social polarization has been heavily disputed. Hamnett (1994; 1996), for example, has argued that the dominant process in some cities, such as London, is not social polarization but professionalization. This brings us to a second major theoretical framework for economic restructuring and social inequality: the mismatch theory. Like Sassen's theory on polarization, the point of departure for the mismatch theory — formulated by, among others, the American sociologist William Julius Wilson — is the process of economic restructuring caused by increasing global competition. Here, the basic assumption is that a post-industrial society needs more highly educated workers. The labour market will therefore be subject to continuous upgrading. As for inequality, the problem is the emergence of a potential underclass, which consists of people living in inner cities who are too poorly educated to meet the increasing demands required by a post-industrial economy. Apart from their lack of schooling, these people face a problem of access. They live in (inner) cities, where the number of jobs that they would qualify for — unskilled industrial work — has decreased more than in other locations. Therefore, 'the truly disadvantaged' (Wilson, 1987) living in

the inner cities fall victim to a double mismatch: they do not qualify in terms of schooling and they live far away from places where there are still remnants of the industrial era which could provide jobs they qualify for. Note the differences with Sassen's theory: the crux of the matter is not polarization in the labour market but upgrading, and people at the bottom of the social hierarchy are not exploited — working in poorly paid and unattractive jobs — but excluded by being unemployed.

It is instructive to compare these two dominant theories in terms of their ability to summarize and explain data from different cities. The process of professionalization seems to be more adequate to describe what is happening in urban labour markets in the advanced economies — for instance, in the Netherlands (*cf.* Burgers, 1996) and in Great Britain (Hamnett, 1994) — than the polarization thesis. Yet the mismatch theory has met with severe criticism too. Roger Waldinger (1996) has argued that Wilson's theory does not take into account the ethnic differentiation which is clearly visible in American urban labour markets. Waldinger has convincingly shown that in many cases different ethnic groups are employed in different niches of the labour market. Their cultural capital and the kind of vacancies in the labour market at the time of their arrival determine the position of immigrants in specific urban economies. Newly arrived low-skilled migrants start at the lower end of what Waldinger calls 'vacancy chains': they fill the jobs abandoned by earlier migrants. The growth of the number of jobs at the upper end of the labour market — 'upgrading' — offers opportunities for upward mobility of earlier migrants which, in its turn, creates vacancies for newcomers at the lower end. The concept of 'vacancy-chain' explains why newly arrived, low-skilled migrants find jobs in the manufacturing industries in New York City, even though de-industrialization — a loss of the total number of jobs in the manufacturing industries — has taken its toll. A high degree of upward social mobility and suburbanization has more than compensated for the loss of jobs in this sector. The principle of the 'vacancy chain' operates in different niches of the labour market. Newly arrived migrants find jobs in those niches of the labour market where they can make use of their cultural capital and social networks. Waldinger (1996) argues that in the case of New York, African Americans could not, as Wilson would have it, have suffered that much from de-industrialization, because historically they have been heavily underrepresented in the manufacturing industries.

Where Sassen and Wilson stress structural economic change (and disagree on its consequences), Waldinger draws attention to the role of cultural and social capital. Sassen and Wilson only take educational level into account and do not differentiate among minority groups. Waldinger shows how the social networks and cultures of different immigrant groups and job opportunities at the time of their entry affect their labour market position. Basically, Waldinger's criticism boils down to the point that both Sassen and Wilson focus on the demand side of the labour market (jobs) and neglect the (differentiation of the) supply side (different groups of workers).

But two additional points of criticism can be raised regarding the theoretical frameworks brought forward by Sassen and Wilson. First, several authors claim that both the polarization and the mismatch thesis neglect the role of national institutional factors (*cf.* Burgers, 1996; Musterd and Ostendorf, 1998). Esping-Andersen (1990; 1993) has convincingly shown that different types of welfare states spawn different labour market structures and different levels of participation in the labour market. Apparently, the global economy does not dictate the structure or the participation rate in the labour markets of the advanced economies. Therefore, the social consequences of economic change may differ according to the national context, more specifically, according to the type of welfare state in which it occurs (*cf.* Burgers, 1996; Burgers and Kloosterman, 1996; Musterd and Ostendorf, 1998). In other words, besides individual assets in terms of education (Sassen and Wilson) and group affiliation and ethnicity (Waldinger), different types of welfare states produce different social outcomes of economic restructuring.

Secondly, some authors (*cf*. Scott, 1988) have stressed the importance of geographical and historical place-specific factors for what could be called the life-chances of cities, especially in times of increasing mobility and 'foot-looseness'. Paradoxical as it may seem, the argument here is that globalization, instead of leading to homogeneity among locations, deepens the differences among them. In an age of rapidly increasing mobility, 'place' becomes more, not less, important (Storper, 1992a; 1992b). The comparative advantages of places lie in unique characteristics which are hard to copy elsewhere. Apart from the obvious differences in natural geographical conditions, differences in terms of historically developed social or economic structures and the built environment are of great importance in this respect (*cf*. Scott, 1997; Musterd *et al*., 1998). Basically, this 'place-specificity' thesis, using the notion of 'path dependency' from evolution theory, suggests increasing divergence. Local or regional conditions may produce fairly different situations in terms of social inequality and socio-spatial patterns in cities (Massey, 1984).

Recapitulating, we suggest a three-layer model for analysing and explaining inequality in cities (*cf*. Burgers, 1996). Basically, the model we suggest focuses on the relation between 'the global' and 'the local'. The global level relates to economic restructuring, the emergence of international consumer markets, increasing mobility of capital, people, commodities and information. We conceive of the local level as Max Weber's notion of life chances of individual people in a specific local context. More particularly, using the notion of 'the local' we refer first and foremost — but not only, as we state in the concluding section — to labour market opportunities of individual people. Our main contention is that the dynamics of 'the global' do not impinge in a direct way on 'the local'. Between the global and the local there is, indeed, a world of difference (Burgers, 2000). The difference is brought about by variables which mediate between the global and the local. There are at least three of them. First, there are subcultural differences among ethnic groups. Differences that are of importance in this respect are related to specific forms of cultural and social capital. Where poorly schooled members of one group may suffer from being excluded from the labour market — as are Wilson's 'truly disadvantaged' African Americans in America's former industrial metropolises — others may, formally or informally, be employed in the service sector or in remnants of more traditional forms of industrial enterprise — Sassen's Hispanics and Asians. That is why, as we stated in the introductory section, the polarization vs. mismatch debate cannot be easily settled. Within the same urban setting, the opportunities of one group will be more influenced by polarizing tendencies, whereas another group may fall victim to the mismatch mechanism.

Secondly, national institutional differences mediate between global restructuring and local consequences. At this level of analysis, relations among welfare state arrangements, labour market structures and social exclusion are important. In more encompassing welfare states, as, for instance, the Netherlands, mismatch in the labour market may be found to occur in terms of educational level, but not, or to a relatively mild extent, in terms of geographical location. Because of multifold state intervention in various spheres of life, poorly schooled people are to a much lesser extent geographically segregated as is the case in, for instance, the US (*cf*. Deurloo and Musterd, 1998). A large degree of decommodification of the housing stock allows for consolidation or even upward mobility in terms of housing careers when opportunities for upward mobility in the labour market are blocked or when jobs are lost (*cf*. Burgers, 1995a).

Thirdly, we need insight into the particular social and economic history of individual cities. Even within the same national context, there can be important historical differences between local labour markets and the social infrastructure of individual cities. Different socio-economic trajectories of cities create different capacities to cope with global change (*cf*. Kloosterman, 1996). For instance, cities which had their momentum in the industrial revolution in most cases have been hit much harder by de-industrialization than cities

which have a past which was more characterized by government and administration, services and trade. It seems likely that the more differentiated the economy of a city is, the less social upheaval and crisis will be caused by economic restructuring. Especially 'company towns' may be very vulnerable when economic parameters change dramatically (*cf.* Newman, 1989). In many cases, specific local histories have been materialized in the built environment, which, in its turn, may be of some importance for the life chances of individual people. Particularly in Europe, cities which grew at a very rapid pace over a small period, like the archetypal industrial cities, in many cases have a more homogeneous spatial structure and lack the fine-grain pattern of cities with a longer historical past, characterized by trade and administration. Generally, in the — former — industrial cities one can find more vast derelict areas with a socially and geographically excluded population than in cities whose history goes back to the pre-industrial era.

We think that the model we presented can be heuristically illuminating in analysing inequality in urban economies and social structures, especially from a comparative perspective. As a first preliminary empirical illustration, we will make a comparison between the Dutch cities of Amsterdam and Rotterdam, focusing on the job structure and unemployment. Because both cities are in the same country, national factors — characteristics of the Dutch welfare state — of course, are of little importance in the comparison of both cities, especially since in the Dutch case (*cf.* WRR, 1990) social and urban policy is relatively centralized. Only in international comparisons can the relevance and impact of national institutional factors — various types of welfare states, that is — be established. We will concentrate on the other variables mediating between the global and the local: place-specific factors and differences among ethnic groups.

Labour market inequality in Amsterdam and Rotterdam

Social inequality has various, partly interrelated, guises and forms. The labour market is deemed to be one of the main sources of inequality and deprivation. Building on the theoretical schemes of Sassen and Wilson, we identify two forms of inequality that are relevant in this respect.

The first form is inequality *in* the labour market. Here, we are dealing with developments in the job structure in terms of differences in the payment for, and the quality of, work. This is the source of inequality Sassen is referring to when she maintains that the labour markets of global cities are polarizing: growth at both ends of the urban job structure. The second form refers to being either *in or out* the labour market, in other words, being employed or not. This is the kind of inequality Wilson has studied in US inner cities. In this section, we will dwell upon both forms of inequality rooted in the labour market.

As Hamnett (1994) has shown, the labour market in the main cities in the Netherlands does not, in general, tend towards polarization. The dominant trend is one of professionalization and upgrading. The average educational level of the people employed has been rising for a number of years; in fact, the number of jobs at the upper end of the employment structure has grown not only absolutely, but proportionately as well. So, in the Dutch case, Wilson's scheme seems to be the most powerful to describe and explain developments in the labour market, and not Sassen's, which predicts growth at both ends of the job ladder. The concentration of unemployment in the main Dutch cities also seems to fit Wilson's scheme: the unemployed are poorly educated persons, many of them members of minority groups, who have difficulty in finding a job in the upgrading urban labour markets. A more complex image emerges, however, when we differentiate between job categories, ethnic groups and location, as we will show in the following two subsections.

Polarization and the labour market

Esping-Andersen (1993) has developed a simple and elegant scheme to describe the changing structure of national labour markets. That scheme contains a class element and a distinction between the 'traditional' industrial economy and the 'new' service economy. Class is indicated by a distinction between high- and low-ranking jobs. 'Traditional' and 'new' economic activities are indicated by a distinction between what Esping-Andersen (1993) has called 'Fordist' and 'post-Fordist' jobs. Actually, Esping-Andersen's scheme consists of two job hierarchies, one 'Fordist', the other 'post-Fordist'. The scheme of Esping-Andersen is relevant because it relates inequality directly to economic restructuring. Thus, it can be easily related to the theoretical notions of Sassen and Wilson. As a case in point, Sassen's claim of social polarization resulting from the growing service character of urban economies should be especially visible in the 'post-Fordist' job hierarchy.

Recently, Steijn *et al*. (2000) have used Esping-Andersen's scheme to describe differences between the economic structure of Amsterdam and Rotterdam in the 1990s. At first sight, the employment structure of the early 1990s seems to show a slight trend towards polarization in both Amsterdam and Rotterdam. In this respect, there seems to be no significant difference between the two cities. But this superficial resemblance masks some important differences in the post-industrial character and the social composition of the two urban economies. Both cities show a continuing de-industrialization of their local economy during the first half of the 1990s. But because this occurred at a much slower pace in Rotterdam than in Amsterdam, the relative difference between the two cities has increased in this respect. The difference between Amsterdam and Rotterdam as to the share of Fordist (and thus of post-Fordist) jobs has almost doubled in just four years: from 2.7% (53.5%/56.2%) to 5.1% (48.3%/53.4%) between 1992 and 1996, as we can see from Table 1.

Regarding the relation between post-industrialization and social inequality, Steijn *et al*. (2000) show interesting differences between the two largest Dutch cities. An increasingly polarized structure comes to light in Amsterdam's post-Fordist jobs, whereas Amsterdam's Fordist job structure shows both a lower and decreasing degree of polarization. For Rotterdam, both structure and trend are the very opposite of what was found in Amsterdam. This leads to the interesting conclusion that the emerging post-Fordist economic order seems to have a de-polarizing effect in Rotterdam while it has a

Table 1 *Class position of employed persons in Amsterdam and Rotterdam, 1992 and 1996 (%)*

	% Amsterdam			% Rotterdam		
	1992	1996	Difference	1992	1996	Difference
Managers	9.0	8.7	−0.3	9.1	9.7	+ 0.6
Office workers	21.9	20.9	−1.0	21.5	18.4	−3.1
Sales people	9.1	8.4	−0.7	7.6	7.5	−0.1
Skilled manual workers	8.0	6.2	−1.8	9.6	9.0	+ 0.6
Unskilled manual workers	5.5	4.1	−1.4	8.4	8.8	+ 0.4
Total Fordist	*53.5*	*48.3*	*- 5.2*	*56.2*	*53.4*	*- 2.8*
Professionals	18.9	21.7	+ 2.8	14.6	15.9	+ 1.3
Semi-professionals and technicians	15.1	16.3	+ 1.2	16.5	17.4	+ 0.9
Skilled service workers	5.1	5.2	+ 0.1	4.4	6.1	+ 1.7
Unskilled service workers	7.3	8.4	+ 1.1	8.3	7.2	−1.1
Total post-Fordist	*46.4*	*51.6*	*+ 5.2*	*43.8*	*46.6*	*+ 2.8*
Number	333,619	349,322		251,104	252,290	

Source: Steijn *et al*. (2000).

polarizing effect in Amsterdam. One explanation for these different effects could be, as the data of Steijn *et al*. suggest, that producer and consumer services are much more prevalent in Amsterdam's service economy than in Rotterdam (35.8% and 27.4%, respectively). The disparity is especially clear for jobs in consumer services when we compare Amsterdam and Rotterdam: 13.8% vs. 7.9%. In spite of the general trend toward de-industrialization of urban economies, it seems that the service sector, which always has been more prominent in Amsterdam, has been strengthened in Amsterdam as compared to Rotterdam. To a substantial degree, the increasing polarization of Amsterdam's socio-economic structure might reflect the fact that Amsterdam's professionals not only work in the city, but actually live there too, whereas many more of Rotterdam's professionals are commuters. As Sassen has suggested, the presence of the new middle class — itself largely the result of an expanding service sector — in turn creates additional employment in the service sector, mainly in those parts which cater for the lifestyles of these urban professionals: restaurants, speciality shops, cultural industries and so forth (*cf*. Zukin, 1995; Hannigan, 1998). We are dealing with a multiplier effect here: the growth of these kinds of services probably makes Amsterdam a more convivial place to live for the new middle class than Rotterdam; therefore, Amsterdam attracts more professionals.

Over the centuries, Amsterdam has been able to hold a strong position in international trade and finance and to develop a relatively varied economic structure. That character appears to have been crucial to today's economic perspectives. In Rotterdam, investments are still largely directed to the port, the gateway to Europe. But it has become increasingly questionable if what is good for the port is also good for the city. Most of the growth in employment related to the port is occurring way up the River Maas, at the geographical periphery of the Netherlands (Kreukels and Wever, 1996). The recent economic growth in Rotterdam related to the port has been a (locally) jobless growth. In comparison with Amsterdam, Rotterdam is getting further behind in terms of the growth of the service industries. Because of its historical inner city, Amsterdam attracts more professionals and members of the new middle class. Their presence gives in itself a strong impetus to the growth of consumer services. In sum, both the specific historical economic trajectory of both cities and the differences in the quality of the housing stock, give rise to important differences in terms of labour market structure and, therefore, social inequality. More specifically, Sassen's polarization model seems to be more powerful in explaining inequality in Amsterdam while the mismatch scheme of Wilson seems more adequate for Rotterdam. The question is, how does this finding relate to the position of different ethnic groups and their life chances in both cities. We turn to that question in the next subsection.

The labour market position of different ethnic groups

Ethnic minorities in the Netherlands are concentrated in the four main cities: Amsterdam, Rotterdam, The Hague and Utrecht. In the early 1970s, these cities received 35% of all Turkish and Moroccan immigrants, while they accounted for only 13% of the Dutch population. In the early 1990s, when job opportunities for low-skilled people in manufacturing had already declined drastically, some 51% of the inflow from Turkey and Morocco went to the four main cities (Musterd and Muus, 1995). Their orientation was not so much toward employment opportunities as to housing opportunities. Both Amsterdam and Rotterdam have a relatively large stock of rental dwellings, most of which are inexpensive. That stock attracted new generations of immigrants joining their families who had come before.

During the 1990s, the Dutch economy recovered unexpectedly and rapidly, resulting in a sharp drop in unemployment. However, the unemployment rates of the large cities remained high, especially during the first half of the 1990s. The reason lies in the spatial

Table 2 *Unemployment rates of immigrants and native Dutch as percentage of the labour force, 1991 and 1998*

%	Turkish	Moroccan	Surinamese	Antillean	Native Dutch
1991	31	36	26	31	7
1998	18	20	10	13	4

Source: SPVA-98; ISEO and SCP. Based on a sample of 7,500 households; data processed by ISEO on request of the authors.

orientation of low-skilled, unemployed immigrants. Labour migrants from Turkey and Morocco, in particular, but also migrants from former colonies such as Surinam, tend to be lower skilled than the indigenous population. Since these skills are closely related to job opportunities, unemployment rates are much higher among these migrants. Recently, however, migrants also seem to have profited from the recovering economy and the increasingly tight labour market. This can be seen when we look at the development of unemployment rates for the most important minority groups in the Netherlands.

When we compare these national data with the aggregate data on Amsterdam and Rotterdam, we get interesting results. Table 3 shows that both in 1991 and 1998, the level of unemployment of the main minority groups in Amsterdam and Rotterdam is comparable to that of the Netherlands as a whole. With the exception of the Moroccans, the decline of unemployment has been somewhat more pronounced in Amsterdam and Rotterdam, on the one hand, than in the Netherlands overall, on the other.

The data in Tables 2 and 3 are not in line with the mismatch thesis: the minority groups whose members, on average, are relatively poorly schooled, perform as well in the post-industrial urban labour markets as in the national economy at large. At first sight, it does not seem to matter where — inside or outside the main cities — members of minority groups live: unemployment rates are roughly the same. But the aggregate data for Amsterdam and Rotterdam hide notable differences between the two cities, as can be seen in Tables 4 and 5.

Table 5 shows that Rotterdam nicely fits the mismatch-model: both in 1991 and 1998, for all minority groups the level of unemployment is higher than for the Netherlands overall. With the exception of the Surinamese, the difference with the country at large remains the same over time. Amsterdam, however, does not fit the mismatch model: both in 1991 and 1998, unemployment rates are at about the same level as in the Netherlands overall. This difference between Amsterdam and Rotterdam flies in the face of the basic assumption of the mismatch-theory, which is that the more post-industrial an urban economy becomes, the more unemployment one will find in poorly schooled (minority) groups. On the contrary, it seems that the relatively more pronounced post-industrial character of Amsterdam's economy explains the relatively low unemployment of minority groups. This finding corroborates the results of the analysis

Table 3 *Unemployment rates of immigrants and native Dutch as percentage of the labour force, 1991 and 1998, Amsterdam and Rotterdam*

%	Turkish	Moroccan	Surinamese	Antillean	Native Dutch
1991	34	34	30	39	11
1998	20	24	10	14	5

Source: SPVA-98; ISEO and SCP. Based on a sample of 3,000 households; data processed by ISEO on request of the authors.

Table 4 *Unemployment rates of immigrants and native Dutch as percentage of the labour force, 1991 and 1998, Amsterdam*

%	Turkish	Moroccan	Surinamese	Antillean	Native Dutch
1991	30	30	25	40	12
1998	17	21	9	9	5

Source: SPVA-98; ISEO and SCP; data processed by ISEO on request of the authors.

Table 5 *Unemployment rates of immigrants and native Dutch as percentage of the labour force, 1991 and 1998, Rotterdam*

%	Turkish	Moroccan	Surinamese	Antillean	Native Dutch
1991	37	43	35	39	9
1998	23	27	11	20	5

Source: SPVA-98; ISEO and SCP; data processed by ISEO on request of the authors.

of Steijn *et al*. (2000) mentioned earlier, who found that the post-industrial job-structure in Amsterdam is characterized by polarization. In other words: where Rotterdam fits the mismatch model because of a lagging growth in the number of post-industrial jobs, Amsterdam fits Sassen's model because of a rapidly expanding post-industrial economy.

Apart from the differences between the two cities, interesting differences between ethnic groups can be discerned. Although all groups profited from the economic growth in the 1990s, with not so much difference between the groups for the country at large — with the lowest decline for the Turks: 13% and the highest for the Antilleans: 18% — there are, again, remarkable differences when we differentiate between Amsterdam and Rotterdam. To begin with, in 1998 the differences between unemployment rates in Amsterdam and Rotterdam among minority groups are more pronounced than for the country at large and these differences have increased since 1991. In Amsterdam, the Antilleans profited most from the favourable economic tide: a decline of 31% in unemployment, while in Rotterdam, the most substantial decrease of unemployment occurred within the Surinamese group: 24%. In other words, apart from differences between ethnic groups, there seems to exist an interaction effect between location and membership of an ethnic group. It is not clear what the explanation for this interaction effect is. Possibly, there has been a time lag effect: in the early 1990s, the Surinamese were much less well off in Rotterdam than in Amsterdam and the country at large. The same was true for the Antilleans; maybe they will catch up in Rotterdam in the near future.

Conclusion

In this article, we presented a relatively simple three-layer model that may be heuristically fruitful to understand local consequences of global economic restructuring. Of central importance here, we claim, are institutional arrangements, membership in different ethnic groups and networks, and place-specific characteristics of localities rooted in local socio-economic histories. The model that we constructed makes use of the main theories currently explaining urban inequality. Those theories, we claim, can be used more fruitfully if they are viewed as complementing, rather than competing with, each other. In particular, the often-used 'either-or' debate on 'polarization' and

'mismatch' is too crude to explain urban dynamics concerning the social consequences of economic change. In data we presented on the two largest cities in the Netherlands — Amsterdam and Rotterdam — we showed that different forms of inequality can be found both in economic sectors and ethnic groups in these cities. Furthermore, we showed that the same ethnic group is able to perform better in one city than in the other.

From a theoretical point of view, it is important to work towards a unifying, more encompassing theory with regard to manifestations and explanations of forms of urban equality. The model we presented here could be used both to re-codify and reinterpret existing data on urban inequality in order to build such an integrating theory. As a scheme to be used in research on urban inequality, it indicates which variables should be taken into account, either to be systematically varied or controlled, when studying forms and manifestations of urban inequality. Apart from labour market participation — the variable we stressed in this contribution — other forms of inequality might be fruitfully studied using our explanatory scheme: differences in entrepreneurial initiatives, housing careers, school performance and drop-out rates, crime etc. Because national institutional factors play an important role in our theoretical scheme, international comparative research would be of particular interest in building a more encompassing theory on urban inequality.

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