Recent trends in agglomeration and globalization have resulted in increased domestic and international specialization. Economics has a long tradition of emphasizing the benefits of this process for the average citizen. In the short run, however, some workers may gain while others lose. Demand for workers with different human capital may change, and some regions may grow faster than other regions. If someone’s job gets outsourced, a temporary loss of employment or income may be unavoidable. The unique micro data used in this thesis allow us to analyze the regional labor market effects of agglomeration and globalization for the Netherlands at the level of individuals and at refined levels of spatial aggregation. We can thus explicitly take into account heterogeneity of workers, firms, and regions. The thesis covers various topics such as recent trends in wage inequality, heterogeneity in regional productivity, agglomeration economies, commuting behavior, the impact of globalization on unemployment, and the effects of foreign knowledge workers on productivity.

Stefan P.T. Groot (1985) obtained an MSc in Economics and a BSc in Administration and Organization from the VU University Amsterdam. He wrote this PhD thesis at the department of Spatial Economics of this university and is currently employed there as a postdoc researcher.