

**De Martí, Joan; Zenou, Yves**

**Segregation in friendship networks.** (English) Zbl 1397.91525  
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**Summary:** We analyze a network-formation model where agents belong to different communities. Both individual benefits and costs depend on direct as well as indirect connections. Benefits of an indirect connection decrease with distance in the network, while the cost of a link depends on the type of agents involved. Two agents from the same community always face a low linking cost, while the cost of forming a relationship between two agents from different communities diminishes with the rate of exposure of each of them to the other community. We find that socialization among the same type of agent can be weak even if the cost of maintaining links within one's own type is very low. Our model also suggests that policies aimed at reducing segregation are socially desirable only if they reduce the within-community cost differential by a sufficiently large amount.

**MSC:**

**91D30** Social networks; opinion dynamics  
**05C90** Applications of graph theory

Cited in **1** Document

**Keywords:**

homophily; segregation; social networks; social norms

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