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LEMMA
Laboratoire d'économie mathématique et de microéconomie appliquée

SÉMINAIRE

PLACE-BASED POLICIES : OPPORTUNITY FOR DEPRIVED SCHOOLS OR ZONE-AND-SHAME EFFECT ?

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Lemma - Salle Maurice Desplas 4 rue Blaise Desgoffe 75006 PARIS

Séminaire du Lemma

Le LEMMA organise un séminaire, sur le thème ***« Place-Based Policies: Opportunity for Deprived Schools or Zone-and-Shame Effect ? »*** le mardi 28 janvier à 11h, présenté par Miren LAFOURCARDE.

Miren LAFOURCARDE est professeure d'économie à l'Université Paris-Saclay (RITM) et affiliée à l'École d'Économie de Paris. Elle est également chercheuse au CEPR. Ses travaux portent sur l'économie urbaine et la géographie économique.

Résumé :

Even though place-based policies involve large public transfers toward low-income neighborhoods, they may also backfire by stigmatizing the targeted areas. This paper appeals to the quasi-experimental discontinuity in a French reform that redrew the zoning map of subsidized neighborhoods based on a sharp poverty cut-off to assess the « net » effect of place-based policies on school outcomes. Using a difference-in-differences approach, we find strong evidence of stigma from policy designation, as public middle schools located in neighborhoods below the poverty cut-off saw a significant decrease in their post-reform pupil enrollment compared to their counterfactual analogues in unlabeled areas lying just above the threshold. This « zone-and-

shame » effect is immediate, it persists up to five years after the reform, and it is triggered by the reactions of parents from all socioeconomic backgrounds, who started avoiding public schools in labeled areas and shifted to those in unlabeled areas or, only for wealthy parents, to private schools. There is also evidence of a short-lived decrease in pupils' test scores associated with this spatial resorting. We uncover, on the contrary, only weak evidence of stigma reversion after an area loses its designation, suggesting hysteresis in bad reputations conveyed by policy labeling.