



## DO PLACE-BASED POLICIES PROVIDE REAL OPPORTUNITIES FOR THE RESIDENTS OF LOW-INCOME NEIGHBORHOODS

To address socio-economic disparities within cities, policy makers provide public subsidies specifically targeted AT "PRIORITY" NEIGHBORHOODS

### OBJECTIVES



Create jobs and agglomeration economies in low-income neighborhoods

Improve the living conditions of their residents



### WHAT KIND OF POLICY?

  
The business part

Tax rebates  
Wage credits



EXAMPLE :  
Enterprize Zones

- > Attract businesses in the targeted neighborhoods
- > Create jobs for their residents

  
The education part

Subsidies to education  
Child tutoring



EXAMPLE:  
Educational Success Program

- > Help children perform better at school
- > Prevent school dropouts

## THE RISK: PRIORITIZING NEIGHBORHOODS CAN ALSO STIGMATIZE THEM

### PROOF IN 2014: PLACE-BASED POLICY REFORM

Redraws the map of "priority" neighborhoods eligible for place-based policies

Only neighborhoods below a certain poverty threshold become eligible and the list of new priority neighborhoods is publicly announced



## EXPECTED AND REAL CONSEQUENCES OF THIS REFORM ON MIDDLE SCHOOLS IN TARGETED NEIGHBOURHOODS

### IN THEORY

- > Increase in school enrollment in the targeted neighborhoods
- > Higher test scores for students enrolled at these schools

### IN PRACTICE

- > Parents avoid middle schools in the targeted neighborhoods
- > Parents turn to public schools in non-priority neighborhoods (low-income families) or to private schools (wealthier families)
- > Segregation at school increases and students' tests scores (temporarily) drop



## SOLUTION TO AVOID THIS STIGMATIZATION?



People-based rather than place-based policies?

## SOURCE

Manon Garrouste and Miren Lafourcade, Place-Based Policies: Opportunity for Deprived Schools or Zone-and-Shame Effect?, CEPR Discussion Paper No. 17750, 2022.