

# Is Desegregation Possible? Evidence from Social Housing Demolitions in France

Nina GUYON

## *Abstract:*

Residential social segregation matters as it may lead to a socially inefficient equilibrium because of peer and network effects as well as geographical discrimination. Yet, we do not know how to decrease social segregation. This paper focuses on a French national urban policy aiming at decreasing social segregation by demolishing poor-quality social housing in the poorest neighborhoods, and relocating their inhabitants in less poor neighborhoods. Using a difference-in-differences strategy with unaffected poor neighborhoods as a control, together with very geographically-precise income tax data, I show that the policy decreased the prevalence of poverty in treated neighborhoods. This impact appears to be largely due to demolitions targeting the poorest buildings, and not to richer households moving into the neighborhoods. I then show that this policy led to an overall decrease in residential social segregation in highly treated metropolitan areas, a decrease that is also noticeable in schools.