

# The *weak* and *strong* versions of place stratification theory: causal evidence from a field experiment in the Swiss housing market.

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## **Introduction**

Residential segregation and spatial inequalities have long been acknowledged as significant social problem with cumulative disadvantages throughout the life course (Massey and Denton 1993, Christensen and Christopher 2023). Differences in locational attainment among various groups are typically attributed to variations in preferences, disparities in resources, or the influence of discrimination (Schaake et al., 2010). While these processes are not mutually exclusive, empirical studies often fail to effectively measure the last dimension.

In the context of discrimination within the rental housing market, place stratification theory emphasises how powerful groups such as landlords and real estate agencies, establish barriers—specifically through discriminatory practices—to maintain a physical separation from groups they perceive as undesirable (Charles, 2003). This discriminatory practice fosters the emergence of segmented housing markets and obstructs the locational attainment of minorities regardless of their socioeconomic status (Logan and Alba 1993).

The objective of this paper is to assess whether and where discrimination intervenes in the locational attainment of racially minoritized individuals. To capture ethnic discrimination, I use a field experiment in the Swiss housing market with randomized fictitious profiles (N = 7,533 queries for viewings from fictitious persons who vary by name to signal ethnic origin). By manipulating information regarding the employment status of prospective tenants, one can evaluate how this information affects landlords' decision-making and discriminatory behaviors in different contexts. The nationwide coverage of the experiment allows to capture discrimination in a fine-grained manner and distinguish municipalities by their income level and share of migrant/non-migrant population.

Concretely, place stratification theory predicts that minorities encounter higher barriers in areas that are deemed privileged, both socioeconomically and in terms of amenities. Applied to our design, I hypothesize that **ethnic minorities will experience a higher level of discrimination in municipalities characterized by elevated income levels (Hypothesis 1).**

The strong version of this theory argues that the barriers are so deeply rooted that the socioeconomic resources of minority groups have little to no effect on their ability to access more privileged areas (Pais et al. 2021). As noted by Logan and Alba (1993: 244), even the “most successful members [of the minority group] may live in worse locations than even the lowest-status members of the majority”

A recent study by Zschirnt and colleagues (2025) confirmed that providing information regarding employment status serves as a significant mitigating factor against discrimination in the housing market. However, I predict that this relationship will not hold in privileged municipalities, where gatekeepers will likely overlook this information. In line with this study, I anticipate that socioeconomic status will exert a positive influence on housing outcomes in municipalities characterized by low to medium income levels for both minority and majority groups. In municipalities with higher income, **I postulate that referencing a high-status occupation will not confer benefits to minority individuals.** In these contexts, the likelihood of receiving an invitation may be even lower than that for a fictitious candidate who references a Swiss-sounding name and a low-status occupation (*Hypothesis 2*).

## Data and Methods

The analysis is based on a field experiment in the Swiss rental housing market (see Lacroix et al. 2024 for more details). The dataset includes over 7,534 inquiries to landlords and agencies advertising vacant apartments online. Prospective tenants had a Swiss or foreign-sounding name (Kosovar and Turkish names) and discrimination is based on the variation in callback rates (i.e., invitation to a visit) between ethnic groups in a match paired design. Several information on the candidate was provided in the email inquiry, including information on employment. The correspondence test covered 1,099 municipalities in which about 75 per cent of the Swiss residents live.

I conducted OLS regression analyses to estimate the probability of receiving an invitation for various fictitious profiles, characterized by candidates with either Swiss or foreign-sounding names and differing levels of employment status (low/high) at the municipality cluster level. Municipality clusters were defined according to their ranking within the income distribution (quartiles). The local income metric reflects the average household income equivalent for a one-person household.

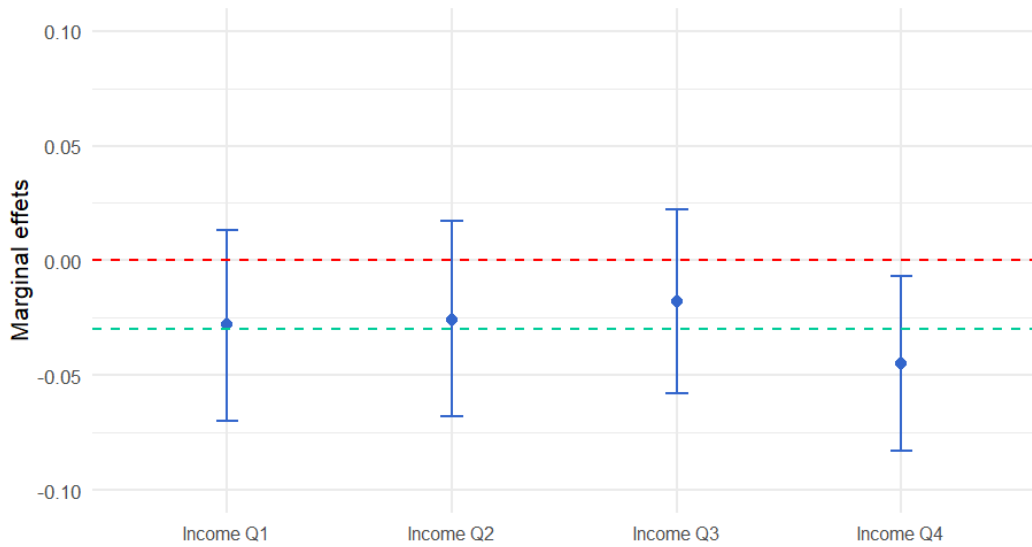
## Results

Figure 1 illustrates the level of discrimination at both the national and municipal cluster levels. The level of discrimination is defined as the difference in call-back rates between minority and majority groups; non-response is considered as a negative outcome.

At the national level, fictitious candidates with Swiss-sounding names received a positive response—specifically, an invitation from landlords for an onsite visit—74% of the time. In contrast, fictitious candidates with foreign-sounding names had a call-back rate of 71%. The three-percentage-point difference represents the level of discrimination (as shown by the green line in Figure 1).

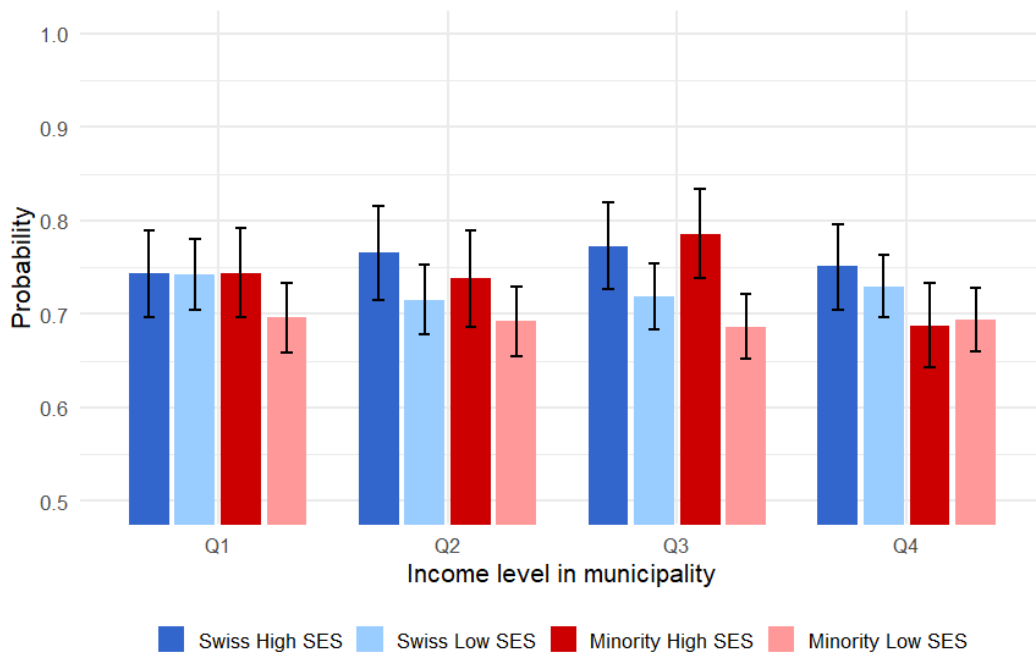
Distinguishing by household income levels in the municipality where the apartment is located (quartile), we observe that discrimination is more pronounced in municipalities situated within the fourth quartile of the income distribution. This finding aligns with our first hypothesis.

**Figure 1: Discrimination by level of income in Swiss municipalities**



*Note: Municipalities were grouped based on their position in the income distribution (quartile). The green line represents the level of discrimination at the national level (the difference in positive responses between minority and majority apartment seekers).*

**Figure 2: Invitations by levels of income in Swiss municipalities and SES profiles of fictitious applicants**



*Note: Socioeconomic status is derived from the information on employment provided in the email inquiry; either a lower-status job (i.e., baker, electrician, painter, plumber, or salesperson) or a high-status job (accountant, engineer, pharmacist, social worker, veterinarian).*

The second specification allows to assess whether and where minorities convert their human capital into locational attainment. Generally, mentioning a higher job status increases the chance of receiving an invitation for an onsite visit. This is verified for both minority and majority groups in the middle of the income distribution.

In municipalities characterized by lower income, only minorities with low employment status receive fewer call-backs; Swiss candidates are not penalized for having such status. In municipalities characterized by higher income, fictitious candidates with foreign-sounding names receive fewer responses regardless of their employment status. As hypothesized, socioeconomic status does not mitigate disadvantage in municipalities deemed more privileged. Minority apartment seekers, regardless of whether they have high or low employment status, receive lower positive responses than Swiss candidates mentioning a low-status job.

### **Next steps**

In a next step, I will distinguish municipality clusters by 1) the share of immigrant (non-EU) population and 2) local amenities.

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