

The Next Step in Evaluating Productive Development Policies: Spillovers, Program Complementarities and Heterogeneous Impacts

A project of the Latin American and Caribbean Research Network

Countries in Latin America and the Caribbean have been actively engaging in Productive Development Policies (PDP), which encompass a wide range of policies and interventions aimed at enhancing the private sector's productivity. Policies in this area include—but are not limited to—support of innovation, export promotion, cluster development programs, tax incentives for investment, adoption of quality standards and supplier development programs. Even though extensive resources are allocated to these programs, we still know little about what does and does not work. There have been few rigorous impact evaluations of PDPs in Latin America, and the majority of these have focused on average treatment effects on the treated. Since most of those programs have been justified on the basis of externalities, however, evidence of impact on direct beneficiaries does not necessarily validate them. In addition, some programs may have important complementarities or heterogeneous impacts on different beneficiaries.

The objective of this research project is to investigate the impacts of PDPs in ways that go beyond average treatment effects on the treated. In particular, the project will focus on the identification of (in order of priority): i) spillover effects; ii) multiple treatments and complementarities among programs; iii) heterogeneity of impacts on different sub-populations; iv) treatment intensity (dosage effects); and v) timing (or dynamic effects). In this way, the project will provide additional evidence that is crucial to the design of new policy tools and the revision of existing ones.

The Inter-American Development Bank (IDB) invites research proposals for studies on impact evaluation of PDPs in Latin America and the Caribbean. Section I of this call for proposals provides a brief motivation for the project. Section II discusses the project's objectives, and Section III addresses the scope and methodological approach. Section IV discusses selection criteria, and Sections V through VII provide details on administrative arrangements for the project. Section VIII contains the bibliography of the call for proposals.

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