



Counterfactual methods for regional policy evaluation

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Abstract

Today, counterfactual methods are widely regarded as the most credible way to establish causality between an observed outcome and an intervention. In fact, the European Commission increasingly demands that Member States investigate the net effect of their interventions using counterfactual methods. This applies also to local economic and social programmes, which rely often on structural funds and may act as an important device for territorial development and welfare. Growing interest in evaluation is also coming from third sector actors, eager to investigate the social impact of the actions they implement or fund. The number of studies analyzing regional and urban interventions using the counterfactual approach is on the rise. Notwithstanding, there are still several types of policies that have been disregarded so far.

To generate credible results, the application of counterfactual methods requires that remarkable attention is paid to the research design. For example, in quasi-experimental settings, critical issues include the identification of proper comparison groups, strategies for tackling selection bias and the reorganization of administrative databases into micro-data suited for impact evaluation. In addition, as public programs may translate into rather complex mechanisms, there is the need to conceive evaluation designs that account for such mechanisms. Here, research issues include (but are not limited to) treatment effects in the presence of social interactions, second order and general equilibrium effects, responses to alternative incentives, different treatment intensities or treatment sequences, the problem of aleatory outcomes in safety policies. In sustainability studies, the evaluation of interventions cannot withstand the voice of stakeholders, underlying the importance of mixed methods approaches, in which counterfactual quantitative evaluation is complemented with qualitative assessments.

In coherence with the ERSA 2025 theme, we will especially welcome evaluations concerning policies addressing the main drivers of turbulence: inequalities, security, disaster prevention and resilience, climate change, and so on.

Following the very good achievement in previous ERSA conferences, this session is devoted to impact evaluation studies mainly adopting counterfactual approaches (CIE). In fact, theoretical approaches to CIE can be highly enriched by discussion and by feedback from empirical research. We invite to present evaluation studies ranging across all types of economic and social policies, since this multi-field discussion enhances positive cross-fertilization.

The main aim of this session is to discuss various methodological aspects and their implications, particularly concerning: strategies and methodologies for counterfactual design and for comparison group selection, for addressing selection bias, for evaluating programmes in particularly complex settings, alternative estimates and validation, computational topics related to data sources and data management suited for evaluation problems, etc. Theoretical, methodological, and applied papers are welcome.

Since the session aims at highlighting the relation between methodology and empirical results, we invite authors to address the following items in their presentations:

- ✓ Motivation of methodological choices and related advantages
- ✓ Shortcomings in practical applications and possible solutions
- ✓ Methodological lessons derived from results

This special session has been held for 10 consecutive years, since ERSA St. Petersburg 2014. It has obtained constant success over years, attracting a minimum of 8 and a maximum of 15 presentations; most presenters bring quality papers and participate in multiple years. The theme of this special session has been selected by former ERSA president Jouke van Dijk and by current president André Torre to serve as the academic contribution of our Association to the European Week of Regions and Cities 2017. The organizers will work to ensure to participants (both young scholars and experienced researchers) a lively and competent discussion of their contributions.