



Special Session Proposal

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 taking place at the regional or urban level. In fact, the EC increasingly demands that Member States investigate the net effect of their interventions using counterfactual methods. This applies also to regional economic and social programmes, which rely often on structural funds and may act as an important device for territorial development and welfare.

The number of studies analysing regional and urban interventions by the counterfactual approach is on the rise. Notwithstanding, there are several types of regional or local policies that have been disregarded so far, and that could benefit from being analysed using counterfactual methods. Moreover, one future challenge is to understand how the counterfactual approach may help uncover the place-specific effects of megatrends (such as migrations, social changes, new working conditions, energetic transition) and of specific interventions that aim to address them.

To generate credible results, the application of counterfactual methods requires that remarkable attention is paid to issues of 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 programmes 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.

Following the very good achievement in previous ERSA conferences, this session is devoted to counterfactual impact evaluation (CIE). In fact, theoretical approaches to CIE can be highly enriched by discussion and by feedbacks from empirical research. The main aim of this session is to discuss about 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 interface between methodology and empirical results, we invite authors to address the following points:

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

This special session has been held for 6 consecutive years, from ERSA St. Petersburg 2014 onwards. 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 organisers will work to ensure to participants (both young scholars and experienced researchers) a lively and competent discussion of their contributions.