



## Assistance to the productive sector 2000-2006

- Enterprise and R&D support was 45 Bn EUR
- SMEs received 83% of this funding
- Direct investment support was the main instrument with 69% of total spending

# Result: 1 Mn new jobs (est.)

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### Rationale

The main field of interventions is the SME sector

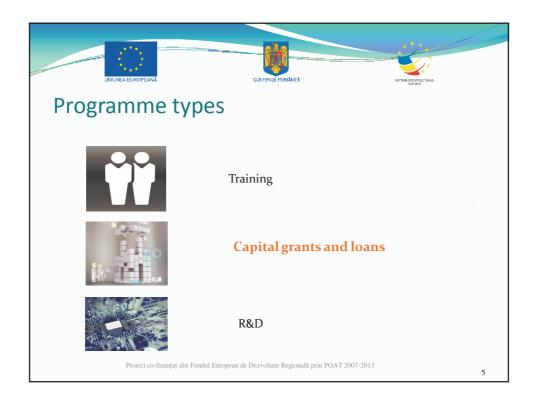
- Basic statistics for the SME sector\*:
  - 20 Mn enterprises (99.8%)
  - 85 Mn persons employed\*\* (67%)
  - Value added 3090 Bn EUR\*\* (58%)

### aim: facilitate access to financial resources for SMEs

\*EUROSTAT 2005

\*\* Non financial private sector

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## How to measure?

- Indicator: 1 Mn new jobs!
- Compared to what?
  - Persons working within the framework of assisted projects?
  - More persons working at the beneficiaries' as before the programme?
  - More persons working at the beneficiaries' compared to other enterprises?
  - What would have happened without the intervention?

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### Factors that have to be taken into consideration

- External trends
  - External growth
  - Technological development
- Selection bias
  - What is the difference between the assisted and the other enterprises?
  - What is the selection criteria of the programme officers?

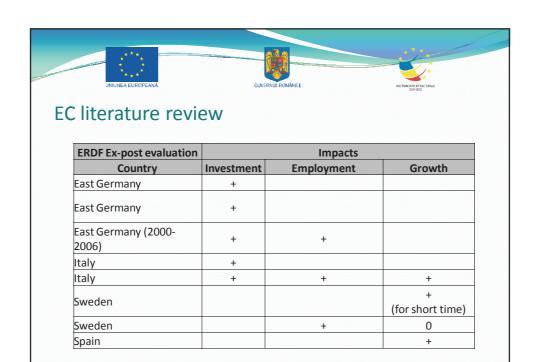
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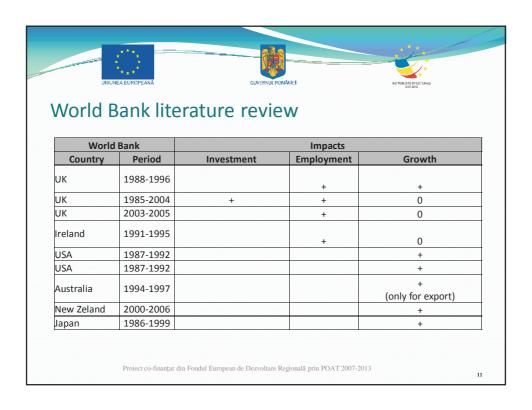


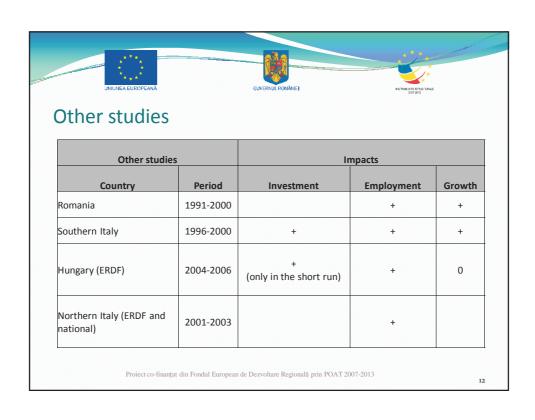
- Monitoring data (indicators)
- Macroeconomic models
- Interviews and surveys
- Econometric methods based on micro level data
  - (Random assignment)
  - Matching
  - Growth differences (DiD)
  - Instrumental variables
  - Regression discontinuity

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# Some selected findings

- Assisted firms are often more successful than the average even before the programme
- Soft loans can reach similar impacts as grants
- Higher impacts for larger amounts of support, but decreasing
- Dead weight is significant, but no complete substitution (real added value)
- Permanent impacts can be measured only some years after programme participation

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## **Conclusions**

- Positive impacts on the physical infrastructure (at least in the short run) and on employment
- Mixed evidence on growth
- Impacts vary over geographical location, program type and firm characteristics (industry, size, etc.)
- Handling the selection bias is very important

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- Valentina Adorno, Cristina Bernini and Guido Pellegrini The Impact of Capital Subsidies: New Estimations Under Continuous Treatment, 2007
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- Ex post evaluation of Cohesion Policy programmes 2000-2006 financed by the European Regional Development Fund - Work Package 6c: Enterprise Support an exploratory study using counterfactual methods on available data from Germany, 2010
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