

Evaluating the Effect of R&D Subsidies on Firm R&D Investment using Regression Discontinuity Design

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Using French firm data on R&D, I propose a quasi-experimental estimate of the effect of R&D subsidies by the Anvar program on the R&D effort by recipient firms. I extend Regression Discontinuity Design to the case of multiple eligibility conditions. The proposed framework allows me not only to obtain an unbiased local estimate of the effect of treatment on treated, but enables me also to use this estimate to evaluate the performance of non-experimental estimators as proposed in Battistin and Rettore (2006).

Preliminary results suggest a significant positive effect of program participation on recipient firm R&D investment.