# Article information:

Policy incentives, ownership effects, and firm productivity—Evidence from China’s Agricultural Leading Firms Program - ScienceDirect
<https://www.sciencedirect.com/science/article/pii/S0313592622000017?via=ihub>

# Article summary:

1. This article examines the impact of China's Agricultural Leading Firms Program (ALFP) on the productivity of agro-processing firms.

2. The study uses propensity score matching difference-in-differences (PSM-DID) to identify the pure causal effect of ALFP on firm productivity, controlling for unobservable factors and ownership heterogeneity.

3. The results suggest that ALFP generally promotes the productivity of agro-processing firms, but only among non-state-owned enterprises (non-SOEs).

# Article rating:

May be slightly imbalanced: The article presents the information in a generally reliable way, but there are minor points of consideration that could be explored further or claims that are not fully backed by appropriate evidence. Some perspectives may also be omitted, and you are encouraged to use the research topics section to explore the topic further.

# Article analysis:

The article “Policy incentives, ownership effects, and firm productivity—Evidence from China’s Agricultural Leading Firms Program” is a well written and comprehensive analysis of the impact of China’s Agricultural Leading Firms Program (ALFP) on the productivity of agro-processing firms. The authors use propensity score matching difference-in-differences (PSM-DID) to identify the pure causal effect of ALFP on firm productivity, controlling for unobservable factors and ownership heterogeneity.

The article is reliable in its methodology as it uses large datasets and extensive firm information to adjust for ownership heterogeneity. It also controls for unobservable factors using a DID model based on a matched sample to identify the pure causal effect of ALFP on the productivity of agro-processing firms by adding a vector of control variables and fixed effects to the DID model. Furthermore, it explores whether leading firms with different ownership structures receive tax preferences, credit facilities, and subsidies provided by ALFP.

However, there are some potential biases in this article that should be noted. Firstly, while the authors attempt to control for reverse causality by using PSM, they do not address other possible sources of bias such as selection bias or omitted variable bias which could lead to inaccurate estimations. Secondly, while they explore policy heterogeneity and mechanisms in their analysis, they do not provide any evidence or data to support their claims about how these policies work or what their impacts are. Finally, while they discuss policy recommendations at the end of their paper, they do not provide any concrete examples or evidence to back up these recommendations which could limit their effectiveness in practice.

In conclusion, this article provides an insightful analysis into China’s Agricultural Leading Firms Program (ALFP) and its impact on agro-processing firms’ productivity levels. However, there are some potential biases that should

# Topics for further research:

* Selection bias
* Omitted variable bias
* Policy heterogeneity
* Policy mechanisms
* Policy recommendations
* Concrete examples of policy recommendations

# Report location:

<https://www.fullpicture.app/item/7a6f283b2310427d82cb0e01fa896fbc>