Law 488/92 — Italy's Ranked Investment-Subsidy Auctions, With RDD Evidence of Job Gains but Flat Productivity and Costly Political Discretion

City Innovation Library · Good practice · Italy

Quality score: 62/100

Evidence strength: Moderate

Summary

Italy's largest investment-subsidy scheme funded 77,000 projects (€26bn, 1996–2007) via ranked calls. RDD studies find +40% investment and +17% jobs after six years, but flat productivity and ~€180,000 per job — €240,000 in the South.

Key dimensions

Dimension	Score
Evidence of impact / measured results	3/3
Transferability / demonstrated replication	1/3
Scalability	3/3
Sustainability / continuity	1/3
Innovation	2/3
Inclusiveness / equity	2/3
Multi-stakeholder collaboration	1/3

Evaluated by C-NAPSE

Data sources

C-NAPSE web research — accessed 2026-11-22

Italian Ministry of Industry / Ministry of Economic Development (Law 488/92) — accessed 2026-11-22

Cerqua & Pellegrini (2014), Sapienza IRIS record — accessed 2026-11-22

Cingano, Palomba, Pinotti & Rettore (2022), Making Subsidies Work: Rules vs. Discretion, IZA DP 15172 — accessed 2026-11-22

Cerqua & Pellegrini (2014), Do subsidies to private capital boost firms' growth?, J. Public Economics 109 (RePEc) — accessed 2026-11-22

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