Evaluation of public spending: The effectiveness of a government-supported networking program in Flanders

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Abstract

Most countries of the world have developed a wide array of government assistance programs for companies. However, it is only recently that researchers have started to evaluate the benefits of these programs empirically. This paper contributes to this emerging area of research by examining whether PLATO – a networking and training program sponsored by the Flemish government – increased the labor productivity of the participating companies. Our regression analysis of financial reporting number of a panel data set of Flemish SMEs that existed between 1996 and 2008 confirms that PLATO participants indeed experienced increased labor productivity. In addition, from a qualitative analysis of the PLATO program, we infer some of its success factors, which could inform governments in their design of company support programs.