
Comments on
“Learning by exporting: Evidence from India”
by Apoorva Gupta, Ila Patnaik, Ajay Shah

Sergio Schmukler
World Bank

11th Meeting of the NIPFP-DEA Research Program
September 7-8, 2013
Rajasthan, India



General comments

- Nice idea
- Learned a lot from reading it
- It provokes many thoughts
- Especially coming from an outsider to the field
- Comments focused on directions for further work
 - Good stage to provide them
 - Draft is still at a preliminary stage, even when a lot of empirical work has already been done
- More questions than answers
- Idea is to motivate the discussion

LTE vs. LBE

- What do we learn from the empirical analysis?
 - Blip in growth rate of exporting firms right before or when starting to export, plus some increase in productivity ex-ante
- Does this mean that there is no LBE?
 - Perhaps, in the strict sense of the term
 - But there could be anticipation of ex-post, exporting effect
 - Although this could mean that there is LTE but not LBE, the distinction is not that clear
 - The difference between the two might be more blurred than portrayed in the paper and in the literature
 - Still the analysis of whether changes occur ex-ante or ex-post is interesting—main question of the paper?

LTE vs. LBE

- Pushing the story of no LBE too much?
 - Difference in productivity ex-ante occurs in only one year and seems marginally significant, economically and statistically
 - Growth is still positive and large economically afterwards (relative to the control group), even when the rate diminishes
 - Could the latter mean some LBE?
 - After big growth spur, it is expected to stabilize
 - So, how much can we draw from the spike in growth rate?
 - Could there be both LTE and LBE?
 - The evidence on firm heterogeneity seems to confirm this
 - More nuanced story?

Main contribution

- Clarify main contribution
 - Wagner (2007): most studies have found evidence for self-selection, while the debate on post-entry productivity growth remains inconclusive
 - Some evidence on India already: Tabrizy and Tromenko, (2010), Ranjan and Raychaudhuri (2011)
 - What does the new technique contribute?
 - What does the similarity in results tell?
 - Where do the different results come from?
- Anything particular that we learn from India?
 - Maybe much, but need to explain

Clarify different channels

- How important is the finding that the growth in size does not appear to translate into growth in productivity?
- Where is this growth coming from?
- Could it be coming from access to capital markets?
 - Similar pattern as in our capital market paper
- Could this be a signal that productivity is badly measured?
 - It is usually hard to measure it correctly

Data

- Where do the Prowess-CMIE data come from?
 - Provide more information about the sample, you know it well
- Why not export data for non-manufacturing firms?
- Throwing away much information?
 - 2,200 firms analyzed out of 10,000 in the sample
 - 1,700 non-exporters, 500 export starters
 - Is this what you have in Table 4? Shouldn't you?
 - Even fewer for propensity score matching, 242 pairs
 - If using all information, what is Table 4 telling?
- Worth cutting the data differently?

Exporters

- Who are the exporters?
 - How many are they?
 - Any special role by software companies that could be studied?
 - Any role for government companies?
- Export intensity instead of export-vs.-non-export status?
- Reforms
 - How did the reform affect exporters?
 - Any evidence for the effect of reforms?
 - When were the reforms adopted within the sample period?

Methodology

- Propensity score matching vs. other methodologies
- Counterfactual
 - Understand its need
 - But try different ones
 - E.g., diff-in-diff using all firms, which is used for growth?
 - Clarify which methodologies are used in each case
- Standard errors
- Robustness test
 - Not clear what is the control group
 - First test includes exporters?

Policy implications

- Not as straightforward as portrayed
- The paper favors measures to improve productivity
- Fine, but does this depend on the self-selection/LTE?
- Even if there is LBE, one could support these measures
- Regarding trade missions and trade liberalization useful for LBE, couldn't they have spillovers for firms LTE?

Thank you!