The paper in a nutshell

- The paper evaluates the impact of a cluster tourism program in the region of Colonia (Uruguay) on the number of tourists and expenditures using synthetic controls.

- This policy was implemented within the framework of an IDB supported program.

- Results:
  - Positive impact (24%) on the inflow of international tourists to Colonia
  - Not significant impact on their total expenditure
  - This implies a lower average expenditure per tourist in the post-treatment period

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Comments (1)

- ▶ The paper sheds light on a type of program with few impact evaluations

- ▶ Moreover, it estimates the effect at the cluster level compared to previous evaluations that measures direct and indirect effects

- ▶ Results are robust to in-time placebo tests

- ▶ Clearly written, detailed explanation of the program and its actions, detailed explanation of other factors that could affect the number of tourists in Uruguay.

Comments (2)

- ▶ Spillovers on other regions? If international tourism increases in Colonia, why this doesn't affect other regions in Uruguay. It needs more explanation.
- ▶ The reduction in the average expenditure per tourist also needs more explanation.
  - ▶ Can you use wages and employment from household surveys (or other source) to measure the impact on those variables? (Castillo et al 2014 in Salta)
- ▶ Many tourists come from Argentina and there are other factors that affected the arrival of Argentinians to Uruguay.
  - ▶ Can you identify the nationality of tourists? If so, what would happen if you do not consider Argentinians?
- ▶ Results are not robust to the exclusion of some regions from the donor pool. Need more explanation.

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Comments (3)

- ▶ The number of donor pool is too small (6) and affects inference.
  - ▶ Consider other regions within Uruguay or even in Argentina and other countries.
- ▶ Selection of predictors
  - ▶ The selection of predictors needs to be better justified
  - ▶ Kaul et al (2016): using all outcome lags as separate predictors renders all other covariates irrelevant.
    - ▶ The paper does some robustness to other covariates. However, if all the lags were included, the robustness exercise is not relevant.
    - ▶ Alternative. It could be better to include the average of outcome variables for some pre-program periods and the value of the outcome variable only for the previous year

Comments (4)

- Even though SCM chooses the optimal weights in order to minimize the pre-treatment MSPE, there might still differences in levels in the pre-treatment period. A DID approach could improve the estimate (see for example, Garcia Lembergman et al. 2015)
- The left panel of Figure 9 it is not clear.

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