Plan Overview

A Data Management Plan created using DMPonline

Title: Industrial Policy and Firm Performance in India

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Template: Data Management Plan for masters & undergraduate students

Project abstract:

Industrial policy has re-emerged as a central instrument of economic development, yet rigorous evidence on the effectiveness of contemporary firm-level incentive schemes remains limited, particularly in emerging economies. This dissertation evaluates the causal impact of India's Production Linked Incentive (PLI) Scheme for Pharmaceuticals, a performance-based industrial policy introduced in 2020 to promote domestic manufacturing, exports, and global competitiveness. Unlike traditional input-based subsidies, the PLI scheme links government support directly to firms' incremental production and sales, making it an important case for evaluating the effectiveness of outcome-contingent industrial policy.

The analysis employs a firm-level panel dataset constructed from the CMIE Prowess database covering the period 2015-2025. The treatment group consists of pharmaceutical firms approved under the Department of Pharmaceuticals' PLI Scheme, while the control group comprises non-beneficiary pharmaceutical firms selected using pre-treatment characteristics to ensure comparability. To address non-random programme participation arising from eligibility criteria based on firm size and manufacturing capability, the study combines entropy balancing with a Difference-in-Differences research design. This approach estimates the average treatment effect of programme participation while controlling for observable pre-treatment differences and common macroeconomic shocks, including those associated with the COVID-19 period.

The dissertation examines multiple dimensions of firm performance, including total income, sales, exports, fixed asset accumulation, profitability, and investment-related outcomes, thereby capturing both the immediate and broader economic effects of the scheme. In addition, the analysis investigates heterogeneous treatment effects across firms with different pre-treatment capabilities to assess whether existing firm characteristics condition the effectiveness of industrial policy.

By providing one of the first causal firm-level evaluations of the pharmaceutical PLI scheme using quasi-experimental methods, this study contributes to the growing literature on industrial policy and firm performance in developing economies. The findings offer evidence on whether performance-linked subsidies translate into measurable improvements in firm outcomes and generate insights for the design and implementation of future industrial policy initiatives in India and other emerging markets.

ID: 209172

Start date: 01-06-2026

End date: 17-08-2026

Last modified: 06-08-2026

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Industrial Policy and Firm Performance in India

Cyber Security Awareness

Can you confirm that you have completed the cyber security awareness course?

- Yes

Overview

Name

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International Development

Supervisor name:

Dr. Nathan Lane

Does this project involve any arrangement or activities with:

- No

Project Details

Dissertation/ project title:

Industrial Policy and Firm Performance: Causal Evidence from India's Production Linked Incentive Scheme for Pharmaceuticals

Please summarise your research question in no more than three sentences:

What is the causal impact of India's Production Linked Incentive (PLI) Scheme on the performance of beneficiary pharmaceutical firms?

Data Collection

Will you be using any secondary data for this project? Please outline what kind of secondary data you will be using below:

Yes. This study relies exclusively on secondary firm-level panel data and publicly available administrative information.
The primary dataset will be obtained from the CMIE Prowess database, which provides audited financial and operational information for Indian companies. The dataset covers the period 2015–2025 and includes firm-level variables such as total income, sales revenue, exports, fixed assets, profitability, and other financial indicators used to measure firm performance.
Information on firms approved under the Production Linked Incentive (PLI) Scheme for Pharmaceuticals will be compiled from publicly available documents published by the Department of Pharmaceuticals, Government of India, including official lists of approved applicants and scheme guidelines. These documents will be used to identify beneficiary firms and construct the treatment variable.
All data used in the study are organisational or administrative records relating to firms rather than individuals. The research does not involve personal data, confidential information, or data from human participants. No individual-level information will be collected, processed, or analysed.

Will you require access to any secure datasets i.e. datasets to which LSE Library does not have a subscription, which will need to be requested directly from the supplier:

- No

Will you require access to any internal LSE datasets for this project?

- No

Will you be collecting primary data from research participants?

- No

Data Protection

Do you believe your research will require you to fill in a data protection impact assessment?

- No

Data Storage & Security

Are you the lone researcher on this project or do you have collaborators?

- I am the lone researcher

Will you require any additional research tools to complete your project?

- Yes

Please can you supply details/ links to any additional research tools you'll be using below:

Stata software to analyse data

What hardware will you require to complete this project (you can select more than one option):

- Personal laptop/ desktop PC
- Personal phone

Do all personal devices used on this project meet the LSE's minimum standards for device level security?

- Yes

Are all personal devices used on this project secured with passwords that meet the standard of the LSE password policy?

- Yes

Where will you store your dissertation/ research project while you are working on it:

- LSE OneDrive

Review

Does your DMP meet any of the following criteria:

- None of the above

If you have ticked option 5 'none of the above' your DMP does not require individual review by a Data Librarian. Please continue to refer to the plan throughout the research process, for any questions please get in touch with the datalibrary@lse.ac.uk

Okay.