

Abstract

The regional policy of the European Union is financed through a system of structural and investment funds, which allocates substantial amounts during each programming period to boost the regional growth. Currently, the regional policy uses almost a half of the European Union's budget. According to such an extensive investment plan it is believed that the structural funding has a positive impact on the regional performance. This thesis provides an analysis of the Objective 1 (Convergence strategy) treatment effect on the regional GDP and employment growth during two last programming periods 2000-2006 and 2007-2013 using mostly nonparametric estimation method of the regression discontinuity design. The thesis contributes to existing literature since the current research studies do not provide conclusive results. Based on the estimation results we did not find statistically significant effect of the Objective 1 treatment on the GDP per capita growth nor employment growth. These findings are robust to various model specifications and estimation methods.

JEL Classification	R11, R58, C21, C31
Keywords	the European Union, regional policy, the Objective 1, regression discontinuity design
Title	The effect of EU Structural Funds on regional performance
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