

Abstract

Do Structural Funds and Cohesion Fund contribute to the improvement of economic performance across Slovak districts? In order to answer the question this thesis explores the impact of EU funds invested within specific operational programmes over the programming periods 2007–2013 and 2014–2020 on the decrease in unemployment rate and on the increase in real wage and employment rate. Besides the standard panel data regression technique we also apply a spatial autoregressive model due to the presence of spillover effects between regions. This thesis thus goes beyond the existing literature on the evaluation of the impact of EU funds in Slovakia as it incorporates spatial effects in the analysis. In comparison with the results of the baseline fixed effects model, the estimated impact of EU funds in the spatial autoregressive model is smaller and in certain cases even negative. Hence the results raise doubts about the efficiency of EU funds. Furthermore, after including the spatial effects we find that the existence and significance of the economic convergence across Slovakia depends not only on the chosen economic indicator but also on the specification of regional units.