

Impact of EU funds on productivity in firms

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Research question(s)

- Does the assistance of the ERDF in firms impact on productivity in supported firms?
- Does the assistance improve competitiveness of firms?

The programme Innovation

- is a part of the Operational Programme Enterprise and Innovations (OPEI)
- aims at increasing the innovation potential of firms in the Czech Republic.
- is done through implementation of innovative projects, especially in Small and Medium Enterprises and research institutions.

Supported activities

- **product innovation:** increasing the technical and practical value of products, technologies and services;
- **process innovation:** increasing the efficiency of production processes and services;
- **organizational innovation:** the introduction of new methods of organizing business processes and cooperation with research institutions;
- **marketing innovation:** the introduction of new sales channels.

Data

	Size of a firm			Total
	Small	Medium	Large	
Rejected applicants	368	173	49	590
1 application supported	263	135	47	445
2 application supported	46	30	15	91
3 application supported	17	10	6	33
4 application supported	6	3	4	13
5 application supported	0	0	1	1
Total	700	351	122	1 173

Methods

- Propensity score matching - Nearest neighbour
- Data – combination of data sample of the CZSO, Monitoring system.

Results for the whole sample (supported/rejected applicants)

	2,5 conf. int.	Point estimation	97,5 conf. int.	p-value
Employment	-0,069	0,032	0,133	0,27
Sales	-0,106	0,041	0,187	0,29
Profit	-12,462	7,746	27,954	0,23
Productivity	-0,125	0,011	0,148	0,43

Results for the whole sample (supported/ non-applicants)

	2,5 conf. int.	Point estimation	97,5 conf. int.	p-value
Employment	0,005	0,119	0,233	0,02
Sales	-0,088	0,117	0,322	0,13
Profit	-10,256	3,608	17,473	0,30
Productivity	-0,188	-0,002	0,183	0,49

Conclusions

- The research proved that the ERDF assistance in innovative projects has an impact on firms. Positive impacts have been found on employment, but no on productivity.
- Reason: Estimates are calculated during implementation of projects. Thus, there is still no innovations in progress.

**Thank you for your
attention!**

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