Cohesion Policy Dedicated to Human Capital: A Comparative Analysis of ESF Funded Operational Programs in Portugal and Romania

Mihaiela Simona ȘTEFĂNESCU*
Bucharest University of Economic Studies, Bucharest / Romania
**Corresponding author, stefanescumihaiela22@stud.ase.ro*

Sofia Elena COLESCA
Bucharest University of Economic Studies, Bucharest / Romania
sofia.colesca@man.ase.ro

Mihaela PĂCEŞILĂ
Bucharest University of Economic Studies, Bucharest / Romania
mihaela.pacesila@man.ase.ro

Abstract. *The Cohesion Policy, among the earliest policies established by the European Community, constitutes a significant portion of the EU budget, as it accounts for one third. It is structured through various instruments, among which the European Social Fund, whose aim is to support initiatives and programs focused on lifelong learning, employment, social integration, and broader to combat discrimination and enhance human capital. As a driver of development, human capital also stays under the influence of other factors that make a mixture of the educational system, the labor market, economic development and social, historical, contextual or either regulatory framework present in each country. The aim of Cohesion policy is to foster sustainable development and lower disparities between Member States. The last financing cycle has just ended in 2023 and preliminary achievements are available for operational programs implemented during 2014-2020. The attempt of the present study was to gain perspective over the results Romania registered as compared to other Member States and comparison was conducted with the achievements Portugal reported. Notable variations have been emphasized regarding program participation and the benefits experienced by participants. Additionally, insights and best practices have been derived from contrasting approaches employed by the two countries, which played a role in shaping the outcomes.*

Keywords: Cohesion Policy, human capital, disparities, operational programs, achievements, approaches.

Introduction

It has long been discussed and efforts have been concentrated on reducing the gaps between EU regions and EU Member states in terms of social, economic and territorial development, one of the oldest policies to be developed by European Community being the Cohesion Policy with roots back in 1957, the Treaty of Rome, "which instituted the European Economic Community". (Brandsma, et al., 2015)

In terms of social and economic and even territorial cohesion, human capital becomes one of the important drivers of change, even though sometimes change is not for the better. Challenges for the policy and associated programs have arisen out of expected as well as unexpected reasons – from EU enlargement once with new Member States (MS) accession to sanitary crisis (i.e. COVID-19) and the need to cope with the effects and stay resilient. Now, new challenges are to be

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faced and it seems it will take longer to find solutions – the humanitarian challenges brought by war and conflicts in different parts of the world (Russia-Ukraine conflict, Gaza-Israel conflict). To name but a single problem related to human capital is the influx of immigrants who need to be integrated in the labor market in order to financially support their families or need to be offered an educational solution – either for the children to be able finalize their studies, or for the adults to better integrate on the job.

In other words, let aside disparities generated by different backgrounds (see the social-economic situation of East-European ex-communist countries and their growth delay as compared to other old Member States), disparities are now deepened by new factors and contexts which make it difficult to reduce inequities and inequalities.

In this context, a salutary alternative was the continuation of Next Generation EU in the Recovery and Resilience Facility, a temporary instrument that allowed the Member States implement reforms that would address the challenges identified. While Recovery and Resilience Facility is still at the beginning, Cohesion Policy and programs associated already have a history with more financial cycles, with budgets that most of the times doubled from one period to another. It now accounts for one third of the EU budget structured in a combination of instruments among which European Regional Development Fund, European Social Fund, Cohesion Fund and Just Transition Fund. Among them, the European Social Fund (ESF) is meant to support policies aimed at fostering lifelong learning initiatives, minimizing search and matching expenses within the labor market, fostering social inclusion, tackling discrimination, and enhancing human capital through the transformation of education systems. (Brandsma, et al., 2015) Thus, ESF supports multiple programs with thousands of projects all around Europe, including Romania.

In order to have a perspective over the results Romania registered as compared to other European countries in programs dedicated to human capital, social integration and employment, at first the attempt was to choose a West-European country. This would enable to ascertain the level of performance Romania attained, but also to extract good practice that could be taken over by Romania. The second attempt was to identify similar programs that would allow a proper analysis on a similar set of indicators. The idea was to choose a country with a similar profile, similar needs and problems, but different in terms of experience related to the implementation of programs in the social, educational and employment field.

As the human capital was the point of interest, in order to select a country for comparison, Human Resources Development Index was first checked and Portugal & Italy were the MS closest ranked among the West-European countries. Thus, according to Human Development Report 2021/2022, while Romania is placed on the 53rd place with a score of 0.821, Portugal is placed the 38th with a score of 0.866 and Italy on the 30th with a score of 0.895. (Conceição, Pedro - Director & Lead Author, 2022) To then choose among the two indicated countries, the Gross national income per capita was searched and figures for 2021 (2017 PPP $) are as follows: Romania / 30.027; Portugal / 33.155, and Italy 42.840. As Portugal was closer in values to Romania, further search continued on the implemented programs during 2014-2020 period (last financial cycle that has just finished in December 2023, according to the rule n+3 years), as well as on the conditions that determined the thematic objectives both countries selected under three operational programs. Operational programs are the following: Human Capital – Romania and Human Capital and Social Inclusion & Employment – Portugal.

Among indicators that constituted the basis for assessment the two MS conducted (Romania and Portugal) in order to prepare the operational programs, there are enlisted: (a) employment/ unemployment rate (total and female/male); (b) participation rate in education and training for active population; (c) percentage of early leavers from education and training; (d) gender pay gap, high rate of business closure; (e) risk of poverty rate; (f) population with a low education attainment level (less than primary, primary and lower secondary education / 0-2 levels according to *The International Standard Classification of Education / ISCED 2011*); etc. Reference year for statistical data available and used as arguments was 2012.

To exemplify but a few statistical data regarding some of the indicators presented above, we here include (see ***Figure 1***) information available from the Statistical office of the European Union. (EUROSTAT, 2024)

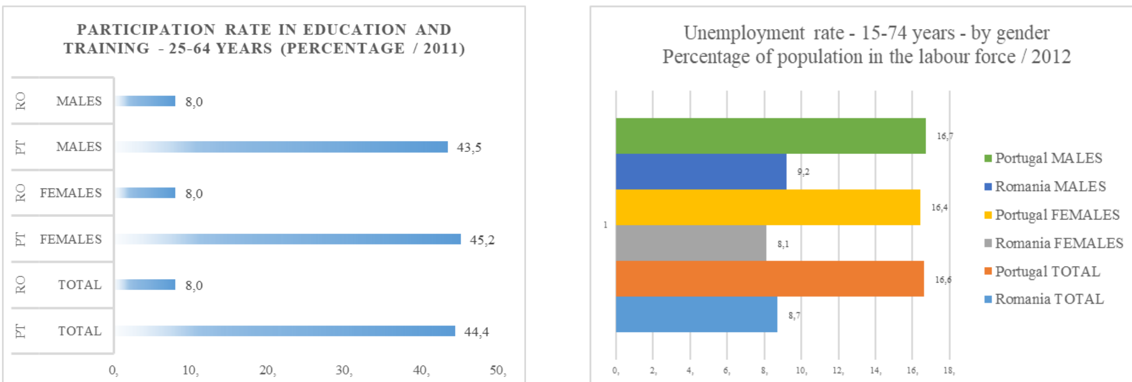

Figure 1. Graphic representation of Unemployment rate & Participation rate in education and training

Source: Authors' own research results/contribution.

Regarding unemployment rate, according to statistics in 2012, this was more than double for the 15-24 age group, namely 37.9% for Portugal and 22.6% for Romania. Moreover, early leavers from education and training (age group 18-24) represented 20.5% for Portugal and 17.8% for Romania, which was a critical point to take action for this category/segment of population.

On the other hand, if for Portugal percents indicated a good participation of adult population in training and education, for Romania the percents were really low (see Figure 1). Out of reasons related to income and the risk of poverty, population tends to enter the labor market and give up continuous education, even though the lack of education attainment hinders a better position on the labor market and thus a better income. Persistent at-risk-of poverty rate / EU-SILC survey (EUROSTAT, 2024), has been measured in 2012 as 11.4% for Portugal and 18.7% for Romania.

We can thus consider that there were similar, but slightly different reasons for which the two countries selected three important thematic objectives, namely: 'Promoting sustainable and quality employment and supporting labor mobility' (TO 8); 'Promoting social inclusion, combatting poverty and any discrimination' (TO 9); and 'Investing in education, training and vocational training for skills and lifelong learning' (TO 10). What is yet important to consider is that Romania addressed all the three thematic objectives in a single operational program – *Human Capital*, while Portugal included the first two objectives (TO8 & TO9) in one program – *Social inclusion & Employment*, and the third (TO10) in another program – *Human Capital*.

As mentioned above, the 2024-2020 financial cycle ended in December 2023, but achievements reported to European Commission are open to public just until 2022 (included). By analyzing the data available, the research team wanted to (1) highlight the types of results the two MS planned to obtain through the EU support, and, in relation to these, how well Romania

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performed, and (2) what could be the good practice Romania could take over and implement in order to register better results in the future. Differences and similitudes were to be encountered, but mostly lessons, because considering Portugal experience in programs implementation (joined the European Economic Community in 1986, which became European Union in 1993) the level of objective/achievements attained should be significantly higher as compared to Romania (MS since 2007).

Literature review

Cohesion policy & Human capital determinants

The aim of the Cohesion Policy – one of the oldest and more important investment policies of the EU – is to reduce economic, social and territorial imbalances between countries and regions of the European Union. This is translated into more objectives among which job creation, business competitiveness, economic growth, sustainable development and the improvements to citizens' quality of life. (EU Regional Policy, 2024)

Human capital more than population in number has been considered the core determinant of growth and one of the most important factors to be accounted for reducing disparities. According to studies (Tijanic & Obadic, 2015), "variation in human capital between regions within EU member states is often larger than that between member states", hence the need to invest in educational attainment and the level of skills in less developed regions. It has been also determined that "higher regional inequalities in human capital reduce the competitiveness of the EU member states", while this is also linked to the inevitable role the human capital has, namely contributing to the adequate absorption of the EU funds. In other words, there is a reciprocal relationship between human capital and investment – funds are needed to foster human capital development (which in turn will trigger sustainable economic development) and, at the same time, the human capital and its level of development enables "competences necessary to take advantage of potential opportunities" (including smart investment to improve both competitiveness and the quality of life). (Diaconu (Maxim) & POPESCU, 2016)

Drivers of development also connected to human capital are knowledge and innovation. In this sense, faster economic growth can be determined if economies show "the social capability of benefitting from higher education skills and more protection of R&D" – including the protection of intellectual property rights by means of patents. (Pinho, Varum, & Antunes, 2015) To move beyond the formal education system, in order to foster individual performance especially in the case of workforce, human resources management (HRM) activities should be in place and tackle knowledge, skills, abilities, but also motivation & opportunity. (Banks & Kepes, 2015) Human resource represents a sustainable competitive advantage as long as this resource is difficult to substitute. Concerns in this sense are related to both the technological advances (IT&C included), and also the individual level dynamics (i.e. creative thinking, ability and motivation to complete task). Among HRM practices, various methods are used in order to reveal higher level of cognitive abilities during the recruiting processes, as this is a predictor of employee performance and hence important input to organizational objectives. (Banks & Kepes, 2015)

Other factors linked to territorial and economic development also have a reciprocal relation to human capital in the sense that, for example, the infrastructure brings either isolation or interconnectivity. "Results show that the institutions located in disadvantaged regions had less access to community funds, which can compromise the process of training human capital and knowledge and therefore, the processes of regional convergence and national territorial cohesion"

(Sequeira & Diniz, 2020). Better access and infrastructure translates into better services of general interest, but also better facilities to businesses and further on to the entrepreneurship / workforce in the region; this affects either depopulation or higher population density. On the other hand, human capital and its development is the one that can make the difference by designing programs, attracting funds in order to meet the social and economic needs.

In order to measure human capital inequalities, educational data is generally assessed and, according to studies, "a positive link between education and regional competitiveness" was defined. (Tijanic & Obadic, 2015) On the other hand, even though there is a high demand of educated people in public and private organizations (Rasmussen, 2014), there are still great differences intra-country and among member states related to wages, reason for which the so-called brain-drain occurs. Thus, uneven distribution of human capital determines social, economic and territorial disparities and weakens the competitiveness at regional and country level.

Possible success or failure factors in reducing country & regional disparities

As stated above, EU accession of new MS significantly influenced the disparities while EU structural funds helped decrease these disparities. (Tijanic & Obadic, 2015) Yet, new influencing factors have been brought by the sanitary and humanitarian crises and hence new strategies and updated funding instruments need to be in place to mitigate the effects.

In terms of human capital, possible success or failure factors regarding the reduction of regional/country disparities are sometimes connected to "societal and historical contexts [that] shape the development and implementation of lifelong learning policies" (Rasmussen, 2014). In other words, different historical trajectories of countries (see East-European ex-communist MS) or a learning culture commitment (see MS expenditure on education) that differ from one country to another contribute to the better or poorer implementation of cohesion policies.

Other factors considered by studies are the regulations in place for adult / lifelong learning. This is related to how rigid/flexible systems are (capability to adapt to labor market), how quality is assured, how recognition of training is performed, what is the time and relevance for the beneficiaries, and which is the continuity of the funding schemes. (Rasmussen, 2014) In the same line, important for the workforce in the decision to embark in lifelong learning are work/income security (harsh competition, time needed for training, family traits make people neglect learning in favor of work, which is a vicious circle. They need training for a better job/income, but also income for a better training. This is why, the programs directed to employed persons also included incentives and, in terms of training alternatives for more deprived participants, second chance schooling and vocational training formats were also available.

Lack of flexibility / adaptation of educational system to rapidly changing labor market is another drawback. "improving flexicurity in the labour market and adaptability to various occupations clearly linked to skills transferability is an issue which has received scant attention" (Chenic(Cretu), Angelescu, & Gheorghita, 2012). Low level of efficiency at work is sometimes related to the shift from one field to another – either determined by lack of jobs in the field or by more attractive incomes in another field (sometimes even higher education graduates migrate to a different field of activity).

Coming back to the funding schemes and capacity to attract fund allocation, this also depends on the level of development as well as on the capacity to co-finance the envisaged programs. Unequal capacity – though dictated by objective reasons – brings unequal funding. Capacity is also connected to the ability to design income assistance schemes for the persons at risk of poverty and social inclusion, but also true development strategies on long term, as well as the capacity to fully implement them and achieve the benefits.

Political instability and the poor investment in education and welfare for many years also represent contextual factors that prevented acquiring better results within programs implemented. Studies showed that the ESF had a positive influence on competitiveness in the long run for EU MS, but also revealed "the need to integrate a more place-based approach into the EU's regional, and even national, competitiveness policies." (Tijanic & Obadic, 2015) Studies shown, for example, that "both the education and employment responses of the youth population to the receipt of the ESF are strongly influenced by local specialization in high-skilled activities." (Fusaro & Scandurra, 2023) and also, that "cohesion policy investment in human capital is diversified, subject to regional preconditions to economic development" (Biedka, Herbst, Rok, & Wojcik, 2021)

Nevertheless, proof has been provided that "regions in which individuals show diverse levels of career exploration features will avail of the training co-financed from the ESF to a varying degree, regardless of their form or efficiency of their procedures. The role of human capital potential was thus confirmed in realizing the basic goals of the EU cohesion policy." (Dubel & Pawłowska, 2020)

Despite the notable positive effects of the EU cohesion policy, holistic approaches are difficult to conduct. The multitude of factors influencing the success of implemented programs directed to lower regional disparities are difficult to quantify and compare between regions & MS on one hand because of the lack of quality and reliable data and, on the other hand, because of local particularities and mix of determinants. Factors influencing disparities in education are different from the ones that influence income (Tijanic & Obadic, 2015) even though education is a factor that reduces income inequality. The focus and investment directed preponderantly to some of the determinants may also conduct to other inequalities instead of diminishing the effect of the former. This is why both positive and less positive effects of structural funds allocated should be analyzed in the light of contextual contributing factors.

Methodology

Present paper attempt is to identify the results the two MS – Romania and Portugal - planned to obtain through the EU support in the field of Human Capital during the 2014-2020 programming period, to extract information on how well Romania performed considering the reported achievements, and also to identify good practices that Romania could take over and implement in order to register better results in the future.

In this attempt, there was first conducted a qualitative analysis of the Operational Programs available approved documents, namely RO-Human Capital – EC Decision C(2023)9194/19.12.2023; PT-Human Capital – EC Decision C(2020)6543/21.09.2020 and PT-Social Inclusion & Employment – EC Decision C(2020)6542/21.09.2020. These documents helped extract and compare thematic objectives and investment priorities, as well as the achievements the MS sought to obtain by means of EU financial support.

As can be seen in **Figure *2***, Romania included in the OP-Human Capital the thematic objective 13 related to fostering crisis repair in the context of the COVID-19, not to be found in the case of Portugal, reason for which data was excluded from the analysis, so that to avoid inconsistent results.

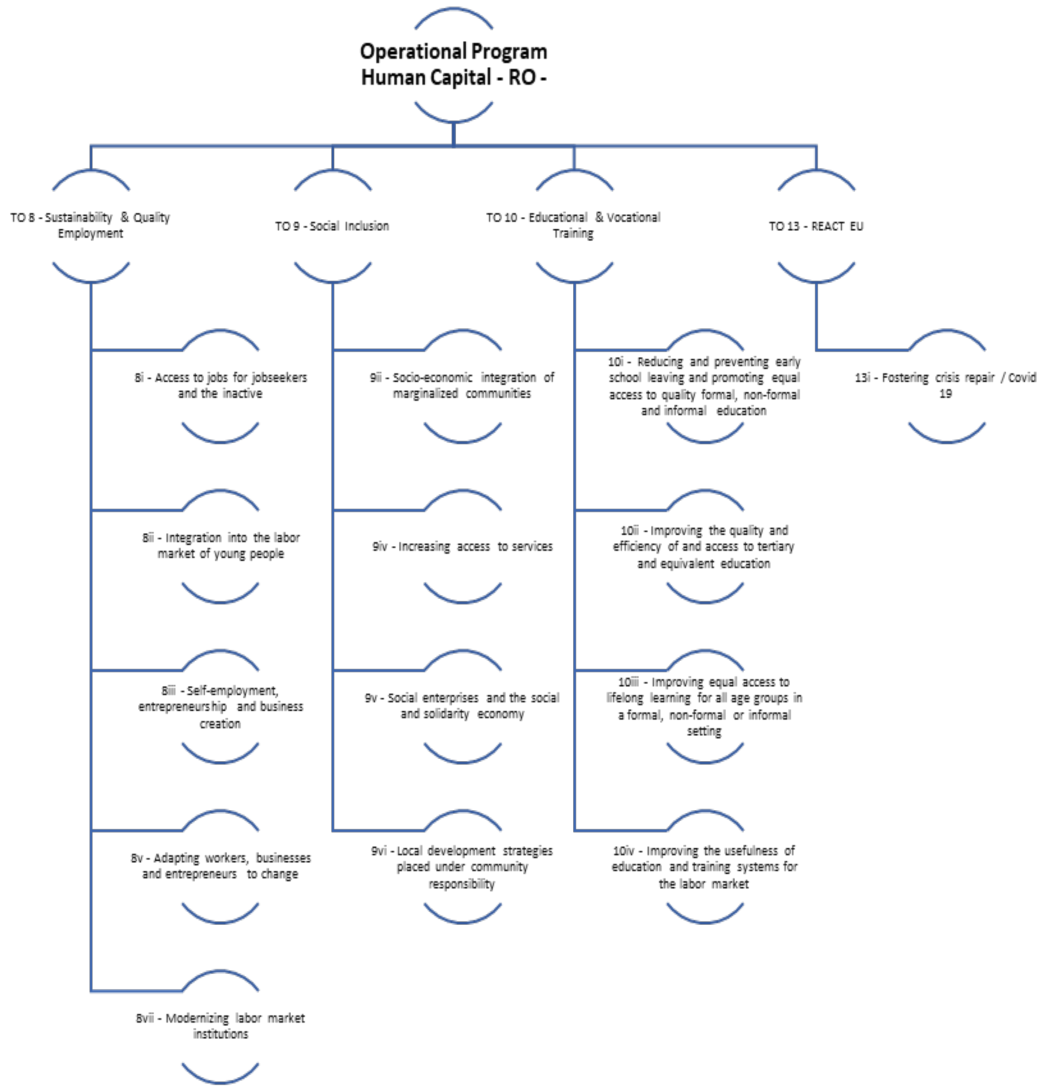


Figure 2. Schematic representation of thematic objectives & investment priorities – Operational Program Human Capital / RO

Source: Data from RO-Human Capital – EC Decision C(2023)9194/19.12.2023.

Considering the investment priorities (see **Figure *2*** & **Figure *3*** below), one point to highlight is that there were slight differenced dictated by national context. Portugal, for example, selected priorities directed to tackle gender gap (gender income/employment gap) and the fight against all forms of discrimination (see IP 8iv, 9i, 9iii), while Romania selected priorities directed to foster entrepreneurship initiatives and local development strategies that would enable socio-economic integration of marginalized communities, including Roma (see IP 8iii, 9ii, 9vi). According to Eurostat data for 2012, taken as argument in settling the program objectives, Portugal reported a gender pay gap in unadjusted form of 15% between men and women, while Romania reported 6.9%. As for persistent risk of poverty rate, Portugal reported 11.4% in 2012, while Romania reported 18.7%. This final indicator shows the proportion of the population with equivalized disposable income falling below the 'at-risk-of-poverty threshold' for the year 2012 and for a minimum of 2 out of the preceding 3 years. (EUROSTAT, 2024) Considering this data, the two MS envisaged to tackle the needs/problems they were facing at the time.

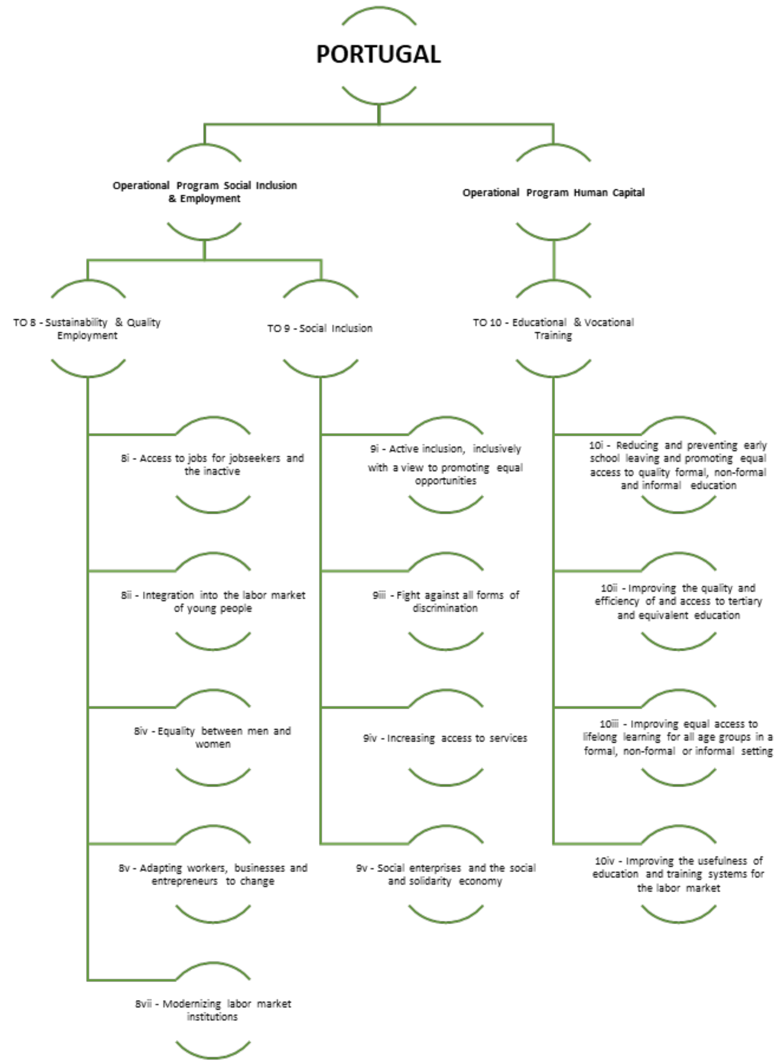


Figure 3. Schematic representation of thematic objectives & investment priorities – Operational Program Human Capital & Operational Program Social Inclusion and Employment / PT

Source: Data from PT-Human Capital – EC Decision C(2020)6543/21.09.2020 and PT-Social Inclusion & Employment – EC Decision C(2020)6542/21.09.2020.

Next step in the attempt was to review the results foreseen by each country for the investment priorities and settle a set of indicators for the quantitative analysis afterwards. The basis for analysis was the same programmatic documents. Interest was focused on two directions important for the human capital, namely status on the labor market and educational attainment. The set of indicators correlated to achievements reported were classified into three categories: (1) program participants (per age groups, status on the labor market and educational level, as well as categories of disadvantages people); (2) benefits of participants upon leaving the program and (3) benefits of participants at six months after leaving the program.

As stated above, data regarding the achievements reported by the two MS for operational programs under 2014-2020 financial cycle are preliminary, because even though the programmatic period ended in December 2023 (according to the rule n+3 years), open data access is available for 2022 included on the Cohesion Open Data Platform. (EC - Cohesion Open Data Platform, 2024)

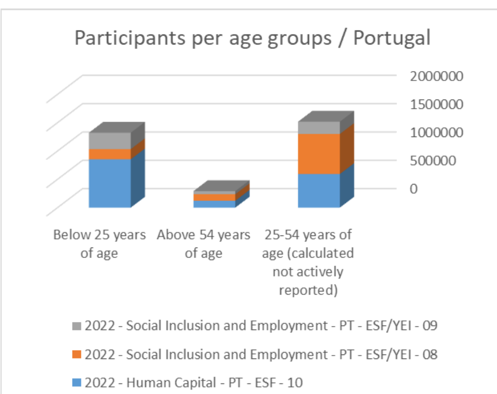
Results and discussions

In the following, quantitative analysis of the achievements the two MS reported until 2022 is presented according to the three categories of indicators settled. Cumulated data (since program start until 2022) were considered and, in the case of RO-Human Capital, data was excluded for TO 13 for a relevant comparative analysis to be conducted for three TO. The three TO were: 'Promoting sustainable and quality employment and supporting labor mobility' (TO 8); 'Promoting social inclusion, combatting poverty and any discrimination' (TO 9); and 'Investing in education, training and vocational training for skills and lifelong learning' (TO 10).

Important to mention is that Romania reported no expenditure for the first two years (2015-2016), while Portugal had a quick start, reporting since the first year (2015). According to data reported by authorities, Romania reached a percent of absorption of 89.24% (02.02.2024) (Ministry of Investments and European Projects, 2024) as comparted to 80.67% (30.09.2023) available on the Cohesion Open Data Platform regarding funds spent. This is to underline that data is preliminary and further analysis should be conducted when final results will be available. Another aspect to consider is that extensive analysis should be conducted for both countries in terms of what was foreseen/expected and what was achieved. Present study limits to the analysis of the preliminary achievements the two MS reported.

(1) Program participants

Total participants declared until 2022 by Portugal (PT-Human Capital and PT-Social Inclusion and Employment cumulated) was 3.129.430 persons, while for Romania (RO-Human Capital) the number of beneficiaries declared was 1.912.837 persons. Bellow given (see **Figure *4***) is the representation per age groups for each country, considering TO 8, 9 and 10.



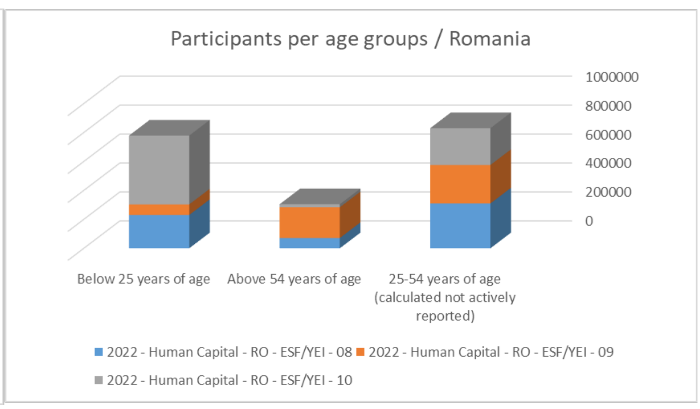


Figure 4 - Program participants per age groups

Source: Authors' own research.

The difference is a significant one, but this might be attributed either to the Romania's two-year lag behind in terms of implementation or to a different type of approach – example one-time activities for each person versus package of activities for each person. This should be further investigated by means of a qualitative analysis in order to prospect new pathways that Romania could address.

As per employment status, the same beneficiaries are reported by the two MS as follows: (see Figure 5)

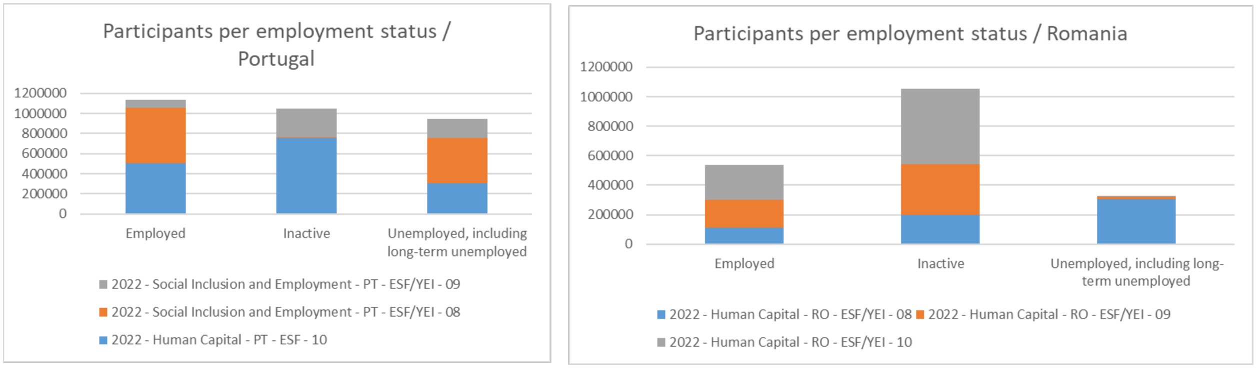


Figure 5. Participants per employment status

Source: Authors' own research.

If the inactive persons category seems to be quite equal for both countries, employed and unemployed (long term unemployed included) categories differ a lot from one MS to the other. This might have various explanations and implications – either on the part of the employee or employer, when it comes to employed people category, or for the unemployed category. As literature reveals tough competition and the fear of losing their job sometimes determine employees neglect participating in training, even though better educated they could access better jobs or could perform better at the present job. One solution for this is having agreements with the employers and find opportunities for on-the-job training or for short leaves for training. On the part of the future programs, incentives or type of compensation schemes might be considered for the benefit of both the individual workers and the employers who are used to count the costs of short leaves versus benefits on short time basis.

As for the unemployed, especially long-term unemployed, important to investigate would be the reasons for not taking part in action or either for formal requirements related to falling in this category and benefit from the program activities. On one hand, long term unemployed are no longer registered at the national agencies for employment as persons in search of a job (this is not an obligation and would be a personal choice; sometimes even the recent unemployed are not registered), thus not being able to demonstrate that they are long term unemployed (administrative procedure). On the other hand, people found at active age are not willing to enter the labor market due to uncertainties and lack of professional experience coupled with other social benefits granted by state. To this, other reasons add, such as having old persons or babies to attend, for whom social services are not available.

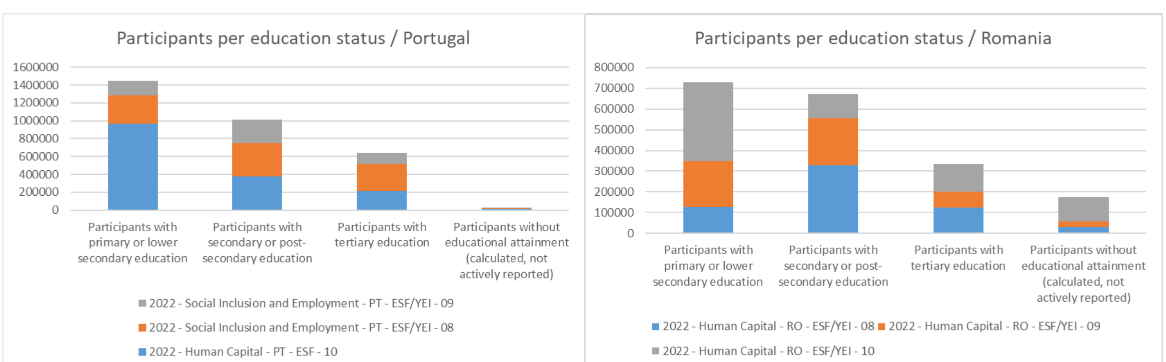


Figure 6. Participants per education status

Source: Authors' own research.

When it comes to education (see **Figure** *6*), another very important aspect is to be considered. Unlike Portugal, Romania addressed more persons in the category "without educational attainment". This category is a very sensitive one – on one hand because persons sometimes do not have the age to be still enrolled in formal education (second chance schooling takes time) and, on the other hand, because they come from very deprived communities, with responsibilities for the financial support of the family. They necessitate more time and larger efforts (on their behalf and the assisting teams) in order to overcome their condition.

The category of inactive participants benefiting the program (see **Figure** *7*) – as pointed out before – is very similar between the two MS, with the remark that the subset of "inactive, not in education or training" is higher for Romania. This again might be related to beneficiaries of social, employment or educational services – persons outside of labor market – who fall into the category of disadvantaged persons (single mothers with more than one child, persons attending other family members, persons who abandoned school at early ages and do not have educational attainment or professional experience to enter the labor market).

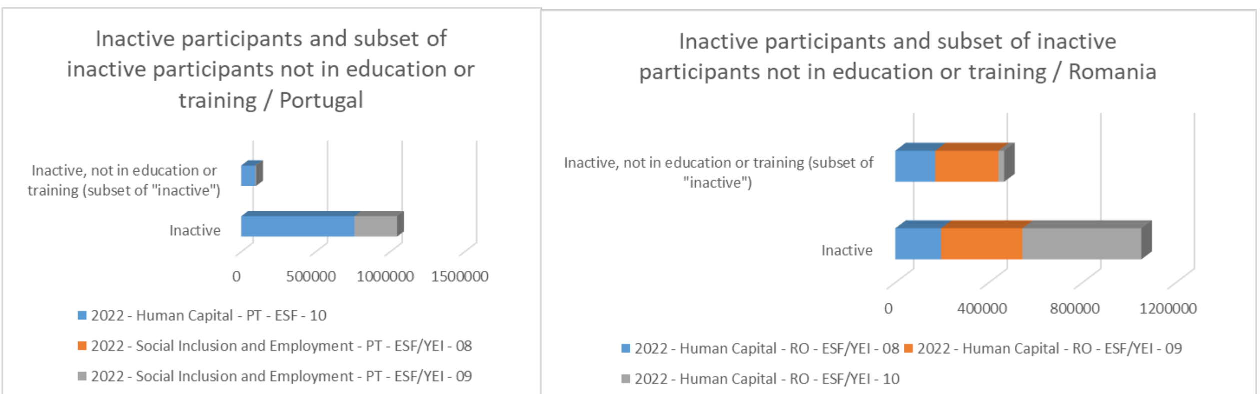


Figure 7 - Inactive participants and subset of inactive participants not in education or training

Source: Authors' own research.

As was expected from the above presented values, the categories of disadvantaged people participating to the program are all higher for Romania than Portugal. This also explains the total lower number of participants because it takes more time and effort for a potential beneficiary in this category to be enrolled, maintained in the program and even more time (along multiple programing periods sometimes) in order to have positive results. Among these participants, homeless, migrants and persons with disabilities are to be encountered. (see **Figure** *8*).

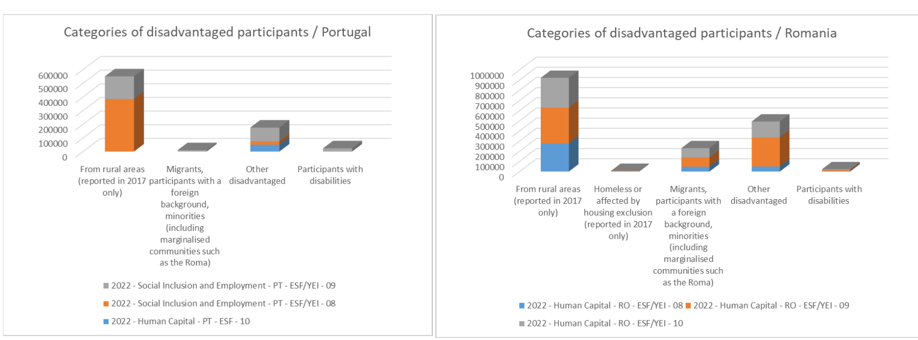


Figure 8. Categories of disadvantaged participants

Source: Authors' own research.

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(2) Benefits of participants upon leaving the program

The three categories of benefits enlisted by achievements upon leaving the program are: (a) gaining a qualification, (b) in education or training, or (c) in employment or self-employment. These have certain variations when it comes to inactive persons (and subset of inactive persons not in education or training), as well as unemployed persons.

As shown below (see **Figure *9***), except the participants in education and training upon leaving the program (category with more participants registered by Romania), the other two categories are much better represented for Portugal. This might happen either because of longer training programs organized through Romanian programs, or because they have been started later than it was expected.

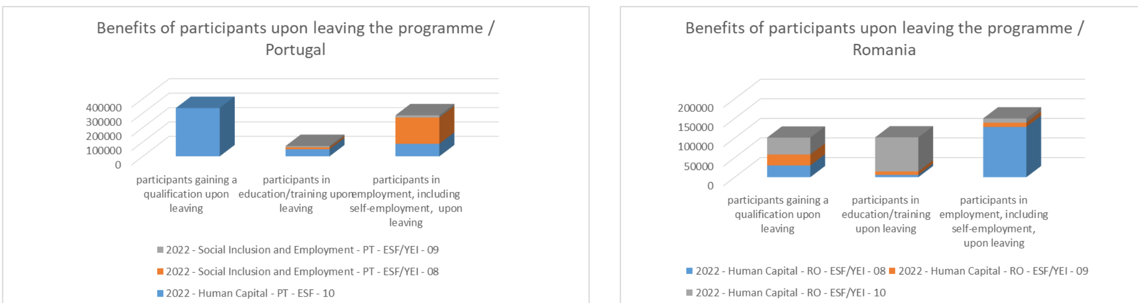


Figure 9. Benefits of participants upon leaving the program

Source: Authors' own research.

Inactive participants (not in education or training included) and unemployed participants (long-term unemployed included) are considered separate (see **Figure *10*** & **Figure *11***) in terms of benefits upon leave. According to data, both Romania and Portugal have similar representations regarding either the gain of a qualification, or offer of employment for both categories.

Figure 10. Benefits of inactive participants upon leaving the program

Source: Authors' own research.

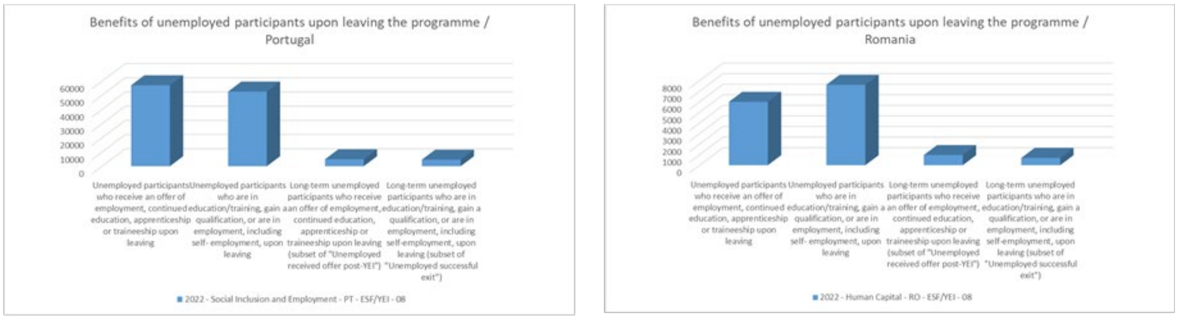


Figure 11. Benefits of unemployed participants upon leaving the program

Source: Authors' own research.

All in all, significant differences are observed in favor of Portugal for almost all categories discussed. For each of these, the research team presented some particular factors attributed to Romanian context that could explain the situation. Yet, studies should be conducted on some further qualitative and quantitative data in order to validate the influencing factors/mix of factors presented.

(3) Benefits of participants at six months after leaving the program

Data is available also regarding the benefits of participants six months after leaving the program and here included are the values for persons still employed (among them subcategories like the self-employed, persons over 54 years of age, and the disadvantaged) – see **Figure *12***. As data considered is preliminary and not final, other significant values could add to the present ones.

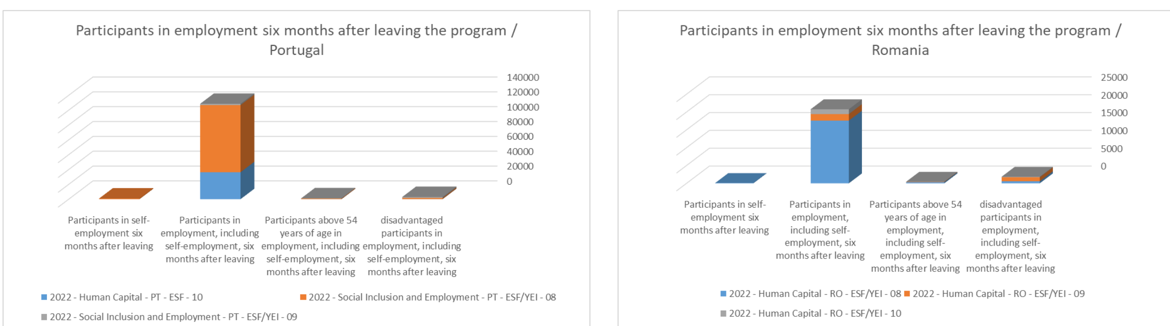
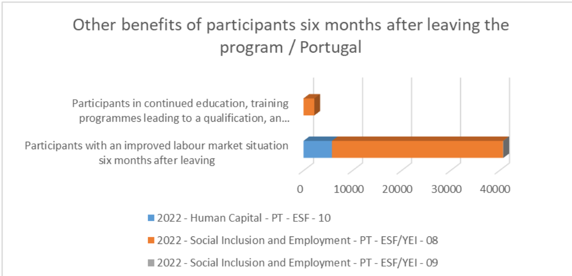


Figure 12. Participants in employment six month after leaving the program

Source: Authors' own research.

Other benefits considered are the improved labor market situation (which means that participants either had access to better jobs or have a better income as a consequence of participation to the program and training / qualification gained) and qualification / apprenticeship or traineeship gained after six months by persons who upon leave were still engaged in training. Values are shown below (see **Figure *13***) and there should be specified again the lag in implementation for Romania; this could bring significant changes in terms of number of beneficiaries for the last unreported period (year 2023).



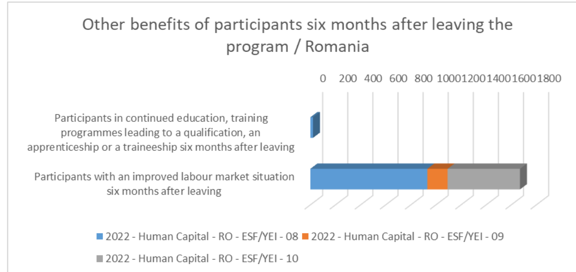


Figure 13. Other benefits of participants six months after leaving the program

Source: Authors' own research.

Conclusion

The comparative analysis between the achievements reported by the two MS – Romania and Portugal – under three operational programs dedicated to Human Capital during the 2014-2020 programming period revealed, as it was expected, significant differences in favor of Portugal, which is an older MS with higher experience in the implementation of programs/projects under the Cohesion Policy.

Regarding the reasons that might have led to afore-presented differences, a cumulus of factors has been pointed out in the analysis and each of these could contribute in a higher or lower extent.

One of these is the fact that Romania started the implementation and results reporting for this financial cycle (2014-2020) with a two years delay, time in which Portugal already registered some progress. On the other hand, as shown by the qualitative analysis, Portugal chose to manage the same three thematic objectives, under two operational programs instead of one (Romania), which triggered a split of the administrative effort coupled with speeding up the absorption & activities/results achieved.

Another challenge for programs implementation was the Covid-19 sanitary crisis that overlapped the programming period. To this, the humanitarian crisis caused by the war in Ukraine added, this last one having a greater impact on the Romanian context as compared to Portugal, due to territorial proximity and to the inflow of migrants. These two important factors out of the control of the MS brought important issues related to the human resources and results proposed because of the instability on the labor market. For example, one of the economical sectors most affected was tourism and hospitality that still needs to recover. In other words, instead of lowering the unemployment rate and enhancing the status of employees on the labor market, both MS needed to fight the negative effects for workforce by means of additional funding schemes and programs (i.e. technical unemployment, tax exemption, etc.).

Particular needs and problems specific to each of the countries also determined a different kind of approach and differences in numbers for the beneficiaries of the programs. For example, Romania faced and still faces a high risk of poverty rate according to Eurostat. This is why results and indicators settled are much oriented towards disadvantaged people coming from isolated, deprived communities. Working with these communities, with disadvantaged people takes more time and effort in order to achieve positive results. It is equally important to continue the initiatives started along new operational programs / financial cycles for long-term outcomes.

Contextual factors sometimes hinder the development of projects/activities like in Romania's case in which, due to historical background (ex-communist country) and because of the deficit financing for a large number of years, a culture of learning and training is missing.

According to Eurostat, participation in lifelong learning for Romania is very low. In 2021, Romania situated the 24th out of the 27 MS regarding adult participation in learning (last four weeks). (Eurostat, 2024) This needs a continuous stimulation of learning by means of steady financing allocated to education.

Considering that the achievements reported and subjected to analysis in this study are preliminary and that significant changes may appear for the last programing year (2023), Romania could recover part of the delay and situate better overall.

Research could also be extended by considering other data for the same programming period – such as budged decided and budget spent for each TO by the two MS. Other hypotheses might be tested as well on the allocation of subsidies for beneficiaries, types of activities dedicated to various categories of beneficiaries (one-time activities or package of activities), etc.

Comparison to other MS would also bring a better overview – either by choosing MS in the same area (such as Bulgaria which is closer to Romania in terms of development), or by focusing on certain needs addressed by the programs and find out the poles of excellence in the EU.

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