
AIMS OF EU INVESTMENTS INTO HUMAN RESOURCES DEVELOPMENT AND FUNDS ALLOCATED TO ACHIEVE THEM

The Human Resources Development Operational Programme for 2007–2013 (hereinafter – the “HRDOP”) was focused on investments into strengthening employees’ competences and boosting employment. The programme had four main objectives: (1) to increase the economic activity and employment, and to promote the creation of high-quality jobs; (2) to increase access of the Lithuanian population to lifelong learning; (3) to improve the qualification and competence of researchers, and to increase the number of them; (4) to strengthen administrative capacity and to increase the efficiency of public administration.

More than EUR 1.138 billion from the EU Structural Funds and national budget was allocated to promote the development of human resources in 2007–2015. At the end of 2015, 2,218 projects were implemented. The largest part of financial resources was allocated to the promotion of employment and social inclusion (47%) and to the promotion of lifelong learning (23%).

Figure 1. Distribution of financial resources for human development

<table>
<thead>
<tr>
<th>Category</th>
<th>EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualitative employment and social inclusion</td>
<td>30</td>
</tr>
<tr>
<td>Lifelong learning</td>
<td>175</td>
</tr>
<tr>
<td>Researchers’ capacity building</td>
<td>136</td>
</tr>
<tr>
<td>Administrative capacity building and increase in the efficiency of public administration</td>
<td>262</td>
</tr>
<tr>
<td>Technical assistance</td>
<td>535</td>
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</tbody>
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EU INVESTMENTS CONTRIBUTED TO THE PROMOTION OF EMPLOYMENT AND REDUCTION OF SOCIAL EXCLUSION

The first investment axis was aimed at promoting high-quality employment and reducing social exclusion. Under this axis, financing was provided to the adaptation of workers to the labour market needs (training of employees and managers, social dialogue and corporate social responsibility initiatives, actions for combining family and work responsibilities, etc.), the promotion of employment and participation in the labour market (active labour market policy measures, development of a vocational rehabilitation system for disabled people, youth first job support initiative, promotion of youth employment and their motivation), and the strengthening of social inclusion (prevention of social problems, reduction of discrimination, integration of persons living in social risk and social exclusion into the labour market).

RESULTS OF THE INVESTMENTS

While implementing measures focused on the adaptation to labour market needs, training was one of the main activities to receive financing. In 2007–2015, the number of participants in training reached more than 235,000 persons. 90% of the participants applied newly gained knowledge in their jobs. It was identified that 68% of the companies which participated in the EU-funded training organised continuous training for their employees even after the end of the projects. EU support helped to maintain a relatively
high level of training organisation in companies during the economic crisis, when financial capacity to organise training for employees was reduced.

EU funds were also used to provide loans to persons wanting to start their own small business. These loans were provided from the Entrepreneurship Promotion Fund which was established by one of the HRDOP measures. At the end of 2015, over 1,200 loans were issued for the total amount of EUR 19.5 million. The financing of business start-ups contributed to job creation. More than 3,800 new jobs were created, i.e. one loan issued by the Entrepreneurship Promotion Fund created on average 2.7 jobs.

While implementing **employment and labour market promotion measures**, the largest part of financial resources was allocated to the implementation of active labour market measures (hereinafter - “ALMM”), i.e. vocational training, supported employment initiatives, for which more than EUR 200 million was paid by the end of 2015. More than 245,000 unemployed persons participated in ALMMs, of which every second participant found a job or stayed in the labour market for more than a year after the project implementation. It should be noted that because of the EU investments about 6% of the unemployed persons registered with the Lithuanian labour office within a specific year found a job. The greatest impact on the income of project participants and on their staying in the labour market had ALMMs aimed at supporting the acquisition of labour skills and vocational training.

Vocational rehabilitation projects were implemented to promote the integration of disabled people into the labour market. Almost all disabled people with the established need for vocational rehabilitation services were included into vocational rehabilitation programmes on an annual basis. By the end of 2015, more than 2,300 persons took part in EU-funded vocational rehabilitation programmes, of which 50% found a job within six months after participating in these programmes. The greatest impact on the income of disabled people and on their staying in the labour market had subsidised employment.

**Figure 2. Results of investments into adaptation to labour market needs and promotion of employment**

Over 26,000 socially excluded persons participated in EU-funded activities under measures aimed at **promoting social inclusion**. Participants acquired new qualifications and skills necessary for integration
into social and working life. Psychological and social consultations had the greatest impact on all target groups because these activities helped to strengthen social skills which socially excluded people often lack. On the job training and apprenticeships had a significant impact as well because these initiatives helped to gain practical work experience. More than 28% of the project participants found a job or continued training after completing project activities. The largest share of employed people – 34% – was recorded amongst people with disabilities because disabled people, in comparison to other groups, had more motivation. In addition, organisations implementing projects had more experience working specifically with disabled people and helping them to integrate into the labour market. Fairly good results were achieved while promoting the integration of convicted persons and persons released from prison into the labour market (8,000 persons participated in financed activities).

In conclusion, EU-funded measures increased the employability of socially excluded persons. Interventions also contributed to the increase in employment's duration and income of participants.

**Figure 3. Results of investments into the strengthening of social inclusion**

<table>
<thead>
<tr>
<th>Persons who found a job after participating in the activities (% from all participants)</th>
<th>Planned in the OP</th>
<th>Achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>convicted persons and persons released from custodial institutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>persons who are suffering from addiction to psychoactive substances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>diseases</td>
<td></td>
<td></td>
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<tr>
<td>Persons who found a job after participating in the activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(thousands), of whom:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of persons living in social exclusion or social risk persons who have participated in financed activities</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**IMPACT OF THE INVESTMENTS**

Measures aimed at promoting employment and social inclusion had a positive impact on the employment situation in the country and significantly contributed to the mitigation of negative consequences of the economic crisis. The short-term impact of investments, which was measured as employment of the project participants after taking part in the financed activities, was significant because every second project participant found a job or remained employed for more than one year after interventions. The long-term impact of investments depended on specific active labour marker measures. For example, the greatest impact on employability, longer stay in the labour market and higher income was made by support to the acquisition of working skills and vocational training. The employment of disabled people and their income were mainly influenced by subsidised employment. Investments from EU funds had an impact not only on these vulnerable groups (unemployed, socially excluded people) who participated in the projects, but also on organisations working with them. Using EU funds, organisations were properly prepared and therefore in the future they will be able to work independently. In addition, qualifications of employees working in social services institutions were improved and their practical skills were strengthened.

Investments aimed at promoting employment and social inclusion had a positive impact on the country's overall employment trend, which is reflected by strategic context indicators.
In 2007–2015, the **labour force participation rate** grew by 6.2pp (from 67.9% to 74.1%). This growth was also influenced by EU interventions because EU funds contributed to the improvement of employees' qualifications and their access to the labour market. In 2007–2015, the **overall employment rate** increased by more than 2pp (from 65% to 67.2%). EU funds contributed to this change by supporting temporary employment. In addition, loans issued by the Entrepreneurship Promotion Fund were directly aimed at job creation. Because of active labour market measures which were implemented using EU funds, the **unemployment rate** in the country was decreasing by 1% every year. In 2009–2015, the employment rate was on average 0.8% higher, in comparison to the situation without EU investments. Interventions had a positive impact on the employment rate of women, which grew by 4.5pp in 2007–2015 (from 62% to 66.5%). Implemented projects helped women to combine family and work commitments and to enter into the labour market.

The employment rate of elderly people rose by more than 7pp (from 53.2% to 60.4%). It was mostly affected by the economic cycle and regulatory environment, but EU investments were also a contributing factor (for example, elderly people were identified as a priority group for loans granted by the Entrepreneurship Promotion Fund). EU funds helped to reduce the digital gap of elderly people and to create better conditions for them to find a job or stay in the labour market. In 2007–2015, the share of working people with disabilities grew by 1.6pp (from 27.2% to 28.8%). EU–funded interventions contributed to these changes (for example, disabled people employed using EU funding accounted for 3% of the labour force with disabilities in 2015).

**EU-FUNDED MEASURES AIMED AT DEVELOPING A LIFELONG LEARNING SYSTEM AND IMPROVING THE QUALITY OF SERVICES**

The second investment axis was aimed at promoting lifelong learning because in Lithuania compared to other EU Member States only a small part of adults is involved in educational activities. The **strengthening of the institutional lifelong learning system** was financed (design and development of educational institutions' quality evaluation systems, staff training, improvement of universities' internal management structures, development of information systems, etc.). The EU also financed the **improvement of the quality and accessibility of lifelong learning services** (formal and non-formal education of teachers, professors, pupils and students; improvement of adults' basic skills; improvement of the accessibility of the higher education system; renewal of study programmes; development of non-formal education system; creation of vocational orientation measures; creation of career education models; training of specialists working with pupils and students, etc.).
RESULTS OF THE INVESTMENTS

While implementing measures aimed at improving the institutional lifelong learning system, 117 educational institutions introduced quality management evaluation systems, i.e. 12% of the educational institutions in the country. Almost 150 employees of the lifelong learning system participated in EU-funded training. Training was also organised for more than 22,000 employees from the education sector.

Figure 5. Results of investments into the improvement of the institutional lifelong learning system

In 2007–2015, a responsible management system was installed in the education sector – monitoring and evaluation systems were created to facilitate evidence-based decision-making. More decision-making functions were delegated to educational communities (from preschool to higher education). A flexible and open educational structure was being developed. This structure combines general education, vocational training, higher education, and formal, non-formal and informal learning into a single educational space. In addition, various quality assurance and evaluation systems were created, for example, self-assessment system of secondary schools, Lithuanian higher education external quality assurance system and a national system for forecasts and insights of education, science and technology. 42 higher schools, i.e. 93% of all the higher schools registered in the country, introduced assessment and recognition systems for competences acquired in non-formal adult education.

While implementing measures focused on the improvement of the quality and accessibility of lifelong learning services, financing was provided to formal and non-formal training of teachers, professors, pupils and students as well as to the acquisition of basic skills for adults. More than 73,000 pupils and students studied under formal education programmes. It should be noted that pupils who participated in EU-funded training accounted for 13.5% of the total number of pupils studying in Lithuanian general education and vocational training schools. In 2007–2015, each teacher of general education and vocational training systems participated in two non-formal educational training events on average. About 14% of the university or college students received EU funding.

Figure 6. Results of investments into the improvement of the quality and accessibility of the lifelong learning system
IMPACT OF THE INVESTMENTS

Measures aimed at improving the accessibility and quality of educational services contributed to changes in all levels of education (preschool education, general education, vocational training, higher education, education for persons with special needs, non-formal education). The development of preschool and primary education was boosted (preparation for financing preschool education using the "basket principle") and the number of children participating in preschool education increased.

In 2007–2015, financing was provided to the improvement of the quality of general education, for example, revising the content of subjects, improving the qualification of teachers and implementing anti-bullying projects. EU investments also contributed to the modernisation of the vocational training system (the development of programmes to be used for raising qualification of vocational teachers, improvement of the qualification of vocational teachers) and to the growth in the number of students who choose vocational training (for example, in 2015 the share of persons who opted for vocational training accounted for 43% of the total number of higher education and vocational training students). Investments were also made into improving the quality of higher education (descriptions of study fields were developed and are used by higher schools to revise their study programmes in order to adapt to changing circumstances in the labour market). EU investments helped to create a better learning environment for students with special needs. The number of students with disabilities increased as well (in 2007, persons with disabilities accounted for 0.3% of the total number of university students, in 2015 – for 0.6%).

Measures aimed at improving the accessibility and quality of educational services had a positive impact on the overall situation of education in the country, which is represented by strategic context indicators.

Image No 7. Changes in strategic context indicators illustrating the situation of education

In 2007–2015, the level of youth academic achievements increased (from 88.3% to 90.9%) and the school dropout rate declined (from 7.8% to 5.5%). Lithuania was ahead of the EU average in terms of both
indicators. EU interventions had a positive impact on changes in these indicators at the individual level. The main indicator, which was to be influenced by EU investments, measures the level of lifelong learning. In 2007–2015, this indicator slightly increased (from 5.5% to 5.8%). The impact of EU investments on lifelong learning depends on their continuity. Most investments in the 2007–2013 period were made into improving the quality of primary education, therefore it could have an impact on lifelong learning in the future (persons who begin to learn in primary education institutions continue this practice successfully the whole life). In order to change the indicator of lifelong learning, it necessary to create an appropriate learning culture, i.e. priority should be given to investments into raising public self-awareness, promoting lifelong learning and awareness-raising activities. In addition, it is very important to invest into the training of unskilled workers. Regional disparities should be taken into account when planning investments. These factors will be considered when planning further investments for the 2014–2020 period.

**EU INVESTMENTS CONTRIBUTED TO IMPROVING THE QUALIFICATION OF RESEARCHES AND TO INCREASING THE NUMBER OF THEM IN LITHUANIA**

The third investment axis was aimed at improving the qualification and competences of researchers, promoting their mobility and increasing the number in Lithuania. Main objectives of these investments were: to solve the problem of insufficient cooperation between business and science, to increase the number of researchers working in the private sector and in high-tech companies. EU funds were used to finance internships, formal and non-formal education of scientists and researchers (for example, doctoral studies), high-level research, events for the popularisation of science and the employment of researchers in enterprises.

**RESULTS OF THE INVESTMENTS**

About 10,000 students, scientists and other researchers studied under formal and non-formal education programmes. 98% of them successfully finished training activities. More than 2,000 scientists and researchers were employed under employment contracts, of which 99% in the public sector. About one third of all the employed researchers stayed at their job after the project implementation. In 2007–2015, over 2,000 scientific internships and training courses were organised using EU funds. In addition, 1,126 short-term research visits were organised, 303 scientific articles were published, and more than 400 visits to secondary schools were organised and used as a platform to present technological and scientific processes to young people.
IMPACT OF THE INVESTMENTS

EU investments contributed to the increased number of researchers in Lithuania (in the private as well as in the public sector) and to the increased number of scientific publications.

Figure 9. Changes in strategic context indicators illustrating the dynamics of the number of researchers and research activities

The number of scientific publications per one million inhabitants increased more than twice (from 465 in 2005 to 1,011 in 2014). These changes were influenced by EU-funded interventions into the development of researchers’ competence, training, high-level research and subscription to databases, which directly contributed to the growth of scientific production volumes and quality. Young and experienced scientists joined international research teams during international visits. Research grants significantly contributed to the creation and development of a competitive education funding system in Lithuania. All these interventions led to the increased number of scientific publications.

Investments directly contributed to the growth in the number of researchers (including in the business sector) as they financed the employment of researchers in the public sector and enterprises (between 2007 and 2015, the number of researchers per thousand inhabitants increased from 8.7% to 12.9%). It should be noted that in 2015 the share of researchers in business was almost 16%. This figure is very important for Lithuania to transition to higher value-added economy. Interventions had a significant impact on the growth in the number of young researchers—EU-funded measures were directly aimed at the employment of researchers and the funding of young researchers’ projects (of 500 researchers with a PhD who were employed in the public sector using EU funds more than 65% were young researchers).

Creating a system for discovering and developing young researchers-students

EU funds were used to boost the dissemination of scientific knowledge and its popularity among young people as well as to increase the number of young people who choose a career of researchers. These objectives were achieved by implementing project “Creation and development of a system for discovering and developing young researchers-students—Phase II”. Most attention was focused on mobile laboratories, visits to schools and qualified assistance to young researchers while planning and implementing research activities. In total 330 visits were organised and 526 young people were provided with a deeper understanding of science and technology. In addition, 89 teachers—supervisors of young leaders—were trained.
EU INVESTMENTS WERE IMPORTANT FOR STRENGTHENING ADMINISTRATIVE CAPACITY AND INCREASING THE EFFICIENCY OF PUBLIC ADMINISTRATION

The fourth investment axis was aimed at administrative capacity building in the public service, promoting administration efficiency and improving the quality of services provided to people and business. Investments into administrative capacity building improved the qualification of state and municipal civil service and reinforced cooperation. Training projects were mostly implemented using EU funds. EU funding was also used for investing into the effective and results-oriented management of institutions accountable to the government (financing was allocated to the introduction of performance management systems and the drafting of general territorial plans for municipalities) and into the improvement of the quality of public services (financing was channelled to the introduction of modern service delivery models in public institutions, the implementation of public policy reforms, for example, in vocational training, higher education, health care system, social services, social security, pension system and functions of business supervisory authorities).

RESULTS OF THE INVESTMENTS

Figure 10. Results of investments into administrative capacity building and increase of administration efficiency

While implementing the measures focused on administrative capacity building, more than 47,000 persons took part in EU-funded training aimed at raising the qualification of civil servants. Knowledge gained in the training was useful because 73.2% of the training participants applied the information obtained in their jobs. Many participants who successfully completed training regularly used the acquired knowledge. The most useful information was related to the improvement of general competences and the presentation of organisational changes in state and municipal institutions (for example, property maintenance and management, document management and administration, analytical expertise, managerial competence).

In order to ensure more effective management of public

EU funds helped to improve civil service selection

The project was aimed at increasing the efficiency and transparency of a civil service selection process in Lithuania. A conception for the improvement of the civil service selection process was prepared. In addition, tests for basic skills and foreign languages as well as tasks to evaluate leadership skills were created. The selection software was installed and the room for selection procedures was equipped with computerised testing facilities. Nearly 1,000 employees responsible for personnel management and administration were trained. Moreover, a practical guide was developed for civil service selection committees conducting competitions in specific institutions. Using the project results, in 2013 a semi-centralised civil service selection to state and municipal institutions was launched. The civil service selection process has become more transparent and more efficient, allowing for a more comprehensive evaluation of civil servants’ capabilities.
Institutions, performance management systems were put in place in 14 ministries. A large-scale project “Improvement of the Results-Oriented Management” contributed to the increased institutional efficiency. In 2007–2015, 132 general territorial plans for municipalities were drafted. It is important to note that the plans were drafted not only for the whole territory of the municipality, but also for individual municipal areas (cities, towns). These activities contributed to the increased clarity and validity of municipal decisions. A clear vision and development strategy as well as strategy and leadership in project planning and implementation are very important for the economic and social development of specific areas (regional and municipal). In this context, EU investments may serve as a catalyst for social and economic development.

Investments into the improvement of the quality of public services were used to introduce 127 quality management systems in state and municipal institutions in 2007–2015, which contributed to a more effective implementation of their functions. The quality of services provided for business also improved. Procedures for registering new enterprises speeded up when electronic services for the establishment of new enterprises and organisations were put into use online by the Centre of Registers.

**IMPACT OF THE INVESTMENTS**

EU investments had a positive impact on various areas of public administration. In case of human resources of public administration, the greatest impact of investments could be observed in civil service selection, personnel management and the use of information technology in civil service management, i.e. in the areas where systematic changes in human resources management were carried out. The impact of EU investments on performance management was also relatively high (system-level projects related to the implementation of reforms in strategic planning and accounting of the public sector). In case of systematic public policy reforms, the impact related to the introduction of regulation (for example, reducing administrative burden) should be distinguished as the greatest.

EU investments aimed at administrative capacity building and increasing the efficiency of public administration contributed to positive changes in strategic context indicators measuring the efficiency of public administration.

**Figure 11. Changes in strategic context indicators illustrating the situation in public administration**

In 2007–2015, the perception of regulatory quality and the effectiveness of governance in Lithuania had a positive trend. Public trust in state and municipal institutions increased in 2015 to 64% of the population. EU investments aimed at improving the quality of public services, civil service and better regulation policy also contributed to positive changes.