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The 2014-2020 European Regional Development Fund on Equitable Access to Employment Human Capital and Regional SME Competitiveness in Lezíria do Tejo, Portugal

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Summary

In the internationalized markets of small and medium enterprises, competitiveness is highly dependent on its human capital accumulation. The scattered distribution of SMEs gives regional capacity building a chance to support rounded investments which increase human capital efficiency and the value of each human resource reaching new conditions for equity conditions for employment. The complex nature of certain variables continues to be widely disputed and in the overarching literature analyses tend to focus on a macro-economic while this research aims to gather understanding from the perspective of Operational Program beneficiaries. Through a focus on equitable access to employment, the objective of this paper is to explain which investments in human capital influence the competitiveness of SMEs in Lezíria do Tejo under the ERDF funded program PROVERE.

This research uses a mix-method survey approach to achieve the objective put forth, both quantitative data collected via questionnaire and complimentary qualitative data via interviews are necessary given the nature of the sample. A non-random sampling strategy provided only descriptive statistics which offers a general visualisation of the situation. The complementary semi-structured interviews carried out in this survey provided in-depth accounts which after code saturation improved the eternal validity of the research.

With the alignment of economic and social priorities under the program considered, there was an increase in equal gender participations and increase in youth employment. The level of demographic integration within an enterprise is highly dependent on the job description of available positions. There was confusion among respondents related to which program was used to co-finance the investment made showing little experience when applying to OP announcements.

Keywords

Territorial Cohesion / Territorialism / Regional Development / Territorial Capital / Huma Capital
SME Competitiveness / ERDF / PROVERE / Employment / Youth and Gender Participation

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Abbreviations

IHS	Institute for Housing and Urban Development Studies
EU	European Union
EC	European Commission
ESIF	European Structural and Investment Funds
ERDF	European Regional Development Fund
ESF	European Social Fund
CCDRA	Alentejo Regional Coordination and Development Commission
AP	Action Plan
AOP	Alentejo Operational Program
OP	Operational Program
PROVERE	Economic Valorization of Endogenous Resources Program
SME	Small and Medium Enterprise
CAE	Portuguese classification of economic activity

Table of Contents

Summary	2
Keywords	2
Acknowledgments	2
Abbreviations	3
Chapter 1: Introduction	5
1.1 Background information	5
1.2 Problem statement	7
1.3 Relevance of the research topic	8
1.4 Research Objectives	8
1.5 Main Research Question and Research Sub-Questions:	8
Chapter 2: Theory Review	9
2.1 State of the art of the concepts of study	9
2.2 Territorial Cohesion: The European Debate on Conceptualization	10
2.3 Territorialism	11
2.3.1 Territorial Capital	12
2.3.2 Human Capital	12
2.3.3 SME Competitiveness	13
2.3.4 Equitable Access to Employment	15
2.4 Conceptual Framework	16
Chapter 3: Research Design and Methods	17
3.1 Description of the research design and methods	17
3.2 Research Strategy	17
3.3 Data Collection Methods	18

3.4 Data Analysis Techniques.....	18
3.5 Validity and Reliability.....	19
3.6 Operationalization.....	20
3.6.1 Territorial Cohesion: Use of ERDF 2014-2020.....	20
3.6.2 Human Capital.....	21
3.6.3 SME Competitiveness.....	22
3.7 Challenges and Limitations.....	23
Chapter 4: Research Findings	24
4.1 Sector representation of respondents.....	24
4.1.1 Program beneficiaries and survey responses.....	24
4.2 SME investments in human capital under the ERDF.....	25
4.2.1 Investment in Lezíria do Tejo under PROVERE.....	26
4.2.2 Human capital valorization.....	30
4.2.3 SME Competitiveness with a focus on employment.....	37
4.3 Reflection and Key Discussions.....	45
Chapter 5: Conclusion and Recommendations	47
5.1. Main research question.....	47
5.1.1 Sub-research question 1.....	48
5.1.1 Sub-research question 1.....	48
5.1.2 Sub-research question 2.....	49
5.1.3 Sub-research question 3.....	50
5.2 Recommendations.....	51
References:	52
Annexes:	54
Annex 1: SME Questionnaire	54
Annex 2: SME Interview Guide	64
Annex 3: Expert Interview Guide I	67
Annex 4: Expert Interview Guide II	70
Annex 5: Tables	72
Table 1: Financial Support Granted: Comparing questionnaire responses to the list of approved operations (Alentejo2020)	72
Table 2: PROVERE 2014-2020: Project Merit Indicator Frequency	73
Annex 6: Figures	74
Figures 1-2: Intangible skills considered during recruitment - Secondary Industry Sector	74
Figures 3-4: Intangible skills considered during recruitment - Tertiary Industry Sector	74

Figures 5-6: Employee Education - Secondary Industry Sector and - Tertiary Industry Sector	75
Figures 13-14: Employee training and training duration in months - Tertiary Industry Sector	76
Figures 17-18: Tasks beyond job description and compensation - Tertiary Industry Sector	77
Figures 19-20: Job Description - Secondary Industry Sector and - Tertiary Industry Sector	77
Figures 21-22: Employee Experience - Secondary Industry Sector and - Tertiary Industry Sector	77
Figures 23-24: Creative Ideas - Secondary Industry Sector and - Tertiary Industry Sector	78
Figures 25-26: Employing Male and Female Professionals - Secondary Industry Sector and	78
Figures 27-28: Employing Male and Female Professionals - Tertiary Industry Sector	78
Figures 29-30: Employing Young Professionals - Secondary Industry Sector and - Tertiary Industry Sector	79
Figures 31-32: Female participation (Secondary Industry Sector) - pre investment and - post investment	79
Figures 33-34: Female participation (Tertiary Industry Sector) - pre investment and - post investment	79
Figures 35-36: Youth participation (Secondary Industry Sector) - pre investment and - post investment	80
Figures 37-38: Youth participation (Tertiary Industry Sector) - pre investment and - post investment	80
Figures 39-40: Enterprise Recognitions (Secondary Industry Sector) - pre investment and - post investment	80
Figures 41-42: Enterprise Recognitions (Tertiary Industry Sector) - pre investment and - post investment	81

Chapter 1: Introduction

1.1 Background information

Influenced by external forces, European states' economic and political partnership was a sensible measure to pool resources into a common market, able to compete in the global arena. The European Commission EC is the executive branch of the union responsible for enforcing fiscal

and monetary policy actions aimed at stabilizing inflation, unemployment, and economic outputs among the current 27 member states of the union (European Commission, 2021). Wealth discrepancies among member states made evident, especially in southern European countries where agriculture played a more important economic role. In twenty-first-century Europe, the rural landscape features small villages with dispersed populations and low density, which continues to be seen as a development obstacle due to its lack of attractiveness (Camarero & Oliva, 2019, European Commission 1998). Countries reliant on agriculture were frequently disadvantaged due to outmigration by the youth, women, and professionals as depopulation and the inability to foster conditions for business were common tendencies. Socioeconomic differences affected by distance and low population density have not allowed an equal integration in the condition of the welfare state as citizens have fewer opportunities for employment, consumption, as well as access to public services (Camarero and Oliva, 2019).

The notion of the socio-economic construct described by the welfare theory has been redefined bringing to relevance the different approaches developed on equity. Focusing on the social approach which enforces the concept of “fairness”, equity can be measured through the many forms of accessibility such as public services, employment, education, and equal opportunities subject to a fair distribution of resources under equal conditions (Dempsey et.al, 2009, Burton, 2000). Discrimination and exclusion determine the level of accessibility which can be observed as both physical and non-physical factors. Predominantly physical factors include accessibility joined with a clean and safe public realm while non-physical factors include social cohesion, fair distribution of income, employment, inner and intragenerational social justice (Dempsey et.al, 2009).

The cohesion policy (EU Art.174) was designed to support member states’ economic and social harmonious development by reducing inequalities among regions (EC, 2021). Funding reform placed higher importance on the European Commission’s ability to distribute regional development support, resulting in a selection process of eligible areas where development plans are linked to the management and delivery of programs, in return for control of expenditure (Caldas et. al, 2018, EC, 1996). The EU has supported the cohesion policy through financial instrument programs designed to support job creation, business competitiveness, economic growth, and improve quality of life all within the scope of access to employment. The most recent European Structural and Investment Fund, 2014-2020, received 32.5% of the EU budget or approximately 351.8 billion euros (European Commission, 2021). The funding scheme is broken down into five programs designed to better carry out objectives of the cohesion policy from which the European Agricultural Fund for Rural Development led by the Common Agriculture Policy is dominant in southern European countries. Nevertheless, the European Regional Development Fund (ERDF) aims at strengthening economic and social cohesion among the member states and has a direct relation with the cohesion policy as it targets imbalances within regions.

The Europe 2020 strategy for smart, sustainable, and inclusive growth designated 10.1 billion of the 2014-2020 budget to the ERDF which guides key investment priorities for sustainable regional development such as innovation and knowledge, information and communication technologies, competitiveness for small and medium enterprises SMEs, social inclusion, employment, and mobility (European Commission, 2021).

Among the several European countries backed by the fund is Portugal. Lagging fiscal resources, the Portuguese local governance heavily relies on intergovernmental transfers supported by the EISF. In the 2014-2020 partnership agreement between EC and Portugal received 21.46 billion euros to dedicate towards the Cohesion Policy (European Commission, 2014). Portugal 2020 is

the operational program developed by this partnership outlining a path towards securing a new national cycle of growth through territorial cohesion stimulating job creation.

1.2 Problem statement

Late industrialization and a right-wing dictatorship in the 20th century were large contributions to the lagging convergence of the southern European welfare state. The difference in socio-economic capacities contributes to the limited production, employment, and consumption opportunities observed in Portuguese interior regions which hanger on external resources from the EU (Camarero, & Oliva 2019). The 2014-2020 European Regional Development Fund (ERDF) contributed to region-specific sustainable development operational programs (OPs) that are coherent with EU guidelines on how to improve the distribution of local socio-economic equity. The OPs targeted regional capacities such as competitiveness and internationalization, human capital, social inclusion and employment, and resource efficiency (Tecnico University, 2021).

In adverse economic environments, the performance of a country depends on the role of innovation-led economic growth and job creation. Small and medium enterprises (SMEs) are the backbone of any economy, representing a significant social impact on the Portuguese economy, often employing vulnerable members of society, reducing the national unemployment rate, and contributing to GDP growth. Human capital is an endogenous resource for firms that are harnessed through investments in individuals resulting in economic added value. Rooted in economic theory, human capital is representative of the sum of individuals' inherited and acquired skills, knowledge, abilities, experiences, and any other characteristics that are relevant for economic activity (Kucharčíková, 2011).

SME competitiveness is classified through three pillars; the ability to compete, the ability to connect, and the ability to change (International Trade Center, 2015). The ability to compete represents SMEs' ability to participate in the market which is dependent on human capital efficiency to meet industry production standards. The ability to connect allows SMEs to continuously improve their competitiveness by participating in risk-sharing networks where human capital is accumulated as individuals share fundamental knowledge and best practices. The ability to change is directly linked to the effectiveness of human capital to enhance SME competitiveness through knowledge and skill requirements that improve system operations.

In today's internationalized markets which are rapidly changing and new knowledge emerges, SME competitiveness is dependent on human capital. The scattered distribution of SMEs provides access to employment which creates an opportunity for job creation to have a greater social implication on regional equity. Aligning economic and social objectives, under the operational program 'Employment and Economic Valorization of Endogenous Resources' investments in human capital, through which the value of employment is considered influences SME competitiveness.

Although the strategy clearly defines a path for socio-economic progress in all regions, progress is observed to have different levels of success in underdeveloped regions. It is important to recognize that beyond the financial resources, both location and method of implementation are crucial factors for understanding the benefits of territorial cohesion programs aimed at sustainable development. A more selective strategy for growth is demanded by the different development patterns calling for region-specific tailor-made growth paths for each territory (Camagni 2017). National development strategies tend to prioritize economic growth accompanied by social progress, disclaiming that one follows the other while sustainable development highlights the intergenerational connectivity of economy, environment, and society placing equal importance on

both social and economic objectives (Caldas, et al, 2018).

Research on territorial cohesion is largely quantitative and conceptualized through macroeconomic analysis (Boland 2013). Economic growth is driven by comparative advantages of cities, regions, and nations although it is derived from the productivity of firms which translates to a need for microanalysis at the local level. Often when addressing concepts that are large and widely encompassing such as equity or sustainable development it is helpful to break them down to clarify their ambiguity. Therefore focusing on equitable access to employment, it is important to investigate the extent to which investments in human capital under the ERDF influenced SME Competitiveness.

1.3 Relevance of the research topic

Scientific relevance

The recent literature has focused a great deal on competitiveness and human capital, nevertheless, certain components of these have been disregarded in conjunction such as equitable employment and SME's. It is relevant to study the cohesion policy's ERDF through a narrow scope to understand the influence of human capital investments on SME competitiveness through a focus on equitable employment. Considering the definitions expressed above on the concepts of human capital and competitiveness, it is important to understand their relationship with a focus on the cohesion policy objective 'equitable access to employment (Medeiros, 2020, Haughton, 1999).

Social relevance

The rural gap is depicted by territorially induced social imbalances in the rural interior which is considered less attractive when compared to large metropolises due to dispersed population and often inaccessible settlements (Camarero and Oliva, 2019). This is an inter-generational equilibrium that is reshaping our understanding of what spatial equity means. The economic progress in Portugal has stimulated a "return to the rural" as citizens seek better livelihood conditions. Some migrate to wealthier European countries while others decide to live in the interior far from their employment due to low income and consumption abilities. These conditions trigger insufficient aggregate demand turning the economy inequitable since production outweighs consumption and people are unable to meet their needs (Scully, 2001). Social equity is also impacted because of the inaccessibility to employment and other necessary public services. The ERDF is designed specifically to target these inefficiencies which in turn improves territorial cohesion within and among member states, underlying the importance of this research to understand the influence of these programs in the interior Portuguese context.

1.4 Research Objective

Taking the focus of equitable access to employment, the research objective is to explain the extent to which investments in human capital, under the 2014-2020 ERDF - *Employment and Economic Valorisation of Endogenous Resources program*, influence the competitiveness of SMEs in Lezíria do Tejo.

1.5 Main Research Question and Research Sub-Questions:

How do investments in human capital under the PROVERE announcement influence the competitiveness of SMEs in Lezíria do Tejo, with a special focus on equitable access to employment?

- How has the program influenced SME investments in human capital in Lezíria do Tejo?
- How has the program influenced SME competitiveness in Lezíria do Tejo?
 - What types of investments in human capital to achieve SME Competitiveness allow for equitable access to employment?

Chapter 2: Theory Review

2.1 State of the art of the concepts of study

The following chapter begins with a brief overview of the defining debate which inspired the conception of territorial cohesion providing the basis for understanding the guiding intention behind the use of the European Structural Funds. Within this section, territorialism is redefined through a new regionalism perspective where the perception of soft space requires a supranational

body that can guide investments through a shared ideology. Territorial capital is presented to be able to assess resources and potentials that are distinct to a geographically bounded area. The focus area of this research hypothesis is that under the cohesion condition investments in human capital which influence SME competitiveness have an implication on equitable access to employment given the scattered distribution of the enterprises. Human capital is an intangible resource within the definition of territorial capital fundamental in harnessing the competitive thrust companies need to participate in the market. The final three sections expand on the definitions of human capital and SME competitiveness.

2.2 Territorial Cohesion: The European Debate on Conceptualization

Territorial cohesion is a widely debated, ambiguous concept that implies economic, social, and territorial considerations. Incorporating dimensions of sustainability, territorial cohesion generally argues for a focus on development opportunities to encourage cooperation and networking through the process of assessing localized strengths and forming targeted socio-economic policy instruments (Faludi, 2004).

The notion of territorial cohesion began with the EU treaty aimed at the balanced development of the union aligning social and economic objectives. The origins of the concept can be traced back to the French regional capacity-building approach *aménagement du Territoire* because it draws from an integrated policy approach that reflects the spatial impact of community policy in the regional planning framework.

Skeptical of a European Union interventionist role, the German federal advisory council on spatial planning contributed several recommendations on European planning. This shifted the perspective on territorial cohesion towards a focus on general economic interest, supporting a regulative planning approach that addresses the limitation of a strictly bottom-up approach (Faludi, 2004; Zonneveld and Waterhout, 2005). The principle of ‘single-pot funding’ was strongly supported by the UK because it allowed for little commission involvement and autonomous regional spending of the subsidy which enabled regional capacity-building (Zonneveld and Waterhout, 2005).

Territorial cohesion is also regarded as having coordinating properties to reduce undesired side effects of sectoral policy. The Dutch saw territorial cohesion as an opportunity to increase coordination among member states through a transnational network that evokes structural arrangements of sectoral and development policy to facilitate European social and economic development (Zonneveld and Waterhout, 2005).

The discussion on the conceptualization of territorial cohesion provides the basis for understanding the implications of the multi-level governance system guiding the use of the structural funds in Europe. Territorial cohesion is a significant fiscal agreement in devolution deals between the union and each of its members which collaborate in forming an integrated policy approach to enhance regional capacity-building programs. The agreements provide an opportunity for policy to be coordinated among member states facilitating sustainable development achievements. Greater agreements on economic interests are prioritized to social ones which are held to a more local ideology which is harder to coordinate.

Spatial planning is not a synonym for Territorial Cohesion, the concept goes beyond space into place describing the complex, nonlinear process of reducing inequalities through structural arrangements and financial incentives to achieve a harmonious sustainable social and economic development (Faludi, 2004; Zonneveld and Waterhout, 2005). Rooted in intertwined principles of equity and economic progress, territorial cohesion cannot be limited to land because it questions boundaries as containers of development.

2.3 Territorialism

In the European context, the discussion regarding relationships among levels of government is referred to as multilevel governance. Scholte (2000) describes territorialism as ‘that macro social space is wholly organized in terms of units such as districts, towns, provinces, countries and regions,’ which in Faludi (2012; 2013) argues reflects the subsidiarity principle which relates that a central authority is required to delegate tasks that cannot be carried out at local levels. The conceptualization of territorial cohesion rethinks territorialism, the assertion of rights to a territory, in terms of soft space rather than the traditional hard space definition.

The constraints of administration are limited by the boundaries of the unit which does not fully represent the flow of patterns exhibited by the citizens it considers. Soft space refers to the blurring of boundaries that transcends space as the point of departure for people to organize themselves and create a socially, economically, and culturally fabricated place through a series of overlapping networks (Faludi, 2013). This marks a transition in European integration from being between boundaries to being between networks providing the grounds for a supranational body such as the EU to gain jurisdictional authority over weaknesses underpinned by a multilevel governance structure reliant on the subsidiarity principle (Faludi, 2012; Faludi, 2013).

Territorial cohesion promotes the government to plan a more flexible interpretation of the subsidiarity principle that allows for adaptable territorial scales that respond to local preferences and prompt coordination of all governance levels. This reasoning gave way to ‘new regionalism’, an argument in favor of decentralization and empowerment of regions that supports appropriate capacity-building. Linked with nationalism and domestic factors, new regionalism cannot be a distinct alternative to the national interest but rather an instrument to support and enhance the role of the state.

Regionalism is a wide phenomenon to use as an analytical tool therefore Hettne & Derbaum (1998) draw upon the following categories to break down the capacity-building approach. First, intergovernmental regional cooperation is an open-ended process where states act together to form a state-proposed regional integration plan that achieves mutual benefit in a certain field to solve common tasks such as economic growth or access to employment. Second, collective action fuels market and social induced regionalization which refers to the process of individual states merging and mingling forming a single regional economy. Third, regional convergence and coherence is a political sphere that transfers a minimum degree of sovereignty or function to a supranational organ. Fourth, regional identity concerns the shared perception of belonging to a particular community. Independent governments need to pool sovereignty to handle the global challenges national interests face.

The container view overlooks certain relevant constraints of territorial jurisdiction such as the self-determination of citizens to participate in practices and actions that surpass the bounds of a single jurisdiction unit (Shaw, 1997). Territorialism continues to be relevant as bounded territories are a necessary beginning to understand the spiral of human interaction which defines the lengths of place space contains and is addressed by policy. Territorial cohesion through a new regionalist perspective grants authority to the union to guide development at the local level based on a common consensus on the future of Europe. In light of developments in cohesion theory, a need presents itself to assess territorial resources that are both tangible (e.g. workforce, enterprises, capital) and intangible (e.g. human capital, competitiveness, innovation), understanding the underlying trends that determine social access to equitable outcomes that shape modern society.

2.3.1 Territorial Capital

A commonly regarded approach referred to as territorial capital is used to assess a set of intertwined geographically bounded resources both material and immaterial which determine social and economic conditions within a region (Toth, 2015). As Campello states (2009, p.127) “territorial capital refers to all geographically bounded assets of a territorial nature – natural or artificial, material or immaterial, cognitive, social, cultural or strong identity – on which the competitiveness potential and attractiveness of regions and places repose.”

Territories use advantages in economies of scale that reduce transaction costs, the different forms of territorial capital are distinct to an area which make investments in one region more efficient than in another. Territorial capital is regionally specific, determined by several factors including location, size, climate, traditions, natural resources, quality of life, and agglomeration economies; higher returns are generated by specific kinds of investments that use the local assets and potentials more effectively (Capello, et. al, 2009). Persuaded by returns on investment the conceptualization focuses on measurable economic indicators and fails to incorporate measurable social characteristics. Regardless, the potential sources of territorial capital depend on the organization and coordination process of actors in a non-discriminative way to improve territorial cohesion and strengthen local competencies (Toth, 2015)

A constant in most publications is access to employment which is represented by variables within the many forms of capital including social, human, relational, and economic competitiveness. There continue to be many attempts to measure territorial capital and little agreement on the relationship between the elements, equity, and economic competitiveness (Zonneveld and Waterhout, 2005). In the local context of the labor market, competitiveness and an innovative capacity are intangible elements that accumulate through the slow process of individual and collective learning. This process is highly sensitive in spatial terms and is fueled by information, interaction, and investments in research and training which embody the capacity of human capital in local relational networks (Capello, et. al, 2009). Scholars and researchers emphasize the role of human capital which contributes to cooperation, trust, and the quality of human resources which are the most significant factors that make a territory attractive for enterprises (Toth, 2015).

2.3.2 Human Capital

Human capital is an internally created capital available to territories to compete in international markets by both strengthening local activities and attracting foreign ones (Camagni, 2017). Although the use of the concept dates to the beginning of economic theory in the work of W. Petty and A. Smith, there are still many scientific understandings of the nature, status, and role of human capital. The development of the concept has evoked different approaches which range from macroeconomic to microeconomic analysis. Considering the context and scope of this study, the microeconomic perspective is used to understand how investments in human capital influence competitiveness. The microeconomics approach to understanding human capital has two main perspectives to consider (Kucharčíková, 2011).

First, the business perspective categorizes human capital as a business production factor which implies an indirect cost to the company from investing in a qualitative component of labor. Human capital can therefore be defined as the sum of individual skills, knowledge, and experiences generating economic benefit to the organization. Second, the managerial perspective regards human capital as a resource for the organization which gives a specific character. Human capital originates from the human element in a company that can learn, innovate, change, and thinks creatively ensuring long-term market value for the company (Kucharčíková, 2011).

For this analysis, six dimensions are deduced from the two perspectives on human capital microeconomic analysis. The first dimension, employee skills, specifies the expertise required to do a job successfully within a given amount of time. The second dimension, knowledge, refers to the theoretical understanding of the task at hand which can be measured by the level of education or certification that provides in-depth know-how. The third dimension of human capital, individual experiences, is the process of forming a unique perspective from innate or acquired conditions. Fourth, the capability to learn is the process of acquiring new knowledge or skills from past experiences. The fifth dimension is the ability to change or to adapt to the environment through personal development to improve awareness and identity. The sixth and final dimension is the capability to innovate or think creatively which means the practical implementation of ideas that result in new goods, new services, or improved operations.

Endogenous growth theories focus on positive externalities, trade-offs, and spillover effects of a knowledge-based economy arguing in favor of investments in human capital, innovation, and knowledge as these factors contribute significantly to economic growth (Lucas, 1988; Romer, 1990; Kucharčíková, 2011; Capello, 2016; Camagni, 2017). Economists see labor as a commodity and greatly support the perspective of human capital through education parameters which are easily quantified and factored into productivity through statistical analysis.

The technology adoption model from Nelson and Phelps (1996) unmasked those countries with a higher level of the educated population tend to specialize in sectors that require human capital intensity. During the introduction of a technology or innovation, countries specialized in human capital-intensive sectors experience a faster value-added and employment growth in their industries during the transition to the new steady state (Caselli, 1999; Conti and Sulis, 2015). The technology adoption process in a sector is dependent on the skill level of the workforce and the capacity of a firm to adapt to optimal employment adjustments following the input (Samaniego, 2006; Conti and Sulis, 2015).

Influenced by neoliberalism, economic development is supported by the assumption that economic growth induces spillovers to social dimensions which are prioritized over that of direct social equity interventions. New growth theory argues that the production function is affected by endogenous factors such as education, quality of labor, and infrastructure, and not only labor and capital (Kucharčíková, 2011). This research uses the six dimensions deduced from the microeconomics approach to evaluate human capital as a production factor cost or qualitative value that shapes the three pillars of competitiveness explained below.

2.3.3 SME Competitiveness

In a globalized context, there is no spontaneous adjustment to counterbalance a lack of productivity, on that account, restraints from path-dependency force national and regional governance to closely concern themselves with the competitiveness of their production system. The return of the supply-side neoclassical model refers to local competitiveness emerging from traditional economic supply conditions particularly economic capital and labor, local resources, and infrastructure endowment (Camagni, 2017).

Given the large inter-regional integration of labor, regional internal demand is not relevant in the short and long run, but rather regional performance depends on national and international growth demands. This determines which regions outperform others either due to favorable competitive differences or because of a more appropriate sectoral mix, especially in specialized high growth demand sectors. Regional governments are dependent on local assets and potentials such as SMEs competitiveness, therefore growth strategies are aimed at local attractiveness to bring in external

firms and people ultimately enriching the territorial capital of the region within their jurisdiction. Campello (2009) emphasizes that in a globalized context regions within the eurozone are ever more dependent on tailor-made growth paths for the competitiveness of their production systems and are more sensitive to consequences of region-specific growth strategies.

The competitiveness of SMEs gives rise to three fundamental pillars that guide industry innovation: the ability to compete, the ability to connect, and the ability to change (International Trade Center, 2015). The ability to compete relates to the understanding of benchmarks and productivity standards to meet market expectations usually through quantity, quality, time, and cost requirements of their products or services. The ability to connect refers to knowledge transfers occurring from interactions where consumers, suppliers, institutions, and competitors exchange information to improve internal operations usually through a network or platform. This allows the enterprise to develop alliances to gather information from other actors in the market to determine their strategic behavior. The ability to change determines how the firms use the information to anticipate market trends and operational bottlenecks. The last pillar is highly influenced by the human capital skill and innovation added-value and can also be accumulated in forms such as intellectual property.

The definition of small and medium enterprises lies within several criteria namely, size, organization structure, sales value, worth of assets, number of employees, and ownership through innovation and technology (Rahman, 2001; Singh and Garg, 2008). In most SME cases, simple systems and procedures allow for a greater degree of flexibility than in large firms which can produce short decision-making chains and a quicker response to customers' needs. The competitiveness of SMEs in a globalized economy is derived from product quality, cost, low defect rate, delivery, smooth operation flow, and dependable production speed (Carpinetti et al., 2000; Singh and Garg, 2008).

The intangible environment that enables economic actors to work together lays the development path for small and medium-sized enterprises in the same sector to cluster forming risk-sharing networks under which conditions of uncertainty are reduced. According to Camagni (2017), the economic environment is determined by the outcome of a combination of institutions, rules, practices, producers, and policies that form specific creativity that allows for innovation. SMEs face constraints from not dedicating enough attention to develop efficient strategies to cope with their lack of resources, lacking poor innovative capabilities, hence their need to be fiscally supported through enabling programs and policies that increase the ability to compete internationally (Poufinas, et al, 2015).

Economic advantages promoting scale economies originate from connectivity and receptivity which decrease transaction costs and reduce the division of labor. Connectivity describes the pure physical accessibility or ability to collect information, effectively organize transactions, and exchange knowledge. On the other hand, receptivity is the ability to extract the best use or highest benefit from access to information or a collaborative environment (Poufinas, et al, 2015). In an internationalized market, SMEs exploit opportunities to integrate and work with large-scale firms, specializing in supply components to sustain their competitiveness. Benchmarking assets, processes, and performance following best practices in the industry allows SMEs to sustain their competitiveness.

Knowledge and innovation transfers are a constant in the overarching territorial competitiveness literature which distinguishes three strategies in achieving these international competitive advantages by which Singh and Garg (2008) have expanded on. The first is knowledge and innovation management. SMEs develop capabilities to acquire knowledge but have difficulty with

knowledge retention, responsiveness is therefore strained by continuous improvements and barriers from ongoing innovation driven by management performance. The second is development alliances, touched upon above, which allow best practices to be shared among rivals, and integration of information allows coordination of business activities giving rise to partnerships and overall efficiency of value chain improvements. Finally, vendor development or supply-chain information systems allow for mutually beneficial productivity which satisfies end-users needs. Regional growth strategies attempt to nourish local competitiveness potentials using local assets, SME competitiveness is dependent on the investments made in human capital both to motivate their employees and ensure cost-effective decisions. The three pillars of SME competitiveness highlight the key elements which are considered in this research in determining the impact investments in human capital under the ERDF have on employment. The submissive relationship between social and economic interactions was brought to attention by territorial cohesion theory which in a regional context can explain the organizational societal patterns in areas that are undergoing a development convergence.

2.3.4 Equitable Access to Employment

An important aspect often overlooked is the anthropological deviation of human capital, people are attracted to places that offer a good quality of life and a stable working environment. Human capital implies that society gains economic benefit from investments in individuals, most commonly through education although other forms of added-value investments in labor productivity are also considered (Vaizey, 1962; Sweetland, 1996). These investments are determinants of the employment opportunity in a firm as well as the economic valorization firms use to determine the cost of their labor otherwise known as employee wages. The six human capital dimensions which have been defined are used to determine which investments in individuals will generate an added value for the firm increasing competitiveness.

The human rights theory emphasizes the ethical foundation of territorial development which determines the social stance on human equality, justice, and fair treatment of people regardless of their demographics (Standing and Baume, 2000). The literature on social cohesion and sustainable development suggests fairness in the distribution of resources under equal conditions (Burton, 2000a, p. 1970; Dempsey, et al, 2009). Equitable access to employment describes fairness in job creation and economic valorization of contributions, for decision-making to be unbiased and acknowledge the full extent of what individuals have to offer. Within an urban context, an equitable society does not exclude individuals from participating economically, socially, or politically although geographical limitation may reduce access to employment and other fundamental necessities (Pierson, 2002; Ratcliffe, 2000; Barton, 2000; Dempsey, et al, 2009).

Strict employment protection reinforced in Southern European countries contributed to the segmented labor market distinguishing different employment conditions and security categories (Ferrera, 2005; Tavora, 2015). Industries that are human capital intensive undergo a rapid technological change which often requires cutting or upgrading the workforce which allows interventions such as fire costs and labor market unions. Employment protection can delay or create barriers of entry to secure employment for those who haven't finished education or interrupted their careers. Accordingly, employment protection legislation is dependent on the degree to which groups are integrated into the permanent workforce which favors the male breadwinner rather than the new mother or recently graduated student (Rubery et al., 1999; Tavora, 2015).

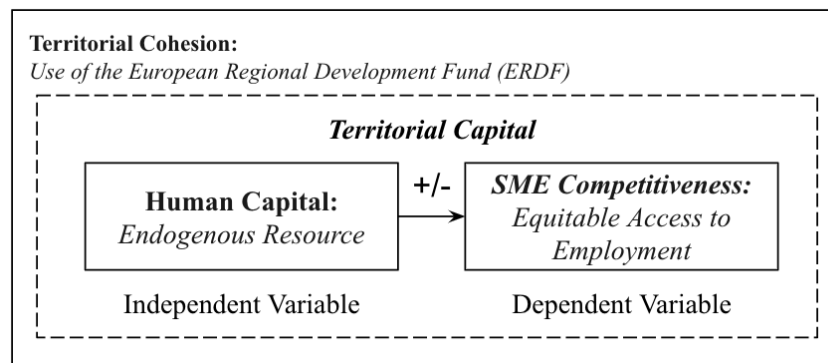
Under the assumption the market is self-regulatory, neoclassical economics argue that employment

discrimination is illogical for employers and may prejudice productivity by unacceptable additional costs or reduced profits (Bennington and Wein, 2000). Cost-effectiveness and efficiency include discrimination costs from not choosing the most qualified human resource. Markets are never perfectly competitive, high segmentation is observed as employers often follow a wide pattern of social discrimination, lacking the knowledge to make rational choices. Human capital arguments for equitable access to employment underline that a wider range of perspectives and experiences brings diversity which adds value to the workforce (Standing and Baume, 2000).

The business case approach for equitable/ anti-discriminatory employment emphasizes that ethics and cost-effectiveness must be considered together, equal opportunities are important to motivate qualified employment. The diversity added value in the workforce should not undervalue women's managerial experience from multiple responsibilities nor any other productive intangible qualities from its human capital (Standing and Baume, 2000). Often, when considering territorial cohesion goals national governments prioritize tangible achievements such as job creation and economic stimulus which should not disregard the underlying social tendencies that drive inequalities in employment.

For this research, a focus will be placed on women and youth access to employment seeing as these are among the vulnerable groups marginalized suffering from weak employment protection and poor integration in the workforce. Equitable return from employment is analyzed through social comparison of inputs (e.g. skill, education, effort) and outcomes (e.g. pay, promotion, job status) to determine their pay-off concerning co-workers (Carrell and Dittrich, 1978). Referring to the income-based approach for determining individual economic equity, the human capital model implies that the population distribution of earnings is determined by added-value generated in labor contributions (Becker and Chiswick 1966; Mincer 1974; Clark, 2003).

2.4 Conceptual Framework



This section explains the conceptual framework developed following the above literature review. Territorial cohesion is a process used by the European union in which member states reach a consensus that guides future economic and social development leading to a convergence of steady-states. Territorialism under a new regionalist perspective grants legitimacy to the supranational body over the EU territory to influence development, strengthen territorial capitals at the lowest administrative level, and design the process accordingly. The focus on equitable access to employment aims to analyze whether the territorial cohesion process is achieving social objectives as well as economic ones. Therefore, the form of territorial capital most relevant for this investigation is human capital. Considering the investments in human capital, under the ERDF, designed to support SME competitiveness,

a greater social impact is expected which can be reflected through the focus area under consideration. This social impact is therefore viewed as a part of SME competitiveness because it is dependent on enterprise decision making.

Chapter 3: Research Design and Methods

3.1 Description of the research design and methods

All decisions taken in this chapter consider the nature of the investigation in explaining investments in human capital under the PROVERE program to influence SME competitiveness in Lezíria do Tejo using a focus of equitable access to employment. Chapter three elaborates on the research design used for this investigation, specifying the research strategy, data collection methods, sample size selection, and the data analysis techniques. This research type is explanatory and uses two strategies, a mix-method survey complemented with desk research. The validity and reliability of the choices made will be explained further on.

3.2 Research Strategy

Using the list of PROVERE beneficiaries from the ERDF budget allocated to Lezíria do Tejo for the period 2014-2020, the research aims to better understand European territorial cohesion

progress in the interior of Portugal with a focus on equitable access to employment. This explanatory type research offers a theory grounded approach to the larger debate on territorial cohesion, structural funds dedicated to economic development are analysed to determine the influence of capacity building on regional territorial capital. The relationship studied derives human capital as an independent variable which intern influences SME competitiveness (dependant variable) under the context of a cohesion program that combines economic and social priorities.

To be able to provide an in-depth analysis, the research uses several strategies to collect data and gather insightful findings. First, the desk research strategy uses existing data to capture certain trends in the investments, patterns in fund allocation, and participant enterprises. In the absence of detailed findings on cohesion processes at the local level, primary data collection is necessary considering the nature of the relationship studied (Thiel, 2014). Second, the main strategy take is a survey enabling the research to focus on conditions for equitable access to employment. Enterprises participating in the PROVERE for the period 2014-2020 are approached to explain the shift in relationship between human capital and SME competitiveness brought about by the investment.

3.3 Data Collection Methods

The secondary data used in the desk research are available on the Alentejo2020 website published by the Alentejo Regional Coordination and Development Commission, CCDRA. The documents referenced include the PROVERE announcement for 2016, the Alentejo2020 list of approved beneficiaries and the annual OP execution. This approach uses standardized indicators constructed by statistical or quantitative data, suitable for deductive or hypothesis-testing research (Thiel, 2014). During the desk research a dataset is created for the period 2014-2020 allowing for a representative analysis of the sample.

The primary data collected quantitative and qualitative data directly from the small and medium enterprises which received financial support from the ERDF, this research gathers information from a large group of respondents. Through a series of clear-cut closed-ended questions taking the form of a written questionnaire and seven semi structured interviews, responses for the operationalized indicators are exhaustive and repeat guaranteeing the information gathered (Thiel, 2014). The research concludes with two semi-structured expert interviews to explain the process enterprises undergo when receiving support from the European Structural Funds. The qualitative in-depth data generated from the interviews allowed for detailed discoveries on access to employment incorporating all aspects considered in the main research question. The mixed method found in the use of a survey strategy in this research allows for data triangulation as different primary sources are used to corroborate the results.

3.4 Data Analysis Techniques

There is a balance between quantitative and qualitative evidence in the data collected justifying the use of different analyses techniques in processing the data. The questionnaire results are quantifiable measures for all indicators disclosed in the operationalization answered by the enterprises which participated in this research. The list of program beneficiaries referenced above allowed for the triangulation of the territorial cohesion vehicle guiding the investments. Quantitative data is analysed through the statistical analysis Software for Statistics and Data Science, Stata, which due to the small non-random sample allowed for a descriptive summary of results.

The interview portion of the analyses provides in-depth texts that profound a selection of indicators supporting relations shown in the questionnaire. The primary data collected through interviews was processed with a computer program designed for qualitative analysis, Atlas.ti. Transcriptions were coded according to the defined indicators using a deductive analysis that provides accounts which support theoretical evidence. The qualitative analyses also examined the announcement guidelines referenced by enterprises when applying to the program among other secondary texts. It is important to recognize that the research topic requires a measure of the influence the operational program has on the relationship between human capital and SME competitiveness in promoting equitable access to employment. The findings generated from the statistical analysis are created according to the trends observed under each indicator which is corroborated with the qualitative portion of the survey. The operationalization considers the present value of human capital within enterprises and the change in SME competitiveness following the investment reflecting a change in access to employment promoted by the fund.

Sampling Size and Selection

The research uses a purposive sampling for SMEs because the selection of the enterprises observed was done through theoretical grounds, the sample is small and was not selected randomly. There are 59 small and medium enterprises in Lezíria do Tejo which have participated in PROVERE from 2014 to 2020. From the enterprises considered in this research 27 responses were collected; 11 enterprises are declared inactive and 8 denied participation resulting in a total of 21 non-responses.

Table 1: Sample Size

Respondents (n)	Inactive	Non-Responses
27	11	21(8)
45.76%	18.64%	35.59%

The interviews are gathered through snowball sampling to determine which respondents are willing to expand on the research. Expert interviews are classified under the condition respondents are familiar with the process of OP conceptualization and the allocation of structural funds in Portugal.

3.5 Validity and Reliability

The findings of this research have a varying degree of reliability due to their mixed strategy and data collection approach. The extensive literature review detailing the evolution of concepts is an important step to provide a valid study both internally and externally. The desk research portion uses quantitative data based on responses which encourages the replication of the research increasing reliability. The research aims for the breadth of depth when using the survey strategy which gives a glimpse into the extensive information hidden behind the data collected (Theil, 2014).

Three main sources of interference with reliability and validity for questionnaires and interviews are operationalization, non-response, and respondents' answering tendencies (Theil, 2014). Non-respondents can endanger the representativeness of the sample when important characteristics of the non-respondents are not proportionally distributed as in the population. There is also a risk for reliability and validity with respondents that display answering tendencies causing them to adapt their answer after becoming aware of the research situation.

Testing the questionnaire is a vital stage for the research, to prevent respondents from not replying truthfully or even going to the extent of being unwilling to participate at all (Theil, 2014). In a

semi-structured interview, there is a close relationship between the questions which were developed and the theoretical framework which ensured the relevance and replicability of the conversation. The operationalization of the concepts into variables and subsequent indicators provides the study with a widely accepted definition and corresponding measurements to properly conduct the research.

Finally, it is necessary to mention the concepts used in this investigation are commonly viewed as ambiguous or broad therefore it is important to consider the scope of the study and the definitions used to define selected variables. This provides a more focused approach to both the data analysis which selects variables relevant for the thematic concentration of the study, equitable access to employment. The reliability and validity of this study benefit from a large population and considers different perspectives or people from various groups involved in the operational program process; such design ensures representativeness and data triangulation (Theil, 2014).

3.6 Operationalization

This section includes detailed definitions of the concepts and variables considered in the operationalization shown by the separate concept tables which summarizes indicators considered in the analysis.

3.6.1 Territorial Cohesion: Use of ERDF 2014-2020

In 1988 the creation of the European Structural Funds supported regional capacity building and was regarded as being a magnification of the French planning doctrine at the European scale (Faludi, 2004; Zonneveld and Waterhout, 2005). The European Commission (2021) defines territorial cohesion as an integrated approach to reduce economic and social disparities between member states which implies sectoral policies coordination from local to European levels. A common consensus on the future of a sustainable Europe grants authority to the commission over financial incentives which guide investment allowing people to take advantage of inherent features of the area in which they live (Faludi, 2012; Faludi, 2013).

The European Regional Development Fund targets economic, social, and environmental problems in urban areas, promoting an integrated region-specific development approach. The fund's 2014-2020 operational programs gave way to Alentejo 2020, a tailor-made development strategy derived from the EU-approved thematic concentration and corresponding guidelines. The operational program five 'employment and economic valorization of endogenous resources, targets local enterprise competitiveness, encouraging local entrepreneurship and facilitating self-induced job creation, the use of the ERDF strengthens both territorial capitals considered in this research (Alentejo2020, 2013).

Table 2: Indicators for European Territorial Cohesion

Concept	Variable	Sub- Variable	Indicator
Concept 1: European Territorial Cohesion	European Regional Development Fund ERDF	<i>Employment and Economic Valorization of Endogenous Resources PROVERE</i>	Indicator 3.2.2-1: Budget applied (€)
			Indicator 3.2.2-2: The proportion of budget qualified (€)
			Indicator 3.2.2-3:

			Type of investment
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The concept of European territorial cohesion is therefore viewed through the use of the ERDF, specifically the variable operational program five which denotes three indicators. First, the budget applied refers to the total investment the applicant believes qualifies for the PROVERE program in euros. The second indicator, the proportion of budget qualified, demonstrated how much of the investment was financed by PROVERE. The third indicator defines the type of investment approved for the SMEs given by a brief description of the project whether it be to expand operations, begin a new enterprise or integrate employment from vulnerable social groups, among other possibilities. The source used for the procurement of these indicators is found in the approved project summary of Alentejo2020.

3.6.2 Human Capital

The endogenous resources considered are classified as human capital which is defined as the added-value investments in labor productivity which reflect economic benefit (Vaizey, 1962; Sweetland, 1996). Enterprises are dependent on their human capital which determines productivity and competitiveness in the technology adoption process (Samaniego, 2006; Conti and Sulis, 2015). Human capital is an intangible good that characterizes individuals' contributions to their work environment. When considering the business and managerial approaches, the depth of human capital captured in the six dimensions explained is used in the research as sub-variables.

Table 3: Indicators for Human Capital

Concept	Variable	Sub- Variable	Indicator
Territorial Capital	Human Capital	Skills	Indicators 3.2.1-1: Employee skills (recruitment evaluation)
			Indicators 3.2.1-2: Job description (required tasks)
		Knowledge	Indicators 3.2.1-3: Employee education level (yrs)
			Indicators 3.2.1-4: Training certification (after recruitment)
		Individual experience	Indicators 3.2.1-5: Past experiences in the same industry and/or position
			Indicators 3.2.1-6: Personal traits (male, female, youth)
		Capability to learn	Indicators 3.2.1-7: Length of employee training
		Capability to	Indicators 3.2.1-8:

		adapt	Tasks accomplished beyond the job description
		Capability to innovate	Indicators 3.2.1-9: Creative ideas to improve operations

3.6.3 SME Competitiveness

Small and Medium enterprises are generally classified due to their size, organization structure, sales value, worth of assets, the number of employees, and ownership through innovation and technology (Rahman, 2001; Singh and Garg, 2008). Equal opportunities motivate qualified employees while diversity provides added value to human capital due to the convergence of different perspectives and a larger pool of skills to harness (Standing and Baume, 2000). The pillars of SME competitiveness are highly reliant on the available skill set of their human capital. Demographics (e.g. men, women, youth) are used to evaluate inputs and outcomes which determine returns of equitable employment for the SME competitiveness providing a focused niche addressed in this research (Carrell and Dittrich, 1978).

Table 4: Indicators for SME Competitiveness

Concept	Variable	Sub- Variable	Indicator
Territorial Capital	Small and Medium Enterprise (SME) Competitiveness - <i>Equitable Access to Employment*</i>	Capacity to Compete	Indicator 3.2.3 - 1: Firm Size (# of Employee)*
			Indicator 3.2.3 - 2: Enterprise certifications, awards, and/or qualifications (#)
			Indicator 3.2.3 - 3: Average Revenue (€/yr)
		Capacity to Connect	Indicator 3.2.3 - 4: Innovation and Knowledge Transfer: Customer Interaction
			Indicator 3.2.3 - 5: Innovation and Knowledge Transfer: Development Alliances
			Indicator 3.2.3 - 6: Innovation and Knowledge Transfer: Vender Development
		Capacity to Change	Indicator 3.2.3 - 7: Achievement of Investment Priority
			Indicator 3.2.3 - 8: Professional Tenure (yrs)*
			Indicator 3.2.3 - 9:

			Employee salary (€/yr)*
Note: Indicators signaled with asterisks need to be categorized by Men, Women, Youth (ages 16-30)			

3.7 Challenges and Limitations

This chapter ends by disclosing the potential challenges and limitations faced during the main phases in the research; operationalization, data collection process, and data analysis. The first challenge encountered lies in the operationalization of the conceptual framework. Divergent development trends and socio-economic conditions under a unionized Europe demand a more concrete conceptualization of territorial cohesion theory. Most of the research developed regarding the phenomenon has been done on macro or meso levels dependent on extensive desk research which is often detached from considerations on social outcomes. Therefore, this research design aims to overcome this challenge using a predominant survey strategy that relies on outcome analysis. Secondly, since the native language is Portuguese there will be some language challenges with developing the survey strategy. For this reason, all questions and responses are to be tested rigorously through a series of pilots.

Keeping in mind the possibility of non-respondents, a challenge of any survey research originated in recruiting or finding the target population which can affect the research data collection and subsequently the results. Summer is not the ideal season for data collection seeing that Portugal has an extensive list of regional holidays which fall within that time. Fieldwork began in July of 2021 and was scheduled to finish in August having to be extended to early November. Additionally, businesses granted their employees two to three-week vacations in August and September turning November into a difficult month due to the work accumulated during past months. The researcher, therefore, dedicated a generous four-month window giving ample opportunity for participants to respond at their leisure. There also may be a challenge with meeting individuals in person due to the circumstances induced by the current global pandemic. These challenges are addressed using digital platforms to engage respondents, the questionnaires were emailed or telephoned while interviews had the option to be done virtually, regardless, in person visits proved to be the most efficient form of data collection.

Lastly, the pandemic has shocked the global economy leading to a steep decline in all countries and sectors but especially in the service industry. With the strict lockdown mandated by the Portuguese government small and medium enterprises faced extreme turbulence keeping operations running, two of the enterprises filed for bankruptcy. This concerns the research sample size because many of the enterprises which received support no longer exist limiting the representativeness of the sample. For this limitation, the researcher needs to choose a lower confidence level for the find impacting validity.

Chapter 4: Research Findings

4.1 Sector representation of respondents

Chapter four aims to answer the research questions and sub-questions giving an overview of the small and medium enterprise survey responses. Beginning with an overview of the PROVERE investment program executed in Lezíria do Tejo, the first part will be complemented with a series of relevant economic indicators and a summary of survey responses. The second part presents both quantitative and qualitative findings from the survey, each section contains a descriptive analysis of all predetermined indicators. Qualitative analysis via SME and field expert interviews are used to support the findings and data triangulation.

4.1.1 Program beneficiaries and survey responses

The notion of co-financing is not a foreign one for enterprises trying to expand or gain a competitive edge. Operational Programs provide a framework of co-financing with the European Union, guiding investment to promote business competitiveness and boost human resources among other conditions for regional growth. The priority axis under consideration, titled Employment and Valorization of Endogenous Resources, received funding from ERDF and ESF, 23 million euros and 58 million euros respectively, accounting for 7.6% of the EU funds allocated to Alentejo (PorAlentejo, 2018).

The distribution of ERDF resources follows two investment priorities from the five associated with the axis. First, granting support for micro-enterprises, self-employment, and business creation. Second, development of endogenous potentials as part of a territorial strategy to convert declining industrial regions providing employment-friendly growth.

In 2019, the Portuguese ministry of economics reported a total of 25,130 enterprises located in Lezíria do Tejo, which is significant of a 1.74% yearly growth rate in the last five years. The resident population in the region is approximately 236,852 persons which have suffered a 0.5 yearly decline since 2011. In line with the three-sector economic model¹, all sectors are present in Lezíria do Tejo and are considered crucial for regional development and employment figures. In 2019, 101,600 persons were reported to be employed in Lezíria do Tejo, 8.8% employed in the primary sector, 29.9% in the secondary sector, and 61.3% in the tertiary sector.

Table 5: Beneficiaries and respondents by sector

Industry Sector	Program Beneficiaries	Questionnaire Respondents
Primary	1.69%	0.00%
Secondary	16.95%	18.52%
Tertiary	81.36%	81.48%

The table above presents the sectoral representation of both the sample population and the questionnaire respondents, which is used as a preliminary division to gain a more specific interpretation of results. This division was determined by the Portuguese classification of economic activity CAE² of each enterprise. Most applicants and respondents belong to the tertiary sector, common activities include car services (15 beneficiaries and 6 respondents), tourism activities including restaurants (9 beneficiaries and 7 respondents), recreational activities such as gyms (5 beneficiaries and 2 respondents), and social support activities such as homes for the elderly (3 beneficiaries and 2 respondents). Although the secondary sector had lower participation, it is worth noting that many beneficiaries in this sector belong to food-related industries or agriculture equipment factories often related to metalwork.

Apart from the questionnaire, a total of 9 interviews were carried out, of which seven are SME interviews and two are expert interviews. The information provided by the respondents is registered under D1 to D9 in compliance with confidentiality agreements. The SME interviews include six tertiary companies (i.e., a hostel, a restaurant, a tourism activity, a gym, a home for the elderly, and a car repair shop) and one secondary (i.e. an agriculture equipment factory). The expert interviews include one from a private consultancy firm that facilitates SME applications to EU-funded programs and the second a POISE agent, from the Social Inclusion and Employment Operational Program.

4.2 SME investments in human capital under the ERDF

The below sections aim to understand human capital investments under the ERDF to influence SME competitiveness. Information from beneficiaries was gathered to analyse the financial

¹ The primary sector is responsible for the extraction of raw materials and is often associated with agriculture and fishing industries. The secondary sector is related to the manufacturing and processing of those raw materials, usually involving heavy machinery. Finally, the tertiary sector is associated with services and commerce for end consumers. (Jalava, 2006)

² Enterprises with multiple CAE may belong to two or more sectors, the percentages used in the table only consider the main economic activity of each enterprise.

support granted by the PROVERE program explaining how the selected enterprise approach human capital influencing competitiveness.

4.2.1 Investment in Lezíria do Tejo under PROVERE

This section is dedicated to profound the analyses on enterprise participation in the PROVERE program. The first subsection referenced below describes the expected support by enterprises prior to the project approval and the actual financial support granted. The second subsection uses the program announcement guidelines to understand the percentage of costs approved for each enterprise. The portion of costs covered under the program depend on a criteria-based formula known as the merit indicator. The last sub-section determines types of investment made under the PROVERE program, deducted from the announcement guidelines an increase in competitiveness here refers to investments made in market strategy.

4.2.1.1 Funding enterprise investments

The initial step when applying to an OP announcement to receive financial support for a certain investment is to consider carefully whether the concept is eligible. Enterprises are required to propose an action plan using their own potentials tailored specifically to the announcement guidelines, each enterprise application must include a cost-benefit analysis of the investment where costs are rigorously specified. The candidates are asked to present an estimate for the costs covered by the announcement which cannot exceed the limit of 2.5% of the total investment proposed in the action plan, with a limit of 200,000 € per year (PROVERE Announcement, 2016).

Table 6: Estimated financial support (in €) ³

	Program Beneficiaries (N)			SME Respondents (n)		
	Total	II	III	Total	II	III
Max	235,000	234,937.80	235,000	235,000	234,773.30	235,000
Min	69,780	111,723.30	69,780	120,770	194,150	120,770
Mean	195,745.90	216703.70	190,005.70	203,263.80	224,326.90	198,476.70
Median	202,205.70	234,511.10	197,422.20	213,890	234,511.10	204,115

The table above presents a synopsis comparing the investment costs estimated to be covered by the program beneficiaries and questionnaire respondents for the period 2014-2020, according to the list of approved operations on the Alentejo2020 platform. The summary statistics show meager discrepancies primarily in the minimum budget estimated for all categories which are at least 50,000 euros lower in the total population than for respondents. Most SME respondents estimated their financial support between 186,000 to 231,000 euros ranging slightly higher for secondary sector enterprises.

³ Table 6 shows the summary statistics for the estimated amount of investment costs thought to be covered by the PROVERE program. The results are divided between program beneficiaries, answers include data for all 59 enterprises in Lezíria do Tejo, and SME respondents, answers include those from the 27 questionnaires, referenced in the annex.

Field technicians are then expected to carry out exhaustive reviews of all applications before approval, this extensive process often takes months before enterprises receive a response. Three out of the seven SMEs interviewed suggested that the time-length associated with becoming a program beneficiary was not parallel to that of the investment, there needed to already exist a means to accomplish the investment regardless of the action plan approval. Respondent D4 explained that the company could carry out the action plan, taking out a loan during the initial stages allowed them to follow through before receiving entree into the program, ending his remark with, *“We'll pay for everything, but what we've noticed is that the company is much more stable than before the project.”* Table 7 below presents the granted support disclaimed in the list of approved operations by Alentejo2020, results do not differ much between the population under consideration and questionnaire respondents.

Table 7: Financial support granted (in €) ⁴

	Program Beneficiaries (N)			SME Respondents (n)		
	Total	II	III	Total	II	III
Max	140,557.00	140,557	127,238	127,238	105,530	127,238
Min	20,934.00	33,517	20,934	45,203	58,245	45,203
Mean	76,499.95	84,207	73,573.83	74,930.33	74,333.4	75,066
Median	70,484.00	70,432	70,484	70,432	70,403	73,272.50

Differences between tables 6 and 7 show that enterprises generally overestimated the financial support expected to cover investment costs. Despite secondary sector enterprises estimated closer to 200,000 euros, their financial support did not vary much from results from the total or tertiary sector averaging around 58,000 to 90,000 euros. Enterprises continued to be unclear on the final support received, the questionnaire revealed that 14.8% of the respondents continued to believe that they received more than what was officially reported (refer to annexed table 1).

4.2.1.2 Criteria for evaluating applications

When considering the action plans, determining “who?” and “how much?” is decided by a criteria-based formula or project merit indicator which embodies the investment priorities put forth by the PROVERE announcement. According to PROVERE (2016), enterprises are required to score 1 point (5% coverage) or higher in all five criteria examined below:

First, results impact and effectiveness measures how well the action plan scores when compared to other applications placing a heavier weight on business initiation that generate income and local employment. Both of the expert interviews emphasize the role of SMEs when considering socio-economic development, respondent D8 expands, *“Through SMEs, we manage to create jobs, isn't it? Therefore, it is possible to leverage the development in the Region.”*

Second, efficiency, quality, and innovation place importance on the physical and financial means of the enterprise to become involved in the proposed activities drawing attention to social

⁴ Table 7 shows the summary statistics for investment costs covered by the PROVERE program. The results are divided between program beneficiaries, answers include data for all 59 enterprises in Lezíria do Tejo, and SME respondents, answers include those from the 27 questionnaires, referenced in the annex.

innovation given the history of the sectoral and territorial context. From the nine interviews two SMEs and both experts expressed a need for investment in Lezíria do Tejo and other underdeveloped areas of the interior, SME interview D7 elaborates, *“Outside the big cities they would have a greater benefit, that is, this same project, if it were developed in Lisbon, would not have as much benefit as it was developed in Santarém or, perhaps, if it were developed in Cartaxo.”*

Third, complementarity and synergies value the culture and practice of partnership and networking considering multiplier effects or the transferable benefits associated with the investment results. Expert interview D8 shared an example that by listening to the region and making the economy circulate, *“There are even some city councils that support, also mediating... it's an incentive to employment, isn't it? to the creation of a job... Therefore, they can partially cut the company's spillage, to encourage the hiring of people.”* The account is referencing the local surcharge tax, paid by enterprises to the municipality the tax can be lowered as an incentive for job creation.

Fourth, takes an integrated territorial approach by examining the scope, transversality, and strategic framework of the presented action plan incorporating certain standards set out by the regional strategy for smart specialization. Expert interview D9 examines that according to her experience working with EU Funds, *“community funds are a launching pad for small and medium-sized businesses in the interior of the country,”* SME interview D5 goes a step further disclaiming, *“Portugal is a subsidy-dependent country. People are being subsidized, they are earning, and then there is a parallel economy... whoever works in restoration... this is a very heavy schedule, it is very complicated.”*

Finally, the fifth criteria, equal opportunities, and gender, considers mechanisms used in the action plan that enable the pursuit of objectives for equal opportunities and gender equality. Expert interview D9 expressed a prioritization of education and training to ensure a grounded employment strategy based solely on merit.

Table 8: Project merit indicator summary ⁵

	Program Beneficiaries (N)			SME Respondents (n)		
	Total	II	III	Total	II	III
Max	80%	60%	85%	55%	45%	50%
Min	30%	30%	30%	30%	30%	30%
Mean	39.15%	38.18%	39%	37%	33%	37.94%
Median	35%	30%	35%	35%	30%	35%

Table 8 presents a descriptive summary for the percentage of granted support over the expected coverage requested by the application, 79% of program beneficiaries received between 30 to 45%

⁵ Table 8 shows the project merit summary statistics for the PROVERE participants. The results are divided between program beneficiaries, answers include data for all 59 enterprises in Lezíria do Tejo, and SME respondents, answers include those from the 27 questionnaires, referenced in the annex.

of the estimated eligible investment costs, with a total of 23 participants receiving 30%. As for the sample 90% received a return of up to half of their expected eligible costs from which 13 respondents received the minimum rate of 30% (refer to the annexed table 2). Interview respondent D6 shared that *“The project at the moment is still 50% of what we set out to do... therefore, with 50% of the work done, we've already achieved the goals we set ourselves up to,”* further stipulating the overestimation of coverage observed by most applications.

4.2.1.3 Type of Investment

After close examination of the investment priorities guiding this program, the five investment types are considered: expansion, entrepreneurship, competitiveness, job creation, and other. Table 9 presents the frequencies for each investment type detailing findings for secondary and tertiary sectors. The questionnaire revealed that regardless of the industry sector approximately 78% of projects held hiring of qualified individuals as central to their investment.

From the interview portion, 6 of the 7 SMEs mentioned job creation in their project, responses varied from 2 to 5 additional human resources following the investment. Two of the SMEs mentioned above incorporated entrepreneurial elements to their proposal executing self-employment strategies. Respondent D7 details, *“Basically, it has to do with creating one's own job, creating one's own work, or the very creation of several jobs.”*

Table 9: Questionnaire investment type frequencies ⁶

	SME Respondents		
	Total	II	III
Expansion	14 (51.85%)	2 (40%)	12(54.55%)
Entrepreneurship	5 (18.52%)	-	5 (22.73%)
Competitiveness	16 (59.26%)	5 (100%)	11 (50%)
Job Creation	21 (77.78%)	4 (80%)	17 (77.27%)
Other	1 (3.7%)	-	1 (4.55%)

The following investment types were included in the stipulated action plans of the sample; 18% used entrepreneurial ventures to establish a new enterprise ultimately fabricating opportunities for self-employment, 52% expanded their current operations, and 59% developed their competitiveness strategy. From the 14 questionnaires identifying their project as an expansion activity, all responded affirmatively to strengthening competitiveness strategies.

The SME interviews all mentioned expansion from either branching to a new service or improving the delivery of existing products and services. Respondents D1 and D7 both branched into other tourism services, to submit the application D1 stated, *“It was thanks to the investment that we were able to change all that and create a new section in the company that is local accommodation.”* Five of the SMEs reported an emphasis on new equipment allowing for vertical integration of operations, D2 expresses, *“We improved the equipment we had ... we're going to have a paint booth as it should be, because we, as we produce equipment, we need to paint.”*

⁶ Table 8 shows the frequencies of SME investments given the categories listed, results include only those from the 27 questionnaires.

Competitiveness strategies played a fundamental role in guaranteeing the success of expansion activities in 5 of the 7 SME interviews. Respondent D2 mentioned, *“We had already outlined our market expansion and we needed equipment to be able to compete ... we tried to be self-sufficient,”* and respondent D6 cheered that the investment, *“increased our turnover because, effectively, we are also going to increase the level of production.”*

4.2.2 Human capital valorization

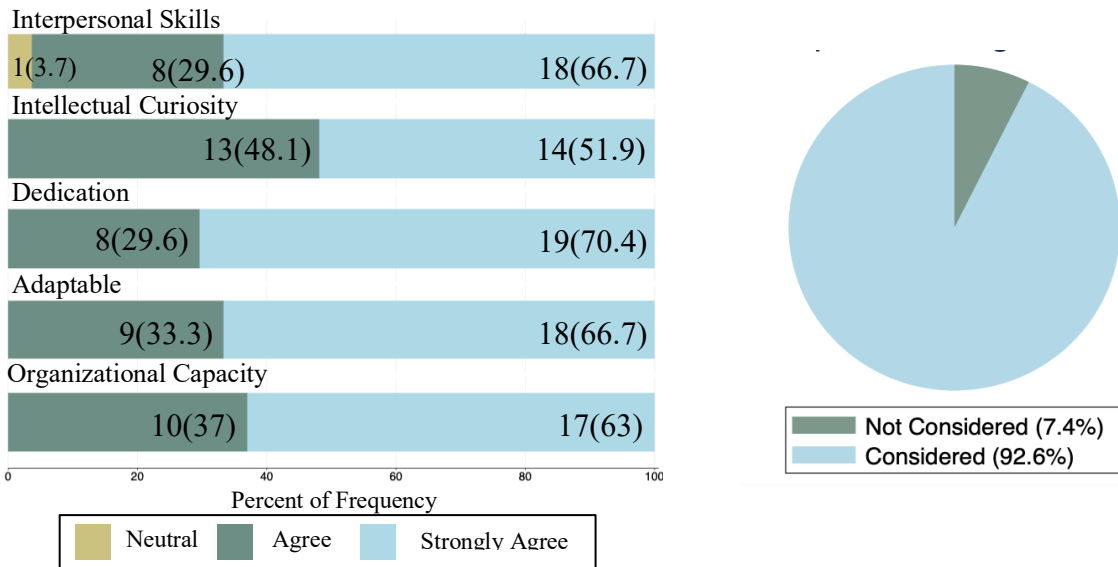
Different enterprise approach their employees differently, the below subsections expand on the human capital of enterprises co-financed by PROVERE. The first three sub-sections cover the human capital accumulated by human resources during the recruitment process. The following three sub-sections, employee training, expected tasks, and changes in job description, are used to determine enterprise investments in human capital after the hiring of new or existing resources. The last three sub-sections explore value-added circumstances in human resource which bring many different perspectives boosting human capital potentials.

4.2.2.1 Employee intangible skills

An important quality craved by employers are those intangible skills which enable individuals to interact among each other and work effectively. Using a Likert scale measuring agreement, enterprises ranked a set of intangible skills indicating very high results for all skills considered, refer to figure 1 below. Answers varied slightly from neutral to strongly agree, ordering the skills according to the frequency of strongly agree: dedication (70.4%), adaptability (67%), interpersonal skills (67%), organizational capacity (63%), and intellectual curiosity (48%). From the 27 questionnaires gathered 93% reported consideration of employee intangible skills during the recruitment process.

The five intangible skills briefly surfaced in the interviews, 6 SMEs indicated that integrity and dedication are fundamental when hiring, D6 says, *“I always look for professionals... I think it's a lot easier when we actually learn something we enjoy... that could be the beginning of the rest of our lives.”* Interpersonal skills proved to hold importance in the interviews, four respondents regarded soft skills to be very important during recruitment, respondents D7 details, *“In our first approach, recruitment, our analysis has to do with social and people skills.”* Three SMEs hinted at intellectual curiosity being important when considering a new hire, D2 expressed, *“We are always looking for people who... are interested, and after learning about our project, want to come and... will be interested in our work.”* Organizational capacity was mentioned in four of the enterprise interviews and two mentioned adaptable while referring to creative solutions generated from their use of human capital.

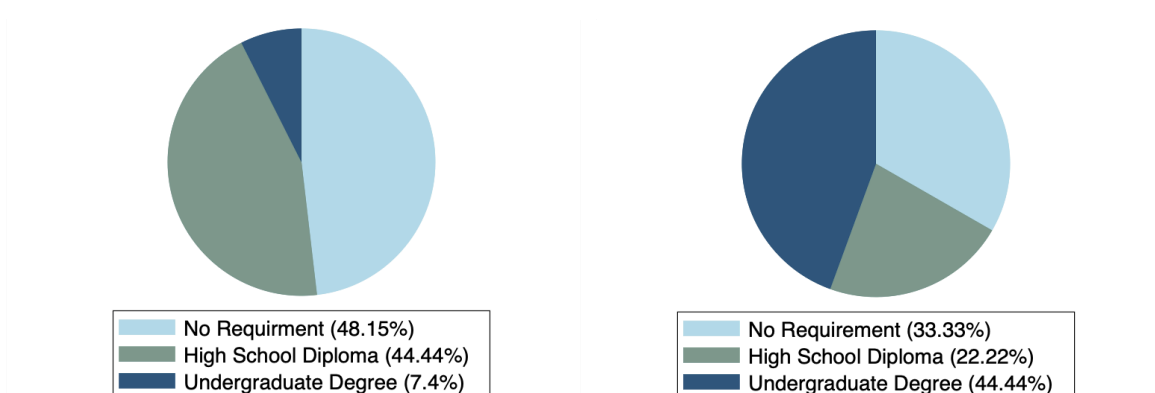
Figures 1-2: Intangible skills considered during recruitment



4.2.2.2 Education level requirements

As an essential component of human capital, this section considers the educational requirements of each questionnaire participant using two categories: floor employee and management. Nearly half of respondents answered that there is no required education for employees working directly with operational tasks, 45% require a high school diploma, and about 7% require an undergraduate degree. As expected, management requires a slightly higher level of education; 45% require an undergraduate degree, 22% require a high school diploma, and the remaining 33% have no requirements.

Figure 3-4: Employee education and Management education



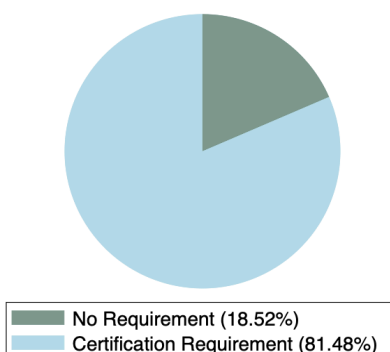
Secondary firms tend to value higher education, 40% require an undergraduate degree for floor employees and 46% require an undergraduate degree for management positions. Enterprises working in the secondary sector have lower educational requirements, 60% have no requirements for their floor workers and 40% require an undergraduate degree for management. (Refer to annexed figures 5-8). During the interview portion, education was not referenced frequently, regardless 3 of the respondents imposed the perspective that higher education is not a synonym for a hard-working employee. Interview D4 shared dissatisfaction when hiring a past employee saying, “*She had a degree in communication, she didn't want to answer the phone... for God's*

sake! I need someone to help me.”

4.2.2.3 Vocational training

Another common form of education is vocational training, individuals can enroll in courses at the local vocational center to acquire knowledge, skills, and forms of behavior required to carry out a set of professional functions. The questionnaire states that 82% of respondents required a certification from the vocational center or an equivalent qualification, industry sectors hold similar representativeness (annexed figures 9-10).

Figure 5: Vocational training

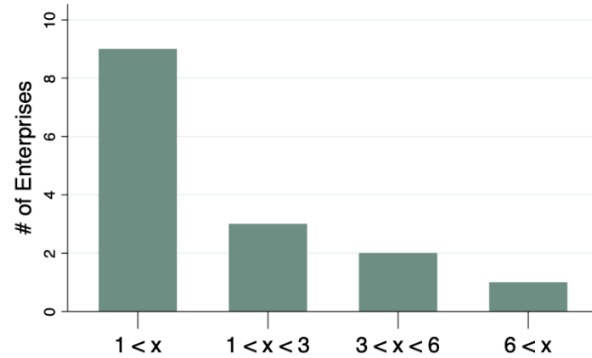
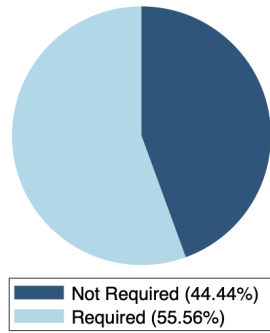


To facilitate employment opportunities for their students many vocational centers offer a complementary service where enterprises are invited for recruitment expos. D5 remembered during recruitment, “*We went to hotel schools, we went to Fátima, we went to Caldas, here in Santarém... we went to job centers and we always tried to look for young people with little or no experience.*” Four of the SME interviews revealed that their best employees usually come from the training centers, two go on to say that they prefer to employ staff directly from the training center with little or no previous experience.

4.2.2.4 Duration of employee training

It is often customary when starting a job to undergo a training period giving the new employee time to gain their bearings on designated responsibilities. Fifty-six percent of questionnaire respondents agreed the enterprise has a period of adjustment where prospective employees are taught what they are expected to deliver (see figure 6). The respondents who confirmed were also asked the duration of the period; 33% answered less than a month, 11% between one and three months, 7% between three and six months, and 4% over six months (see figure 7). In the secondary industry sector, 80% required employee training with most companies answering less than one month (annex figures 11-12). Responses from enterprises in the tertiary sector share similar frequencies as the total sample (annex figures 13-14).

Figure 6-7: Employee training and training duration in months

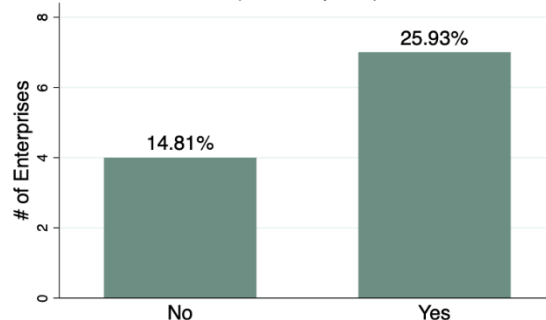
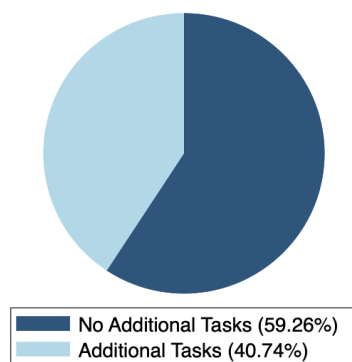


Investments in human capital can take the form of employee training where a company dedicates time, energy, and resources to prepare their recruits. Interviews D2 and D6 mentioned a ‘shadowing’ system where new hires follow and observe existing employees, D6 insists that “every day... [trainees] will make mistakes, and do, and make mistakes, and see others doing... it’s what makes them good professionals.” Similarly, D3 also referred to shadowing practices going a step further by treating this as a probationary period to figure out if the individual is a good fit. Respondent D3 says that this period is detailed in the contract of employment saying, “this probation period is legally imposed, for three months, maybe it could even be extended a little longer for effective contracts.”

4.2.2.5 Expected tasks

Small and medium enterprises often rely on a limited workforce which allows for a rigorous analyses of employee contributions. Given the context, the commonality of employees voluntarily taking on additional tasks was considered. The below graphs reveal that 40% of employers believe their staff goes beyond their job description daily, but only 26% of those employers have a determined strategy to compensate them for their extra input. Responses divided by industry sector did not generate different findings (annex figures 15-18).

Figure 8-9: Tasks beyond job description and compensation



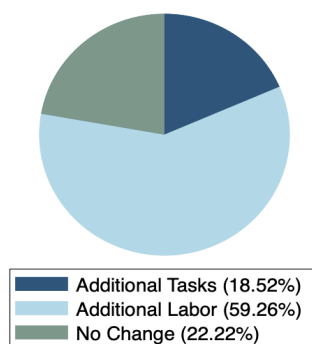
Going above and beyond is a common trait sought out by the enterprises interviewed, D1 explained that since the business is a family-owned one, it is usual to become overwhelmed by the load of work and therefore it is necessary his employees can support each other. Another two SME interviews suggested that there can be benefits from voluntarily accomplishing additional tasks such as early checkout, late check-in, or monetary compensation. An example from respondents

D5, “I mean responsibilities of dealing with suppliers to place orders, having the responsibility of counting the cash at the end of the day... So, there are people who have those responsibilities, those get paid a little bit more.”

4.2.2.6 Changes in employee job description

The investment typology incorporated in the program will increase tasks within the enterprise insinuating a potential change in the employee job description. Referring to the table below, the questionnaire indicates that 59% needed to employ new human resources to fulfill additional tasks, 19% expanded the job description of their existing human resources, and the remaining 22% did not experience a significant change when incorporating tasks generated by the investment. The sector analysis for this question shows that the secondary sector tended to expand the job description of existing labor (40%) while the tertiary sector veered more towards hiring additional resources to take on new tasks (68%), see annexed figures 19-20.

Figure 10: Changes in employee job description following the investment

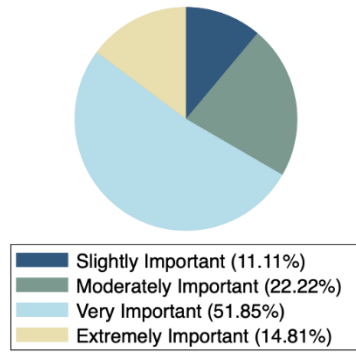


Most of the interview respondents referenced employing additional labor as was mentioned above. When addressing matters of additional tasks two of the SMEs mentioned a restructuring of employee schedules to incorporate more shifts, D5 explains, “Now, there are three shifts, the morning, the afternoon, and the night,” another two SMEs mentioned that their ‘back-office’ tasks had increased, D3 supported the term claiming that employees needed to play to their strengths by supporting each other in light of mutual objectives.

4.2.2.7 Employee experience

In the recruitment stage it is typical for the potential hire to present a summary of past work experience which organizations use to determine interest. Two-thirds of the enterprises reported high levels of importance when considering recruits past work history, refer to graph 6. The industry sector analysis shows similar proportions refer to annexed figures 21-22.

Figure 11: Employee experience

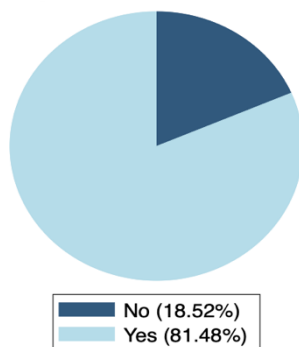


Although experience can bring certain advantages to a company, it is also hard to adapt an established professional to a new working environment. From the SMEs interviewed, three believed experience is necessary to a certain degree. D5 relied on employee trust built along the years to assign fundamental tasks. D7 preferred to hire individuals with some experience for the high-ranking positions. The three respondents pointed out that too much experience can root deep values in professionals that are hard to change in compliance with company guidelines referred to as a sort of ‘addiction’, D6 elaborates “*When we hire a person with more experience, many times it also... the experience brings, it brings addictions.*” Notably the repeated use of the word addiction gives a negative connotation to the habits formed by employees with outside experience.

4.2.2.8 Creative Ideas

Human resources can generate creative ideas which are often used to improve operations and provide the company with new advantages. About 82% of questionnaire respondents confirmed incorporating ideas suggested by their employees, the same is true for the industry sectors (annex figures 23-24). When determining the type of creative ideas implemented; 52% used outreach strategies put forth, 41% took on ideas which increased efficiency, 41% ventured into new products and/or services, and 22% reported the use of other types of employee ideas. The industry sectors results are similar with a small difference in operation efficiency where secondary firms reported a higher frequency of implementing operational efficiency solutions, 60% vs 36% in tertiary.

Figure 12 and table 10: Creative ideas and Type of creative ideas



	Total	II	III
Customer Outreach	14 51.85%	2 40%	12 54.55%
Operation Efficiency	11 40.74%	3 60%	8 36.36%
Products / Services	11 40.74%	2 40%	9 40.91%
Other	6 22.22%	1 20%	5 22.73%

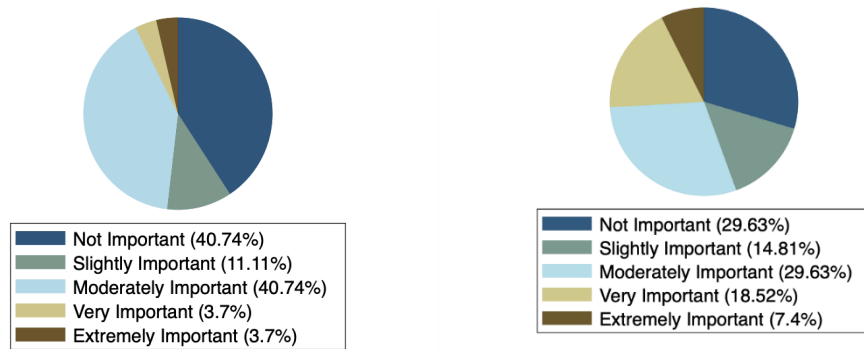
The interviewees had similar perspectives when asked about creative ideas put forth by employees. Management from two of the SMEs interviewed commented that when they are presented with a

problem, it is common to gather all the employees and collectively brainstorm for solutions. Interview D5 explains “we sit down, we brainstorm... and everyone contributes,” interview D7 expands “[management] puts problems on the table, in meetings, so that [the employees] themselves develop this competence... quality of developing or presenting solutions.” Three of the interviewees after acknowledging that ideas are ‘always welcomed’ disclaimed that someone with too many ideas is often distracted by their thoughts and does not accomplish necessary tasks. Interview D4 paints a blatant image saying, “Sometimes there are ideas that people have to improve the way they work, then yes, sometimes it works better; and sometimes it's better to keep what we had, isn't it?”

4.2.2.9 Personal traits

In the light of the research focus area questionnaire respondents measured importance of the following three personal traits; male, female, and youth. Enterprises responded positively to hiring women and youth professionals, having a relatively neutral position when considering men, refer to figures 7-8. In the industry sector analysis, both sectors showed an increase in favor of women employees, although secondary firms suggested a more neutral opinion than tertiary firms (annex figures 23-26).

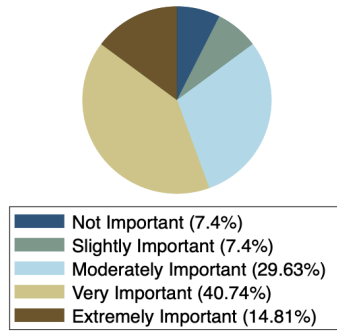
Figures 13-14: Employing male professionals and female Professionals



The enterprises interviewed displayed a persistent indifference when considering the gender of their employees, recognizing little differences in contribution. Regardless, enterprises admit to prefer a balance between genders in the work place claiming that the labor availability in the area does not permit it. Three SMEs pointed out a common reality explained by D6, “The big problem is... that there are no women learning this type of profession. Because we are talking about specific professions.”

Enterprises show a higher level of importance when considering the hire of young professionals than either gender trait. Summing extremely and very important frequencies for each professional group reveal that about 56% consider the hiring of youth to be of high importance, 26% for hiring females, and 8% for hiring males. The industry sector analysis shows similar findings, referred to annexed figures 29-30.

Figure 15: Youth Professionals



Employing youth can provide added benefits to either an already established business or a newly opened one, four interviews shared that hiring young professionals is central to their recruitment strategy. Certain advantages referenced by the interviews include bringing new ideas, learning fast, and having a can-do attitude. Interviewee D6 said, “the youth group is very important in a company: young people bring an elixir of freshness” and Interviewee D3 noticed that, “*young people are able to learn, but in this workshop, the way we want [them] to work, and it becomes much easier for us.*”

4.2.3 SME Competitiveness with a focus on employment

This section focuses on enterprise competitiveness before and after the co-financed investment, the subsections are divided using the three competitiveness pillars: capacity to compete, capacity to connect, and capacity to change. Within each pillar are a set of three indicators which incorporate quantifiable measures of each capacity studying human resources and equity conditions. The first sub-section observes changes in enterprise size measured by both quantity of human resources and average revenue. Gender and youth participation are referenced under the firm size which considers the firm size according to the demographics chosen by the research focus area. Diversity promotes human capital efficiency strengthening the ability to compete. The second sub-section examines changes in SME engagement with market stakeholders namely customers, suppliers, and competitors. The last sub-section is largely influenced by the research focus area, the conceptualization of the ability to change relates to the value assigned to human resources including evolution of contractual status and salary. An accumulation of in-house human capital is generated by human resource retention implying a strong ability to change. The investment priorities are also referenced as an indicator to evaluate participants agreement with the PROVERE guiding principle after having carried out the action plan.

4.2.3.1 Capacity to compete

Firm Size

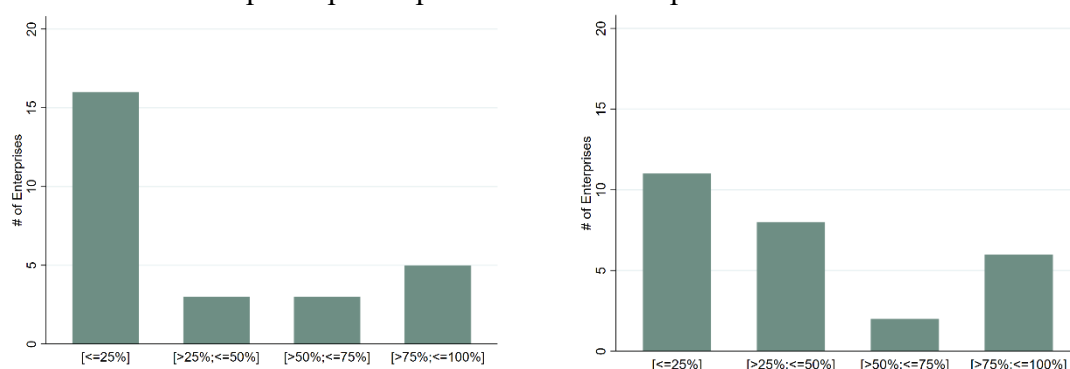
Following the EU firm size recommendation for classifying SMEs, all enterprises in this sample are either micro or small with results from the investment varying between these two categories, refer to the table below. Before the execution of the action plan enterprises staffed either less than 10 employees (56%) or staffed between ten to fifty employees (44%). Firms from the secondary sector did not experience a change in size following the investment while 23% of tertiary firms grew their firm from micro to small enterprises.

Table 11: Firm size pre-investment

	Pre-Investment			Post-Investment		
	Total	II	III	Total	II	III
Micro Enterprises	15 55.56%	1 20%	14 63.64%	10 37.04%	1 20%	9 40.91%
Small Enterprises	12 44.44%	4 80%	8 36.36%	17 62.96%	4 80%	13 59.09%

Although the program announcement only covered the costs associated with three new hires, four of the six SME interviews which reported hiring additional labor claimed to have surpassed the announcement requisite. Respondent D7 explains, “*I think it was around 7 jobs. We only submitted three. There was a reprogramming of the project, we only put three.*” Interview D3 hired four new resources and D5 managed to hire over 12 employees following the investment. Respondents D1 and D4 are both tertiary micro firms which mentioned hiring less than three human resources. Using the focus area given in this section, the questionnaire uses a bar chart to understand changes in the proportion of employees based on personal trait. As presented in figures 16-17, distribution of female employees is reported to be closer to 50% post-investment indicating a higher degree of staff diversification. The same conclusion is derived in the industry sector analysis before and after investment.

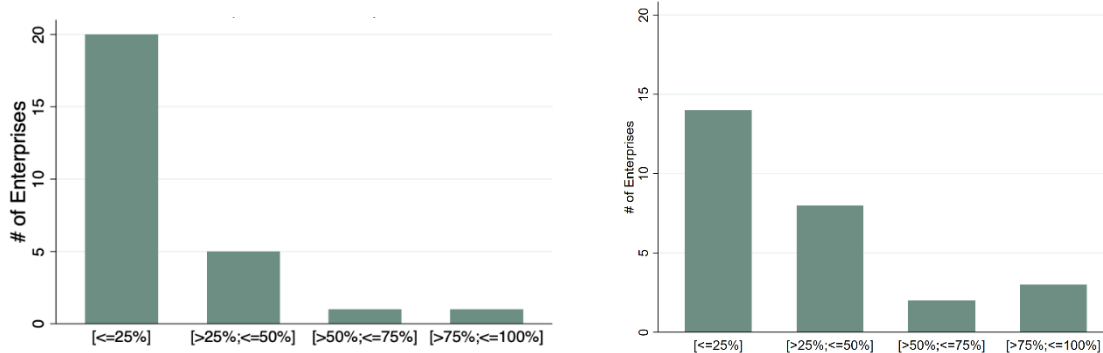
Figures 16-17: Female participation pre-investment and post-investment



Interviews reveal that regardless of gender, it is difficult to find qualified individuals due to the lack of available workforce, respondent D3 explains, “*Because we live in a place that, in terms of supply... is very little, isn't it? People usually travel to Lisbon to work*”. Therefore, depending on who appears is often what determines the gender proportions within the company, interview D7 recalls previous years having a predominant male workforce while recent years having an equal gender proportion, “*I essentially had a team made up mostly of men and had a smaller population at the level of women... Now I have as many women as men.*”

Referring to the graphs below, youth participation experienced a positive transition from investment, 22% of enterprises increased youth participation having more than 25% youth employment. In the sample, the change was observed in the secondary firms and not tertiary firms.

Figures 18-19: Youth participation pre-investment and post-investment

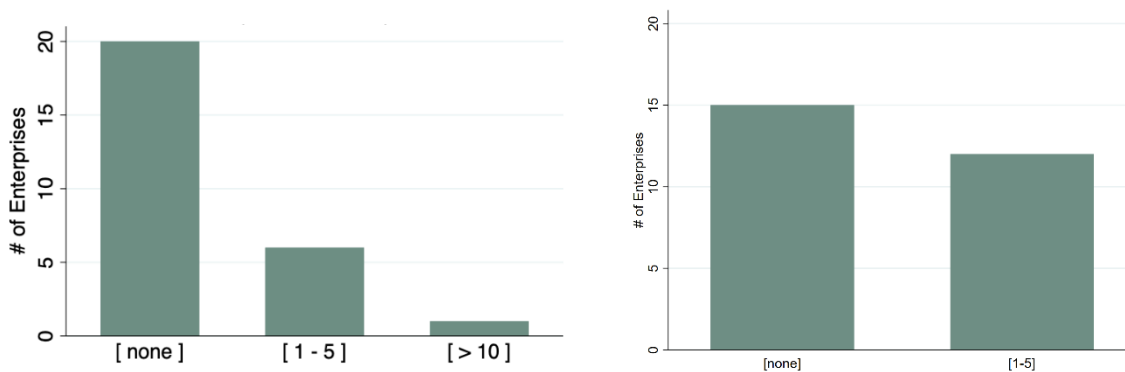


Two of the secondary enterprises interviewed disclosed that most of their team are considered young employees, all under 27 years of age. Respondent D5 shares, “young people are the men and women who work... here at [Enterprise Name]. They are all 19, 20 years old, so 21 years old.” Aspects such as seasonal employment brought on by tourism can also lead to higher youth participation as pointed out by respondent D4, “because they want to earn extra money, right? They don't have work so we can easily get young people to come to work.”

Enterprise Recognitions

Awards, certifications, and qualifications are all valid items for an enterprise to attract peer and customer recognition. The questionnaire asked participants how many items the company has receive before and after the investment, reporting a 15% increase in recognition. There was a larger shift in the tertiary sector than in the secondary sector.

Figures 20-21: Enterprise recognition pre-investment and post-investment

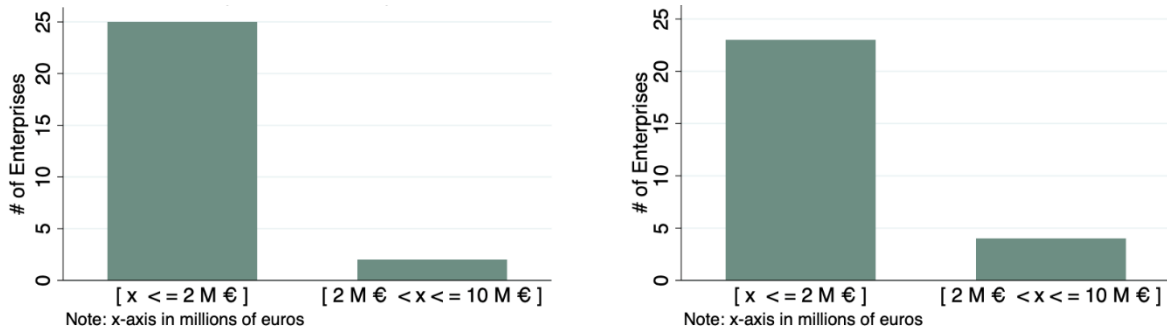


Average Revenue

Using the SME average yearly revenue classifications provided by the European Commission, the sample continues to hold micro-enterprises reporting a yearly revenue below 2 million and small enterprises reporting a yearly revenue between 2 and 10 million. The two industry sectors experience an increase in revenue. Five of the interviews noticed a significant improvement in turnover after the investment, four of which assumed this was a side effect of improved working conditions such as new equipment. Respondent D2 shares that, “*nowadays, with the equipment we have... we have a completely different response capacity.*” Interviewee D6 supports D2’s argument explaining that his company was able to double the earning of each painter after investing in new equipment. Finally, two interviewees recognized that with an increase in employees, revenues

were bound to increase, D4 reiterates, “So the big advantage is that, since I can take many more people, the company can create revenue much faster to guarantee the company's costs.”

Figures 22-23: Average revenue pre-investment and post-investment



4.2.3.2 Capacity to Connect

Customer Interaction

A strategy to reach clients is essential in running a business, the graphs below demonstrate an 18% increase in customer interactions after executing the action plan. From the affirmative questionnaire responses, the use of websites increased 46%, emails and calls rose roughly 12%, and outreach through platforms or applications doubled. According to the industry sector analysis, one of the secondary firms invested in obtaining a platform or application to interact with clients. From the tertiary firms three began outreach through call or email, two invested in platforms and eight launched a website. (Refer to table 12).

Figures 24-25: Customer interaction pre-investment and post-investment



Table 12: Type of customer interaction pre-investment

	Pre-Investment			Pre-Investment		
	Total	II	III	Total	II	III
Website	11	4	7	19	4	15
Email & Call	11	4	7	14	4	10
Platform & Application	3	-	3	6	1	5
Other	8	1	7	8	1	7

The interviews revealed that two of the enterprises valued employee retention because their customers favored places where they see a familiar face, interview D5 says, “if [the customer] is always served by the same person, or by the same group of people, they feel comfort, it feels like home.” Interviews D3 and D6 mentioned their customers were pleased with the speed of operations following the investment, D6 says, “[the enterprise] included services that... that improved the quality of work... the responsiveness.”

Development Alliances

Advantages can be drawn by learning how competitors run similar operations, the graphs below show a 3% increase in development alliances after the investment was made, overall, only about 30% of respondents invest resources to acquire knowledge from their competitors. Approximately 26% of respondents visited competitor websites, 15% interacted via email or call, and one enterprise shared a platform with a competitor.

Figures 26-27: Development alliances pre-investment and post-investment



Table 13: Type of development alliances

	Pre-Investment			Pre-Investment		
	Total	II	III	Total	II	III
Website	7	4	3	6	4	2
Email & Call	4	1	3	5	1	4
Platform & Application	1	-	1	2	-	1
Other	2	1	1	3	1	2

Interview D6 describes the enterprise’s relationship with a larger local competitor saying, “It’s a big, very big company. It’s so big, but at the same time we here end up having to paint their cars anyway because they don’t have the capacity.” Respondents D4 shared he preferred collaborating with competitors when dealing with large events, he explained, “The festival is something that takes a lot of work and little profit. Therefore, I prefer to go to other people’s festivals.” Respondent D7 applied for the program to receive support in opening a franchise referring to it as a “franchise network” which shares benchmarks and best-practice standards.

Vender Development

Strong relationships with suppliers are a sign of healthy business, approximately 78% questionnaire respondents confirmed engaging in vender development after the investment, an increase of 3.7% from before. Results from the industry sector are not significant.

Figures 28-29: Vender development pre-investment and post-investment



The questionnaire indicated that 78% of respondents contacted their suppliers through email or call, 26% contact each other through website, and about 19% share a platform or application. The tertiary sector reported a slight decrease in email/call to suppliers and an 8% increase in the use of shared platform/application. Interview D2 disclosed that their company suffered a retraction of vendor development explaining, “what we used to do was: we gave the service to other companies to do... and nowadays we are more self-sufficient,” the company incorporated the services previously contracted out.

Table 14: Type of vender development pre/post investment

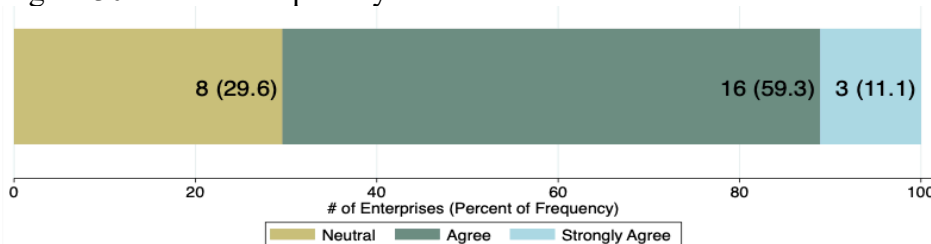
	Pre-Investment			Post-Investment		
	Total	II	III	Total	II	III
Website	7	2	5	7	2	5
Email & Call	17	4	13	16	4	12
Platform & Application	3	-	3	5	-	5
Other	3	1	2	4	1	3

4.2.3-3 Capacity to Change

Achievement of Investment Priority

Using a Likert scale, the questionnaire asked enterprises their level of agreement with the following statement describing the objective of the announcement, ‘Granting support for the development of business incubators and support for self-employment, micro-enterprises and business creation’, for which 70% of respondents showed high levels of agreement. The firm sector analysis revealed that 32% of tertiary enterprises had a neutral stance towards the statement.

Figure 30: Investment priority



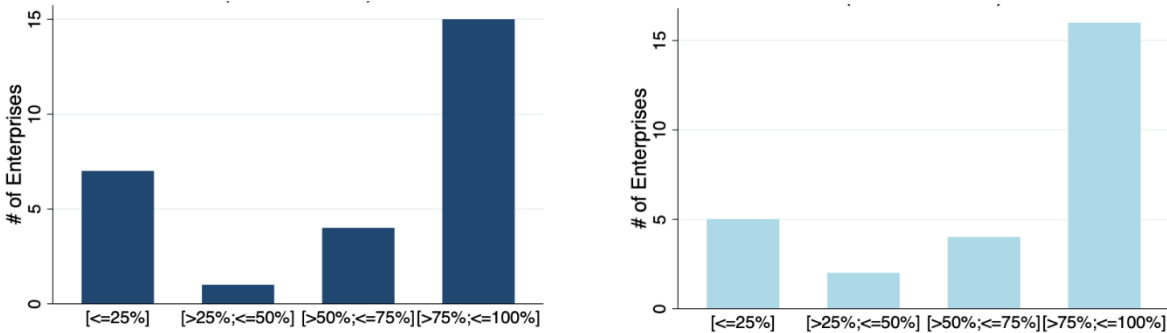
Two of the interviews confirm that this program contributed to their self-employment and three stated the investment created jobs for existing resources, interview D3 clarifies, “We have to fulfill these four vacancies for x time, don't we? But it is clear that people then end up staying with us because they are needed.” Interview D7 gives a less flattering perspective saying, “my belief was

that effectively these projects could have a different impact. And I didn't feel it. I know it's actually the same... it doesn't bring anything new.”

Professional Tenure

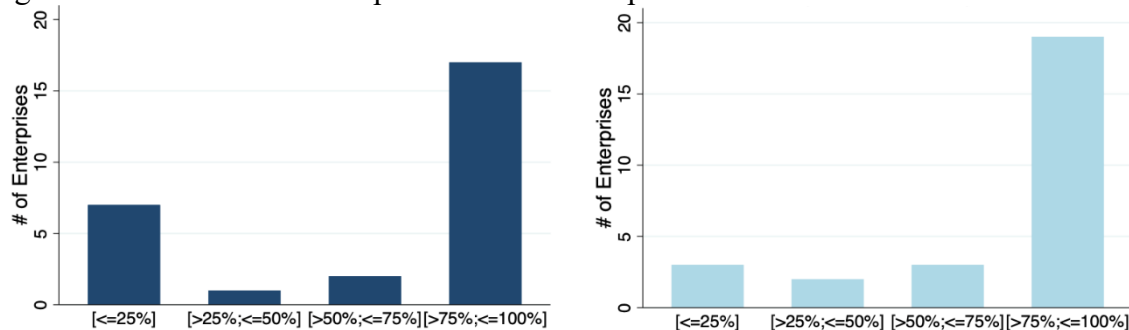
For this investigation, employee tenure takes the form of contractual status differentiating the difference between effective contracts and employment under free-lance conditions. The personal traits considered are used to provide a point of comparison. The questionnaire showed more than fifty percent of respondents contract more than 75 of their staff under a fixed employee contract.

Figures 31-32: Male tenure pre-investment and post-investment



There is evidence suggesting that men are contracted less through effective contracts when compared to women. The four graphs show that women experienced a greater increase in fixed contractual status compared to male professionals after the execution of the investments. The industry sector analysis reveals that secondary firms are in the large part divided between granting contracts, under twenty percent responded to only offering a fixed contract to less than 25% of the employees, while the other eighty percent responded that at least 75% of staff has a contract. Tertiary firms hold similar findings to that of the population.

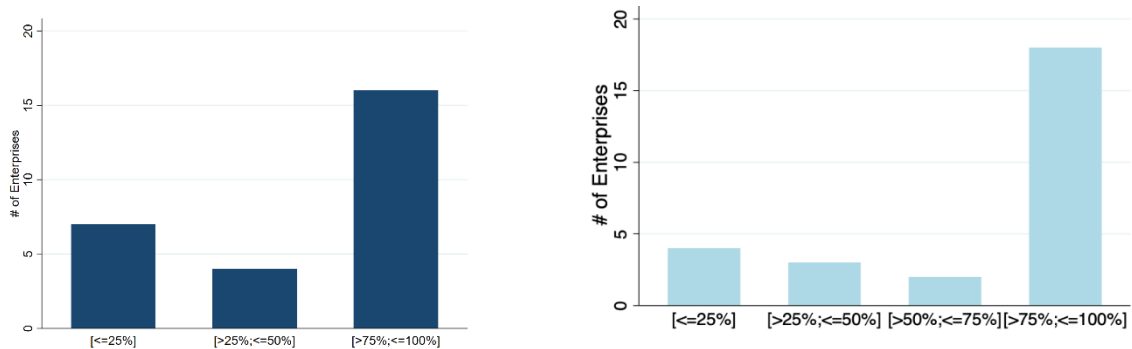
Figures 33-34: Female tenure pre-investment and post-investment



The interviews provided three interesting findings; First, two enterprises mention contracting under training status before transitioning employees to a permanent contractual status, interview D3 said, “So then we have the three months to evaluate the performance. If we are interested, if not.” Second, D1 explains there are certain employment protection measures incorporated in the contract such as firing costs, “If they leave... if we have to send them away, we have to pay.” Third, although most interviews preferred to retain employment through a secure contractual status there was an outlier that recently switched his preference and began hiring free-lancers. Respondent D7

strengthens his argument by saying, “Initially, the gateway, I will say, was through the employment contract. We realized that this was not in the long-term interest of the company.”

Figures 35-36: Youth tenure pre-investment and post-investment

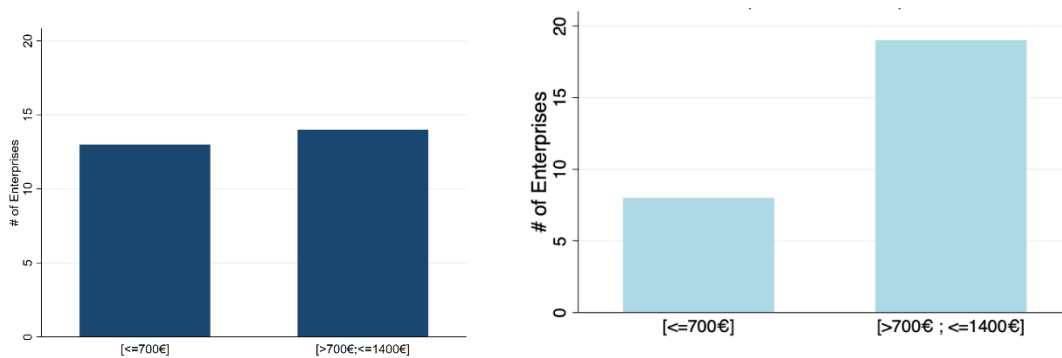


The graphs above demonstrate that following the investment, youth employment also had an increase in contractual status, 67% of enterprises have contractual agreements with over 75% of their youth labor. The interviews insinuated difficulties employing youth labor, SME D4 shares young employees often ask to receive payment under the counter, “*this new generation also wants to receive under the counter, because they think it's good.*” Interviewee D5 shares a similar sentiment by saying, “*I'm here making contracts, and trying to... employ young people, and do something right, and I can't.*” Here the respondent acknowledged that an obstacle in contracting the youth is that workers are used to getting paid under the counter limiting the benefits received by enterprises from employing additional labour.

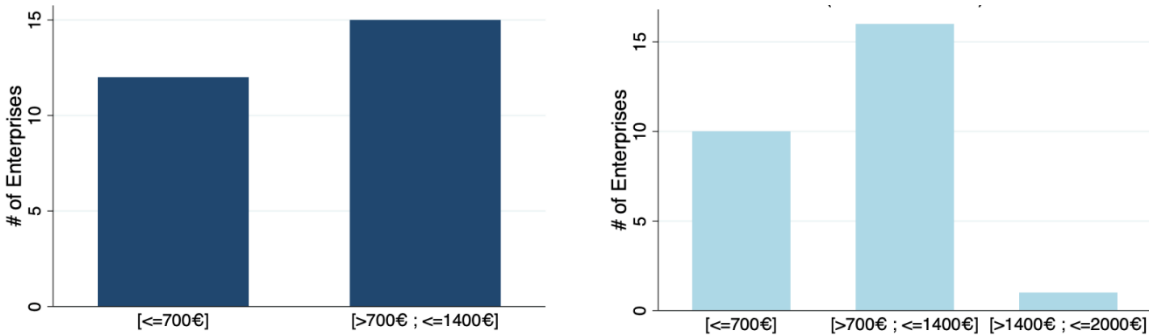
Employee Salary

Following the same divisions as above, for matters of employee wage, both male and female professionals experience an increase in monthly earnings. The questionnaire revealed that 22% of respondents increased male wages to over 700 euros. The secondary firms all reported paying their male professionals above the national minimum wage of 633 euros in 2021. The tables below depict the evolution of wage by gender following the investment, there is a 13% salary increase above minimum wage for women and 36% for men. Secondary firms did not experience a change in female wages.

Figures 37-38: Male wage pre-investment and post-investment

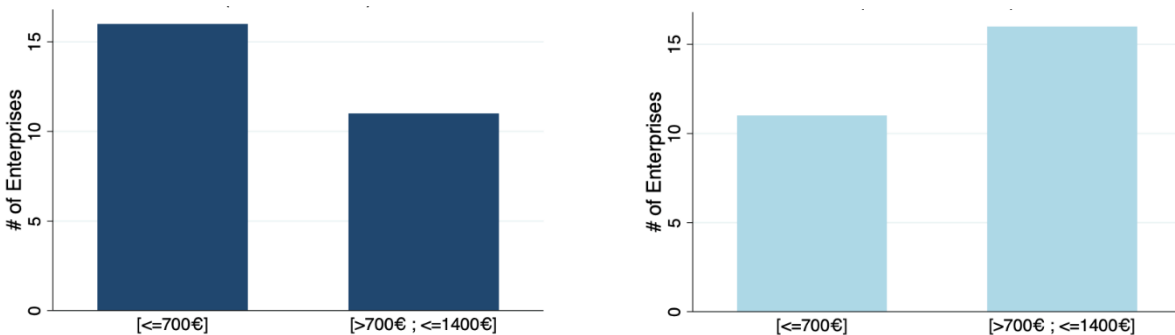


Figures 39-40: Female wage pre-investment and post-investment



Three of the interviews explained that depending on the job description there is a base salary which then evolves along with the professional career of the individual, respondent D2 explains, “each professional category has a base value and then, as we see the performance of employees, then we evolve or not their category.” D1 and D2 expressed that dedication was also accounted for when determining yearly increases, D2 expands by saying, “I have employees in the same category who have different salaries because... I have employees who stand out among the others.” Respondent D3 reports that in their enterprise seniority does not influence salary but rather employee performance.

Figures 41-42: Youth wage pre-investment and post-investment



Youth professionals also receive an increase in salary following the investment, the graphs above show an 11% increase in youth monthly earnings above minimum wage, this holds true for both industry sectors. Overall youth continue to earn less when compared to the rest of the sample, interviewee D6 explains, “If we are hiring a person who comes from the training center, he basically has the minimum wage.” Another insight gathered revealed by enterprise D3 is that hiring young professionals can open opportunities for co-financed salaries, “*I don't know for concrete, concretely, but, for example, the IFP can guarantee... 70% of the salary and the company remaining for x time.*”

4.3 Reflection and Key Discussions

4.3.1 EU coe-funding enterprise investments

An integrated monitoring approach is taken in the design of the operational program, interview D9 points out the objective is a continuity of the investment priorities therefore there must already be an initiative from the candidates. Since the applicants are expected to carry out the AP agreement while awaiting approval, the technical agents can verify that the project is in accordance with what

was predisposed. Interview D8 explained that program beneficiaries can ask for advancements before finalizing the project which can be audited at any moment by a in house technical agent or by an outsourced third-party auditor. A complementary remark from interview D9 reference the program rate of execution which is an indicator used in the regional progress reports to evaluate the success of each OP. Depending on the amount allocated to each program the indicator reports the percentage of the fund used by the approved beneficiaries. The 2014-2020 ESIF annual AOP report (2019) published the execution rate of the PROVERE program at 38% for ERDF and 4.25% for ESF.

As mentioned in the above section each proposed action plan is evaluated using the criteria which was explained, the PROVERE announcement places a greater value on the location of an enterprise rather than its economic activity. In interview D8, the consultants expanded that although there are announcements specifying eligible CAEs most applications are considered based on aspects such as innovation, environmental policy, and employment. The OP's territorial strategy recognized by both experts and D7 suggests that the SME distribution is used as an advantage in territorial development. Interestingly, enterprises have been observed to follow the incentives, D8 divulged, *“There are companies that operate here in Lisbon and that are going to open, for example, their headquarters in other regions of the country, precisely to have more support,”* which was the case for two of the approached program beneficiaries.

4.3.2 Reflection on human capital valorization

The respondents show that human capital of a vocational nature is more frequently hired than that of higher education, 7% of enterprises require an undergraduate degree while 82% require a vocational certificate, refer to figure 3 and 5. There was an even distribution between gender in management positions, professions such as accounting that require hire education were predominantly female, sales and customer service positions are seen as an entrée position often assigned to youth.

The enterprises interviewed believe creative ideas are dependent on employee intangible skills, two SMEs mentioned organizational skills and one adaptability. There were two distinct opinions shared by the interviews when regarding creative ideas, the youth adapt easily to change and are the most frequent to suggest something new while individuals with experience provide better ideas. Participants also acknowledge the value employee training brings to the company, five of the SME interviews referred to training as a sort of investment. Adamant in retaining the return from spending time and resources to employee training, the enterprises look for dedicated recruits that will stay for as long as possible.

4.3.2 SME competitiveness discussion

The three pillars of competitiveness displayed improvements following the investment. Enterprises were able to increase turnover and take on new staff leading to a stronger market position. Changes observed in the capacity to compete hold a stronger emphasis on the quantity of human resources employed rather than generated revenues. A higher degree of staff diversification is noticed following the investment, enterprises with equal gender participation nearly tripled. Interactions with customers, suppliers and competitors also increased after the investment improving the capacity for enterprises to connect. The survey reported that most common connections for SMEs to invest in are customer interactions followed by vender development and then development alliances. The enterprises usually connect via email, call or website, platforms are seldomly used. Another form of interaction referenced in the interviews was word of mouth which enterprises frequently resort to when attracting new customers, starting new partnerships, and becoming aware of local competitors.

There is an increase in contractual employment following the investment indicating a higher rate of human capital retention. Enterprises desire to guarantee mutual security through employee contracts that are frequently used to reward and motivate staff. Four of the interviewees shared that following a yearly assessment of employee performance it is possible for wages to be raised. Although youth participation increased, young professional experienced a smaller increase in wage and contractual status.

Chapter 5: Conclusion and Recommendations

5.1. Main research question

How do investments in human capital under the PROVERE announcement influence the competitiveness of SMEs in Lezíria do Tejo, with a special focus on equitable access to employment?

The capacity to carry out the investment is already within the potential of the enterprise suggesting that local assets are used to realize the ambitions of PROVERE. It is common for enterprises to carry out the most of the investment before receiving financial support, having to bear the full cost can be an obstacle for vulnerable firms. Authors Zonnevld and Waterhout (2005) explain that a regulative planning approach is used to focus on general economic interest. Enterprises can ask for advancements in their financial support however the lack of field technics and bureaucracy involved with the request turns the process time-consuming. Since enterprises are expected to develop an action plan considering the announcement guideline and their specific needs, a regulative approach is used to support regional capacity building. The action plan is therefore seen as a contractual agreement between an enterprise and the OP designed to steer candidate investments towards achieving a set of pre-established objectives and priorities.

The guideline incorporate equal opportunities within the scope of the program by specifying human resource education and training, enterprises are required to hire on a merit basis. Evidence from the survey suggests that most enterprises value diversity between genders acknowledging the advantages different perspectives can bring. On that account, interviews suggest that differences in gender participation are due to a gender-based labor shortage. The amount of human resources assigned to each category is dependent on the size of operations which determines the availability of certain professions. Ferrera (2005) and Tavora (2015) describe that strict employment protection has contributed to the segmentation of labor markets noticed in different employment conditions and terms of security.

Although the results show improvements towards equal gender participation differences in wage and contractual status are observed. Results from the questionnaire show a higher contractual status among female professionals, 18.5% of enterprises do not hold a stable contract with over three-fourths of their male employees while 11% of enterprises hold the same condition for female employees. After the investment, 18.5% of enterprises increased wages for male professionals and only 7.4% of enterprises increased female employee wages. These results explain different gender participation in job categories, contracts with an assigned base salary are a common practice for desk jobs while floor employees can experience a wide range of contractual statuses.

The increase in both indicators suggests a positive influence from the program on local employment. Nevertheless, nearly a third of enterprises continue to pay monthly salaries below 700€: 37% for females and 30% for men.

The results for the employed youth continue to show improvements following the investment, 11% of enterprises increase the contractual status of youth and 18.5% of enterprises increased wages above the minimum wage for their young employees. Enterprises often speak of young employees undergoing a sort of career development evolving from basic tasks to other areas in the operation line. As mentioned before, wages and contractual status are dependent on the employee job category, the interviews expressed difficulty in retaining young employees. The questionnaire resorts that 15% of enterprises do not hold a contract with three-fourths of young employees and 40% pay monthly salaries below 700€ to youth professionals.

5.1.1 Sub-research question 1

How has the program influenced SME investments in human capital in Lezíria do Tejo?

5.1.1 Sub-research question 1

How has the program influenced SME investments in human capital in Lezíria do Tejo?

The program under consideration promotes the diversification of technical competencies to reinforce the respective human potential, enterprises are therefore encouraged to invest in assets that allow for human resource efficiency including the hiring of qualified human resources. Kucharčíková (2011) brought forth the business perspective which recognizes the indirect costs associated with the human capital production factor as investments in the quality of labor. Respondents dedicated substantial time when scouting for recruitment, valuing employee motivation, and intention of holding a long employment term. Emphasis is placed on qualifying labor through in-house training, enterprises want to retain the investment made in training employees by ensuring they will stay on with the company.

There is a general resistance towards hiring an experienced employee due to the accumulation of external knowledge and skills implying a longer period of adapting to company policy. In respect of the personal traits considered, enterprises displayed a strong reaction to employing young professionals because they have less experience, and therefore, are more adaptable and learn easier. Interview respondents disclosed that gender minorities participating in certain professions outperformed the dominant gender bringing in a new perspective and initiative to improve operations. For example, D4 shared that women took better care of the equipment which lowered maintenance costs.

The managerial perspective of Kucharčíková (2011) refers to human capital as a resource that grants a specific character to the enterprise responsible for the way workers interact. Creativity was approached differently by the enterprises which determined the use of at least two techniques: collective brainstorm sessions and suggestions. Although the frequencies in Table 10 do not show a difference in employee idea adoption, the interviews revealed that enterprises tap into their human capital differently. Both respondents using a brainstorming approach pre-defined an area of improvement which then employees are asked to find potential solutions. These enterprises share a few characteristics, they are both tertiary sector services with more than three-fourths of staff under 30 years of age, and both reported a preference in employing individuals with little to no experience. From the three interviews which reported adopting employee suggestions, two are specialized in operating heavy machinery and the other is a secondary firm. It is relevant to acknowledge that the adoption of ideas is dependent on the size of a firm as well as the nature of the service.

5.1.2 Sub-research question 2

How has the program influenced SME competitiveness in Lezíria do Tejo?

In line with Campello (2009), the enterprises satisfied a tailor-made growth strategy developed through the PROVERE program, through the use of a bottom-up approach enterprises managed to achieve region-specific growth. As mentioned, the announcement guideline outlined the eligible costs covered under the program including the contracting of three human resources. The interview responses lead to understanding that regardless of the limit on human resources, the purchase of equipment increased capacity implying a need for additional labor. As discussed in Singh and Garg (2008) the competitiveness of a firm is dependent on keeping a smooth operation flow ensuring a dependable production speed that can generate high-quality products and/or services at a low defect rate. The guideline encourage enterprises to become self-sufficient through the purchase of new equipment and improve their ability to compete covering costs of coordination activities, technical assistance, employee training, and IT equipment.

The program covered the costs of network initiatives including the posting of websites stimulating knowledge transfers with customers, competitors, and suppliers. As discussed in Poufinas, et al, (2015), SMEs need to extract the best use from access to information determining the highest benefit of a collaborative environment. Most enterprises invest in knowledge transfers with customers to transmit information on services and promotions. Considering the informal environment of most SMEs interactions tend to be face to face, the interviews draw a strong relationship between employee intangible skills and knowledge transfers. Enterprise size can be a

limiting factor for enterprises' ability to connect, the competitiveness pillar which showed the least changes after the investment.

To prevent operational bottlenecks and anticipate market trends enterprises benefit from employee retention generating an accumulation of human capital in the form of in-house experience. The interviews mentioned that long-term employees often made the best suggestions when presented with a problem further stipulating the importance of withholding valuable employees. The capacity to change is dependent on this type of intellectual property which incorporates the sum of intangible creations generated by an enterprises' human capital. Investments made under the PROVER showed a higher level of employee retention, there was an increase in contractual status and monthly wages. Tavora (2015) describes that changes in employment conditions insinuate a shift in enterprise valorization of investments in individuals.

5.1.3 Sub-research question 3

What types of investments in human capital to achieve SME Competitiveness allow for equitable access to employment?

Investments identified to have a positive influence on equitable access to employment are expansion and the qualification of human resources. Concerned with making cost-effective decisions, Camigni (2017) states enterprises invest in their human capital to place themselves at a market advantage increasing their competitiveness. Enlarging current operations and branching into additional products/services are the forms of expansion most frequently mentioned by the program participants. Human capital efficiency is often improved during an expansion due to the purchase of new or additional equipment which increases operational productivity. Enterprise expansion often creates new jobs leading to higher availability of local employment.

Enterprises which decide to diversify their activities provide more opportunities for equal gender participation and youth employment since a wider variety of job categories are offered. The chance to progress individual career development within an enterprises is regarded as a form of investment in employee qualification. Such is the case for enterprises looking to promote young labour in their workforce through different positions, fostering long-term participation and an accumulation in human capital. Monitoring the evolution of each employees' professional careers, interviewees ensure equal conditions to motivate employees reporting that noticeable improvements in performance are rewarded either through an increase in wage or another appropriate compensation. Bennington and Wein (2000) divulge that due to the self-regulatory nature of markets employment discrimination implies additional costs and subsequently are not a cost effective decision.

As previously noted, the program guideline includes training costs associated with the qualification of human resources encouraging investment in employee skills and knowledge. During the training period a stable employment is secured since employers are able to recognize recruit dedication and competences guaranteeing the appropriate selection of human resources. A general consensus reached among the interviews is that training staff brings about an added-value to the company which includes the ability to motivate employees. According to authors Vaizey (1962) and Sweetland (1996) economic benefits arise from investment in individuals which increase labor productivity. Investments made in the qualification of employees are congruent with a merit based system which enables equal opportunities for individuals.

5.2 Recommendations

The research dived into cohesion conditioned investments targeting SME competitiveness through human capital resources. As explained above, small and medium enterprises provide several development opportunities therefore it is relevant to further investigate the actions taken in underdeveloped regions. Considering the geographical context, a factor absent from the competitiveness analyses is word-of-mouth where persons exchange information through oral communication. The responses collected sparked curiosity on word-of-mouth exchanges which increase enterprise recognition as well as stimulate a firm's capacity to connect; form new partnerships, bring new customers, and facilitate recruitment.

An important subject that also warrants further investigation, considered to play a fundamental role in establishing local employment characteristics, is the motivations of enterprises and individuals. The sectoral analyses on the recruitment process of enterprises showed different tendencies in contractual preference and employee retention. This initiative can be further developed by applying smaller groups based on explicit CAE to determine how different enterprise types valorize their human capital. The gender distribution within a firm is strongly influenced by the type of profession required given the enterprise activity. Even though enterprises are encouraging gender equality standards, professions that require a good deal of physical exertion continue to be recognized as male-dominant while desk jobs that often require higher education display female dominance.

In addition, despite the general desire among the enterprises to retain young professionals seasonal jobs hold the large share of youth participation. This provides the basis to suggest supplementary research which considers the motivations guiding individual labor choices, understanding the precedent for female professional migration and youth unemployment. Incorporating other personal traits can also be an exciting point of departure, the investigation can further emphasize inclusive employment considering traits such as immigrants, elderly, disabilities, and LGBTQ+.

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PROVERE Announcement, 2016 Convite N° ALT20-28-2016-12

Annexes:

Annex 1: SME Questionnaire

INTRODUCTION:

Dear Reader,

I am an Urban Management and Development master's student at the Institute for Housing and Urban Development Studies (IHS), Erasmus University Rotterdam, Netherlands.

The purpose of this contact is to investigate the extent to which investments in human capital, under the 2014-2020 European Structural and Investment Fund (ESIF), influence the competitiveness of small and medium enterprises in Lezíria do Tejo. Considering that small and medium enterprises are fundamental for sustainable economic development, this research is concerned explicitly with all small and medium enterprises in Lezíria do Tejo that received funds from the operational program, *Employment and Economic Valorisation Endogenous Resources*.

Therefore, the enterprise associated with this email contact is being formally requested to fill out this brief questionnaire of about 20 minutes. Upon completion, if deemed appropriate each participant will be rewarded 30€, which will be transferred to the IBAN specified or donated to a charity of choice. I assure you that all information and personal details collected will remain confidential and will be used exclusively for this research.

SME Questionnaire link:

https://docs.google.com/forms/d/e/1FAIpQLSesxaeGaucogFGemCRD-H4-Fvxu1LeB8qETOiyxstjqr5Uuyw/viewform?usp=sf_link

In the case that assistance is necessary to complete the questionnaire it is possible to schedule a meeting through the google calendar link below:

https://docs.google.com/forms/d/e/1FAIpQLSda8AmR1xuTrrZ51bL5xhNWSAAAt9mIY6BgL9mSiVOVc7Gl9kA/viewform?usp=sf_link

I would also like to invite you to conduct an in-depth interview following the questionnaire for data validation. If you happen to find yourself available for the interview or have any questions, please do not hesitate to contact me through mobile at +351 913 590 556 or email at 590426ad@student.eur.nl.

Thank you very much!

GENERAL INFORMATION:

Indicator	Questions	
Profile: Background	1	What is the name of the enterprise? Answer: [Name]
	2	What CEA code is this enterprise registered under? Answer: [Industry sector]
	3	What year was the enterprise established? Answer: [Year]

1ST VARIABLE: European Structural and Investment Fund (ESIF)

Indicator	Questions	
Indicator 3.2.2-1: Budget applied (€)	4	How much money did this enterprise receive from the Alentejo2020 Operational Program 5 “ <i>Employment and Economic Valorisation of Endogenous Resources</i> ”? Answer 1: [10,000 € - 59,999 €] Answer 2: [60,000 € - 109,999 €] Answer 3: [110,000 € - 159,999 €] Answer 4: [160,000 € - 209,999 €] Answer 5: [210,000 € - 259,999 €]
Indicator 3.2.2-3: Type of Investment	5	What type of investment did this enterprise undergo after receiving the financial support from the operational program? (choose all that apply) Answer 1: Expand current operations Answer 2: Entrepreneurship

	<p>Answer 3: Increase competitiveness</p> <p>Answer 4: Job creation</p> <p>Answer 5: Other</p>
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2ND VARIABLE: Human Capital

Indicator	Questions
Indicators 3.2.1-1: Employee skills (recruitment evaluation)	<p>6 This enterprise values employee interpersonal skills to stimulate internal communication which contributes towards the delivery of their product/service.</p> <p>Answer 1: Totally Agree</p> <p>Answer 2: Agree</p> <p>Answer 3: Neutral</p> <p>Answer 4: Disagree</p> <p>Answer 5: Totally Disagree</p>
	<p>7 This enterprise values employee intellectual curiosity to stimulate continuous improvements which contribute towards the delivery of their product/service.</p> <p>Answer 1: Totally Agree</p> <p>Answer 2: Agree</p> <p>Answer 3: Neutral</p> <p>Answer 4: Disagree</p> <p>Answer 5: Totally Disagree</p>
	<p>8 This enterprise values employee integrity and dedication to stimulating customer trust which contributes towards the delivery of their product/service.</p> <p>Answer 1: Totally Agree</p> <p>Answer 2: Agree</p> <p>Answer 3: Neutral</p> <p>Answer 4: Disagree</p> <p>Answer 5: Totally Disagree</p>
	<p>9 This enterprise values employee flexibility in adapting to changes that contribute towards the delivery of their product/service.</p> <p>Answer 1: Totally Agree</p> <p>Answer 2: Agree</p> <p>Answer 3: Neutral</p> <p>Answer 4: Disagree</p> <p>Answer 5: Totally Disagree</p>
	<p>10 This enterprise values employee organizational capacity to guarantee operations and the delivery of their product/service.</p> <p>Answer 1: Totally Agree</p> <p>Answer 2: Agree</p> <p>Answer 3: Neutral</p> <p>Answer 4: Disagree</p> <p>Answer 5: Totally Disagree</p>

	11	<p>Interpersonal skills // Intellectual curiosity // Integrity and dedication // Flexible, able to adapt // Organizational capacity</p> <p>Are any of the intangible skills listed above included in the recruitment evaluations for this enterprise? Answer 1: Yes Answer 2: No</p>
Indicators 3.2.1-2: Job description (Required Tasks)	12	<p>Has the investment altered the required tasks of the employees working in this enterprise? Answer 1: Yes, the job description of employees includes additional required tasks after the investment. Answer 2: Yes, the company employed additional labor to fulfill additional tasks that emerged after the investment. Answer 3: No, employees' job description does not include additional required tasks after the investment.</p>
Indicators 3.2.1-3: Employee Education Level (yrs)	13	<p>What minimum level of education is required to be an employee in this enterprise? Answer 1: None Answer 2: High school diploma Answer 3: Bachelors Answer 4: Masters and/or higher</p>
	14	<p>What minimum level of education is required to hold a managerial position in this enterprise? Answer 1: None Answer 2: High school diploma Answer 3: Bachelors Answer 4: Masters and/or higher</p>
Indicators 3.2.1-4: Training Certification (After Recruitment)	15	<p>Are employees in this enterprise required to participate in certification programs to learn additional skills or refresh their know-how? Answer 1: No Answer 2: Yes</p>
Indicators 3.2.1-5: Past experiences in the same industry and/or position	16	<p>How important is employee industry and/or job position experience? Answer 1: Extremely important Answer 2: Very important Answer 3: Moderately important Answer 4: Slightly important Answer 5: Not important</p>
Indicators 3.2.1-6: Personal Traits	17	<p>How important is it for this enterprise to employ male professionals? Answer 1: Extremely important Answer 2: Very important Answer 3: Moderately important Answer 4: Slightly important</p>

		Answer 5: Not important
	18	How important is it for this enterprise to employ female professionals? Answer 1: Extremely important Answer 2: Very important Answer 3: Moderately important Answer 4: Slightly important Answer 5: Not important
	19	How important is it for this enterprise to employ young (ages 16-30) professionals? Answer 1: Extremely important Answer 2: Very important Answer 3: Moderately important Answer 4: Slightly important Answer 5: Not important
Indicators 3.2.1-7: Length of employee training	20	Is employee training required in this enterprise? Answer 1: No Answer 2: Yes
	21	If answered yes above, how long does employee training usually take in this enterprise? Answer 1: [under a month] Answer 2: [between one and three months] Answer 3: [between three and six months] Answer 4: [over six months]
Indicators 3.2.1-8: Tasks accomplished beyond the job description	22	Is it common for employees in this enterprise to accomplish tasks beyond their job description? Answer 1: No Answer 2: Yes
	23	If answered yes above, are these employees compensated for accomplishing additional tasks? Answer 1: No Answer 2: Yes
Indicators 3.2.1-9: Creative ideas to improve operations	24	Have employees implemented any creative ideas that have improved the operations of this enterprise? Answer 1: No Answer 2: Yes
	25	If answered yes above, did the implementation of new ideas improve the performance of this enterprise in the following ways (choose all applicable answers): Answer 1: Customer outreach Answer 2: Decrease time requirements for the existing operation Answer 3: Addition of new product/ service Answer 4: Other

3RD VARIABLE: Small and Medium Enterprise (SME) Competitiveness

Sub-Variable: Equitable Access to Employment

Indicator	Questions	
Indicator 3.2.3 - 1: Firm Size (# of Employee)*	26	How many employees (x) does this enterprise currently employ? Answer 1: [$x \leq 10$] Answer 2: [$10 < x \leq 50$] Answer 3: [$50 < x \leq 250$] Answer 4: [$250 < x$]
	27	How many employees (x) did this enterprise employ before the investment? Answer 1: [$x \leq 10$] Answer 2: [$10 < x \leq 50$] Answer 3: [$50 < x \leq 250$] Answer 4: [$250 < x$]
	28	What percentage of female employees does this enterprise currently employ? Answer 1: [$\leq 25\%$] Answer 2: [$> 25\% ; \leq 50\%$] Answer 3: [$> 50\% ; \leq 75\%$] Answer 4: [$> 75\% ; \leq 100\%$]
	29	What percentage of female employees did this enterprise employ before the investment? Answer 1: [$\leq 25\%$] Answer 2: [$> 25\% ; \leq 50\%$] Answer 3: [$> 50\% ; \leq 75\%$] Answer 4: [$> 75\% ; \leq 100\%$]
	30	What percentage of youth employees (ages 16-30) does this enterprise currently employ? Answer 1: [$\leq 25\%$] Answer 2: [$> 25\% ; \leq 50\%$] Answer 3: [$> 50\% ; \leq 75\%$] Answer 4: [$> 75\% ; \leq 100\%$]
	31	What percentage of youth employees (ages 16-30) did this enterprise employ before the investment? Answer 1: [$\leq 25\%$] Answer 2: [$> 25\% ; \leq 50\%$] Answer 3: [$> 50\% ; \leq 75\%$] Answer 4: [$> 75\% ; \leq 100\%$]
Indicator 3.2.3-2: Enterprise certifications, awards, and/or qualifications (#)	32	Has this enterprise received any awards, certifications, and/or qualifications for its operations after the investment, if so how many? Answer 1: [none] Answer 2: [1 - 5] Answer 3: [6 - 10] Answer 4: [> 10]

	33	Had the enterprise received any awards, certifications, and/or qualifications for its operations before the investment, if so how many? Answer 1: [none] Answer 2: [1 - 5] Answer 3: [6 - 10] Answer 4: [> 10]
Indicator 3.2.3-3: Average Revenue (€/yr)	34	What bracket corresponds to the current average yearly revenue (x) of this enterprise? Answer 1: [$x \leq 2$ million €] Answer 2: [2 million € < x ≤ 10 million €] Answer 3: [10 million € < x ≤ 50 million€] Answer 4: [50 million € ≤ x]
	35	What bracket corresponds to the average yearly revenue (x) of this enterprise before the investmet? Answer 1: [$x \leq 2$ million €] Answer 2: [2 million € < x ≤ 10 million €] Answer 3: [10 million € < x ≤ 50 million€] Answer 4: [50 million € ≤ x]
Indicator 3.2.3-4: Innovation and Knowledge Transfer: Customer Interaction	36	Does this enterprise engage its <i>customers</i> to transmit or receive any relevant information? Answer 1: No Answer 2: Yes
	37	If answered yes above, which of the following is used to engage <i>customers</i> of this enterprise? Answer 1: Website Answer 2: Email and/or calls outreach Answer 3: Platform and/or application Answer 4: Other
	38	Did this enterprise engage its <i>customers</i> to transmit or receive any relevant information before the investment? Answer 1: No Answer 2: Yes
	39	If answered yes above, which of the following is used to engage <i>customers</i> of this enterprise? Answer 1: Website Answer 2: Email and/or calls outreach Answer 3: Platform and/or application Answer 4: Other
Indicator 3.2.3-5: Innovation and Knowledge Transfer: Development Alliances	40	Does this enterprise engage its <i>competitors</i> to transmit or receive any relevant information? Answer 1: No Answer 2: Yes
	41	If answered yes above, which of the following is used to engage <i>competitors</i> of this enterprise?

		<p>Answer 1: Website Answer 2: Email and/or calls outreach Answer 3: Platform and/or application Answer 4: Other</p>
	42	<p>Did this enterprise engage its <i>competitors</i> to transmit or receive any relevant information before the investment? Answer 1: No Answer 2: Yes</p>
	43	<p>If answered yes above, which of the following is used to engage <i>competitors</i> of this enterprise? Answer 1: Website Answer 2: Email and/or calls outreach Answer 3: Platform and/or application Answer 4: Other</p>
Indicator 3.2.3-6: Innovation and Knowledge Transfer: Vender Development	44	<p>Does this enterprise engage its <i>suppliers</i> to transmit or receive any relevant information? Answer 1: No Answer 2: Yes</p>
	45	<p>If answered yes above, which of the following is used to engage <i>suppliers</i> of this enterprise? Answer 1: Website Answer 2: Email and/or calls outreach Answer 3: Platform and/or application Answer 4: Other</p>
	46	<p>Did this enterprise engage its <i>suppliers</i> to transmit or receive any relevant information before the investment? Answer 1: No Answer 2: Yes</p>
	47	<p>If answered yes above, which of the following is used to engage <i>suppliers</i> of this enterprise? Answer 1: Website Answer 2: Email and/or calls outreach Answer 3: Platform and/or application Answer 4: Other</p>
Indicator 3.2.3-7: Achievement of Investment Priority	48	<p>How would you rate the following statement based on the investment that took place under the operation program?</p> <p><i>‘Granting support for the development of business incubators and support for self-employment, micro-enterprises and business creation’</i></p> <p>Answer 1: Strongly Agree Answer 2: Agree Answer 3: Neutral Answer 4: Disagree</p>

		Answer 5: Strongly Disagree
Indicator 3.2.3-8: Professional Tenure (%) *	49	From the total male employees working in this enterprise, which percentage corresponds to those employed under a fixed contract and not through freelancing? Answer 1: [<= 25 %] Answer 2: [> 25 % ; <= 50 %] Answer 3: [> 50 % ; <= 75 %] Answer 4: [> 75 % ; <= 100 %]
	50	From the total male employees working in this enterprise before the investment, which percentage corresponds to those employed under a fixed contract and not through freelancing? Answer 1: [<= 25 %] Answer 2: [> 25 % ; <= 50 %] Answer 3: [> 50 % ; <= 75 %] Answer 4: [> 75 % ; <= 100 %]
	51	From the total female employees working in this enterprise, which percentage corresponds to those employed under a fixed contract and not through freelancing? Answer 1: [<= 25 %] Answer 2: [> 25 % ; <= 50 %] Answer 3: [> 50 % ; <= 75 %] Answer 4: [> 75 % ; <= 100 %]
	52	From the total female employees working in this enterprise before the investment, which percentage corresponds to those employed under a fixed contract and not through freelancing? Answer 1: [<= 25 %] Answer 2: [> 25 % ; <= 50 %] Answer 3: [> 50 % ; <= 75 %] Answer 4: [> 75 % ; <= 100 %]
	53	From the total youth employees (ages 16-30) working in this enterprise, which percentage corresponds to those employed under a fixed contract and not through freelancing? Answer 1: [<= 25 %] Answer 2: [> 25 % ; <= 50 %] Answer 3: [> 50 % ; <= 75 %] Answer 4: [> 75 % ; <= 100 %]
	54	From the total youth employees (ages 16-30) working in this enterprise before the investment, which percentage corresponds to those employed under a fixed contract and not through freelancing? Answer 1: [<= 25 %]

		<p>Answer 2: [> 25 % ; <= 50 %]</p> <p>Answer 3: [> 50 % ; <= 75 %]</p> <p>Answer 4: [> 75 % ; <= 100 %]</p>
Indicator 3.2.3-9: Employee salary (€/month) *	55	<p>What bracket corresponds to the average male employee monthly wage (x) in this enterprise?</p> <p>Answer 1: [<= 700.00 €]</p> <p>Answer 2: [> 700.00 € ; <= 1,400.00 €]</p> <p>Answer 3: [> 1,400.00 € ; <= 2,100.00 €]</p> <p>Answer 4: [> 2,000.00 €]</p>
	56	<p>What bracket corresponds to the average male employee monthly wage (x) in this enterprise before the investment?</p> <p>Answer 1: [<= 700.00 €]</p> <p>Answer 2: [> 700.00 € ; <= 1,400.00 €]</p> <p>Answer 3: [> 1,400.00 € ; <= 2,100.00 €]</p> <p>Answer 4: [> 2,000.00 €]</p>
	57	<p>What bracket corresponds to the average women employee wage (x) in this enterprise?</p> <p>Answer 1: [<= 700.00 €]</p> <p>Answer 2: [> 700.00 € ; <= 1,400.00 €]</p> <p>Answer 3: [> 1,400.00 € ; <= 2,100.00 €]</p> <p>Answer 4: [> 2,000.00 €]</p>
	58	<p>What bracket corresponds to the average women employee wage (x) in this enterprise before the investment?</p> <p>Answer 1: [<= 700.00 €]</p> <p>Answer 2: [> 700.00 € ; <= 1,400.00 €]</p> <p>Answer 3: [> 1,400.00 € ; <= 2,100.00 €]</p> <p>Answer 4: [> 2,000.00 €]</p>
	59	<p>What bracket corresponds to the average youth (ages 16-30) employee wage (x) in this enterprise?</p> <p>Answer 1: [<= 700.00 €]</p> <p>Answer 2: [> 700.00 € ; <= 1,400.00 €]</p> <p>Answer 3: [> 1,400.00 € ; <= 2,100.00 €]</p> <p>Answer 4: [> 2,000.00 €]</p>
	60	<p>What bracket corresponds to the average youth (ages 16-30) employee wage (x) in this enterprise before the investment?</p> <p>Answer 1: [<= 700.00 €]</p> <p>Answer 2: [> 700.00 € ; <= 1,400.00 €]</p> <p>Answer 3: [> 1,400.00 € ; <= 2,100.00 €]</p> <p>Answer 4: [> 2,000.00 €]</p>
<p>Note: Indicators signaled with asterisks need to be categorized by Men, Women, and Youth (ages 16-30)</p>		

Annex 2: SME Interview Guide

INTERVIEW E-MAIL:

Subject: [*Thesis Interview for ENTERPRISE NAME*]

Dear Reader,

Thank you for responding to the questionnaire developed for the small and medium enterprises in Lezíria do Tejo which participated in the Alentejo operational program, axis 5 - “Employment and Economic Valorisation of Endogenous Resources”. I would also like to sincerely thank you for your further collaboration in this investigation through an interview.

This interview is designed to understand the impact of the investment on the enterprise considering a specific focus on the following target groups: women, men, and youth ranging from ages 16 to 30. I assure you that all information and personal details collected will remain confidential and will be used exclusively for this research.

Depending on your availability, I would like to schedule a zoom conference call, for this week or the following, to carry out the interview which will last approximately 30min. Please be sure to respond with your preferred time and date.

I look forward to hearing back from you.

Thank you very much!

Sincerely,

Ana-Maria Dias

INTRODUCTION:

Good afternoon.

Thank you very much for your time. I am Ana-Maria Dias, an Urban Management and Development master’s student at the Institute for Housing and Urban Development Studies (IHS), Erasmus University Rotterdam, Netherlands.

This research is concerned with the extent to which social benefits are extracted from economic incentives. The purpose of this interview is to investigate the extent to which investments in human capital, under the European Structural and Investment Fund (ESIF), influence the competitiveness of small and medium enterprises in Lezíria do Tejo. It is relevant for this investigation to understand the impact the investment had on the enterprise considering a specific focus on the following target groups; women, men, and youth ranging from ages 16 to 30.

The interview is estimated to last about 30 min, it consists of three variables, and has approximately ten questions. Before beginning, I would like to ask for your permission to record

the interview? I assure you that all information and personal details collected will remain confidential and will be used exclusively for this research.

1ST VARIABLE: European Structural and Investment Fund (ESIF)

The first section is made up to understand the type of investment made with the financial support of the program.

Indicator	Questions	
Indicator 3.2.2-3: Type of Investment	1	According to the investment made, could you tell me more about this project? What was done with the money received? What were the goals of the project? Answer: ...
	2	What kind of change in performance were you looking for? Did you notice any kind of change after the investment occurred? Answer: ...

2ND VARIABLE: Human Capital

The second section is to understand the enterprise demands when valuing the human capital of the three target groups mentioned.

Indicator	Questions	
Indicators 3.2.1-6: Personal Traits	3	Did the investment made have any special focus on employing women or youth? If so, please explain the focus taken? Answer: ...
	4	Are there any advantages that this enterprise has for hiring male, female, and youth (ages 16-30) professionals? Are there any disadvantages? Answer: ...
Indicators 3.2.1-8: Tasks accomplished beyond the job description	5	How are tasks split between men and women in this enterprise? Answer: ... What tasks are generally assigned to youth working in this enterprise? Answer: ... Did you notice any kind of change after the investment occurred? Answer: ...
	6	Do you find any differences in the contribution that men, women, or youth make in the enterprise? Can you explain? Answer: ...

Indicators 3.2.1-5: Past experiences in the same industry and/or position	7	Do you feel that certain groups within the enterprise do better? If so, which ones? Why? Answer: Women / Men / Youth
Indicators 3.2.1-9: Creative ideas to improve operations	8	Did you, for instance, find, as a result of your investment (or strategy), that people were coming up with more creative ideas? If so, what kind of ideas and who? Answer: Women / Men / Youth How did these creative ideas contribute to improved performance? Answer: Women / Men / Youth

3RD VARIABLE: Small and Medium Enterprise (SME) Competitiveness

Sub-Variable: Equitable Access to Employment

The final section will go deeper into SME competitiveness and the changes brought on by the investment using a focus on equitable access to employment.

Indicator	Questions	
Indicator 3.2.3 - 1: Firm Size (# of Employee)*	9	What is the reason for the number of women working in this enterprise versus the number of men? Answer: ... What is the reason for the number of youth working in this enterprise? Answer: ... Has this changed following the investment? Answer: ...
Indicator 3.2.3-8: Professional Tenure (%) *	10	Between freelance and a stable contract, what determines the contractual status of employees working in this enterprise? Why do you think this division exists? Answer: ... Which qualities do you look for in employees when granting a stable contract? Answer: ... Following the investment, has the performance of a certain employee stood out? If so, how? Answer: ...
	11	How would you describe the contractual status of the majority of male employees working in the enterprise versus female employees? And for youth employees? Answer: ... Has the situation changed following the investment?

		Answer: ...
Indicator 3.2.3-9: Employee salary (€/month) *	12	What determines the wage of employees working in this enterprise? Answer: ... Is the situation different between male and female employees? And for youth employees? Answer: ... Has the situation changed following the investment? Answer: ...
Sub-Variable: Equitable Access to Employment	13	How, if at all, has the investment approved by the operational program contributed towards access to employment? Can you explain? Answer: ...

Thank you for taking the time out of your day to answer these questions. If you have any questions for me please do not hesitate to contact me at a.m.debarrosdias@gmail.com.

Annex 3: Expert Interview Guide I

Interviewee: Local SME Consultant

Subject: [*Expert Interview: SME Consultant*]

Dear Reader,

My name is Ana-Maria Dias, I am an Urban Management and Development master's student at the Institute for Housing and Urban Development Studies (IHS), Erasmus University Rotterdam, Netherlands.

I am currently conducting fieldwork for my thesis which investigates the extent to which investments under the European Structural and Investment Fund (ESIF), influence the competitiveness of small and medium enterprises in Lezíria do Tejo, and as a result, stimulate job creation. Therefore, this research concentrates on the Alentejo Operational Program's ability to guide investments in Lezíria do Tejo to attain economic and social goals in the region.

The purpose of this contact is to secure a short interview with a local SME consultant that has an understanding of the approval process for Alentejo2020 participants in Lezíria do Tejo. Please let me know if you would be available to schedule a conference call at the earliest convenience.

I look forward to hearing back from you.

Thank you very much!

Sincerely,

Ana-Maria Dias

INTRODUCTION:

Good afternoon.

Thank you very much for your time. I am Ana-Maria Dias, an Urban Management and Development master's student at the Institute for Housing and Urban Development Studies (IHS), Erasmus University Rotterdam, Netherlands.

My thesis investigates the extent to which investments under the European Structural and Investment Fund (ESIF), influence the competitiveness of small and medium enterprises in Lezíria do Tejo, and as a result, stimulate job creation. This research concentrates on the Alentejo Operational Program's ability to guide investments in Lezíria do Tejo to attain economic and social goals in the region.

The interview is estimated to take up to 30min and will consist of approximately seven to ten questions. I assure you that all information and personal details collected will remain confidential and will be used exclusively for this research. Do you have any questions at this point?

I would like to take this time to thank you for your time and participation, it is greatly appreciated. Before beginning, I would like to ask for your permission to record the interview.

INTERVIEW GUIDE:	
1	Do you mind providing a summary of the process most SMEs undertake when applying to regional operational programs? How does your service facilitate the process? Answer: ...
2	Are the investment decisions influenced by the investment priorities and thematic concentrations specified by the operational program axes? If so, how? Answer: ...
3	Are there any major challenges for SMEs when applying to these programs? If so, what are the challenges? Answer: ...
4	How would you evaluate the CCDR performance to make funds available for SMEs? Answer: ...
5	What would you say is the role SMEs play in regional development? Answer: ...

6	How would you characterize SME performance in Lezíria do Tejo? Answer: ...
7	What are the challenges SMEs pose when implementing financial incentive programs? Answer: ...
8	In your opinion, how are SMEs used to stimulate job creation especially in the interior of Portugal? Answer: ...
9	When thinking about job creation, do you think that these programs which are financed by the EU Funds contribute in any way to jobs for the youth? Or higher wages for their employees? Answer: ...
10	What criteria are used to determine which SMEs receive financial support for their investments? Answer: ...
11	In your experience, does the location of an SME influence the approval of the financial support received? If so, can you explain further? Answer: ...
12	In your experience, does the industry sector of an SME influence the approval of the financial support received? If so, can you explain further? Answer: ...
13	Generally, is there a particular industry sector that receives more or less support than others? Answer: ...
14	Are the SMEs that participate in the program eligible to receive support from multiple funds (SCF and ERDF)? How does this work? Answer: ...
15	Are there multiple applications required when considering a multi-fund project? What are the limitations? Answer: ...
16	Is the progress of the programs being monitored? If so, how? Answer: ...
17	Is the execution of the program by the enterprises being monitored? If so, how? Answer: ...

18

Do you have any ending remarks for our conversation today?
Answer: ...

Thank you for taking the time out of your day to answer these questions. If you have any questions for me please do not hesitate to contact me at 590426ad@student.eur.nl. I would also like to send you my final thesis in case the institution finds it helpful.

Annex 4: Expert Interview Guide II

Interviewee: Intermunicipal Community of Lezíria do Tejo (CIMLT)
INTERVIEW EMAIL:

Subject: [*Thesis Expert Interview from CIMLT*]

Dear Reader,

My name is Ana-Maria Dias, I am an Urban Management and Development master's student at the Institute for Housing and Urban Development Studies (IHS), Erasmus University Rotterdam, Netherlands.

I am currently conducting fieldwork for my thesis which investigates the extent to which investments in human capital, under the European Structural and Investment Fund (ESIF), influence the competitiveness of small and medium enterprises in Lezíria do Tejo.

This research concentrates on the Alentejo operational program axis 5 titled "Employment and Economic Valorisation of Endogenous Resources" due to its attention to both economic and social goals in the region.

The purpose of this contact is to secure a short interview with a CIMLT representative with a sufficient understanding of the approval process for participants in Lezíria do Tejo. Could you please let me know if either you or a colleague would be available to schedule a conference call at the earliest convenience?

I look forward to hearing back from you.

Thank you very much!

Sincerely,

Ana-Maria Dias

INTRODUCTION:

Good afternoon.

Thank you very much for your time. I am Ana-Maria Dias, an Urban Management and Development master's student at the Institute for Housing and Urban Development Studies (IHS), Erasmus University Rotterdam, Netherlands.

I am currently conducting fieldwork for my thesis which investigates the extent to which investments in human capital, under the European Structural and Investment Fund (ESIF), influence the competitiveness of small and medium enterprises in Lezíria do Tejo. This research has a unique focus on equitable access to employment and therefore, the Alentejo operational program axis 5 titled "Employment and Economic Valorisation of Endogenous Resources" is particularly interesting to the research due to its attention to both economic and social goals.

The interview is estimated to take up to 30min and will consist of approximately seven to ten questions. I assure you that all information and personal details collected will remain confidential and will be used exclusively for this research. Do you have any questions at this point?

I would like to take this time to thank you for your time and participation, it is greatly appreciated. Before beginning, I would like to ask for your permission to record the interview.

INTERVIEW GUIDE:	
1	Do you mind elaborating on the use of both the Social Cohesion Fund and the European Regional Development Fund in the Alentejo operational program - axis 5 "Employment and Economic Valorization of Endogenous Resources"? The investment priorities used? The goals and objectives driving the program? Answer: ...
2	There seems to be a predominant focus on SMEs, what is the role they play in regional development? What is the role SMEs play in social cohesion? Answer: ... How would you characterize SME performance in Lezíria do Tejo? Answer: ... What are the challenges of implementing these financial incentive programs? Answer: ...
3	What criteria are used to determine which SMEs receive financial support for their investments? Answer: ... Is there a specific geographical consideration that determines the financial support SMEs receive? Is the location of the SME considered? Answer: ... How about the industry sector the SMEs are classified under, is this considered when determining the financial support received? Answer: ...

4	Are the SMEs that participate in the program eligible to receive support from both funds (SCF and ERDF)? Answer: ... What determines whether the SME receives support from either the SCF or ERDF? Answer: ...
5	How is human capital measured? And the human capital potential following the investment? Answer: ...
6	Is the progress of the program being monitored? If so, how? Answer: ...
7	Is this program expected to contribute towards equitable access to employment in Lezíria do Tejo for both women and men? Answer: ... Is it expected to impact the youth entering the labor force in Lezíria do Tejo? Answer: ... Are these factors accounted for in the creation and monitoring of the program? Answer: ...
8	Do you have any ending remarks for our conversation today? Answer: ...

Thank you for taking the time out of your day to answer these questions. If you have any questions for me please do not hesitate to contact me at mobile at 590426ad@student.eur.nl. I would also like to send you my final thesis in case the institution finds it helpful.

Annex 5: Tables

Table 1: Financial Support Granted: Comparing questionnaire responses to the list of approved operations (Alentejo2020)

	Questionnaire Respondents (n)			PROVERE 2014-2020 (n)		
	Total	II	III	Total	II	III
10,000 € - 59,999 €	6 (22.22%)	1 (20%)	5 (22.73%)	7 (25.93%)	1 (20%)	6 (27.27%)
60,000 € - 109,999 €	16 (59.26%)	2 (40%)	14 (63.64%)	18 (66.67%)	4 (80%)	14 (63.64%)
110,000 € - 159,999 €	2 (7.41%)	- -	2 (9.09%)	1 (3.70%)	- -	1 (4.55%)

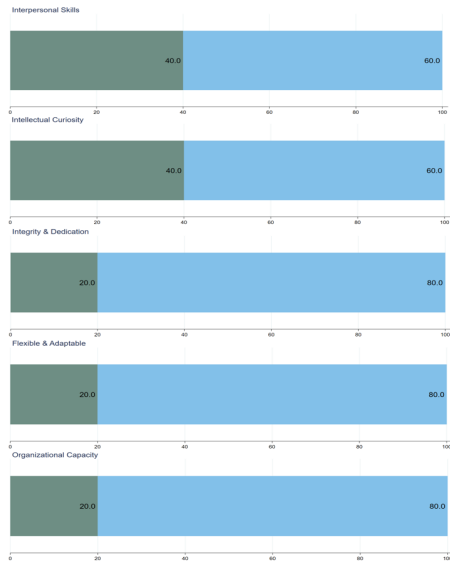
160,000 € - 209,999 €	- -	- -	- -	1 (3.70%)	- -	1 (4.55%)
210,000 - 259,999 €	3 (11.11%)	2 (40%)	1 (4.55%)	- -	- -	- -

Table 2: PROVERE 2014-2020: Project Merit Indicator Frequency

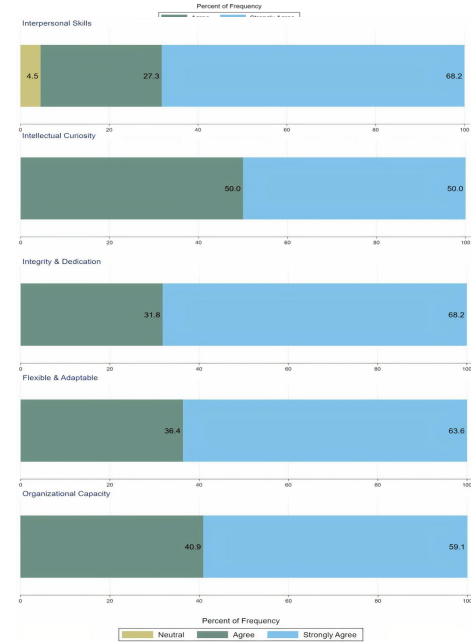
	Program Beneficiaries (N)			Questionnaire Respondents (n)		
	Total	II	III	Total	II	III
30%	23 (38.98%)	6 (54.55%)	17 (36.17%)	13 (48.5%)	4 (80%)	9 (40.91%)
35%	11 (18.64%)	1 (9.09%)	10 (21.28%)	4 (14.81%)	- -	4 (18.18%)
40%	4 (6.78%)	- -	4 (8.51%)	2 (7.41%)	- -	2 (9.09%)
45%	9 (15.25%)	2 (18.18%)	7 (14.89%)	4 (14.81%)	1 (20%)	3 (13.64%)
50%	5 (8.47%)	- -	5 (10.64%)	2 (7.41%)	- -	2 (9.09%)
55%	5 (8.47%)	1 (9.09%)	3 (6.38%)	2 (7.41%)	- -	2 (9.09%)
60%	1 (1.69%)	1 (9.09%)	- -	- -	- -	- -
80%	1 (1.69%)	- -	1 (2.13%)	- -	- -	- -

Annex 6: Figures

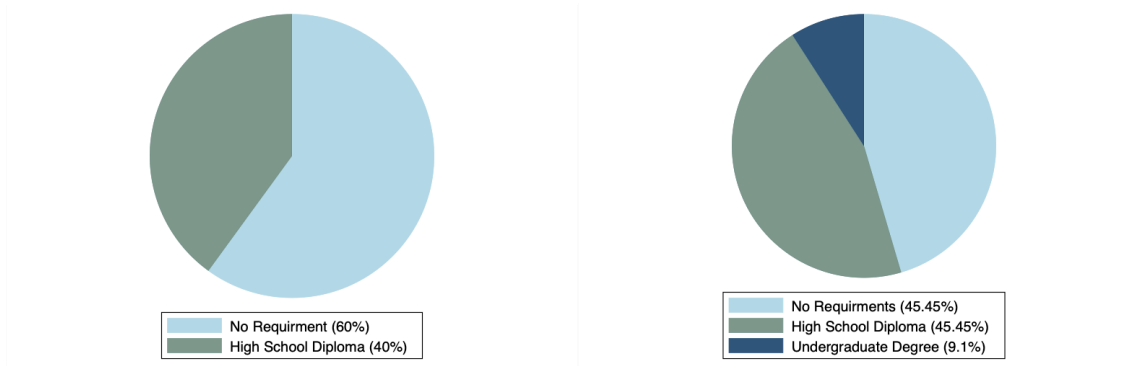
Figures 1-2: Intangible skills considered during recruitment - Secondary Industry Sector



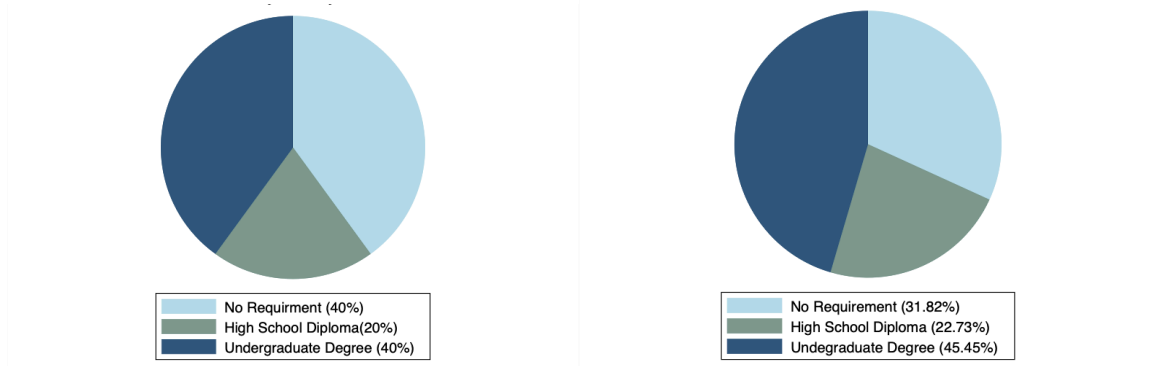
Figures 3-4: Intangible skills considered during recruitment - Tertiary Industry Sector



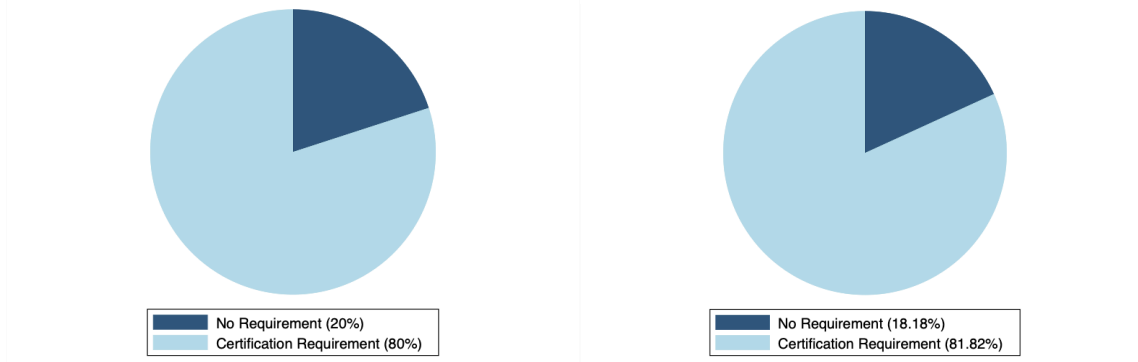
Figures 5-6: Employee Education - Secondary Industry Sector and - Tertiary Industry Sector



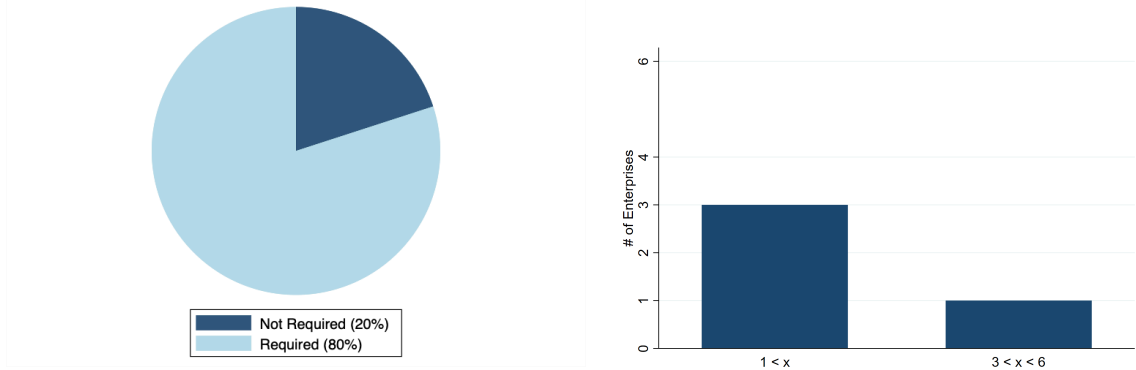
Figures 7-8: Management Education - Secondary Industry Sector and - Tertiary Industry Sector



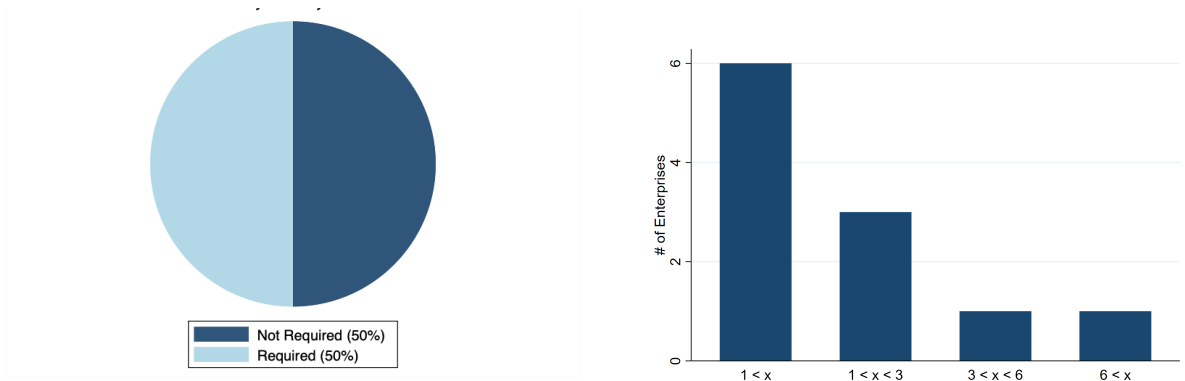
Figures 9-10: Vocational training - Secondary Industry Sector and - Tertiary Industry Sector



Figures 11-12: Employee training and training duration in months - Secondary Industry Sector



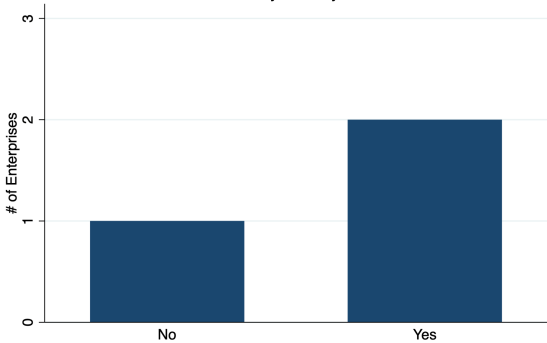
Figures 13-14: Employee training and training duration in months - Tertiary Industry Sector



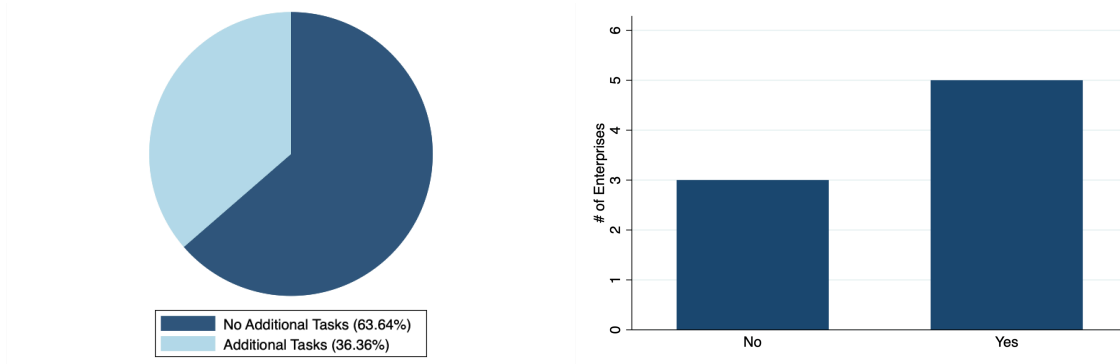
Figures 15-16: Tasks beyond job description



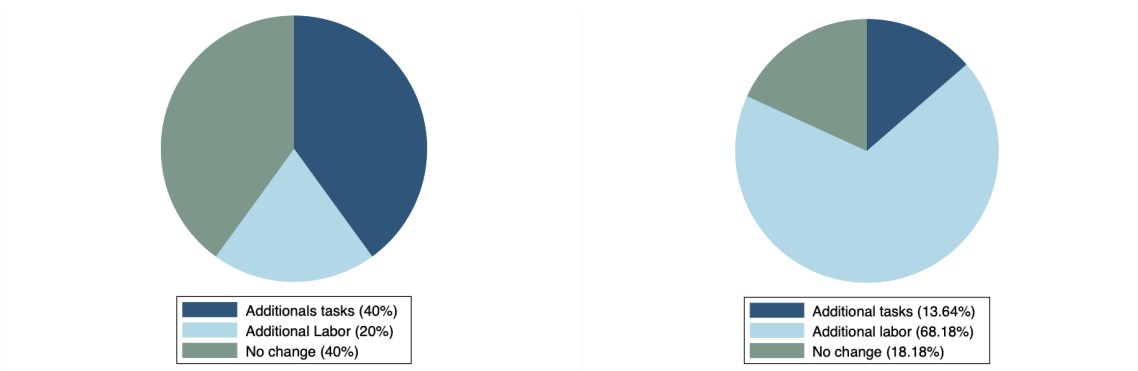
and compensation - Secondary Industry Sector



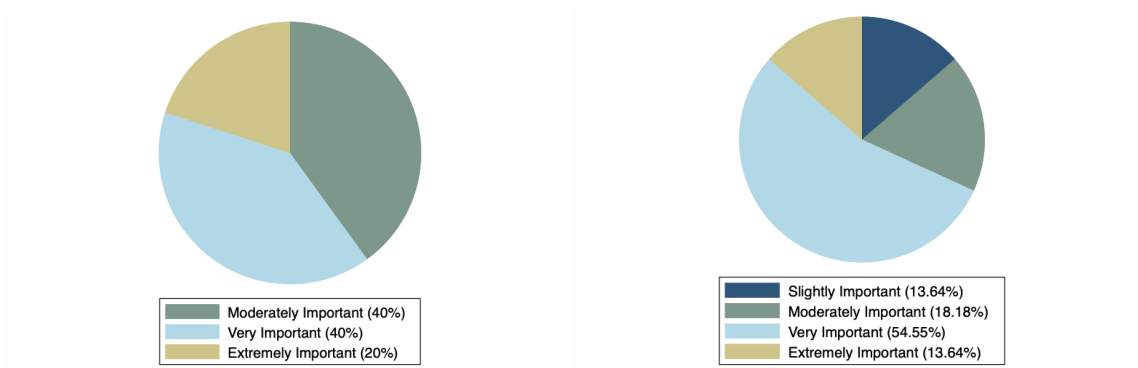
Figures 17-18: Tasks beyond job description and compensation - Tertiary Industry Sector



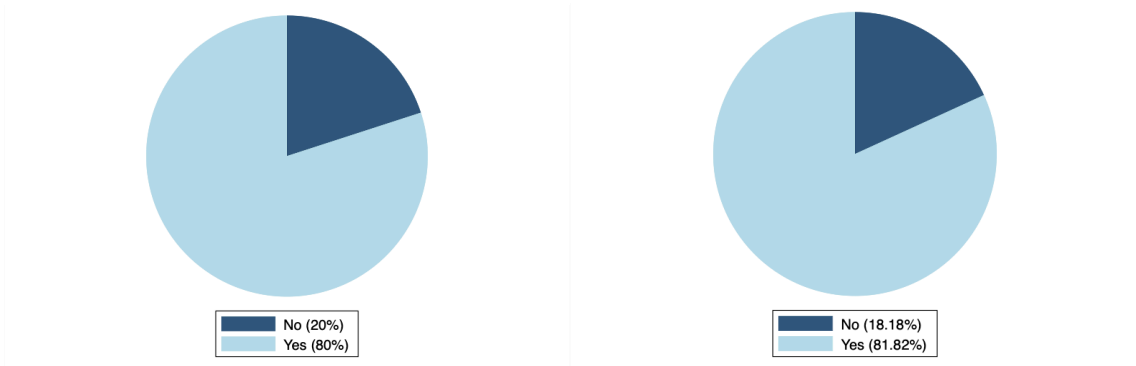
Figures 19-20: Job Description - Secondary Industry Sector and - Tertiary Industry Sector



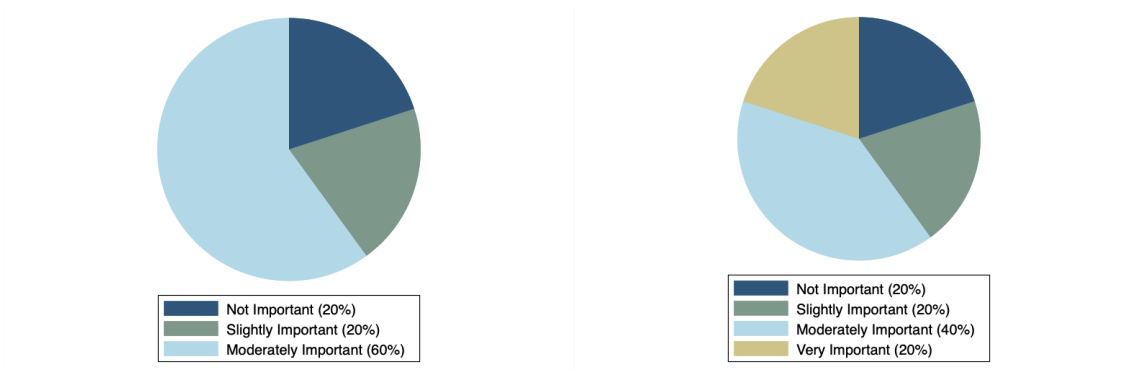
Figures 21-22: Employee Experience - Secondary Industry Sector and - Tertiary Industry Sector



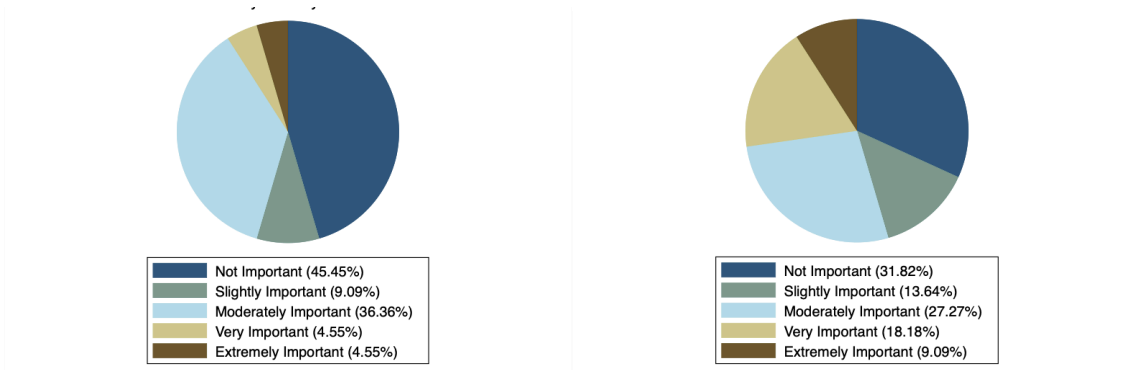
Figures 23-24: Creative Ideas - Secondary Industry Sector and - Tertiary Industry Sector



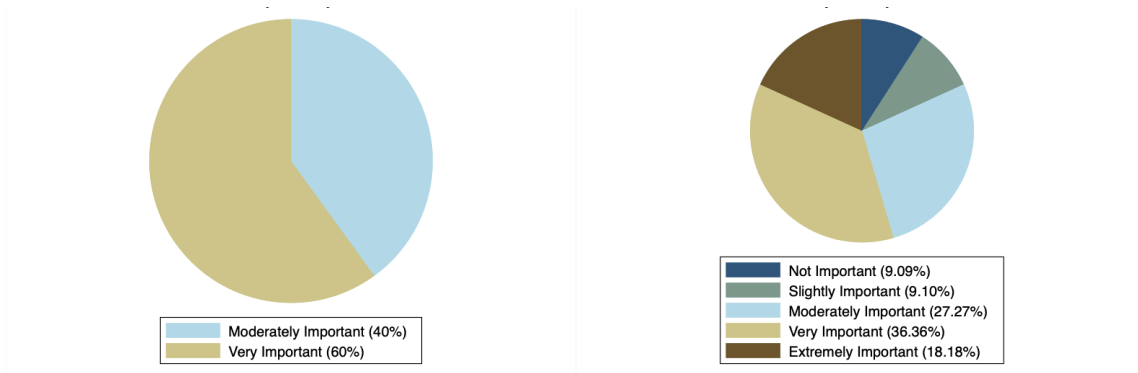
Figures 25-26: Employing Male and Female Professionals - Secondary Industry Sector and



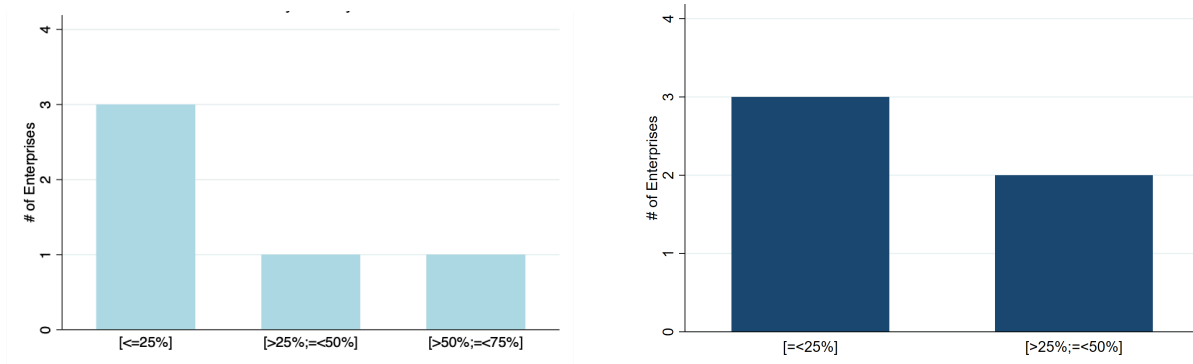
Figures 27-28: Employing Male and Female Professionals - Tertiary Industry Sector



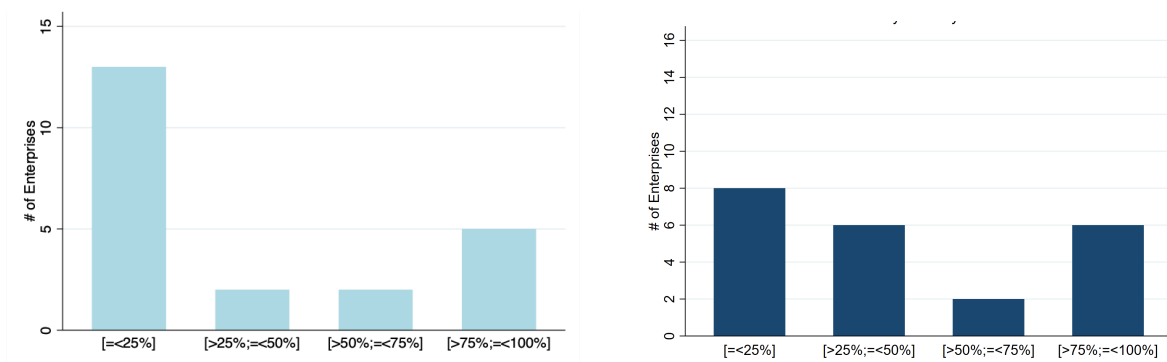
Figures 29-30: Employing Young Professionals - Secondary Industry Sector and - Tertiary Industry Sector



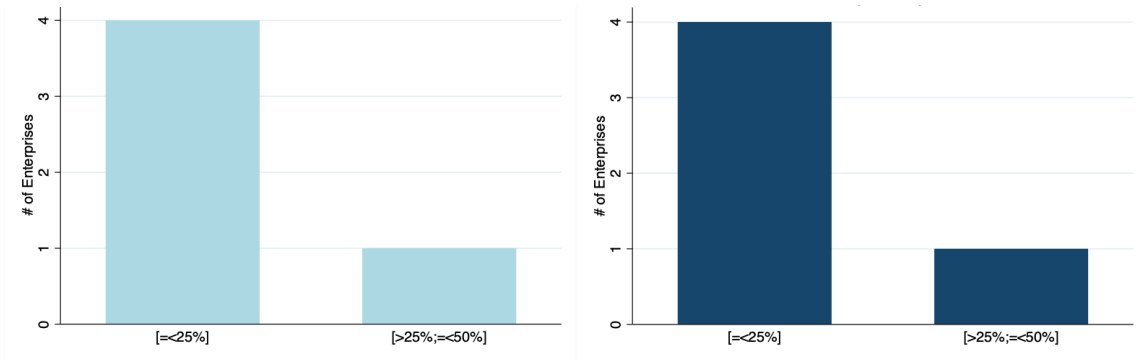
Figures 31-32: Female participation (Secondary Industry Sector) - pre investment and - post investment



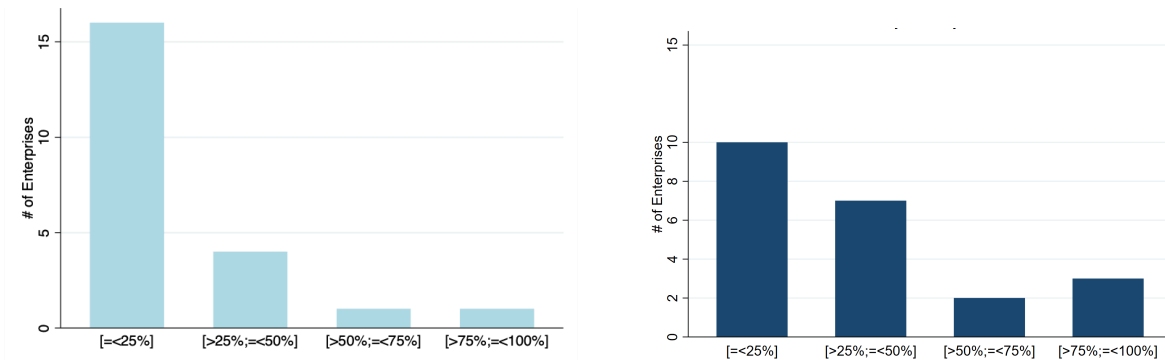
Figures 33-34: Female participation (Tertiary Industry Sector) - pre investment and - post investment



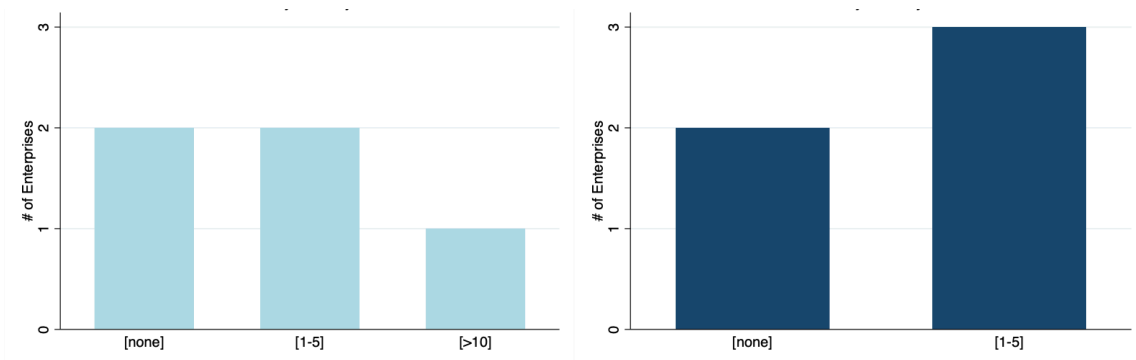
Figures 35-36: Youth participation (Secondary Industry Sector) - pre investment and - post investment



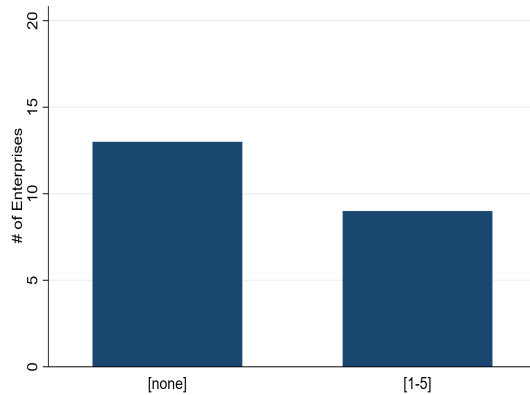
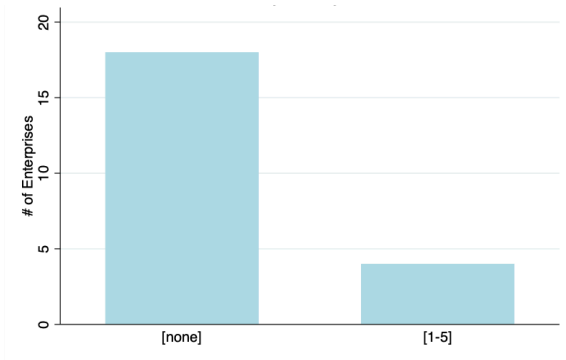
Figures 37-38: Youth participation (Tertiary Industry Sector) - pre investment and - post investment



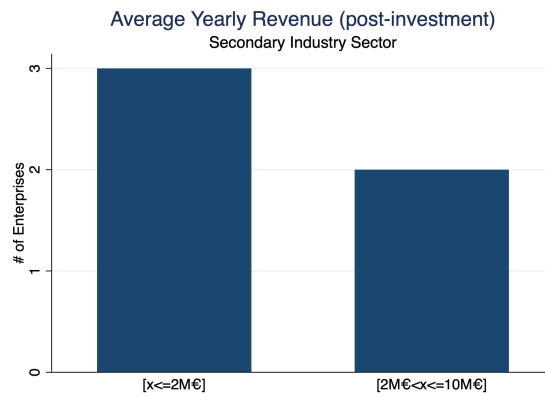
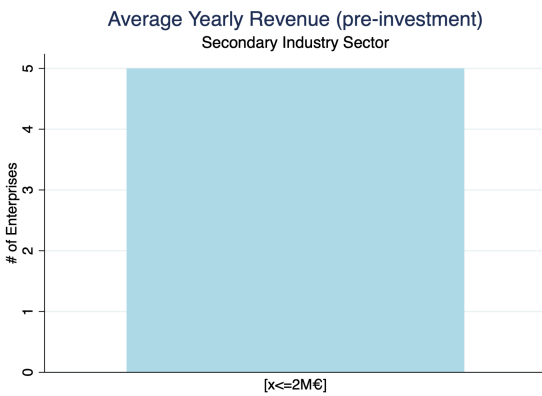
Figures 39-40: Enterprise Recognitions (Secondary Industry Sector) - pre investment and - post investment



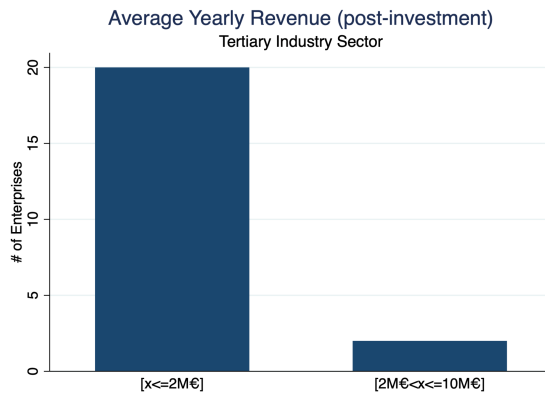
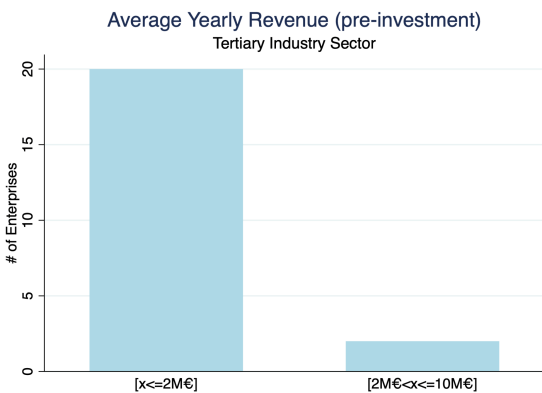
Figures 41-42: Enterprise Recognitions (Tertiary Industry Sector) - pre investment and - post investment



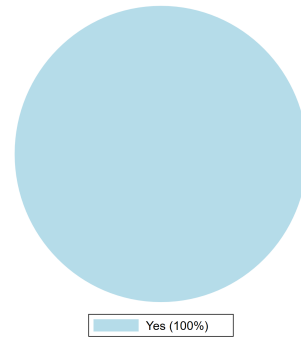
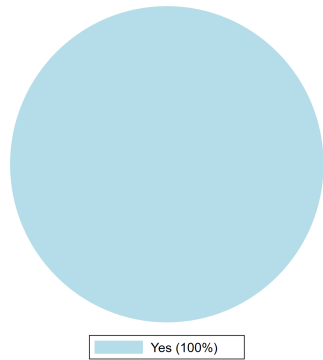
Figures 43-44: Average Revenue (Secondary Industry Sector) - pre investment and - post investment



Figures 45-46: Average Revenue (Tertiary Industry Sector) - pre investment and - post investment

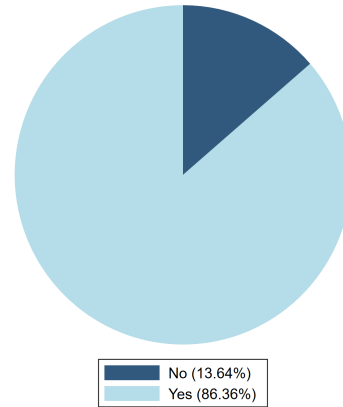
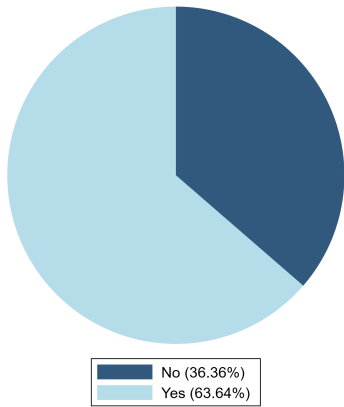


Figures 47-48: Customer Interaction (Secondary Industry Sector) - pre investment and - post investment

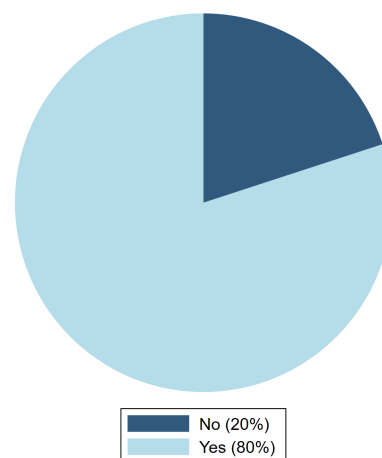
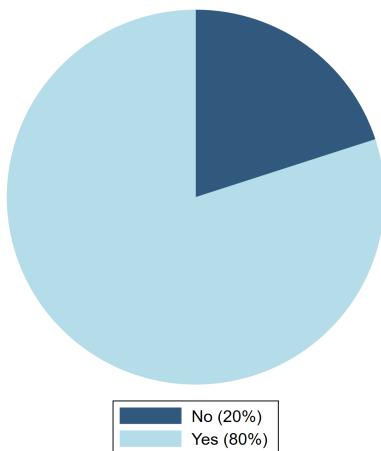


Figures 49-50: Customer Interaction (Tertiary Industry Sector) - pre investment and - post investment

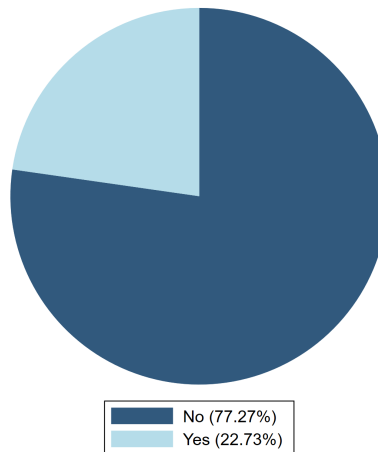
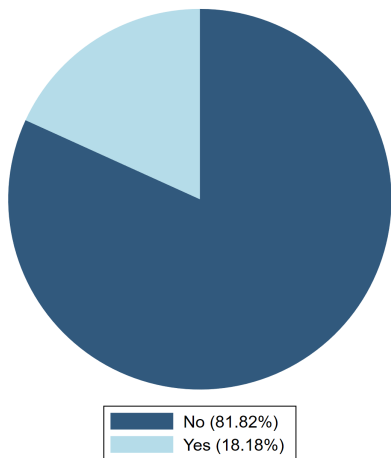
Customer



Figures 51-52: Development Alliances (Secondary Industry Sector) - pre investment and - post investment

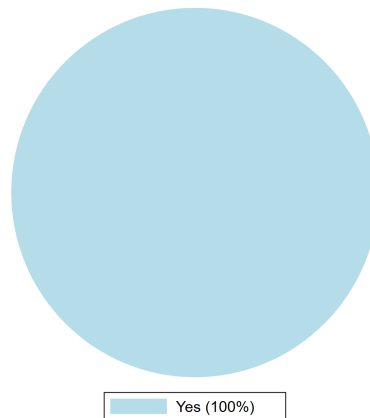
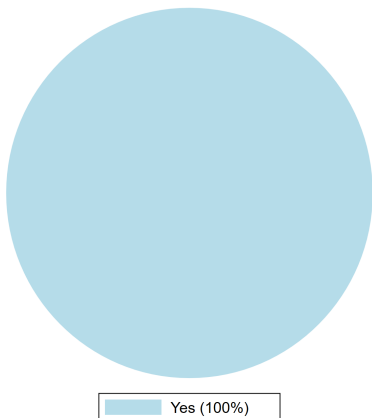


Figures 53-54: Development Alliances (Tertiary Industry Sector) - pre investment and - post investment



Figures 51- Vender Development (Secondary Industry Sector) - pre investment and - post investment

52:



Figures 51-52: Vender Development (Tertiary Industry Sector) - pre investment and - post investment

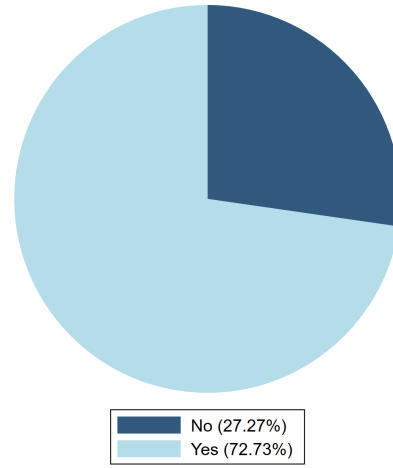
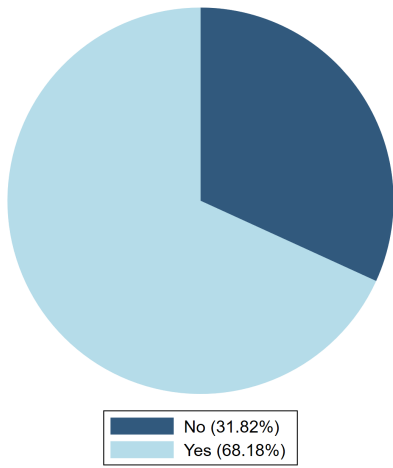


Figure 53: Achievement of Investment Priority

(Secondary Industry Sector)

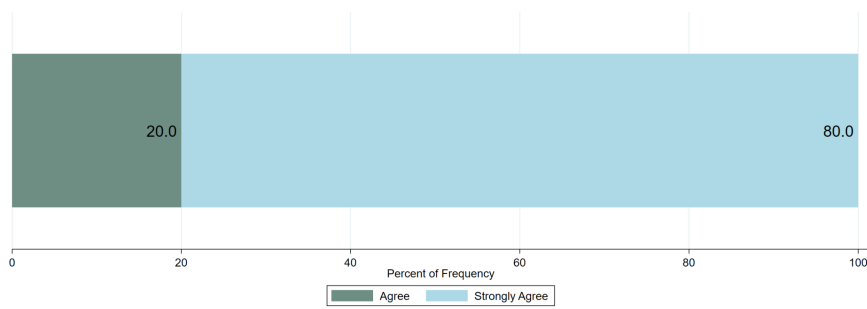
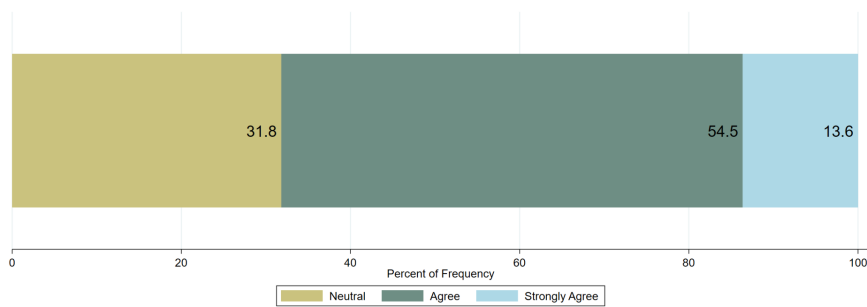
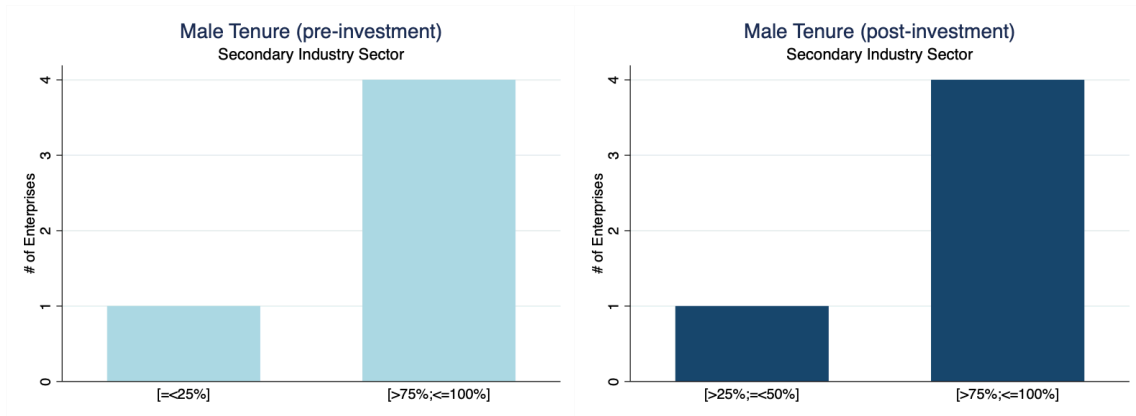


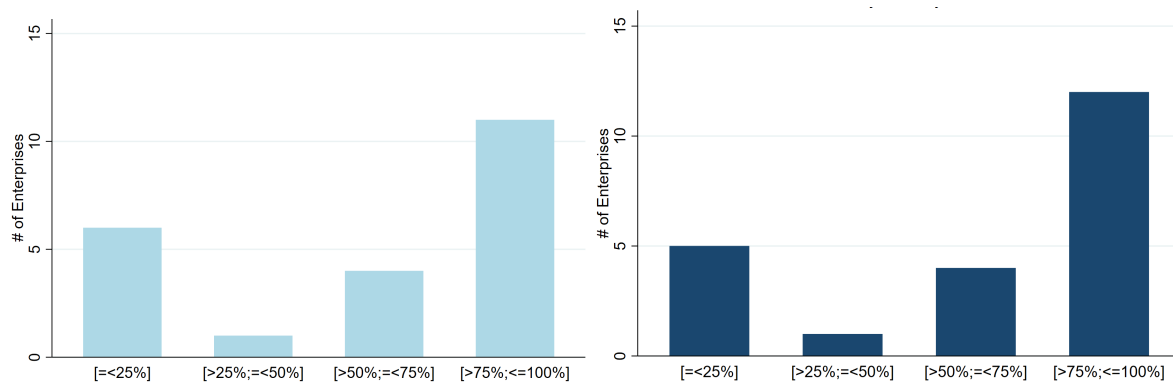
Figure 54: Achievement of Investment Priority (Tertiary Industry Sector)



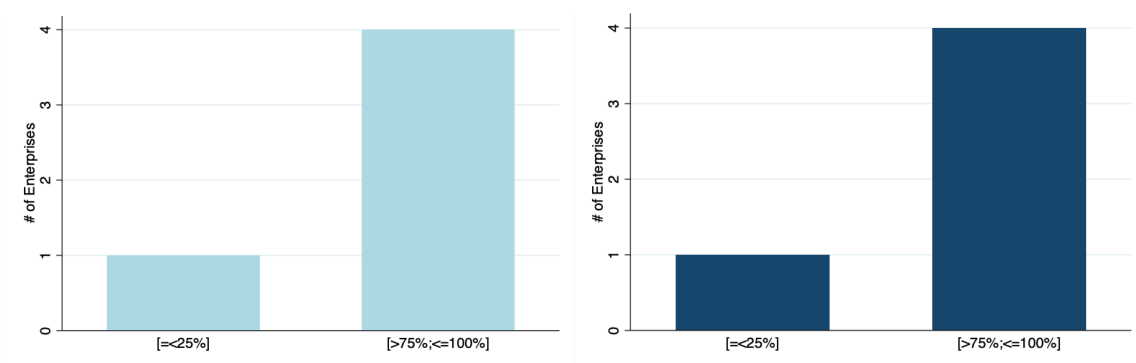
Figures 55-56: Male Tenure (Secondary Industry Sector) - pre investment and - post investment



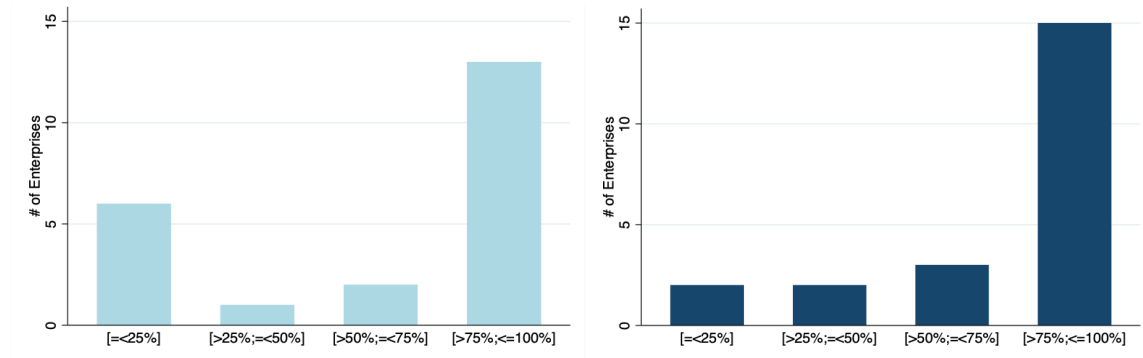
Figures 57-58: Male Tenure (Tertiary Industry Sector) - pre investment and - post investment



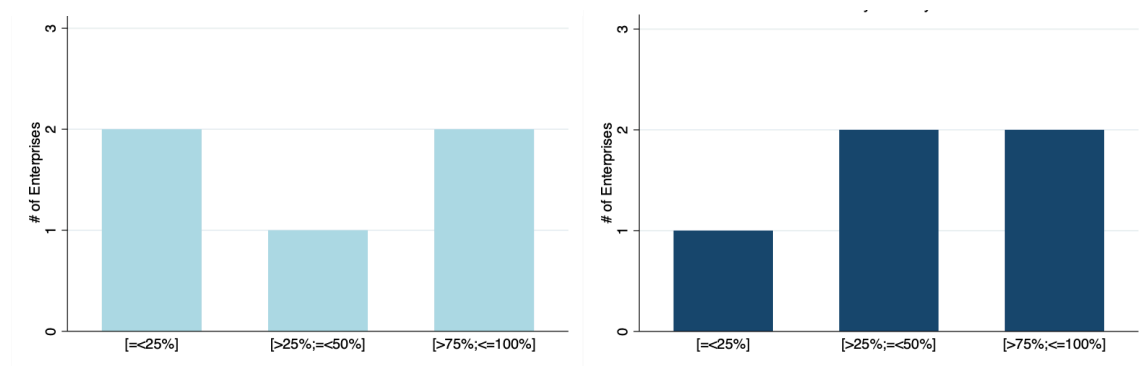
Figures 59-60: Female Tenure (Secondary Industry Sector) - pre investment and - post investment



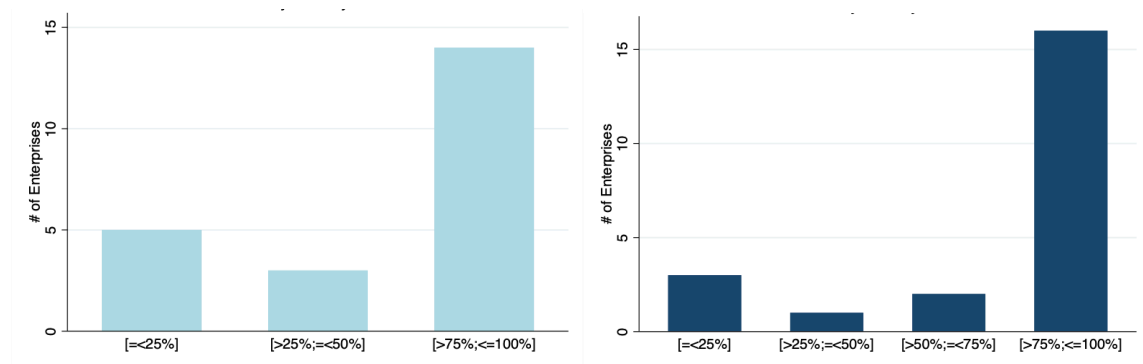
Figures 61-62: Female Tenure (Tertiary Industry Sector) - pre investment and - post investment



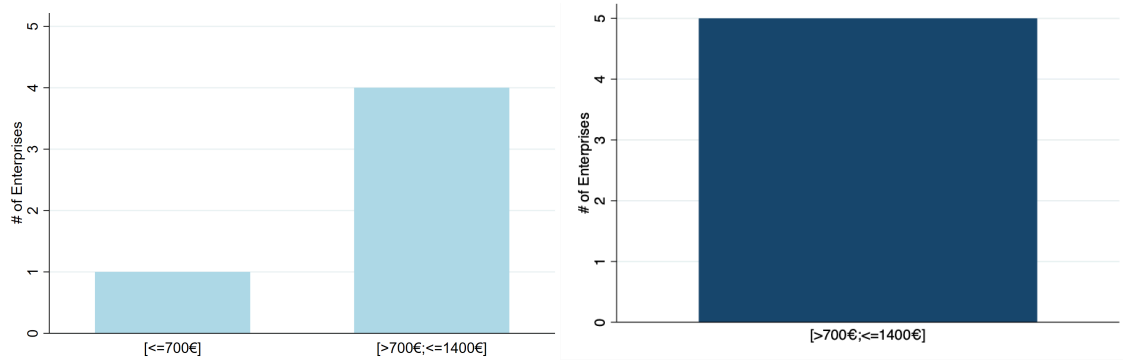
Figures 63-64: Youth Tenure (Secondary Industry Sector) - pre investment and - post investment



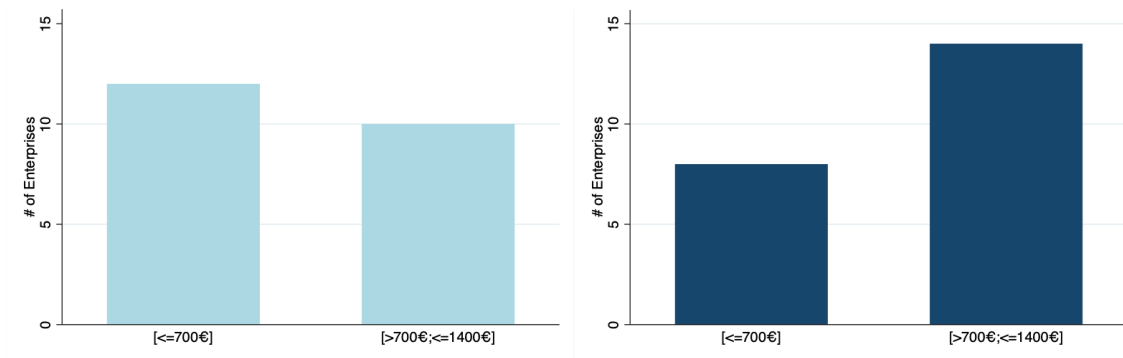
Figures 65-66: Youth Tenure (Tertiary Industry Sector) - pre investment and - post investment



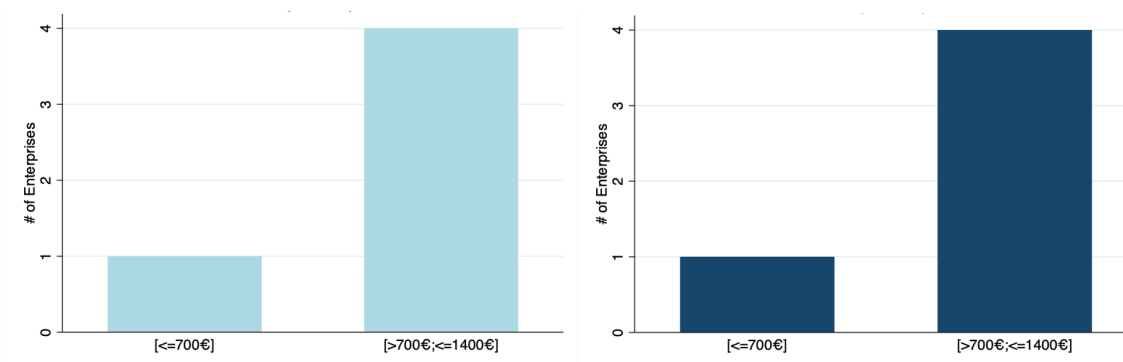
Figures 67-68: Male Wage (Secondary Industry Sector) - pre investment and - post investment



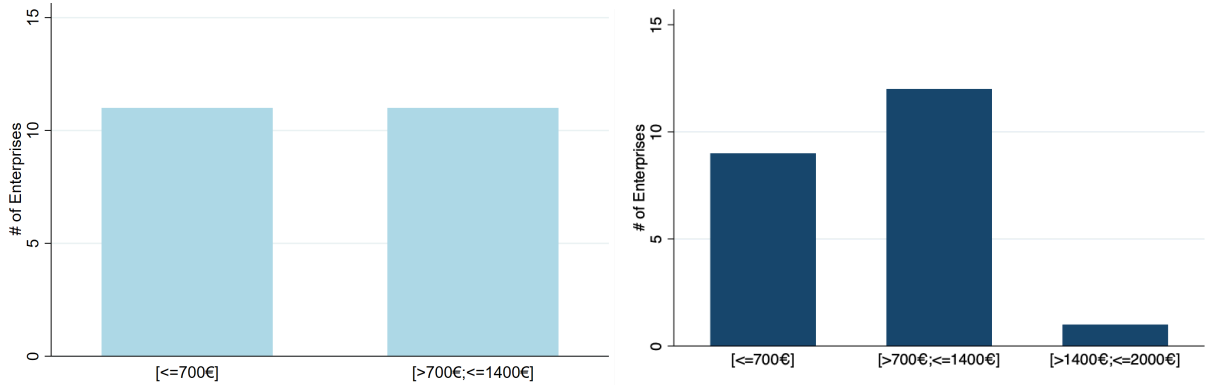
Figures 69-70: Male Wage (Tertiary Industry Sector) - pre investment and - post investment



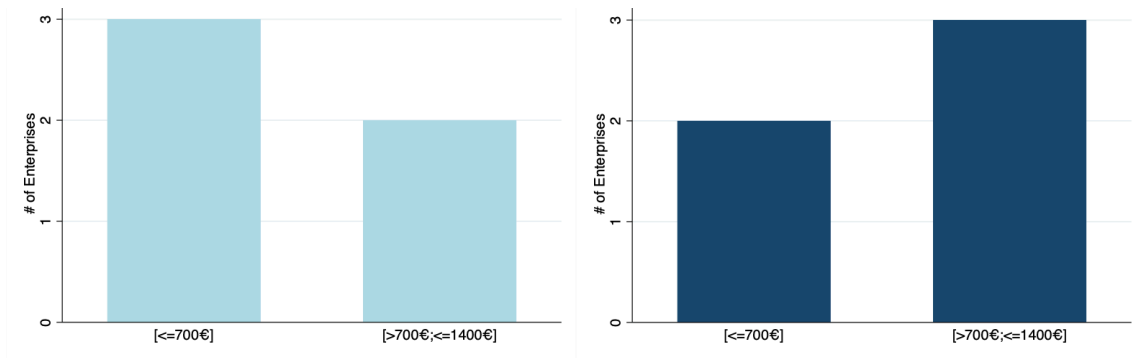
Figures 71-72: Female Wage (Secondary Industry Sector) - pre investment and - post investment



Figures 73-74: Female Wage (Tertiary Industry Sector) - pre investment and - post investment



Figures 75-76: Youth Wage (Secondary Industry Sector) - pre investment and - post investment



Figures 77-78: Youth Wage (Tertiary Industry Sector) - pre investment and - post investment

