



## **PES to PES Dialogue**

# **The European Commission Mutual Learning Programme for Public Employment Services**

DG Employment, Social Affairs and Inclusion

## **PEER PES PAPER**

**Peer Review "PES approaches to low-skilled adults and  
young people: work first or train first?"**

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**Lithuanian Labour Exchange**

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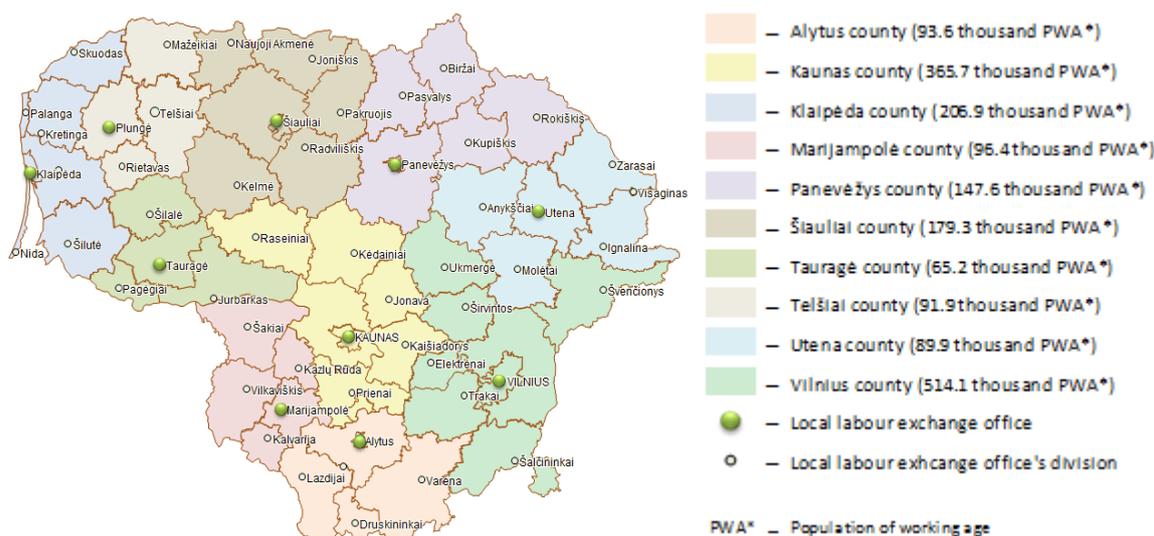
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# 1. PES organisation, service profile and labour market challenges

## 1.1 How is the PES organised at the national, regional and local levels and in relation to the relevant government ministry?

Distribution of territorial labour exchange offices and their units in the country:



Active labour market policy in Lithuania is implemented by:

- The government
- The Ministry of Social Security and Labour
- Other ministries
- Lithuanian Labour Exchanges and its territorial branch offices
- Municipal institutions and offices
- Other legal and natural persons

These institutions implement the active labour market policies by consulting with social partners.

The Lithuanian Labour Exchange (hereinafter referred to as LLE) is an institution under the Ministry of Social Security and Labour that is directly subordinate and accountable to it. Services are provided on three levels, namely district, municipality and sub-district. The LLE organises the activity of 10 territorial labour exchange offices (hereinafter referred to as TLE) and controls their implementation of active labour market policies and the provision of employment services in districts. The TLE provides services to residents and employers in municipalities (one TLE office is allocated to 3-7 municipalities). The TLE has 49 structural units that perform client service functions. These units have 34 subordinate offices which provide services to unemployed individuals and employers and operate in nearly all sub-districts of municipalities.

## 1.2 What is the overall business model of the PES?

The LLE is a separate legal entity and is a budgetary institution funded by the Employment Fund, the state budget of Lithuania and other sources. The activity of the institution is organised in accordance with annual activity plans approved by the Minister of Social Security and Labour.

To reduce the administrative costs of unemployment benefits, as of 1 January 2013, the Government transferred the LLE's function of calculating, allocating and payment of social insurance benefits to the State Social Insurance Fund Board under the Ministry of Social Security and Labour.

The most important innovations in LLE activity in 2012:

- Implementation of a result-oriented evaluation system model: This model has been implemented in order to ensure the performance efficiency of territorial labour exchange offices and more rapid and effective job matching. This was implemented from 1 January 2013.
- Vocational training for concrete jobs available at the time once the changes in the Law on Employment Support of the Republic of Lithuania come into effect.

Continuing the qualitative reform, the LLE has scheduled to prepare a service package for youth, the unqualified and permanently unemployed which will help integrate these groups into the labour market and/or facilitate their smooth transition from education to labour market. In 2013, it is scheduled to establish 11 new Youth Labour centres to improve accessibility to youth employment services. The monitoring system and the assessment of efficiency and effectiveness of services and the measures applied will be developed through quarterly analysis of the integration of the unemployed into the labour market and the quality of the implementation of labour market programmes.

### **1.3 What range of services does your PES offer?**

The LLE provides information services, including vocational informing, counselling services, including general counselling, vocational counselling, and psychological counselling, mediation services when starting employment, individual employment activity planning services for the unemployed that registered with the TLE.

Information and counselling services are provided both for youth and adults. Services for youth are provided in the Youth Job Centres free of charge both for registered and non-registered job seekers. Vacancies are published on the LLE website and are shared with other employment services providers.

### **1.4 What are the main challenges facing the supply and demand sides of the Lithuanian labour market?**

The key problem of the Lithuanian labour market is the fact that more than a half of the unemployed have no qualification whatsoever and are therefore unable to compete in the labour market. Research performed in 2011 by the Lithuanian Social Research Centre concludes that the comparative possibilities of unqualified persons (workers) to integrate into the labour market have significantly decreased from 2008 to 2010.

The data of employer surveys performed by the LLE shows the trend of increased demand for specialists. Employers register more vacancies, but there arises the problem of the lack of quality candidates to fill them, with particular shortages in certain professions. Such shortages have been seen in connection with the coordination between the education system and the needs of the labour market, which is not suitably balanced in Lithuania. Higher education institutions currently prepare

too many fundamental sciences specialists, so the labour market constantly lacks specialists with a good knowledge of certain specific fields.

### **What are the main trends and challenges with regard to the characteristics of the jobseekers?**

The main tendencies are as follows:

- Registered unemployment is decreasing

On 1 January 2013, there were 210,200 unemployed people registered in the country, constituting 11.4 % of the country's working-age population. The percentage of unemployed in the working-age population has decreased by 0.6 % since last year. The average percentage of unemployed in the working-age population in 2012 was 11.7 %, with 13.1 % in 2013.

- Unemployment among men remains higher than among women

On 1 January 2013, there were 99,800 unemployed women registered in the country, constituting 10.7 % of the country's working-age population. There were 110,300 unemployed men registered, constituting 12 % of the country's working-age population. In 2012, the average annual number of unemployed men was 113,000, with the figure for women being 103,900.

- Youth unemployment has decreased

At the start of 2013, the registered unemployed aged up to 25 years constituted 6.7 % of the country's population aged 16-24 which is a 1.1 percentage point decrease from the previous year (7.8 %). The average annual number of the unemployed aged up to 25 in 2012 was 28 600.

- Long-term unemployment is decreasing

On 1 January 2013, there were 50,954 long-term unemployed in the country. Long-term unemployed constitute 24.1 % of all unemployed (on 1 January 2012 the figure was 41.1 %). In 2012, the average unemployment duration was 7.8 months (in 2011, this was 9.4 months).

On 1 of January 2013, there were 165,874 unemployed individuals who belonged to groups which are entitled to 'additional support' in active labour market policy measures (e.g. people with disabilities, under 29, long term unemployed) in the labour market (or 78.9 % of all unemployed). They comprise a smaller proportion of the unemployed than a year ago (on 1 January 2012, the figure was 83.4 %).

What are the main characteristics and needs of employers?

The greatest number of Lithuanian companies operates in the service sector, comprising 80 % of all companies operating in the country. The industrial sector includes nearly 9 % of companies, with 7 % in the construction sector. The most widespread are companies that have up to 100 employees, constituting 97 %; large companies with more than 500 employees constitute only 0.2 %. The majority of jobs are offered by companies operating in the service and industrial sectors. Some 70 % of vacancies are registered in the country's 3 largest cities: Vilnius, Kaunas and Klaipėda. The level of demand for job seekers in other regions is significantly lower.

## 2. Labour market situation of low-skilled adults and young people

### 2.1 What is the situation of low-skilled individuals in the labour market?

Level	Description	Total	Female	Male	Youth	Over 50	Long-term unemployed
	<b>Total unemployed</b>	<b>210,153</b>	<b>99,822</b>	<b>110,331</b>	<b>25,408</b>	<b>64,096</b>	<b>50,954</b>
	Without primary education	313	176	137	26	93	83
1	Primary education or first stage of basic education	10,987	3,875	7,112	1,956	2,041	2,947
2	Lower-secondary education or second stage of basic education	24,294	9,923	14,371	4,159	4,977	6,193
3	Upper-secondary education	68,681	30,882	37,799	9,035	23,164	16,426
4	Post-secondary non-tertiary education	58,914	26,155	32,759	6,728	17,055	14,610

On 1 January 2013, the structure of the unemployed according to their level of education has not changed significantly compared with the same period of the previous year. The education level of nearly half of all unemployed is ISCED3 or lower. The majority of people with low level education (59.7 %) are among the young unemployed. There are more men with ISCED1 to ISCED3 education levels than women (53.9 and 44.9 % respectively).

A total of 134,700 unqualified unemployed people were registered in territorial Labour Exchange offices during the year 2012. Their proportion among all unemployed people increased from 39.1 % (101,200) in 2011 to 40.7 % (134,700) in 2012. In 2012, more than one-fifth of all unqualified unemployed people were young people (21.2 %). One year ago, unqualified young people constituted 16 % of all unemployed people.

During the year 2012, 62,900 of the unqualified unemployed started employment, constituting 34.6 % of all job seekers that became employed. During the year 2011, 62,400 of the unqualified unemployed started employment, constituting 31.3 % of all job seekers that became employed. Of the unqualified unemployed that became employed in 2012, 83.6 % (or 52,600) started working in open-ended contracts, with 16.4 % (or 10,300) on fixed-term contracts. Unqualified people are usually employed as labourers, assistant labourers, cleaners, warehouse workers, loaders and packers. The majority (54 %) of unqualified workers are employed by companies operating in

the service sector, with 24 % employed by industrial companies, 11 % by agriculture companies and 7 % by construction companies.

A total of 2,200 people were directed to vocational training (or 7.4 % of unqualified employees that were directed to participate in the measures). The unqualified unemployed referred to in vocational training constitute 38.9 % (5,572 people) of all vocational training participants. In 2011, the unqualified unemployed constituted 20.4 % of all vocational training participants (a total of 6,400 unemployed were directed to it, with 1,300 of them being unqualified).

## **2.2 What are the factors influencing the situation of low-skilled people in the labour market?**

As can be seen from recent employer surveys performed by LLE, employers increasingly want to employ qualified workers. It is forecasted that approximately 38 % of all new jobs in 2013 will be created by the manufacturing industry sector, with the number of employees in this sector increasing by approximately 2.5 %. However, representatives of the industrial sector that participated in the survey pointed out the lack of workforce. Employers expressed their dissatisfaction with the current qualifications and competencies of the workforce. Moreover, the labour market puts an increasingly greater emphasis not only on education, but also on workers' skills, analytical capabilities and motivation.

Lithuanian employers forecast that, with the modernisation of companies and more widespread use of automated devices, labour productivity in the future will increase, reducing the need for physical workforce in sectors such as the construction sector. Due to the increasing demand for workforce, the construction sector will experience a shortage of properly trained workers. The greatest number of jobs will be created for highly-qualified specialists, whereas unqualified workers will be replaced by machines.

As employers pay increasingly more attention to the workforce quality, the position of the unqualified unemployed in the labour market worsens. They eventually lose the motivation to work and do not even seek to retrain themselves and apply newly gained skills in the legal labour market. Other low-qualified workers choose emigration.

The situation of this group of people in the labour market depends not only on the LLE's measures and programmes for facilitating integration into the labour market, but also on the general situation in the country.

The situation of youth is worsened by the existing salary differentiation between the country's largest cities and the remaining regions. As yet, not all businessmen that operate in regions understand the need to take care of the existing and the future workforce, while the capabilities of municipalities for supporting young specialists are very limited.

### **3 Services for low-skilled adults and young people: overall strategy and approach**

#### **3.1 What is the overall approach to the delivery of services to low-skilled adults and young people?**

In recent years, the problem of youth unemployment has received priority attention in the Government. Taking into account the European Commission's recommendations on promoting youth employment and suggestions to prepare programmes to decrease the level of youth unemployment, an interdepartmental working group was formed under the Prime Minister's ordinance of 2012, which prepared the plan of proposed measures to raise youth employment. The proposed measures mainly focus on balancing the education system supply and the labour market demand; formation of work skills of young people in the education system; support for young people starting their own businesses; active labour market measures; more flexible regulation on labour relations; cooperation between state institutions and the non-governmental sector in increasing youth employment.

The following key measures for promoting youth employment helped reduce youth unemployment in the country:

- The Entrepreneurship Promotion Fund providing loans for starting a new business or to promote business expansion. Young people aged up to 29 are the most active among the project's target groups, having been issued more than 40 % of all loans. As of mid-February this year, loans are issued under even more favourable conditions: people or companies will be entitled to a reimbursement of 95 % of the interest charged.
- 'Promoting Youth Employment' (or 'Jaunimo užimtumo didinimas' in Lithuanian) is a project implemented by the LLE from 1 August 2012 and funded by the European Social Fund. It aims to promote youth employment by providing opportunities for them to gain practical skills and integrate into the labour market. The project's activities comprise providing subsidised employment and supporting the acquisition of work skills. An employer employing a young person aged up to 29 for approximately 4 months can receive a subsidy of up to 50 % of their pay and in case of disabled employment, up to 60-75 % depending on the employed person's capacity to work.
- Support for First Employment: As of 1 July 2010, by employing a person working under an employment contract for the first time the contributions paid by employers to 'Sodra' are reduced from 31 to 7.7 %, exempting employers from social pension insurance contributions. The exemption is valid until 31 July this year. As of 1 August, the 'Sodra' contribution relief granted to employers will be replaced by a new form of support, i.e. reimbursement of a part of the work pay. Such a system of support enables people to accumulate the pension insurance period. Reimbursement is provided to the employers on the basis of the 'Support for the First Employment' measure (or 'Parama pirmajam darbui' in Lithuanian), which is funded by EU funds.
- Legal Education of Youth (or 'Jaunimo teisinis ugdymas' in Lithuanian). As part of the project, the State Labour Inspectorate under the Ministry of Social Security and Labour in 2012 organised 30 seminars, which were attended by approximately 1000 students from higher education institutions and vocational schools. The seminars provided information for young people on concluding

their first employment contract, employee rights and duties and other areas of labour relations and work-related legal aspects.

- Motivational seminars are constantly organised by TLE offices for socially vulnerable, unqualified and unmotivated young people - see section 5.1 for more information

However, integration of low-skilled adults into the labour market has not been promoted as much. The Ministry of Social Security and Labour is currently preparing the Employment Promotion Strategy for 2014-2020, which is scheduled for approval on 1 June 2013. One of its key priorities is the use of the labour resources potential, which basically means involving and maintaining as many people as possible in the labour market. Another important priority is ensuring the correspondence between qualification and the needs of the labour market. To achieve these priorities, the following measures have been scheduled: preparation and implementation of the service package for youth, long-term and unqualified unemployed; preparation, testing and implementation of a service package for raising motivation among unqualified youths; preparation and implementation of a methodical measure 'Folder of My Achievements' (or 'Mano pasiekimų aplankas' in Lithuanian), which is intended for the unqualified unemployed; preparation and implementation of an intensive long-term programme to help jobless youth without education; implementation of the application of the Register of Qualifications for purposes of identifying the level of education gained by persons seeking a job and registered in Labour Exchange offices and ensuring correspondence between labour demand and supply; organisation of training for unqualified unemployed young people under the initial vocational training scheme by applying the 'education voucher' principle; scheduling of apprenticeship opportunities for the unqualified unemployed so as to provide them with the first vocational qualification; preparation of special modular vocational training programmes for use on the workplace and at sectorial centres for practical learning, intended for unemployed young people with or without a vocational qualification, etc.

### **3.2 Do legal activation rules/regulations make a distinction between low-skilled and other job seekers and between low-skilled young people and adults?**

As already mentioned in paragraph 3.1, young people are currently regarded a priority group of clients, so strategic planning documents and legal acts stress the priority of their integration into the labour market, e.g.:

- The new National Youth Policy Strategy (National Youth Policy Development Programme for 2011-2019) seeks to ensure better youth employment possibilities by enabling young people to participate in the labour market and also promoting economic and social entrepreneurship.
- The Law on Employment Support of the Republic of Lithuania places employable persons aged up to 29 in the group of additionally supported persons, whereas low-skilled persons are not included in this group.
- The Ministry of Social Security and Labour's strategic activity plan for 2012-2014 schedules to enhance the processes of youth socialisation, also ensuring better youth employment possibilities.

- The LLE's annual activity plan schedules to offer 'a new start' for unemployed young people (aged up to 25) within 4 months of unemployment (such as participation in the measures, offer of employment or starting-up a business under a business license).
- The 'Intensive Long-Term Support Programme for Youth Not in Employment or Education' for 2013-2015 will promote integration of youth to the labour market and/or the education system by providing social rehabilitation services and services that help to improve preparedness for the labour market using the experience of non-governmental organisations.

Priorities set by TLE offices to the participants of vocational training in 2013 are thus: unqualified unemployed, long-term unemployed and youth aged up to 29.

Because the demand for qualified specialists is increasing, low-skilled persons are distinguished as a separate group in the Employment Promotion Strategy for 2014-2020 currently prepared by the Ministry of Social Security and Labour (as described in paragraph 3.1).

**What role does career guidance or other specialist guidance play in supporting low-skilled individuals? Are there specific counsellors for low-skilled individuals, and if so, what training do they receive?**

Under the client servicing model implemented in TLE offices, there are no separate consultants to work exclusively with low-skilled adults or with young people. In view of job seekers' abilities to compete in the labour market and their motivation to work, the Labour Exchange offers them all differentiated labour market services: see Table in Section 4.4.1. These services are provided by specialists that fall into two categories, namely employment agents and consultants (advisers on vocational career planning).

## **4 PES services for low-skilled adults and young people**

### **4.1 Does the PES offer services and measures to prevent low-skilled individuals from being made redundant? What types of services are offered, which kinds of measures are funded and how successful have these been in different areas?**

TLE offices can be contacted by employers carrying out company restructuring as a result of which there arises the need for individual employees to improve their qualification so as to remain in the job. In such cases, the TLE finances the vocational training measure for employees notified about redundancy, helping them gain the necessary qualification or competencies they lack.

During the year 2012, a total of 3,087 employees at risk of redundancy were directed to the vocational training programmes to gain new vocational qualifications or improve the existing ones. The greatest financial support went to bus parks across Lithuania, providing the possibility for approximately 1 000 bus drivers to get the qualification certificates for passenger transportation required by the EU directive.

Specialists at TLE offices organise meetings with representatives of companies that have informed about planned redundancies of employees and employees awaiting redundancy and provide information about the services rendered by the Labour Exchange. To retain employees that are at risk of redundancy in the same company, the possibilities of retraining them to meet the new needs of employers are discussed with employers. Schemes of preventive measures to mitigate the consequences of redundancies of groups of employees are prepared together with the employer, scheduling the application of concrete employment support measures for employees that are to be made redundant.

### **4.2 Is the basic approach underpinning the PES concept for unemployed low-skilled individuals one of 'work first' or 'train first'?**

In the view of the LLE, any person without a vocational qualification and lacking motivation cannot compete in the labour market. One must therefore start by preparing such people for the labour market and stimulating their willingness to work, or at least providing them with temporary employment.

According to the LLE's profiling system for the unemployed, on 1 March 2013, 34 % of the 27,500 unemployed young people aged up to 25 were motivated and prepared for the labour market; 52 % of all young people registered in the Labour Exchange did not however have any profession and thus could not compete in the labour market. The labour market trends show that young people with secondary education find it most difficult to find a job. Thus, the 'train first' method is applied to this group.

On the other hand, young people find it difficult to get a job because they have only theoretical knowledge, whereas employers need someone who can work, rather than still needing to learn. When conducting vocational training, 70 % of the time is devoted to practical training. The majority of the training is carried out by employers.

When organising vocational training on the basis of a Three-party vocational training and employment agreement, legal acts allow for the possibility that practical training be carried out at the employer with whom the aforementioned agreement has been concluded.

Most employers are unwilling to employ unqualified people. In the subsidised employment measure, the unqualified unemployed constitute a smaller proportion (14.8 % in 2011 and 16.1 % in 2012) because their qualification level meets the requirements of only some of the employers.

With regard to low-skilled unemployed, the measure of public works is applied, during which the performed works do not require sophisticated abilities (e.g. tidying the environment, planting trees). In 2011, the unqualified participants of public works constituted 43.2 % of all participants in the measure and in 2012 the figure was 42.6 %.

#### **4.3 Is a different approach used for low-skilled adults in comparison with low-skilled young people? If so, please explain which approach is taken for which group.**

##### **4.3.1 Why was this approach selected and has this changed during the last three years?**

As already mentioned in paragraph 2.1, the number of unqualified people, especially among young people, is increasing in Lithuania and most attention is therefore paid to their integration to the labour market. Other social groups are of course also in our focus but it is not always possible to create clear and effective employment schemes for every group at once.

Vocational training is currently organised by relating it with the existing and forecasted needs of employers with respect to concrete professions. Under legal acts that regulate vocational training for the unemployed and employees who are at risk of redundancy, vocational training is carried out by the Labour Exchange if: a three-party vocational training and employment contract is concluded between the TLE, an employer that will provide employment after the training for a period no shorter than 12 months, and the person that will remain employed after the training for a period no shorter than 6 months; a vocational training and individual activity contract is concluded, by which the person assumes the obligation to carry out individual activity after the training for a period no shorter than 6 months; vocational training may also be organised on the basis of future vacancies determined in the labour market forecasts performed by the LLE. So the current vocational training procedure is more oriented to the needs of employers and allows them to choose whether to train and employ low-skilled adults or young people.

If a 'work first' approach is used to integrate low-skilled adult and/or young jobseekers, please describe the approach taken, specifying what approach is taken for which group.

##### **4.3.2 Is the emphasis placed on the first available match or is attention paid to matching with future development and training opportunities (with or without PES assistance) to ensure the sustainability of work?**

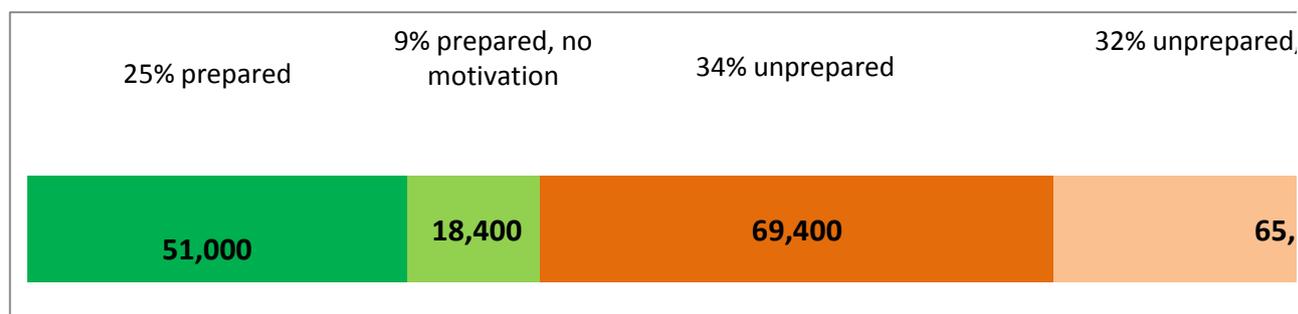
What support/encouragement is offered to employers to provide opportunities to low-skilled workers? The most effective measures for facilitating the integration of low-skilled jobseekers is subsidised employment, public works and vocational training. New jobs are also created for such people as part of the local employment initiative projects. One in four new jobs is created for low-skilled jobseekers. In 2010, 127 jobs were created, with 288 jobs created in 2011 . No selection was performed in 2013, but LTL 7 million was allocated for this purpose (which means that some 250 jobs can potentially be created). New jobs are mostly created in the industrial sector, comprising 63 %. On average, each employer creates 4 new jobs. Employers that create jobs via the said measure receive a subsidy of up to 40MMW, undertaking to maintain the created job for 3 years. MMW stands for monthly minimum wage, which currently is LTL 1,000, so the maximum subsidy is LTL 40,000. It is also important to note that employers also add their share, contributing 35 % of the necessary funding from their own sources.

**4.4 If a ‘train-first’ approach is used to integrate low-skilled adult and/or young jobseekers, please describe the approach taken, specifying what approach is taken for which group.**

**4.4.1 How does the PES identify which individuals are suitable for training and which training is right for whom? What is the role of personalised services in this?**

As of 2012, the differentiation of client services has been started in view of their ability to compete in the labour market and motivation to work. During their registration with the Labour Exchange job seekers are already attributed to one of four categories of clients, each group of jobseekers has a set of measures to be applied to it:

Categories of jobseekers	Measures applied
Those prepared for the labour market and motivated (i.e. those with a profession and/or work experience in demand and a break between employments no greater than 2 years)	Mediation services are performed when starting employment, also agreeing an individual employment activity plan oriented towards as immediate employment as possible
Those prepared for the labour market but unmotivated (i.e. those with a profession and/or work experience in demand but unmotivated to actively search for a job and unwilling to accept job offers and start working according to their qualification)	Motivational seminars are organised and enhanced information and counselling services provided, also agreeing an individual employment activity plan oriented towards the temporary employment measures and employment;
Those unprepared for the labour market but motivated (i.e. unqualified or people with professions that are not in demand and with long breaks between employments),	Vocational counselling services are provided, also agreeing an individual employment activity plan oriented towards gaining or renewing a profession or working skills
Those unprepared for the labour market and unmotivated (i.e. unqualified or people with professions that are not in demand with long breaks between employment and unmotivated to participate in the labour market measures to gain a qualification and develop job-search skills)	Individual employment activity plans are agreed that are oriented towards stimulating motivation and gaining or renewing a profession or working skills.



As part of the project 'Promotion of Integration into the Labour Market'" (or 'Integravimo į darbo rinką skatinimas' in Lithuanian) funded by the European Social Fund, the LLE has identified young people aged up to 29 as a priority group for vocational training. The procedure for implementing the active labour market policy measures indicates that after assessing the labour market and discussing it with its social partners, the TLE has the right to determine the priorities for selection of participants in vocational training and priority target groups. Other priority groups identified by TLE offices for the year 2013 are: unqualified unemployed, long-term unemployed and young people aged up to 29.

The sphere of activity of Youth Labour Centres (YLC) operating in Lithuania includes informing and counselling services that are provided to young jobseekers either individually or in groups. The activity of the YLC is oriented towards young people starting to work, youths that have dropped out of education and the labour market, those willing to gain a profession, change qualification or retrain, as well as students, pupils and their parents, heads of educational institutions and their pedagogues, employers, representative of youth organisations, communities and other social partners.

In 2012, the YLC provided approximately 204,700 information and counselling services, 80,300 of which were individual consultations. During this period, 1,100 informational seminars were organised, which were attended by nearly 18,400 young people registered in the LLE, with more than 400 group consultation sessions attended by approximately 5,700 young people. Also, approximately 1,700 excursions and local events were organised for pupils, students and YLC clients, which were attended by more than 15,000 young people.

Career planning sessions intended for schoolchildren is an important area of occupational guidance activities, the objective of which is unemployment prevention. These sessions are usually organised for 9-10th formers. The sessions are used to discuss the labour market situation and services provided by the LLE and to provide information about all aspects of career planning.

**4.4.2 What support is provided during training by the training provider to ensure the training is successfully completed?**

To ensure successful completion of training and acquisition of a qualification and/or competencies, specialists at TLE offices maintain close relations with vocational training providers, although no agreements are concluded with them. The provider of vocational training concludes an agreement with the unemployed or the employee who

is at risk of redundancy. The provider of vocational training can conduct practical training at the workplace. Legal acts also state that the LLE has the right to check how the training is carried out at the provider of vocational training and/or at the place of internship. The possibility to extend the training is allowed if the person in question has been absent for a good reason and will thus be unable to achieve the vocational training goal. The provider of vocational training has to provide the LLE with the following information: attendance of the sessions every month, information about any terminations of the training and reasons for them, copies of the qualification certificates or certificates of completion of vocational training after completion of the training.

Planning and management of measures

#### **4.4.3 How does the PES link provision of training to an assessment of current/future labour market requirements? And what are the preferred sectors and occupations for training?**

In view of the fact that TLE offices can refer people for training only when there is a specific vacancy available, the need for vocational training is determined in direct cooperation with employers. Specialists at TLE offices perform employer surveys and approve profession lists on a quarterly basis. Consistent and purposeful work with employers is practised, maintaining the existing contacts with companies and making new connections. Visits to employers and seminars for them are organised, during which employers are informed about the labour market situation, the related services that the LLE provides for employers, the qualifications of the registered unemployed and the possibilities of retraining them in accordance with the requirements raised by employers. The information about the services provided by the LLE is regularly distributed via email. Printed information (e.g. booklets, flyers) is also distributed. An employer survey is performed every quarter to forecast the workforce demand and assess the quality of services provided by the LLE. Most attention is paid to strategic employers that expand their activity and register the largest number of vacancies. Cooperation agreements and focus programmes are concluded with such employers, which schedule concrete actions when supplying employers with the qualified workforce.

The greatest need for vocational training is found in the transport, timber processing and service sectors.

#### **Is employer involvement a pre-condition for training to take place?**

One of the conditions for referring the unemployed and employees that are at risk of redundancy to vocational training is the three-party vocational training and employment agreement concluded between the LLE, the employer and the person in question prior to the training. Under this agreement, TLE offices undertake to finance vocational training services, the employer undertakes to employ the person after the training for a period no shorter than 12 months and the person undertakes to take up employment and remain working for a period no shorter than 6 months. In 2012, vocational training was mostly organised under three-party vocational training and employment agreements, comprising 91 % of all agreements.

The TLE constantly organises meetings that are attended by the unemployed, employers and vocational training providers selected by the Labour Exchange. During these meetings, the conditions and procedure of training are discussed, with the opportunity for employers to meet with the unemployed and discuss the post-training employment possibilities and requirements and conditions of the future job.

#### **4.4.4 What type of training is offered for which categories of jobseekers?**

Vocational training is performed in accordance with programmes for formal and informal vocational training. According to the list of Informal vocational training programmes published on the website of the LLE in March 2013, vocational training services are offered by 153 vocational training providers (22 of them are employers conducting the training) under 790 vocational training programmes providing different competencies (the average training duration is 1.2 months, with the average price at LTL 1,867).

98 vocational training providers included in the list of Formal vocational training offer 360 formal vocational training programmes (7 of them are employers conducting the training) (the average training duration is 4 months, with the average price at LTL 2,931). Informal vocational training programmes are shorter and intended to improve the existing qualification, i.e. to gain additional competencies. Formal vocational training programmes are intended to grant qualification and are therefore longer. The duration of these programmes depends on the education level of persons referred to them. For instance, the vocational training programme to gain a chef qualification intended for people with primary education continues for 36 weeks, whereas people with basic education can complete the course in 32 weeks.

On average, practical training takes up some 70 % of all vocational study programmes. Practical training can be conducted after signing a Three-party practical training agreement between the vocational training provider, a company or an organisation and the person in question. In such cases, the vocational training provider covers all training expenses of the practical training.

#### **4.4.5 What are incentives for job search within the training? Are any measures in place to ensure jobseekers are not hooked into training if a suitable job becomes available or is the emphasis on the completion of training? Does the training include internships and job search assistance to bridge the transition from training to employment?**

Legal acts state that an unemployed person can start employment during the period of training. The unemployed person that becomes employed under a work contract or starts engaging in individual activity, in accordance with his newly acquired/developed qualification and/or competence and having agreed upon the time of work and training with the vocational training provider and continuing the training, is only reimbursed for training services (stipend is not paid and travel expenses are not covered).

There is a trend however that unemployed people are employed mostly after finishing their training and acquiring qualification/competencies. Persons are rarely employed during the training period.

#### **4.6 What are the main challenges in the integration of low-skilled job seekers?**

The main challenges of low-skilled job seekers are in finding employment and maintaining their jobs. They not only lack vocational qualification, but are also in need of other soft skills such as problem solving, communication, teamwork and interpersonal skills and work ethics. Employment is also challenged by family commitments, health problems, unwillingness to travel to remote locations for work (low mobility) and various addictions. Low level of education and limited personal abilities and lack of job experience and motivation are the main obstacles preventing low-skilled job seekers from finding and maintaining jobs. Low education results in low vocational preparedness and a lack of qualification that is required for a well-paid job and securing a sufficient income and adapting to rapidly changing economic and labour conditions. Internal problems and low self-esteem prevents a job seeker from making an effort to change the current situation and aspire to greater goals. Negative presumptions from the side of employers are no less important. To compete

successfully, employers create modern workplaces and demand higher qualification and better skills from their employees. Public opinion is also relevant in Lithuania, with low-skilled people often identified with those avoiding employment, unreliable, lower social-level people living on state welfare.

**4.7. Based on your experience (ideally backed up by details of integration rates where applicable, including those after 6 months if available) what works best for which category of low-skilled job seeker? What factors ensure a fast and more sustainable integration of low-skilled job seekers? What works best in encouraging employers to offer opportunities?**

The most effective incentive for employers to employ low-skilled people and unemployed young people is subsidies paid for them. The most effective incentive for persons from such groups is subsidised employment. As many as 75 % of people remain in their jobs as permanent workers after participating in the measure for 6 months. Another popular incentive for low-skilled people is public works, which provide temporary employment; however, only 14 % find employment after the incentive terminates.

## **5. Partnership Working To Support Low-Skilled Adults And Young People**

**5.1. Are services (e.g. career guidance, testing) and training measures for low-skilled adults and young people delivered in-house by the PES or are part or most of these contracted out to private or third sector / other public service providers (and if so, which)? What is considered to be the added value of external provision (what can external providers offer that PES cannot)?**

Since 2008, the TLE has been organising motivational seminars for young people that are socially vulnerable, unqualified and lack motivation. The sessions aim to improve their chances of employment and equal competition in the labour market. During two-day group sessions, young people are familiarised with various professions and the labour market and are encouraged to share their experiences and problems with others, developing their communication and entrepreneurial skills and preparedness for the labour market.

In 2012, the TLE organised and delivered 580 motivational seminars for a total of 4,800 young people. Motivational sessions were organised not only in labour exchanges, but in the interrogation chamber for minors and in child care institutions. The participation of our social partners enabled 500 young people not registered in the labour exchange to attend the sessions in 2012.

**5.1.1. How do PES assess / quality control the delivery of these services?**

Effectiveness of motivation sessions was measured by monitoring the number of young people that find employment after attending the sessions and participated in active labour market policy measures and other programmes organised by the Labour Exchange.

14 % of those attending motivation sessions found employment in 2012, with 17 % participating in active labour exchange policy measures and 32 % in other programmes organised by the Labour Exchange.

## **5.2 Is there co-operation with chambers of commerce / other employer representatives, or social partners at management level to ensure opportunities can be offered to low-skilled individuals?**

The LTE cooperates with employer associations, trade unions and other social partners. This cooperation is aimed at identifying development prospects in specific areas of activity and the needs for experts in such areas. Cooperation agreements are signed with them, agreeing to jointly prepare and implement strategies, programmes, measures, studies, analyses, surveys and research in matters of labour market, employment support, unemployment prevention, politics of reducing social outcomes of unemployment, development of social partnerships and other issues important for the parties; to participate in projects, conferences, seminars, discussions, trainings and other measures implemented by the parties, sharing labour market forecasts and other data, information and methodological assistance required for preparation and implementation of strategies, programmes, projects and other measures. Cooperation with social partners is useful because it enables to forecast and balance the supply and demand in the labour market.

## **5.3. Is there co-operation with education and training providers, career guidance providers, municipalities, youth services, etc. at management level to reduce drop out and drive up qualifications?**

In 2011-2012, the LTE closely cooperated with the ISM University of Management and Economics, Association 'Langas į ateitį', Public Enterprise 'Specialybių mugė' and youth issue coordinators in various municipalities. Representatives of employers and municipalities, young and experienced entrepreneurs, volunteering organisations, psychologists, specialists from Versli Lietuva, 'Sodra', National Defence Volunteer Forces and trade unions, EURES, credit unions, business information centres and other social partners actively participated in events organised for graduates and school-leavers.

The LTE was included in the working group that has evaluated applications for the entrepreneurship promotion programme organised by the Department of Youth Affairs under the Ministry of Social Security and Labour. A total of LTL 45,000 was distributed for 8 NGOs for promoting entrepreneurship and handicrafts among young people.

## **5.4. What works best to ensure a good working partnership and in which areas do you see challenges for the future?**

Personal relationships and informal communication enable the most effective cooperation. Together with the Department of Youth Affairs under the Ministry of Social Security and Labour we therefore invite representatives from authorised institutions responsible for youth affairs to training for experts working with youth and apply methods of informal education and team-building games in this training.

The National Youth Policy Development Programme for 2011-2019 states that a structured system of information and counselling for young people is to be established by 2019. LLE Youth Labour Centres will hopefully be a part of this system. The

challenge that awaits us in the future will therefore be to successfully coordinate methods of work and lines of action across various state and non-governmental organisations.

## 6. Monitoring And Evaluation

### 6.1. What systems are in place for performance measurement and evaluation for low-skilled adults and young people?

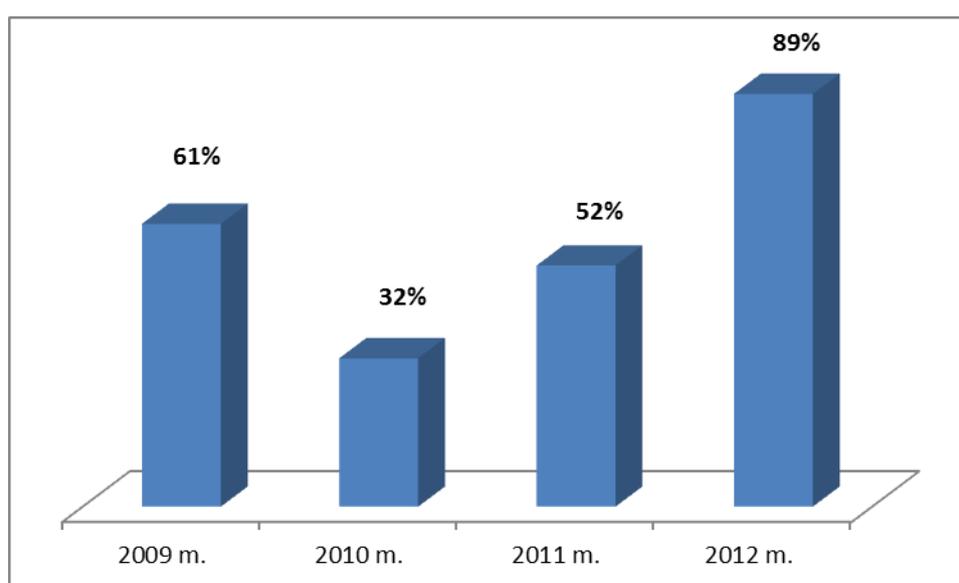
The system of result-oriented management has been adopted in the LLE since 1995. Aims and objectives are set each year on the basis of the labour market situation, also defining indicators used to monitor the implementation of goals. By implementing result-oriented management we seek to ensure the continuity of indicators for monitoring. Indicators can be updated, renewed and differentiated for territorial labour exchanges.

### 6.2. What are the main indicators used in evaluating the effectiveness and efficiency of services and measures for low-skilled adults and young people?

One of the main indicators used in evaluating activities is the ability to offer 'new start' measures (employment, skills, training and other employment promotion measures) for young people (aged up to 25) within 4 months of unemployment. Results are monitored on a monthly basis, comparing them with data from previous years. From the perspective of result-oriented evaluation of work, no indicator has yet been adopted with regard to low-skilled unemployed people.. Successful labour market integration achieved after 6 months are also measured.

### 6.3. What have been the main evaluation results in recent years?

LLE measures the effectiveness of vocational training by monitoring employment results (i.e. the number of people that secure jobs) within 6 months from completing the training.



5.

The diagram shows employment indicators of the last four years.

Similarly, the effectiveness of other measures such as subsidized employment and support for acquisition of vocational skills is evaluated.

In 2012, every second participant of the subsidized employment measure was a young person up to 29 years of age. 71.9 % of them were employed within 6 months from completing participation.

The diagram shows employment indicators within 6 months from completing the subsidized employment measure of the last four years.

In 2012, 77 % of the participants in the support for acquisition of vocational skills measure were employed, of these, 66 % were young people up to 29 years of age.

#### **6.4 Have these results led to any changes or are changes being considered in the organisation and delivery of services to improve the labour market situation of low-skilled adults and young people?**

The following trends are apparent from the analysis of employment after completing vocational training in the context of the last four years:

- The indicator of employment within 6 months from completing the training was only at 32 % in 2010 because of the effect of the economic crisis, i.e. a significantly reduced number of available vacancies.
- With economic recovery and more available vacancies, 52 % became employed in 2011.
- In 2012, 89 % found employment immediately after completing vocational training and gaining qualifications/competencies. The fact that vocational training was implemented using a new model (when training is organised only when a specific vacancy is available in which the person will be employed after completing the training) has also added to a significant increase in the after-training employment indicator.

## **7. Conclusions and questions**

### **7.1. What lessons have you drawn from your experience and what are your main challenges, tasks and plans for the future?**

- Because of demographic changes, it will become increasingly important in the future to include and retain as many people as possible in the labour market (young people, older and pre-pension age people, long-term unemployed and low-skilled people). PES must clearly define the needs of such groups and provide effective personalised services accordingly.
- Another important challenge is to prepare qualifications in keeping with the market requirements. The number of experts in certain fields are becoming insufficient in Lithuania and we must therefore make more accurate forecasts regarding the prospective needs of employers and professions that may soon be lacking skilled workforce and organise timely and efficient training and re-qualification of the currently unemployed.

- The 'train first' method is applied for young people; however, more than a half of all young people registered in the Labour Exchange have no work experience, so it is also important to work on ensuring and popularising internship and placement opportunities and improving their quality.
- Many young people are passive. Employment agencies should work more towards ensuring the availability of vocational guidance and consulting services and motivating and inspiring young people.
- Effectiveness of vocational training when implemented according to the new model as of 2012 has been confirmed; there are also however negative issues, such as:
- Opportunities for people from most socially vulnerable groups to participate in vocational training have been reduced, especially for people with only basic or secondary education, because they are unattractive for employers and employers refuse to undertake to employ such people after the training is complete. To improve the situation of such people, legal acts should allow for the possibility of prioritising low-skilled people when organising vocational training.
- Fines set by the law for breaching the agreement are very severe (the person must reimburse the vocational training costs to the Labour Exchange if they discontinue the training, is unable to find employment and does not start to work independently, terminates the labour agreement or individual activity in less than 6 months). Liberalisation of the fulfilment of contractual obligations may help solve this issue.

Please outline up to three key questions, ensuring they are open-ended. You can use the questions from your fiche, if you wish, or include other questions.

- Are work first or train first approaches used by the PES to assist low-skilled individuals? Which approach works best for which target group?
- What type of work experience and training measures show the best outcomes including monitoring / follow-up services by PES or other providers?
- Close interaction of different actors including employers is essential for better activation outcomes of low-skilled young people. What are proven approaches to improve the work with employers in order to develop the skills of low-skilled individuals? How can PES share commitment with other actors and involve jobseekers themselves in their career planning to ensure effective service delivery for low-skilled young people?