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1 COUNTRY SPECIFICS OF YOUTH UNEMPLOYMENT – RISKS FOR LOW-SKILLED YOUNG PEOPLE

A short introduction to the Lithuanian educational system

The Lithuanian education system is implemented at several levels. According to the Lithuanian Constitution, education is compulsory until the age of 16.

Primary education (compulsory education) lasts for four years.

Basic education (compulsory education) is a six-year curriculum (grade 5 to 10) provided by various types of schools: basic schools, secondary schools and gymnasiums (the same curricula). 12–16 year old adolescents that do not manage to study at basic, secondary school or gymnasiums due to a lack of motivation or who have no other choice because of their social background can attend “youth school” (special needs school). Youth schools provide basic education and pre-vocational training in grades 6–10. Grades 9–10 can alternatively be completed at vocational schools (lower secondary education).

Upper secondary education is offered to 16/17 year old students that have completed basic education. Secondary education is finished after completing a 2 year curriculum at secondary school and gymnasium grade – 11 and 12, vocational or other schools. At vocational schools, pupils can choose the curriculum of stage II of the basic vocational training or the curriculum of stage III. In the first case they are offered a two-year training programme resulting in a vocational qualification. The three-year curriculum of stage III results in secondary education and vocational qualification.

Post-secondary education at vocational schools is intended for secondary school graduates interested in a vocational qualification. Students enroll at age 18/19 and graduate by age 20/21. The duration of the education depends on the complexity of the profession and can be 1 to 2 years.

Higher education can be attained by either completing university studies at universities or by completing non-university studies at colleges. Undergraduate university studies last between 3.5 to 4.5 years. Graduates are awarded a Bachelor’s degree and (or) a professional qualification. Master studies are open to those that have completed a Bachelor’s degree. The duration of Master studies is 1.5 – 2 years. Graduates of Master studies are awarded a Master’s degree. Specialized professional studies are intended to help individuals prepare for a job that requires special practical skills. They are designed for individuals who have completed undergraduate studies at universities. The duration is 1 – 1.5 years. Graduates of specialized professional studies obtain a professional qualification.

Doctoral studies and post-graduate art-studies are organized by university-type institutions and research institutes. The duration of studies is 3 - 4 years.

Overview of the youth situation in the Lithuanian labour market

According to the data of the Department of Statistics (Statistics Lithuania), in 2009 of a total of 440 500 school age children, 15 900 children did not attend secondary schools (about 3.6 %). 19.2 % of secondary schools leavers decided not to pursue their studies further, 6.7 % chose vocational schools, 23.6 % entered colleges, 50.5 % began studying at universities.

In 2009, the Lithuanian budget amounted to a total of € 7370.3 million. Of this, 24.5 % was allocated to education (€ 1801.9 million). In 2009, in Lithuania there were 78 vocational schools, 23 colleges, and 23 universities.

In October 2010, youth unemployment in Lithuania, based on EUROSTAT data, was third highest in EU (Spain 42.8 %, Slovakia 35.9 %, and Lithuania 35.3 %).

In 2010, 73 900 young unemployed people were registered at local labour exchange offices (the total number of unemployed was 303 100). Of the total registered unemployed, young people made up 24.4 %. Almost half of young people were looking for a job for the first time (45.7 % or 33 800). One in two young unemployed (52.7%) did not have a vocational qualification. Among other groups, there were 205 (0.3 %) non-citizens of Lithuania up to 25 years of age, and 922 (1.2 %) handicapped persons up to 25 years of age. Young unemployed people by age are divided in the following 3 groups: 16-18 years of age (7.1 %), 19-21 years of age (41.9 %), and 22-24 years of age (51 %).

According to data from 1 January 2011, of 44 700 registered young unemployed of 25 years of age, 44.8 % (200400) had an unemployment span of 6 months or longer. Among the young unemployed, the share of men was higher than that of women (58 %). Among the long-term unemployed young people, the share of men was higher than women (60% and 40 % respectively). The total number of long-term (the duration of unemployment is 12 months or longer) unemployed was 130 000 (41.8 % of total unemployed). In the fourth quarter of 2010, the overall average duration of unemployment was 8.71 months.

In 2010, 21 % (15 500) of young unemployed people up to 25 years of age were provided with unemployment insurance benefits. Unemployment insurance benefits are available for persons who prior to the registration at the local labour exchange office have had a length of service of no less than 18 months over the past 36 months.

2 PES ORGANISATION AND SERVICE PROFILE

Among the institutions implementing the active labour market policy in Lithuania are the Government; the Ministry of Social Security and Labour and other ministries; the Lithuanian Labour Exchange and its local labour exchange offices; municipal institutions and agencies; other legal and natural persons.

According to the Law on Support for Employment, institutions shall implement the active labour market policy in consultation with social partners. Social partners represent their interests by participating in the activities of the Tripartite Council of the Republic of Lithuania. The Tripartite Council is active in all the institutions implementing active labour market policy, namely, the Lithuania Labour Exchange and its 10 local labour exchanges. They make proposals on the setting of the priorities of the institutions, consider the expediency of preparing active labour market policy programmes, discuss the implementation of employment support measures and provision of labour market services, and give advice on increasing operational efficiency.

General information about the Lithuanian Labour Exchange includes:

- Competence – implementation of the State employment policy
- Established on 1 March 1991 (1 central office and 46 local offices around Lithuania)
- Restructured on 1 October 2010 (1 central office and 10 local offices around Lithuania including customer service branches in municipalities)
- Status – budgetary institution
- Funding: Employment Fund, State budget, EU Funds, other
- Number of staff – 1445. 74 % of these are directly working with customers

Since 1 October 2010, after the implementation of the structural reform of the Lithuanian Labour Exchange, there are now 10 local labour exchange offices. These local offices administer 49 customer service branches in municipalities which are directly subordinated to the Lithuanian Labour Exchange.

The main tasks and objectives of the Lithuanian Labour Exchange are:

- to match labour supply and demand in order to maintain the labour market balance
- to increase employment opportunities for working-age job seekers
- to implement bilateral and tripartite cooperation of social and the labour market partners for promotion of employment
- to reduce social exclusion

- to develop and implement preventive unemployment and redundancy mitigation measures to reduce structural unemployment
- to perform labour market monitoring, assess the situation and forecast changes in the labour market
- to operate actively in the European Public Employment Services network, creating the unified and transparent EU labour market
- to develop public services and improve the efficiency of the employment support measures
- to absorb the financial assistance of the EU structural funds, the European Globalisation Adjustment Fund and other funds seeking the promotion of employment and investment in human capital, also, to ensure equal opportunities in the labour market
- to ensure and modernize the activity of the local public employment offices, encouraging employment and investment in human capital

The total Lithuanian Labour Exchange budget for the year 2010 was € 220.8 million. Expenses included:

- € 52 million for active labour market policy measures;
- € 114.3 million for unemployment insurance benefits;
- € 21.6 million for operational costs.

3 ENSURING ACCESS TO PES FOR YOUNG PEOPLE

Early access for young people to the labour market, providing them with information on prospects associated with various occupations, as well as information on ways of accessing the labour market and developments and trends in the labour market, help young people to choose their future career path and contribute to shortening the young people's labour transition. Since security in the labour market is strongly influenced by the level of educational attainment, guidance services are very important. Identifying people's individual interests, skills, competencies and talents is central to making a reliable career choice.

In 2010, seeking to promote transition from education to the labour market, career counselling events were organized at 11 Youth Job Centers around Lithuania including 457 events for secondary school students (attended by 6 600 young people); 27 events for high schools students (670 attendees); 354 talks were held in secondary and high schools (7 400 attendees). These events were most often organized for senior-year students. Students discussed the situation in the labour market, services provided by the labour exchange, career counselling and motivation. Information about the possibility to participate in such events was distributed to schools via e-mails.

In 2010, the Lithuanian Labour Exchange in co-operation with the Youth Affairs Department under the Ministry of Social Security and Labour prepared a brochure about the services provided by the two institutions, including the necessary contact information. The brochure has been distributed through non-governmental youth organizations.

Information for youth on the labour market services, job and career opportunities, vocational training, studies, personality and interest questionnaires and ability tests are available on the Internet including: www.ldb.lt/jaunimui; www.jrd.lt; www.eurodesk.lt; www.profesijupasaulis.lt; www.mokslas.lt; www.euroguidance.lt; www.tavokarjera.lt and other sources.

The Lithuanian Labour Exchange prepares regular press releases to inform the public about changes in the labour market, new services, and implemented projects. In 2010, the most attention was paid to the project „Būk aktyvus darbo rinkoje“ (“Be Active in the Labour Market”), which includes subsidized employment and job skills training activities directly at the workplace. The priority group of participants in this project was young people under 29 years of age. It has become possible to involve young people up to 29 years of age in different projects after the amendments to the Law on Support for Employment that came into force last summer. Previously, young people under 29 years of age did not qualify for additional support in the labour market therefore they were not entitled to subsidised employment, if they did not belong to other groups of persons supported in the labour market. This project was introduced in an interview on TV, also during an online video conference (www.alfa.lt/video/?agid=1&acid=0&page=1&showID=221153).

In order to ensure the availability of guidance services, the establishment of Career Information Points (CIPs) was foreseen in the 2003 Vocational Guidance Strategy and its Implementation Action Plan. Currently, 700 CIPs are operating around Lithuania, which provide vocational guidance services and help youth to learn about the world of training and the labour market and to evaluate one's possibilities. CIPs are provided with computer equipment and have access to the Internet and to the education and the labour market databases of the country. The vocational counselling material is available in different formats: electronic, video, and print. CIPs operate in some labour exchange offices, libraries, secondary schools, municipalities and neighbourhoods.

In Lithuania, the annual Self Education Studies and Career Fairs and Higher Education Fairs are held which provide information on career planning, occupations and crafts, language courses, professional training, learning and studying institutions, how to prepare for the studies. In 2010, 40 000 visitors (of these, 64 % were high schools students) attended the Self Education Studies and Career Fair in Vilnius.

In 2010, the Youth Affairs Department funded 14 youth entrepreneurship promoting projects in which over 1200 young people participated. The participants studied various crafts, manufactured handicrafts, later organized craft trade shows and sold their products.

4 PES SERVICES AND PARTNERSHIPS FOR YOUNG PEOPLE

When Lithuania regained its independence, the Law on Employment of Population was drafted and passed on 13 December 1990. Since 15 June 2006, this law was entitled as the Law on Support for Employment. In the summer of 2010, the Law was amended by adding youth under 29 years of age to the group of persons additionally supported in the labour market. According to the law, the Lithuanian Labour Exchange and its local offices is one of the key institutions implementing the employment support policy.

The Lithuanian Labour Exchange in its action plan for 2011 set an objective to reach a share of 88 % of the total registered young unemployed under 25 years of age for whom a new start has been offered within 4 months of inactivity.

The main services of the Lithuanian Labour Exchange are the provision of information which helps jobseekers to find a job or acquire professional knowledge; counselling which contributes to increasing the motivation of jobseekers; employment intermediation which helps jobseekers to find a suitable job and the employers to find suitable employees; and planning of individual activities with a view of supporting for employment.

To support youth employment, the Lithuanian Labour Exchange has established branches – Youth Employment Centres. The main task of these centres is to prompt young people's integration into the labour market, to assist them in getting a better understanding about the social environment and the labour market, and to assist them in finding employment. The services are free of charge, and registration is optional.

11 Youth Centres operate throughout Lithuania. They:

- provide information and counselling for young jobseekers;
- introduce to young people the world of professions;
- organize informative events and practical training, assist in preparation for job interviews, provide counseling on how to introduce yourself to an employer and how to be motivated in searching a job and promote entrepreneurship.

The Centres provide:

- free of charge internet for job search
- profession descriptions and informative movies about occupations
- professional orientation tests
- information about conditions for studies in higher education institutions
- consultation on writing CV and a motivational letter

In 2010, Youth Employment Centres provided information and counselling services for 227 700 jobseekers. 57 700 young people made use of self-service job search in

the open information areas. The information on job search, vacancies, occupations, studies programmes and other was provided for 81 800 people.

There are many components inside the system of LLE, but for external clients they represent a single point of contact. That is our website, self-information centres and support from the personnel using ICT. In any case the client gets full and accurate information about the current situation in labour market, job vacancies, and advice for job-search procedures and etc.

Employers looking for employees have to provide information to the local labour exchanges on vacancies, job functions and the nature of a job, remuneration and other working conditions, also, the qualification requirements a candidate should meet to be employed. An employer shall inform the local labour exchange about a vacancy in the most convenient way: either by meeting with staff, phoning, or filling in a Vacancy Registration Card on the Lithuanian Labour Exchange website and sending it by e-mail or fax. Local labour exchanges immediately register vacancies on the database and make them publically available for self-service job search, on the internet labour exchange website, in Information and Counselling, Youth Job Centres, and other areas of open information.

The cooperation among the Lithuanian Labour Exchange and employers and their organizations lead to increasing employment in 2010. A third more young people were recruited compared to 2009.

5 EFFECTIVE PES MEASURES FOR YOUNG PEOPLE

Active labour market support measures in Lithuania are vocational training, supported employment, subsidised employment, support for the acquisition of professional skills, public works, support for job creation, job rotation, subsidies for job creation, implementation of projects of local initiatives for employment, support for self-employment, and employment support programmes.

In 2010, of the total registered young unemployed, the share of young unemployed who were offered a new start within 4 months of unemployment was 77 %. 34055 young people were employed (a third more than in 2009), 11410 participated in ALM's (in 2009 accordingly 11240), of these 2861 participated in vocational training, and 3453 in skill acquisition support measure. Of the total ALM's measure participants, young people under 25 years of age made up 19 %. Of the total skill acquisition support measure participants, the share of young people was 53 %. Respectively, of total participants, the share of young people in vocational training was 44 %, in subsidised employment 19 %, in job rotation 21 %, and in public jobs 8 %.

Monitoring of ALM's indicates that after the measures are brought to an end, the share of employment of all participants is as follows: 77 % are employed after participation in subsidised employment, 74 % after skills acquisition support, 30.9 % after vocational training, 79 % after job rotation, and 9 % after public jobs. A low employment rate after vocational training results from the prevailing trend in the labour market: when labour supply exceeds demand, an employer most often recruits an employee with a relevant work experience and necessary skills.

In 2010, about € 10 million was spent on youth ALM's (4.5 % of total PES budget).

Recent measures for supporting youth employment introduced in 2010:

1. Young people (up to 29) became the group of persons additionally supported in the labour market in accordance with the amendments to the Law on Support for Employment. Young people with no work experience can:
 - participate in subsidised employment (average duration is 5 months);
 - get support for the acquisition of professional skills (up to 12 months).
2. Young people (up to 29) have a priority to participate in vocational training and supported employment measures.
3. Young people (up to 29) are among the priority groups who can get a credit by participating in the EU funded project "Promoting Entrepreneurship" and:
 - participate in the training "Basics of Entrepreneurship";
 - obtain free training in one of 6 training models according to individual needs;
 - obtain a free individual consultation on the preparation of a business plan.

4. Young people who enter the labour market for the first time benefit from a lower rate social insurance contribution (they pay 7.7 % instead of obligatory 31 %) in accordance with the amendments to the Law on State Social Insurance.

With decreasing labour demand and increasing supply, employers have an opportunity to choose from a larger number of candidates, therefore they impose higher requirements for the practical training of young people. Major reasons for youth unemployment are a lack of vocational training and work experience or that the supply of expertise does not match what the labour market requires. By participating in the working skills acquisition support measure, young people who start working in accordance with their professional qualifications, can obtain and further develop the missing skills directly in the workplace. After gaining experience and properly performing their assigned tasks, young people have a chance to extend the contract with the employer after the period of support. Employers who organize the working skills acquisition measure and employ young people starting their working activities by their qualification, can receive a 50 % subsidy to partly compensate salary and mandatory state social insurance contributions. There is no universal obligation for employers to employ the young person after the subsidy ends, however an individual contract is negotiated between each employer and the labour exchange office, and in some cases a clause is included in the contract which obligates the employer to keep the young person when the subsidy ends. Even where no such clause exists, employers who do not take on the young person afterwards if a job is available could be at risk of not receiving further subsidies; this decision is made on a case by case basis. It is standard practice of the Lithuanian Labour Exchange to encourage concluding an open-ended contract between the employer and employee. The Lithuanian Labour Exchange offer for young people who do not have skills or their qualifications do not match with the labour market demand to participate in vocational training, which is organized in order to provide qualification or to acquire a competence necessary for employment.

Since 2008, by implementing the EU supported project “Development of New Innovative Services for Youth Seeking to Decrease Youth Unemployment and to Facilitate Entering the Labour Market”, services are provided for the most vulnerable young people. In 2010, 415 motivational seminars were organized for socially vulnerable, unskilled and unmotivated young people, in order to increase their opportunities to establish themselves and compete equally in the labour market. Two-day seminars introduce young people to the world of occupations, help to solve arising problems, to develop the necessary skills to integrate them into the labour market, or to start their own business. In 2010, 2 700 young people attended the seminars. Of these, 243 were not registered at the labour exchange but belonged to the social risk group, and were identified in cooperation with governmental and non-governmental organizations, social partners, who were involved in the seminars in order to provide an effective support for more vulnerable young people. Of the participants, 62 % later found employment, participated in ALM measures or other programmes (in 2009 54 %).

A First Job Programme is offered for graduates who completed education and started working according to acquired professional competences or for graduates or persons with basic education who are seeking a job for the first time. Participants of this programme are provided with information, counseling and intermediation services. Their job search skills are enhanced, they have opportunities to acquire and to establish their professional qualification and to participate in ALM's. A specialist of the local labour exchange who is responsible for employment support, inclusion and career planning for young people, assists in preparing an employment action plan, which foresees actions to help gain access to the labour market and the most effective job search methods and techniques. After the programme, in 2010, 9 000 persons were employed, and another 4 100 young people under 25 years of age without work experience were sent to ALM's. Of these, 1 000 participated in vocational training programme, 1 400 were engaged in working skills acquisition support programme, and 900 performed public jobs.

On the website of the Lithuanian Labour Exchange there is designed a Talent Bank database for high qualification specialists in which jobseekers can provide information about themselves. High school graduates and students of final courses who know at least one foreign language and are computer literate are invited to participate in the Talent Bank programme. Information about such graduates and students is available for all employers, and this increases their employment possibilities.

Support is also offered for territorial mobility if no employment can be found in the locality. The project "Support for employment and labour mobility" funded by the European Social Fund has been implemented in this regard. Unemployed individuals who start working in organizations over 30 kilometres away from their place of residence and whose monthly salary after tax does not exceed € 377, receive reimbursement of travel expenses to and from work and accommodation expenses. It is planned to compensate expenses for about 500 people.

The Lithuanian Labour Exchange conducts research on motivation and employment possibilities of graduates registered at the local labour exchanges. In 2010, the results from 4 800 young people revealed that it is currently necessary to enable young people to acquire work experience and qualification. As the previous year, the most popular ALM's measure among graduates was working skills acquisition support.

6 ASPECTS OF TRANSFERABILITY AND CONCLUSIONS

Youth employment is a priority, because the current exclusion of young people from the labour market may negatively affect the potential of economy in the future. The society may lose young people due to crime, depression and emigration. Assessing this threat, the Lithuanian Labour Exchange in its action plan for 2011 set an objective to reach the share of 88 % of the total registered young unemployed under 25 years of age for whom a new start has been offered within 4 months of inactivity. In 2010, this indicator was 77 %.

It should be noted that the economic downturn had a very negative impact on the results. As was already mentioned before, according to the October 2010 EUROSTAT data, youth unemployment in Lithuania was third highest among the EU countries (after Spain and Slovakia). Therefore we are looking for new ways how to improve the situation of young people.

After restructuring of the Lithuanian Labour Exchange in October last year, special youth employment sub-divisions were established, who focus specifically on youth unemployment issues.

Last summer, with amendments to the Law for Support to Employment, young people under 29 years of age were included in the group of unemployed additionally supported in the labour market. The ESF Project "Be Active in the Labour Market" has been launched which contributes to subsidised employment of young people or enables the young people to acquire working skills directly in the workplace.

Motivational seminars are available for unmotivated young people who suffer from social exclusion. To increase the youth employability skills in the future, Youth Job Centres, similar to those in Austria, constantly organize vocational motivation seminars at schools and inform about services PES provide. There are around 700 Career Information Points operating in Lithuania, and activities in this field will be further expanded in the future.

Currently, a new Vocational Training Order is being prepared, as well as other legal instruments including amendments to national legislation that regulate vocational training in order to facilitate young people's access to vocational training, to provide more possibilities for gaining vocational training and better conditions for apprenticeships and traineeships. Therefore the experience of Austria and other countries is very important and valuable for us.

In response to the questions raised by the Austrian PES it can be noted that:

- In Lithuania, young people with a migration background are not a problem, therefore we do not have much experience in this field.
- In Lithuanian PES, special sub-divisions for dealing with young unemployed people and their issues have been established, and Youth Job Centres offer their services. Specialists working with young people constantly raise their qualification in seminars and internal training.

- We focus on individual work with young people. After a young job seeker registers with the local labour exchange, his or her readiness to work, motivation and self-search job skills are evaluated individually. Respectively, it is decided how often the young person should attend PES.
- The success of ALM's is assessed by a quantitative method (monitoring of employment rates) and by a qualitative method (conducting of inquiries). The most successful ALM's are subsidised employment and acquisition of working skills directly at a workplace.

Lithuanian PES would be interested in discussing these questions:

- What ALM's are the most effective in other countries?
- How to increase the attractiveness and accessibility of services offered for young people?
- What is your experience in preparing and training consultants working with young people?
- How other countries deal with long-term unemployed who are the most excluded from the labour?
- How PES co-operate with private employment agencies, how the agencies are involved?