



LITHUANIAN LABOUR EXCHANGE

ANNUAL REPORT

Activities of the Lithuanian Labour Exchange

2004



ANNUAL REPORT

Activities of the Lithuanian Labour Exchange

2004



Having acceded to the European Union ('EU'), the Lithuanian Labour Exchange ('LLE') has started participating in the implementation of the EU employment and social policy and in the processes of open coordination. Having joined the European Employment Services ('EURES') network, the LLE plays the main role in helping people to adapt to the changed circumstances, i.e. encourages mobility and flexibility, assists them in acquiring abilities, qualifications and other things which the developing economy needs.

2004 – the first year of the EU membership



Aiming to provide comprehensive information to the public about free movement of workers, in 8 major local labour exchanges that are in the centres of the counties, the LLE established EURES offices which provide information and counselling for the country's inhabitants about vacancies, living and working conditions, as well as education possibilities in the EU countries, and which also give advice to the inhabitants of the EU/European Economic Area who want to work in Lithuania.

**EURES network
consulted and
informed
15500 persons**

In 2004 EURES network consulted and informed 15500 persons and participated in the events of Job Clubs and Labour Market Days, TV and radio broadcasts, prepared publications for the mass media, implemented international employment projects. EURES offices organized so-called European Week events, to which EURES advisors from Germany, Sweden, the United Kingdom and Ireland were invited.

Preparing to use the support of the EU Structural Funds, the LLE carried out its employees' training for the management of the projects financed by the European Social Fund. The LLE prepared 5 projects to receive the support of the Fund for development of human resources:

- For vocational training of the unemployed and persons who received notice of their dismissal,
- For employment support of the unemployed,
- For integration of the disabled into the labour market to avoid social exclusion,
- For integration of convicted persons and those who have returned from places of imprisonment into the labour market,
- For increase of institutional capacities of the LLE.



The experience of international cooperation continuing for many years helps to expand and improve the quality of the services provided to the clients. On the national and local level the labour exchanges of Lithuania cooperate in a creative way with the Public employment services ('PES') of Sweden, Finland, Federal Republic of Germany, Hungary, Poland, Latvia, Estonia, France, Kaliningrad region of the Russian Federation and the Ukraine. The LLE is a member of the World Association of Public Employment Services (WAPES) and the International Association of Workforce Professionals (IAWP).

The LLE's experience is more and more widely applied in the activities of foreign PES. The Lithuanian Labour Exchange together with Swedish National Labour Market Board provides support for Armenian and Georgian Authorities in order to improve active labour market policy.

According to the data of the EU's Service of Statistics EUROSTAT, during the first year of membership in the EU the decrease of unemployment rate in Lithuania was the biggest out of all the EU Member States, i.e. 2,6 per cent. At the end of the year unemployment rate in Lithuania was 9,4 per cent and significantly approached the average unemployment rate of the EU (8,9 per cent).

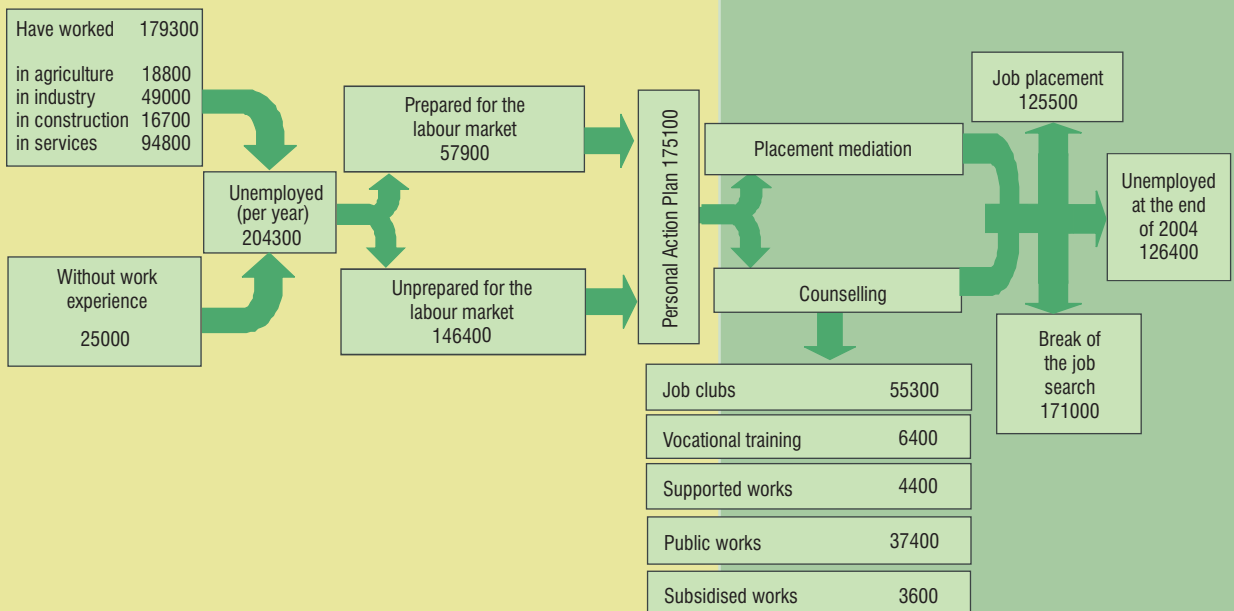
Active support of the unemployed was the main challenge for the LLE in 2004. Personal Action Plans are being made with the unemployed registered in the Labour Exchange. Together with the Labour Exchange's specialists skilled clients plan measures, which help to find a job faster, and unskilled persons – measures that increase their competitiveness.

To improve individual activities with job seekers, in the labour exchanges the clients are being served according to the standards of employment mediation and counselling. The mediation services are oriented towards the support for the unemployed to find a job and for employers to be provided with the required labour force. Employment mediation specialists helped 125 500 persons to find a job.



Promoting adaptability in the labour market

Flows of the unemployed in 2004



Taking into regard the fact that more than 70 per cent of the Labour Exchange's clients are persons not able to compete in the labour market, the programs of information, counselling, vocational guidance, increasing of motivation, vocational training, skills renewal and consolidation, as well as other measures are being applied to them.

In 2004, 130 000 unemployed participated in active labour market policy measures:

- 500 purposive contracts were prepared and implemented together with employers, according to which 2800 employees who received notice of their dismissal were sent to preventive training. Having acquired a new or additional vocational qualification, the participants of preventive training program remained and continued to work in the same company or found a job in another company.



- 26 400 unemployed acquired vocational knowledge and skills in the programs of vocational training. 5200 skilled employees were prepared for the services sector, 3400 for the industry sector and 1800 for the construction sector.
- In the program of supported works 4400 unemployed acquired work experience and strengthened skills. 74 per cent of the participants of the program remained in the enterprises for permanent work.
- In the program of public works 37 400 temporary work places were created for persons for whom it is most difficult to integrate into the labour market. The participants of the program, i.e. long – term unemployed, the unemployed living in the country and the unemployed of older age were involved in socially useful activities: repaired schools and hospitals, took care of old people and the disabled, planted and cleaned forests.
- To reduce social exclusion, 3600 disabled and other socially vulnerable people were employed in subsidised work places.
- 55 300 job seekers improved job search and communication skills in the Job Clubs.

New public electronic services were introduced to the Labour Exchange's clients in response to the challenges of the present time:

to job seekers

- sending e-messages about vacancies;
- sending SMS messages about vacancies to the mobile phones of the unemployed;

to employers

- the system of the search for employees by sending the employer through e-mail CVs of employees with desirable qualification;
- direct registration of vacancies by internet.

Modern e-services for our clients



That encouraged the clients to use information communications technologies and contributed to the creation of the knowledge society. From the beginning of the provision of these services more than 12000 clients of the Labour Exchange used new e-services. More than 1000 vacancies were registered by using the system of the registration of vacancies by internet, which is integrated into the data base of vacancies of the EURES network.

New Labour Exchange's services save the clients' time, and the serving staff can pay more attention to those unemployed who need more support and advice how to find a job.

The process of serving the clients was reorganized thoroughly by implementing the identification of the flows of the unemployed and by establishing their readiness for the labour market, motivation for work and necessary support. Information and counseling service which operates by "one – stop" principle is being provided by phone, employers can register vacancies by dialling one phone number in all the country, and the services of self-information and vocational information have been developed.

36 000 employers, mostly enterprises of services and industry sector, use the Labour Exchange's services. That makes up about half of actually functioning enterprises in the country. Local labour exchanges have signed 16,1 thousand cooperation agreements with employers. The agreements provide for the Labour Exchange's role in the provision of the country's enterprises with skilled labour force and the employers' participation in the preparation and organization of active labour market policy measures of the labour market.

Having appreciated the role of social partners in solving employment problems, the LLE cooperates with large employers' unions and employees' organizations: the Lithuanian Builders Association, the Lithuanian Apparel and Textile Industry Association, the Business Employers Confederation, the Agricultural Companies, the Irrigation Engineering Companies and the Machine and Device Industry Companies Associations, Lithuanian Federation of Trade Union Workers, Trade Union of Forestry Workers.



Developing cooperation between social partners

6

The LLE cooperates in a constructive way with the state universities, the Ministry of Education and Science, representatives of vocational training institutions and members of the Tripartite Commission to discuss and solve the problems of providing the labour market with skilled employees.

The LLE cooperates with 23 enterprises having licences, which have been issued by the Ministry of Social Security and Labour, to deal with activities of placement mediation in foreign countries. The LLE prepares common training of the employees according to the signed agreements of the labour market partners and exchanges information.

Aiming to inform the society about its functions and provided services and to increase the transparency of the labour market, the LLE systematically cooperates with the mass media.

The LLE has created and has been improving the management information system for managers, which gives a possibility actually to follow and analyze the labour exchanges' activities by various sections and helps to solve the appearing tasks. The institution has also created conditions for the evaluation and comparison of the achieved results and foresaw incentives for their improvement.

To decentralise the management and transfer the solution of employment problems to the regional level, the councils of regional (counties) labour exchanges directors and advisory committees were established in the labour exchanges which are in the centres of the counties.

An important pre-requisite for the improvement of the activities is unbiased evaluation of the services. To evaluate the provided services and taken measures, the local labour exchanges carry out the surveys of the unemployed and employers, the participants of which in 2004 were 34000 clients. The results of the surveys indicate that there is constantly increasing trust in the LLE's system as the main institution which satisfies specific needs of the unemployed and employers.

Efficient and client-oriented administration

The surveys for the evaluation of the motivation of the unemployed show that the reason of their registration in the Labour Exchange is to find a job. 34,3 per cent of the interviewed unemployed indicated that insufficient education is one of the main reasons for not being able to find a job, and one fifth - that insufficient activeness or lack of job experience.

The results of the survey showed that 51 per cent of the unemployed who have finished vocational training found a job within 30 days, and 71 per cent of the former unemployed within 90 days after training.

The results of survey for the evaluation of the services provided to employers indicate that employers select employees most frequently with the mediation of the Labour Exchange.

In 2004 one litas spent on placement of the unemployed and involvement into active labour market policy programs returned to the state budget 3 times more funds than initially invested.



KEY LABOUR MARKET INDICATORS IN 2000-2004

per year, in thousand

	2000	2001	2002	2003	2004
Number of registered unemployed	258,0	249,7	243,8	242,1	204,3
Placed into jobs	100,9	134,1	133,7	130,6	125,5
Permanent jobs	67,8	86,5	92,7	98,4	97,2
Temporary jobs	33,1	47,6	40,9	32,2	28,3
Participated in active labour market policy programmes	86,3	106,6	127,4	146,6	129,9
Unemployment prevention	1,8	2,6	3,2	3,2	2,8
Vocational training	11,7	17,0	21,6	31,3	26,4
Job club	42,4	46,9	46,9	53,8	55,3
Subsidised works	1,0	1,7	2,7	3,2	3,6
Own business starting-up	0,04	0,06	0,04	0,01	0,01
Public works	26,8	34,6	48,1	50,6	37,4
Supported works	2,5	3,8	4,8	4,4	4,4
Activity according to business certificate	12,3	14,1	15,7	14,2	14,2
Number of registered vacancies	107,5	134,6	133,0	130,0	129,9

8

UNEMPLOYED IN 2000-2004

at the end of year, in thousands

	2000	2001	2002	2003	2004
Number of unemployed	225,9	224,0	191,2	158,8	126,4
Male	102,8	106,4	96,1	85,1	72,6
Female	123,1	117,7	95,0	73,7	53,9
Youth	34,4	28,7	21,7	17,2	10,3
Long-term unemployed	62,4	74,5	58,4	40,8	36,9
Pre-retirement age*	19,0	17,3	14,5	14,1	14,4
Recipients of unemployment benefit	33,4	29,7	23,9	19,5	13,2
Unemployed as percentage of working age population, %	11,2	11,1	9,3	7,7	6,0

* pre-retirement age (5 years below retirement age)

About Lithuanian Labour Exchange

The LLE under the Ministry of Social Security and Labour started its activities on March, 1991. It implements the national employment policy by helping the jobseekers to find a job and providing the country's enterprises with employees.

The network of the Lithuanian Labour Exchange consists of:

- the Lithuanian Labour Exchange (headquarters),
- 46 local labour exchanges,
- 46 subdivisions of the local labour exchanges,
- 8 EURES offices,
- 6 Youth Job Centres,
- 5 Job Centres,
- 1 Centre of Vocational Information.

In 2004 in the LLE's system 1573 employees worked, out of whom

- 82,4 per cent women, 17,6 per cent men
- 21,5 per cent civil servants
- 81 per cent specialists with higher university education.

The average age of the employees is 43,8 years.

LITHUANIAN LABOUR EXCHANGE
Geležinio Vilko 3A,
LT-03131 Vilnius, Lithuania
e-mail: info@ldb.lt
www.ldb.lt