



TRENDS IN THE DEVELOPMENT OF THE LABOUR MARKET

The growing national economy of Lithuania during the previous six years in turn had a positive impact on employment. The level of unemployment in Lithuania was less than the EU average in 2006. The average annual ratio of registered unemployed persons with the population in the working age accounted for 3.5%.

THE DEMAND FOR LABOUR FORCE REMAINED HIGH

The demand for labour force remained high, in particular for permanent employment. About 109,6 thousand of vacancies for regular jobs were registered during the year of 2006, which makes by 7.6% more than in the previous year. 15,3 thousand of job offers were registered for temporary jobs. More than half of all registered vacancies were in the companies providing services. Accordingly, there were 66,1 thousand of vacancies in the sector of services, 17,4 thousand – in construction, 5,4 thousand in agriculture. Three out of four vacancies were for skilled jobs.

TERRITORIAL DISPARITIES PERSIST

The development of the labour market over the territory of Lithuania was saltatory. Unemployment in 45 municipalities decreased, in 12 municipalities increased, and in 3 – remained unchanged. Reduction of the percentage of unemployed persons within the territories of the highest unemployment was much higher than the average in the country.

LABOUR EXCHANGE PROVIDED SERVICES TO ALMOST 280 THOUSAND OF JOB SEEKERS

In 2006 as much as 160,8 thousand of persons were registered as the unemployed, 13,4 thousand per month in the average. This number decreased by 9.1% in a year. By the end of the year there were 79,3 thousand of registered unemployed persons. From the beginning of 2003, when the number of men and women within the structure of the unemployed was almost equal, the share of women is constantly increasing. At the end of 2006 women accounted for 62.3% of the unemployed; every sixth registered unemployed person was under 25 years of age; every fourth – over 50; every third – a rural inhabitant. The share of long-term unemployed decreased. At the beginning of 2006 it was 27% of the total number of unemployed, and by the end of the year – 16.8%.

The number of unemployed capable to compete on the labour market is lower than the number of vacancies.

Disproportion of the labour demand and supply was distinct as in the quantitative as in the qualitative dimension. The larger part of the registered unemployed persons was not ready to compete on the labour market. Every third individual among the registered unemployed persons in 2006 had no vocational education; every fourth had lost their working skills according to the acquired profession as a result of a longer interval from the job than 2 years; every tenth had no working experience. Over 100 thousand unemployed persons were placed into jobs – labour exchange helped every second registered person to find jobs.

Through the mediation of the Labour Exchange about 99,7 thousand of jobseekers found employment in 2006, in the average 8,3 thousand per month. The larger part of the placed persons, about 57%, was women. Every seventh person among the placed individuals was under 25 years of age, and every eighth – a long-term unemployed. 14,9 thousand of the unemployed started their own business activities under business licences acquired on easy terms.

ENHANCEMENT OF THE LABOUR FORCE COMPETENCES

In 2006 about 19,3 thousand of jobseekers were directed to vocational training programmes, including 2,5 thousand of workers notified of discharge. Every second participant of the programme was an unskilled unemployed person.

16,8 thousand of skilled employees augmented the labour market in 2006. Most of the unemployed, who completed the training, found employment in the sectors of industry, construction and services.

A survey on the usefulness of vocational training of the unemployed was carried out revealing that 94% of the unemployed, who completed the training, assessed the usefulness and social efficiency of the training very well, 89% of persons were encouraged to continue studies for the improvement of the acquired profession.

INCREASING OPPORTUNITIES FOR THE EMPLOYMENT OF YOUNG PERSONS

The programme of “The First Job” involved 11,4 thousand of young persons under 25 without any working experience in 2006. Half of them found their lodgement on the labour market afterwards, and assistance was provided to the others for increasing their competitive capacities.

In 2006 the seven Youth Job Centres provided open information and counselling services to more than 180 thousand of clients. They received assistance on the issues of career planning and job search.

STRENGTHENING OF THE EMPLOYABILITY OF JOBSEEKERS

Over 2,7 thousand of additionally supported unemployed persons participated in the measure of placement through subsidies, including 0,5 thousand of the disabled. This measure helped 70% of the participants to find regular employment.

THE PROGRAMME OF THE EMPLOYMENT FUND SUPPORTED JOBS

With the view to increase opportunities for the unemployed to master their working skills on jobs and enhance their integration into the labour market, the programme of the Employment Fund Supported Jobs involved over 4 thousand of the unemployed, 55% of them had completed labour market vocational training programmes.

By the end of the programme of the Employment Fund Supported Jobs 77% of the unemployed stayed in the jobs for regular employment.



SUPPORT FOR ACQUIRING WORKING SKILLS

Since 1 August 2006 a new measure of employment support was introduced – support for acquiring working skills. Through participation in this measure 1,3 thousand of individuals acquired working skills on jobs, including 0,4 thousand of graduates and 0,9 thousand of the unemployed, who had previously completed vocational training programmes on the reference of the labour exchange.

PUBLIC WORKS

Over 34,4 thousand of economically inactive individuals acquired new, refreshed the lost or maintained the acquired working skills in the measure of public works in 2006. The most socially vulnerable individuals accounted for 90% of the unemployed who participated in the measure of public works.

EMPLOYMENT SUPPORT TO SENIOR UNEMPLOYED PERSONS REMOVES HINDERS FROM THEIR WAY TO THE LABOUR MARKET

The Lithuanian Labour Exchange gives priority to the enhancement of employment opportunities for the senior unemployed persons. About 32 thousand of elderly individuals over 50, or 82% of the registered number of the unemployed, participated in active labour market policy measures. Refreshment of their working skills and improvement of qualifications helped 16,5 thousand of the elderly unemployed persons over 50, or every second of them, to find employment. The programme “The Bank of Seniors” has been developed. Data bank on senior persons was introduced on the internet, where over 350 senior individuals have registered already.

SOCIAL ENTERPRISES

There are 49 social enterprises functioning in Lithuania. More than half of them are established in the cities of Vilnius and Kaunas.

The number of new jobs created at social enterprises increased by three times. With the help of the state support social enterprises maintain 1300 jobs for the disabled. The environment for work and rest is specially adapted for 168 individuals with most severe impairments.

The number of assistants helping the disabled to perform their working functions was increased by 50%.

Support provided to social enterprises in 2006 reached 10,2 million litas, i.e. two times more than in 2005.

SUBSIDIES FOR CREATING NEW JOBS

With the view to support individuals facing difficulties in establishing themselves on the labour market, over 1,35 thousand of subsidised jobs for regular employment were introduced, including about 30 thousand of them for the disabled. Following the enforcement of the Law on Employment Support, from 1 August 2006 new jobs shall be created only for the disabled and individuals who completed vocational rehabilitation programmes. During the reference period 51 of new jobs was created for the disabled.

PROGRAMME OF OCCUPATIONAL REHABILITATION – AN EFFECTIVE MEASURE FOR THE INTEGRATION OF THE DISABLED

The programme of occupational rehabilitation involved 206 persons, who have chosen training programmes in the basics of using computers, accountants, woodcraft design, company labour management and sewing/cutting of apparel. Every third disabled person, who completed the occupational rehabilitation programme, got successfully employed. In comparison to the year of 2005, the number of participants in this programme increased by 17 times.

The network of institutions providing services of occupational rehabilitation has also expanded. They are now located in Vilnius, Druskininkai, Kaunas, Palanga and Radviliškis.

PROJECTS OF LOCAL EMPLOYMENT INITIATIVES

Through the implementation of 43 projects of local employment initiatives in 23 municipalities of Lithuania, 278 new jobs were created. Every second employee placed into the newly established jobs was an additionally supported unemployed person; every fifth – a long-term unemployed or a senior person over 50; every tenth – a person who did not work before registration with the labour exchange for 2 and more years. Most of the new jobs were created in the sectors of industries and services. Almost 50% of them were for rural population.

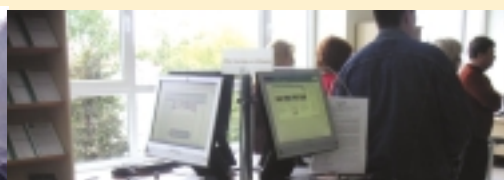
Projects of local employment initiatives helped companies to introduce new production subdivisions providing new types of services to the population of the region.



■ Territories where projects are under implementation

JOB ROTATION

Job rotation is a new form of supporting employment. Aiming at temporally substituting regular workers of the company, non-working individuals having corresponding skills and working experience are taken into their jobs. This measure has been applied by 60 employers. Jobseekers were placed into jobs of tailors, shop tenders, cooks and managers.



STREAMLINING OF ACTIVITIES AND THE DEVELOPMENT OF SERVICES

Planning of professional career

With the view to improve the planning of professional career, individual employment plans were refined aiming at assisting unemployed persons to plan purposefully their participation in the labour market measures and establishment on the labour market.

Individual employment plans were elaborated for 99% of the unemployed. They included the carefully selected and most efficient measures for the achievement of employment. Through the implementation of such plans 99,7 thousand of the unemployed found jobs, and every second of them participated in the active labour market policy measures.

SERVICES OF GROUP COUNSELLING

This measure involved 41 thousand of persons, including 95% of individuals, who acquired skills in self job search, learned to use modern information means and got ready for an interview with the employer.

Participation in such sessions helped 18 thousand people to find employment, over 15 thousand of individuals participated in active labour market measures, and over 2 thousand of persons created their own jobs under business licence acquired on easy terms.

THE DEVELOPMENT OF SERVICES IN THE COMMUNITIES

Aiming at the implementation of the employment goals as defined in the Lisbon Strategy and the involvement of inactive persons into the labour market, Labour Exchange is directly providing information, registration and counselling services to the population in 411 communities. Information technologies are also being introduced there.

Over 27 thousand of inhabitants and over 8,5 thousand of employers participated in the meetings and events organised by labour exchange specialists in the communities, at schools and libraries.

INFORMATION SYSTEM OF THE LITHUANIAN LABOUR EXCHANGE

The internet page of the Lithuanian Labour Exchange (www.ldb.lt) was updated in 2006, introducing new and improving the existing electronic services in providing information on the services at the labour exchange offices, advice to the unemployed and employers, relevant information about the situation on the labour market, employment opportunities, trends and forecasts in the development of the labour market.

The following new electronic services were introduced in the reference period:

“Guide” – is a package of modern electronic services aimed at helping the visitors of the web page to find the necessary information, job offers and employees in the easiest and most efficient way.

“The bank of Seniors” – it is the data bank of retired individuals looking for a job.

“Ordering of references/certificates on the internet” – references on registration with the labour exchange, payments of unemployment insurance benefits and participation in active labour market policy measures.

“Personal information” – this is the possibility to check on the internet the periods of unemployment insurance benefits and participation in active labour market policy measures.

“Making appointments” – the possibility to agree the time of an appointment with the mediator on internet.

The module of quick search for jobs and job seekers on the internet web page of the Lithuanian Labour Exchange is a service that allows for a quick search of jobs or jobseekers by professions or location.

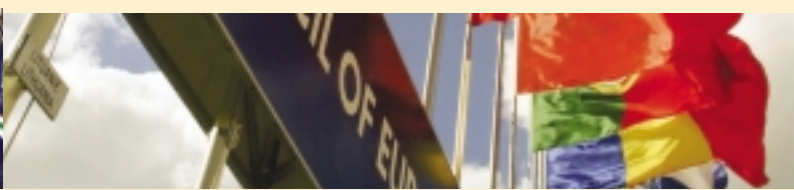
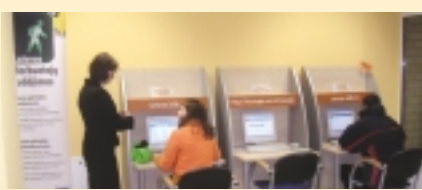
THE PROGRAMME “MANAGER’S WINDOW” IS AN EFFECTIVE MEASURE OF LABOUR MARKET MONITORING AND MANAGEMENT

The programme provides regularly updated information on the current situation and forecasts for the nearest future. Managers of the labour exchange offices have the possibility to observe and assess the changes on the labour market, matching of labour demand and supply, and the implementation of the active labour market policy measures.

IMPLEMENTATION OF THE EU FUNDED PROJECTS

In 2006 the Lithuanian Labour Exchange successfully continued the implementation of 5 projects started in 2005 from the European Social Fund (ESF – thereof) under the 2004 – 2006 Single Programming Document (SPD – thereof) for Lithuania Priority 2: Human Resource Development, Measure 2.1: Development of Employability, and Measure 2.3: Prevention of Social Exclusion and Social Integration, also a project under Measure 3.3: Development of Information Technologies Services and Infrastructure ‘Drafting documentation for the project “Provision of electronic public services to employers and citizens (eDBIRZA)”. At the same time the implementation of 4 new ESF projects and one project from the European Regional Development Fund started, including the successfully completed project under the PHARE assistance programme. During the reference period 4,4 thousand of participants completed vocational training programmes and acquired professions marketable on the labour market, 7,6 thousand of persons, who participated in the activities of the project, found jobs for regular employment, making it by 50% more than previously planned.

Local Labour Exchange Offices are successfully participating in the implementation of 10 projects funded under the EC EQUAL programme.



SOCIAL PARTNERSHIP

Cooperation with Employers

Services of the Lithuanian Labour Exchange were used by 41,5 thousand or 56% of the actually operating companies in the country. The number of attended employers increased almost by 3 thousand in 2006.

Employers took part in organising and implementing active labour market measures. Local labour exchange offices signed 19,6 thousand agreements with employers on providing services in 2006. The Lithuanian Labour Exchange pursued cooperation with 11 organisations of employers. In 2006 a joint cooperation agreement was concluded with the Association of Lithuanian Trade Enterprises.

BETTER ATTENTION TO SOCIAL DIALOGUE FROM THE ACTORS ON THE LABOUR MARKET

Aiming at addressing the issues of increasing employment the LLE stands in cooperation not only with associations of employers, but also with 10 organisations representing the interests of individuals facing the risk of social exclusion, and other public and vocational training institutions.

Social partners take an active part in selecting projects of local employment initiatives, in the administration of the activities of social companies and social enterprises of the disabled, in organising and implementing the programme on occupational rehabilitation of the disabled.

INTERNATIONAL COOPERATION

Lithuanian Labour Exchange is in close cooperation with Employment Services of Sweden, Hungary, Poland, Latvia, Estonia, the Ukraine, and the Kaliningrad Region of the Russian Federation. It is also taking an active part in the activities of the World Association of Public Employment Services (WAPES) and the International Association of Workforce Professionals (IAWP).

In joint efforts with the Swedish National Labour Market Board the LLE successfully implemented a cooperation project 'Active labour market policy in the region of the Ignalina nuclear power plant', due to which a strategy of measures for mitigating social consequences resulting from the demounting of the Ignalina nuclear power plant has been elaborated and complemented with information publications, improved monitoring system and training provided to employees of local labour exchange offices. In cooperation with the Swedish National Labour Market Board technical assistance has been provided to the Employment services of Armenia in developing and streamlining labour market institutions.

Lithuanian Labour Exchange has won the tender of the European Commission for organising training to the staff of employment services of Romania, Bulgaria, Turkey and Croatia, and will share the acquired experience together with experts from German, Austrian, Swedish, French and Dutch Employment Services.

Employment services of Latvia, Estonia and the Kaliningrad Region took the advantage to use the experience of the Lithuanian Labour Exchange in developing electronic services for the clients, in using employment plans and monitoring the labour market.

FREE MOVEMENT OF WORKERS AND THE ACTIVITIES OF EURES

Lithuanian Labour Exchange has issued permits for work in Lithuania to 2982 aliens, including 24% of them - for posted foreigners.

Most of the aliens are employed in the sectors of production (36%), transport (34%), construction (20%) and services (9%). With the view to ensure information of frontier employers and jobseekers on the issues related to free movement of persons and develop cooperation with EURES services in Latvia and Poland, two new EURES bureaus were opened at Local labour exchange offices of Pasvalys and Lazdijai.

Advisers on the issues on free movement of persons at 10 EURES bureaus provided information and consultations to 22,5 thousand persons, organised 412 information events, 14 international fairs and seminars, provided information via press, TV and radio broadcasting.

EURES Lietuva Internet page (www.ldb.lt/eures) has been supplemented with additional information on the changes in the economy, social and cultural spheres of life in Lithuania, aiming to urge back economic migrants to their homeland.

STAFF FORMATION AND EDUCATION

The staff of the Lithuanian Labour Exchange and its local offices is formed following the introduced single system. 85% of the personnel have high university education.

Following the elaborated programme 89% of employees and officials of the Lithuanian Labour Exchange and its local offices improved their skills and qualifications.

Priority is given to the improvement of occupational skills of employees directly dealing with the clients.

ESF means are successfully used for upgrading skills and occupational capacities of employees through the implementation of ESF funded projects.

FUNDING OF THE LABOUR MARKET MEASURES

Means used by the Lithuanian Labour Exchange for funding employment support measures aimed at assisting jobseekers and organising the implementation of such measures thereof amounted to 232,1 million litas in total, including 81,6% from the Employment Fund, 10,2% from the State budget, and 8,2% from the ESF.

Two thirds of the above means were used for active population employment support, and one third – for passive measures. One litas spent in 2006 on the placement of the unemployed into regular or fixed-term jobs returned 1,31 litas to the consolidated state budget through taxes.



CONSOLIDATED LABOUR MARKET INDICATORS FOR 2002 - 2006

	2002	2003	2004	2005	2006
Average annual figures, in thousands					
Labour force	1630.3	1641.9	1620.6	1608.6	1602,4*
Employed population	1405.9	1438	1436.3	1473.9	1511,5*
Employment level	59.6	60.9	61.1	62.6	64,2*
Population in the working age at beginning of the year	2046.8	2076.0	2097.3	2112.3	2121.5
Unemployed	198.4	167.0	142.5	100.8	73.2
women	98.6	88.1	80.4	60.5	45.8
men	99.8	78.9	62.1	40.3	27.4
young persons under 25	24.1	19.6	13.6	7.7	5.6
long-term unemployed	62.9	44.6	38.4	28.8	14.8
Beneficiaries of unemployment insurance benefits*	22.8	19.5	14.9	15.4	15.5
Percentage of unemployed among the population in the working age	9.7	8.1	6.8	4.8	3.4
Within the period, in thousands					
Registered jobseekers	261.7	261.8	221.6	178.3	176.7
Unemployed	243.8	242.1	204.3	163.9	160.8
women	112.1	115.0	101.1	85.0	87.5
men	131.7	127.0	103.2	79.0	73.3
young persons under 25	54.9	53.8	40.6	29.1	26.1
individuals over 50	43.0	42.7	40.0	36.6	39.0
Granted unemployment insurance benefits**	50.5	44.1	33.8	38.8	43.9
Registered vacancies	133.0	130.0	129.9	124.1	124.9
for non-fixed-term employment	91.7	97.3	101.2	101.9	109.6
for fixed-term employment	41.3	32.7	28.7	22.2	15.3
Jobseekers placed into jobs	133.7	130.6	125.5	109.7	99.7
under non-fixed-term labour contracts	92.7	98.4	97.2	87.9	84.6
under fixed-term labour contracts	40.9	32.2	28.3	21.8	15.1
Involved into active labour market policy measures	127.4	146.6	129.9	129.9	99.8
Vocational training	24.8	34.5	29.2	29.6	27.0
Job clubs (before 2006-08-01)	46.9	53.8	55.3	51.1	25.9
Support in creating jobs***	2.7	3.2	3.6	4.3	3.8
Public works	48.1	50.6	37.4	39.3	34.4
Supported works	4.8	4.4	4.4	5.5	4.1
Occupational rehabilitation programme	...	...	...	0.01	0.2
Promotion of skills improvement	...	...	...	...	1.3
Subsidised employment	...	...	...	...	2.7
Job rotation	...	...	...	...	0.1
Activities under business licence****	15.7	14.2	14.2	14.7	14.9
Implemented projects of Local employment initiatives	0.04	0.09	0.07	0.08	0.04
created jobs	0.38	0.79	0.60	0.45	0.28
Average duration of unemployment, in months	7.1	8.9	9.1	9.0	7.5
Average duration of unemployment insurance Benefit** payment, in months	4.2	3.9	3.9	3.8	3.6

* data for the III quarter

** unemployment benefit before 01 01 2005

***placed into the created jobs before 01 08 2006

**** busines licences acquired on easy terms before 01 01 2003

... Programmes were not implemented