

National Observatory in Lithuania
at the Methodological Centre for Vocational Education and Training

*RECENT DEVELOPMENTS IN EDUCATION, TRAINING
AND EMPLOYMENT POLICY IN LITHUANIA*

Country report

Vincentas Dienys
Giedre Beleckiene
Lina Vaitkute

September, 2003

This Report was prepared with the financial assistance of European Training Foundation.

© *National Observatory in Lithuania*

Methodological Centre for Vocational Education and Training

Geležinio Vilko str. 12

LT-2600 Vilnius

Tel. (370 5) 2123523

Fax (370 5) 2498 183

E-mail: giedre@pmmc.lt

Web: <http://www.pmmc.lt>

Reproduction is authorised provided the source is acknowledged.

CONTENT

1. BACKGROUND INFORMATION.....	3
1.1. Economical developments.....	1
1.2. Labour market.....	1
1.2.1. Employment.....	1
1.2.2. Unemployment.....	2
1.3. Demographic development.....	2
1.4. Skill need assessment.....	2
2. RECENT DEVELOPMENTS IN EDUCATION AND TRAINING IN A LIFELONG LEARNING PERSPECTIVE.....	3
2.1. Policy development.....	3
2.2. Adaptation of the legal framework.....	3
2.3. Governance and responsible bodies.....	4
2.4. Modernisation of the education and training system.....	4
2.4.1. Structure and organisation.....	4
2.4.2. Delivery.....	6
2.4.3. Participation.....	8
2.5. Guidance and counselling.....	9
2.6. Preparedness of the education and training system to comply with the principles of the European Employment Strategy.....	10
3. RECENT DEVELOPMENTS IN EMPLOYMENT POLICY AND IMPLEMENTATION.....	11
3.1. State of preparation for the European Employment Strategy.....	11
3.2. General outline of employment policy objectives and measures.....	11
3.3. Adaptation of legal framework.....	12
3.4. Governance and responsible bodies.....	12
3.5. Services of Lithuanian Labour Exchange.....	13
3.5.1. Structure and organisation.....	13
3.5.2. Delivery of Services.....	13
3.5.3. Monitoring and evaluation activities.....	14
3.6. Preparedness of Employment Services to contribute to the implementation of the European Employment Strategy.....	14
4. CONCLUSIONS.....	15

1. BACKGROUND INFORMATION

1.1. Economical developments

Lithuanian economy after recovering in 2000 continues to grow. According to the Statistics Lithuania, in 2001 general domestic product (GDP) at current prices increased by 5,9 % in comparison with 2000 and was 47,96 billion Litass. GDP per capita in purchasing power standard at the same time amounted for 38 % of European Union (EU) average. It increased by 2 % compared with the results for 2000. In 2002 GDP is estimated to grow at 5.9% according to preliminary results. The inflation rate in 2001 accounted for 1,3 %.¹

In 2001 export of goods increased by 20 % and import – around 16 %. The export to EU countries in 2001 increase by 20 % and accounted for 48 % of all export. The export to CIS countries increased by 48 %.

Declining and emerging sectors. In the GDP structure *services sector* forms the biggest share. In this sector the trade is leading though since 1996 its share in GDP structure is slightly decreasing. One of the reasons for that is reducing of population purchasing power. The *IT sector* is one of the most rapidly expanding economic activities (since 1995 the IT sector was growing at annual rate of 17% in 2001 – at 14,3%). *Industry sector* is recovering. The share of industry has increased from 25,8% of GDP in 2000 to 28,3% in 2001. The increase was caused mainly by the increase of mining and manufacturing industries. This fact proves that Lithuanian industrial companies are gradually adjusting to the complex conditions of international economic activity. Among other growing branches of the economy are textile, manufacture of chemicals and chemical products and manufacture of wood and wood products.

Agriculture remains traditionally important sector of the economy, though its share compared to GDP is gradually decreasing since 1997. In 1998 the share of agriculture in GDP structure was 10,2 %, in 1999 it decreased to 8.4 % and in 2001 to 7.0 %. Low effectiveness of production and high employment (one of the biggest compared to other branches of economy) cause big social problems.

Privatisation. In Lithuania domestic and foreign investments were granted rights to privatise entities only for cash at market prices, on an equal footing. Since 1996 more attention is being paid for privatisation of strategic objects. This has positive influence for the development of direct foreign investment (DFI), what is proved by constant growth of TUI. In 2002 the privatisation of banks will be ended.

Small and medium enterprises (SMEs). According to the study of the Lithuanian Development Agency for SMEs², in 1999 the share of GDP created in SMB sector accounted for 34,7 % of GDP and in 2000 - 32,0 % GDP. The share of SME compared to total number of active enterprises increased from 95,6 % in 2000 to 95,8 % in 2001. The number of employees in SME is also growing: in the end of 2000– 95,6 % of all employees were working in SMEs, in the end of 2001 – 95,8 %.

1.2. Labour market

Characteristics of the labour force. According to Labour Force Survey (LFS), the *total labour force* (aged 15-64) was 1,759,900 in 2001. In 1998 - 2001 the labour force participation rate of the age group 15-64 has decreased from 72% to 69.7%. The female participation rate is lower than that of male (65,9 % and 73,8 % correspondingly). The structure of labour force is presented in the tables 1.1 and 1.2.³

1.2.1. Employment

Structural changes in employment. The employment rate for the 15-64 years olds in 2001 was 57,7% compared to 64% of EU. Employment rate for males at the same time was 59% and for females – 56,4%. The decrease of employment rate is observed, i.e. the employment rate for the 15-64 years olds in 1998 was 62,3% and in 2000 – 59,8 %. The majority of the employed is in the services sector (56 %); in agriculture sector there are 16 % of the employed and in industry– 21 % of the employed.

By occupational employment structure, in 2001 in Lithuania the largest occupational groups were craft and related trades workers (17,6%), professionals (15,5 %), skilled agricultural and fisheries workers (14,1 %).⁴ The smallest groups were clerks (4,3 %) and elementary occupations (8,7 %).

In 2000 the biggest discrepancies between Lithuania and EU were:

¹ Lithuanian Economy. Ministry of Foreign Affairs. Statistics Lithuania: <http://www.std.lt>

² „Situation and development tendencies of small and medium business in Lithuania“, <http://www.svv.lt>

³ Labour Force, Employment and Unemployment, 1998-2001 (Survey data). Statistics Lithuania

⁴ Labour Force, Employment and Unemployment, 1998-2001 (Survey data). Statistics Lithuania

- In Lithuania there were more than twice less clerks (in Lithuania – 5 %, EU average – 13 %) and technicians and associate professionals (in Lithuania – 8 %, EU – 16 %);
- Lithuania more than five times exceeded the number of skilled agricultural and fishery workers (in Lithuania – 16 %, in EU – 3 %).⁵

Table 1.1. *Labour force by age groups, thous.*

	2000	2001
<i>Total</i>	1793,6	1759,9
15-24	198,4	176
25-29	249,1	240,4
30-44	755,6	769,7
45-54	372,2	369,9
55-64	179,5	175,2
65+	39	28,8
15-64	1754,6	1731,1

Table 1.2. *Labour force by educational attainment, %*

	2000	2001
<i>Higher</i>	18,8	17,7
<i>Professional colleges, specialised secondary</i>	24,5	28,3
<i>Secondary</i>	20,5	20,8
<i>Secondary with vocational</i>	18,4	16,7
<i>Basic education</i>	8,8	8,6
<i>Basic with vocational</i>	5,6	5,5
<i>Primary, without primary</i>	3,5	2,5

1.2.2. Unemployment

Situation in the country, regions and sectors. The unemployment rate is rather high to compare with the relevant in EU. Based on Labour Force Survey data in 2001 it was 17 % compared to 7,6 % in EU. According to Lithuanian Labour Exchange (LLE), the average registered unemployment rate in 2001 was 12,5 %.⁶ Compared to the data from 2000, in 2001 the unemployment rate increased. According to LFS, in 2000 the unemployment rate was 15,4 %, and based on LLE - 11,5 %. In 2002 the unemployment rate has decreased: LLE indicates that in 2nd quarter of 2002 the unemployment rate was 10,7 %, compared to 12,1 % in the same period in 2001. Referring to LFS, in 2001 unemployment rate in different counties fluctuated from 14,2 % to 21,9 %.

The largest share of the unemployed (according to previous economical activity) come from industry (27,6 % of total unemployed). In the agriculture, hunting, forestry and fishing sectors there are 10,7 % of the unemployed. The smallest number of the unemployed come from financial intermediation sector (0,7 %), electricity, gas and water supply sector (1,2 %).

Unemployment by age and educational attainment. Based on LFS, the unemployment rate of youth considerably exceeds general unemployment rate and is above EU average. In 2001 it was 30,2% compared to 16,1% in EU. The majority of the unemployed has attained only secondary education (26,7 % of total unemployed). 22,1 % of the unemployed have professional-college, special secondary education and 21,5% - vocational education. The unemployed with higher education account for the smallest part of the unemployed (6,7 %).⁷

1.3. Demographic development

Lithuania's population was 3,5 million in the beginning of 2002.⁸ Out of them 67 % are living in urban areas. 47% of the population are males. The population of the working age (15-64) accounted for 67 % and those elder than 65 – 14 % of the population. Children under 14 years accounted for 19 % and youth from 15 to 24 – for 15 % of total population.

1.4. Skill need assessment

The sectoral analysis is one of the measures allowing analysis and forecast of development trends and, at the same time, employment and training needs, in a particular sector of the economy. The first research of such type in Lithuania was conducted in 2000 (analysis of retail trade sector). In 2000-2001 a training needs analysis was carried out in three sectors of the economy (food industry, tourism and IT). It was done through questioning managers of the private companies. In 2003 Methodological Centre for VET will start implementing project "Framework of Qualification Standards" in the framework of Phare 2001 Economic and Social Cohesion Programme. One of components of the project is sectoral analysis in hotels and restaurants, mechatronics and information technologies sectors. However, the scope of works in the field is insufficient and further work is needed.

⁵ Data for 2000. *Employment in Europe 2002 – Recent Trends and prospects*. European Commission.

⁶ The level of unemployment in Lithuania is assessed using two sources of information: data from the Labour Exchange (the registered level of unemployment) and the labour force surveys.

⁷ *Labour Force, Employment and Unemployment, 1998-2001 (Survey data)*. Statistics Lithuania

⁸ This number is indicated referring to the data from a population census carried out in April, 2001.

2. RECENT DEVELOPMENTS IN EDUCATION AND TRAINING IN A LIFELONG LEARNING PERSPECTIVE

2.1. Policy development

In the beginning of 2002 Government of Republic of Lithuania together with Directorate general of employment and social affairs of European Commission prepared and approved the *Joint Assessment Paper on Employment Priorities in the Republic of Lithuania*. The document sets out an agreed set of employment and labour market objectives necessary to adapt labour market system as to be able to implement the European Employment Strategy and to prepare for the EU accession. One of priority policy areas identified in the document is directly oriented to the development of education system:

- *sustained commitment to successful implementation of current education reforms, with a particular focus on reducing drop-out in basic education, on improving access, quality and relevance in vocational education, and on developing and implementing a national strategy for lifelong learning.*

In the same year *Education Guidelines – Strategic provisions for the development of Lithuanian education for 2003-2012* were prepared and presented for public discussion. They formulate the main general objectives for education system and concrete targets for educational development. Document indicates the following main objectives for the development of education system:

1. *To create effective and harmonious education system, based on responsible management, accurate financing and rational usage of resources;*
2. *To develop continuous, ensuring life-long learning and accessible for all, socially correct education system;*
3. *To ensure quality of education, corresponding to the needs of person living in an open civil society and market economy.*

In 2002 *Lithuanian National Educational Forum*⁹, while implementing its commitments, prepared and approved guidelines of Lithuanian national action plan and action plan „Education for all“. These documents should assist in bringing together and coordinating efforts of the society and interested public institutions in further reformation of Lithuanian education.

While preparing for membership in European Union, in 2002 preparation of the *Single programming document* started. One of its priorities is Human Resource Development¹⁰. The document should foresee concrete measures for solution of the most urgent problems in education and employment systems, while responding to the strategic goals for 2004-2006.

While implementing PHARE 2001 program in 2002 development of strategic documents *Strategy for Ensuring of Lifelong Learning; Strategy for Vocational Guidance; Conception of New Edition of Law on Vocational Education and Training* started.

Lithuanian education concepts are prepared in accordance with Lisbon Council conclusions, the European Employment strategy and the Memorandum on Lifelong Learning. Lithuania has a rather good legal framework for development of a modern education and training system and social partnership

2.2. Adaptation of the legal framework

In 2001 a new edition of *the Law on Education* was developed and passed for public discussion. The main feature of the edition is that it covers all system and legitimises opportunities for lifelong learning.

In 2002 a working group for drafting of conception for *new edition of Law on Vocational Education and Training* was formed. New edition of Law on Education, other currently approved laws and recent developments in vocational education cause the need to change the Law on VET (adopted in 1997).

In 2001-2002 the first legal acts as the basis for the recognition of knowledge and skills *acquired through non-formal learning* were adopted what should help to make learning more attractive.

In 2002 the *Law on Long-term Funding of Science and Education* was abolished. This may have negative influence on safeguard of allocations necessary to sustain education system.

⁹ In 2001 MES together with UNESCO and UNDP established National Education Forum that joins representatives from public organisations, NGOs, educational experts, politics, employers for reaching of common goal

¹⁰ For preparation of Human Resource Development priority a joint working group from representatives of the Ministry of Education and Science and Ministry of Social Security and Labour was formed.

2.3. Governance and responsible bodies

Ministry of Education and Science (MES) is responsible for management of initial vocational education and training (IVET) at national level. Vocational training is led by the VET Department, which consists of the Vocational Training, Professional College Studies and Register Divisions and the Adult Education sector.

The Methodological Centre for VET provides didactical support for initial VET institutions. The main functions of the Centre are organisation of preparation of VET standards and training programmes, organisation of evaluation of training/study quality, coordination of development of training and learning resources and their preparation for publication. In addition it analyses information about VET and human resource development.

Ministry of Social Security and Labour (MSSL) is responsible for management of labour market vocational training at national level. Responsibility for organisation and implementation of labour market vocational training falls on *Lithuanian Labour Market Training Authority (LLMTA)* under MSSL.

The LLMTA implements labour market training policy, and organises VET information and counselling services. The LLMTA has 6 Territorial Labour Market Training and Counselling services and 15 labour market training centres.

Other ministries and departments, governors of counties and municipalities also may implement functions in the field of VET management (usually adult education) in the scope of their activity.

The Lithuanian VET Council is a consultative body in solution of strategic VET issues. It consists from equal parts of members coming from state government institutions and organisations representing interests of employers and employees. VET Councils were established in counties as well.

Presently, both the *Municipalities and the Counties* play a limited role in initial VET and labour market training apart from participating in the regional VET Councils.

Social partners organise and participate in qualification examinations, register practical training agreements between vocational training institution, enterprise and student, provide suggestions on VET standards and training programs.

IVET funding. In Lithuania the main source for funding of public VET institutions is the national budget. In 2001, 6,1 % of GDP was allocated to education what accounted for 0,4 % less than in 1999. Compared to budget expenditure, 29,4 % of budget expenditure was allocated for education, 1,7 % of which was allocated for vocational schools and 1,2 % was allocated for professional colleges and colleges. Public spending for one vocational student for 2001 was 1,245 Euro, for the students of college-type schools and colleges it was 1,122 Euro.

In 2002 working group for creation of methodics for calculation of pupils ‚basket‘ in vocational schools was formed. In the general education the system of pupils “basket” is already applied.

CVT funding. *Employees' training* is funded by participants or interested in training juridical or natural persons.

Unemployed training is funded from the Employment fund, a part of the State Social Insurance Fund. In 2001, 14,4% of expenses from Employment fund was allocated for funding of vocational training programs for the unemployed. Employment Fund allocated 479 Euro for training of one unemployed.

2.4. Modernisation of the education and training system

2.4.1. Structure and organisation

Entry requirements. *Vocational schools* offer training programs of 4 stages, differing in training content and duration and designed for youth of different ages and educational attainments.

<i>I stage</i> vocational training programs [ISCED ¹¹ 2] [LŠK ¹² 2]	Designed for pupils over 14 years of age who have not finalised lower secondary education. The programs last for 2-3 years and leads to <i>qualification certificate (ISCED 2C)</i> . Those willing are given opportunity to acquire basic general education and to obtain <i>basic school certificate</i> .
<i>II stage</i> vocational training programs [ISCED 3] [LŠK 3]	Designed for pupils who have finished basic school (10 forms and have basic school certificate) and only wish to obtain a vocational qualification. The programs last for 2 years and leads to a <i>vocational training diploma (ISCED 3C)</i> .
<i>III stage</i> vocational training programs [ISCED 3] [LŠK 3]	Designed for pupils who have finished basic school (10 forms and have basic school certificate) and wish to obtain a vocational qualification and general vocational education. The duration of studies is 3 years and graduation leads to a vocational training diploma (ISCED 3B) together with <i>maturity certificate</i> .
<i>IV stage</i> vocational training programs [ISCED 4] [LŠK 4]	Designed for those having maturity certificate and wishing to obtain a vocational qualification. The duration of studies depending on the complexity of the profession is from 1 to 2 years. Graduation leads to <i>vocational training diploma (ISCED 4)</i> .

<i>Professional colleges</i> programs [ISCED 5B] [LŠK 5B]	Designed for those having maturity certificate and wishing to acquire qualification of an associated specialist. The duration of studies normally is 3-3,5 years and graduation leads to <i>professional college diploma (ISCED 5B)</i> .
---	---

Non-university higher education programs are provided in colleges that started their activity in 2000.

Non-university higher education programs [ISCED 5B] [LŠK 6B]	Designed for those having maturity certificate and wishing to obtain non-university higher education. The duration of studies is 3-4 years and graduation leads to <i>higher education diploma (ISCED 5B)</i> .
--	---

Admission to labour market vocational training. Labour market vocational training courses are designed for the unemployed over 18 years old or persons who have received a dismissal notice. Labour market training programs are of 2 stages. The duration of courses is 4 – 43 weeks. Graduation of the courses leads to qualification certificate (ISCED 2C or ISCED 3C) but not to a vocational training diploma.

Progression routes.

<i>I stage</i> vocational training programs	For those who pursue 1 st stage vocational education combined with basic education, progression is possible to both general and vocational upper secondary education. For those who do not complete basic education the only possibility for progression would be to complete basic education at secondary education schools.
<i>II stage</i> vocational training programs	For graduates of upper secondary vocational education without maturity, there are no further progression routes apart from completing the maturity at secondary education schools.
<i>III stage</i> vocational training programs	For graduates of upper secondary vocational education with maturity, the progression possibilities to higher education are the same as for graduates of the different directions of general upper secondary education. Admission to the different institutions of higher education is based on the maturity exams' grade and (in some cases) on special entry exams.
<i>IV stage</i> vocational training programs	For graduates of upper secondary vocational education with maturity, the progression possibilities to higher education are the same as for graduates of the different directions of general upper secondary education. Admission to the different institutions of higher education is based on the maturity exams' grade and (in some cases) on special entry exams.
Professional colleges programs and non-university higher education programs	For graduates from the professional colleges and the colleges (non-university higher education), there is no generally agreed possibility to progress to university and transfer credits from the college education. These graduates would have to start from the first year at university.
Labour market training programs, CVT programs	There are no progression routes from labour market training and CVT.

Horizontal transfer

It is possible to transfer from stage 3 of upper secondary vocational education to upper secondary general education, but not vice versa. It is possible to transfer between the second and third stage at upper secondary vocational education, both from the lower to the higher stage and vice versa, in case the profession is offered at both stages.

¹¹ ISCED 1997 – International Standard Classification of Education

¹² LŠK-Lithuanian education qualification

There are not any transfer possibilities between studies in professional colleges and colleges. Also it is not possible to transfer from non-university higher education to university education or vice versa.

Adaptation of curricula. Development of standards. From the school year 2002-03, all curricula taught in vocational schools must be competency based with clearly defined study objectives. Though the MES has provided training to school staff, large differences remain between the individual institutions in their preparedness to follow the new ideas.

By the end of 2001, 36 standards were approved and 9 were under development. Lack of financial resources to employ members of working groups has slowed down the development of new standards, however, financial support from the Phare 2001 programme should ensure the development of further 50 standards in coming years.

Assessment and certification. Since 1998 Lithuania has been gradually moving away from a school driven assessment and the Chambers are gradually taking over the full organisation of final exams including the design of tasks, identification of relevant members of the commission and granting of the qualification. In the school year 2001-2002, three out of five regional chambers cover in total six out of ten regions in Lithuania.

Quality assurance. A quality assurance system based on self-assessment, internal monitoring and external assessment has been started and is under further development. Under this system, the Methodological Centre for VET:

- designs the guidelines for the internal and external quality assurance (QA) system;
- arranges training for schools on how to organise internal QA, and how to prepare for external evaluation;
- organises the external evaluation of the schools;
- trains independent experts in how to conduct on-site visits and to make assessments.

Links between initial and continuing training, formal and non-formal training. As it is observed in Country Monograph,¹³ in Lithuania there is a lack of coordination between initial and continuing vocational training: the training programs are not compatible; there are no opportunities to transfer from labour market training to vocational education and training.

A positive development is that in 2001-2002 first steps has been taken towards the recognition of non-formal and in-formal learning. The procedure foresees that both MES and MSSL every year appoint VET schools and enterprises in each region to arrange and conduct the assessment. It is not clear when formal recognition of non-formal and informal learning will actually be initiated.

2.4.2. Delivery

Institutional network. In Lithuania initial vocational education and training is provided by vocational schools, professional colleges and colleges. The founder of public vocational schools, professional colleges and colleges is Ministry of Education and Science.

Vocational schools are education and training institutions providing professional qualification and general education. While optimising the network of vocational schools, establishment of regional vocational training centres was started based on mergers of several vocational schools in the region. In the beginning of the school year 2002/03 there was 7 regional vocational training centres.¹⁴

Professional colleges are institutions providing professional qualification and post-secondary vocational education. With a view to harmonizing the system of existing qualifications with the qualifications system applied in the EU, a reform of the post-secondary studies sector was initiated in 2000: with gradual elimination of professional college education non-university education is being formed. The reform is planned to end in the school year 2003/04.

Colleges are training institutions providing a certain professional qualification and higher non-university education. In August 2002 it was decided to establish 8 new state colleges.

¹³ Country Monograph on Vocational Education and Training System and Structures and Public and Private Employment Services in Lithuania

¹⁴ It was foreseen that the labour market training centres should also be included into regional vocational training centres. However due to legislation issues this didn't happen.

Table 2.1: Number of initial VET institutions

Institutions	1999-2000	2000-2001	2001-2002	Beginning of school year 2002-2003 *	
				Total	Of which private
Vocational schools	104	84	81	82	1
Professional colleges	69	57	41	27	8
Colleges	-	7	16	24	9

Source: Education. Statistics Lithuania.- Vilnius, 2002

* Statistics Lithuania, Education and culture statistics, Culture and Education Statistics Unit, provisional data

CVT programmes are provided by initial VET institutions, higher education institutions and labour market training centres established specially for labour market vocational training. It can also be provided by other institutions and organisations, which have been licensed to do so. In the beginning of the school year 2002/03 the MES has issued around 300 licenses for provision of labour market vocational training programmes.

Teachers. According to data from the Centre of Information Technologies of Education (CIT), there were 4,696 teachers at the beginning of the school year 2001/02 in vocational schools. In professional colleges there were 2,638 lecturers.

Official statistics doesn't provide the information about teachers in CVT. According to Lithuanian Labour Market Training Authority, in the labour market training system there were 144 vocational teachers.

Initial and in-service training. Currently systematic initial training of vocational teachers is not carried out. In practice teachers usually firstly acquire specialists (subject, vocational) education and only afterwards – a pedagogical qualification within the continuing in-service training system. From 2002 initial educational of vocational teachers is started in Vytautas Magnus University. It is important to note that in 2002 Documents for the development of vocational teachers training system: Conception for Vocational Teacher/Lecturer Education and Training in Lithuania and Professional Standard for Vocational Teacher/Lecturer were prepared.

Salaries. The salaries of the teachers are dependent upon the qualification category obtained, pedagogical work experience and the educational background. According to MES Unit of Education Economy, in 2001 monthly statutory teachers' salary in the public institutions was from 172,25 Euro to 312,50 Euro. Bonuses could be added to this amount. The salaries of the pedagogical staff are lower than an average salary of employees in the national economy. The data of survey on wages indicate that in a second quarter of 2001 the monthly gross earning in the state sector reached 309 Euro. Meanwhile the average salary of the employee in education sector comprised 280,61 Euro. Official statistics do not provide data on the salary of teachers in initial and labour market training institutions separately.

Modernisation of training infrastructure and equipment. According to MES Unit of Education Economy in 2001 the biggest share of the resources allocated for vocational schools was spent on staff salaries and contributions for social security. Institutions have no possibility to invest into their development: spending for construction/renovation and for acquisition of basic means accounts for 0,08 % and 0,35% of expenses correspondingly. There are no possibilities for renovation of training material – for printings, books and manuals goes only 0,16 % of expenditure in vocational schools and 0,33 % in professional colleges and colleges.

Unemployed training. As it was mentioned, unemployed training can be provided at initial VET institutions, higher education institutions and labour market training centres established specially for labour market vocational training. Since 2001 LLE organises training for the unemployed and those employees who have received a dismissal notice following *open call* (public tendering) for provision of training. In the open call public and private training institutions are now free to compete for the delivery of training. In 2001, 98 training providers participated in the open call and in 2002 – 187 training providers. With the introduction of the public tendering for training, a much larger group of organisations are involved in the implementation of training. In addition, the cost of training has reduced what allowed involve more unemployed into vocational training. However, it should be noted that following legislation the training providers suggesting the lowest price win. Therefore the existing system is criticised that due to low price of the training courses, the quality of training may suffer.

Management training and business education. In 2001 a compulsory entrepreneurship module became part of the curricula in vocational education. 100-120 hours were allocated to this subject.

Business and administration training remains one of the most popular fields in initial and continuing vocational training. The table 2.2. illustrates the growth of number of students in this field.

Table 2.2. Pupils and students in business and administration field

Institutions	Number of pupils, students and specialists trained			
	2000-2001		2001-2002	
	Students	spe-sts	students	spe-sts
Vocational schools	7514	1619	8799	2080
Professional colleges	10917	2284	8794	2681
Colleges	2168	32	5583	-
Universities	11912	1692	14971	1971

Source: Education 2001. Statistics Lithuania, 2002

Number of adults who participated in business and administration field education has decreased in 2001: from 3934 (in 2000) to 3769 (in 2001). At the same time a bigger share of participants received a professional qualification (in 2000 – 1996 persons, and in 2001- 3041 persons).

Training in enterprise. According to the CVTS-2, 43 % of Lithuanian enterprises organise personnel training; the most active training enterprises are in financial intermediation and electricity, gas and water supply sectors. Only a minority of enterprises has a training plan (26 % of the enterprises according CVTS 2), and a budget for training – (15 % according to the CVTS2). The data evidences that employers are passive in organisation and support of personnel training.

Training to promote labour market and social inclusion of disadvantaged groups. At present in Lithuania there are 3 vocational schools, providing vocational education and training only for handicapped: Lithuanian Training Centre for the Blind and Visually Impaired, Vilnius Rehabilitation Vocational Training Centre for Deaf, and Lithuanian Rehabilitation Vocational Training Centre. Several specialised general education schools have vocational training groups. During 2001-2002 there were over 900 attending these schools which offer training under 18 programmes leading to a vocational qualification. In addition, according to their opportunities handicapped may acquire professional qualification in vocational schools.

According to Lithuanian Labour Exchange, in 2001, 79% of disabled people registered at the labour exchange were involved in active labour market measures and 6% of them were in training.

In addition, Lithuanian Labour Market Training Authority develops specific training programs for handicapped. In 2001, 18 training programs were adapted for handicapped.¹⁵

2.4.3. Participation

Initial VET institutions. In the last years the number of students in vocational schools is decreasing. It is partly due to the reform –transition to 10-year basic education. In colleges and professional colleges, altogether, the number of students is increasing.

Table 2.3. Students in VET institutions, thous.

Institutions	1998	1999	2000	2001
Vocational schools	56,0	52,0	47,0	45,0
Professional colleges	34,0	39,0	37,0	32,0
Colleges	-	-	3,0	10,0
Total	90,0	91,0	87,0	87,0

Source: Education 2001. Statistics Lithuania, 2002

With regard to the popularity of VET stages, the majority of students (in 2001 – 62 %) in vocational schools opt for stage III programmes which confer a vocational qualification and provide general secondary education.

Adult education. According to the Statistics Lithuania in 2001, 80 thous. of adults participated in adult education, what was half less than in 1998 (Table 2.4.).

¹⁵ Activity of Lithuanian Labour Market Training Authority in 2001. Lithuanian Labour Market Training Authority, Vilnius, 2002

Table 2.4. Participation in adult education¹⁶

	1998	2000	2001
Number of students, thous	171	111	80
Percentage of total working age population	8	5	...

Source: Education 2001. Statistics Lithuania, 2002

The majority of participants in adult education came from health field (26 %), security services, transport and engineering and engineering trades. Almost one third of trainees in adult education (32 thous.) took part in adult education and training in institutions of the formal education system: vocational schools, professional colleges, universities. Compared to 2000, in 2001 a number of participants decreased, however a bigger share of participants received a professional qualification (in 2001- 82,7 % of participants received professional qualification, and in 2000 – 62%).

The comparison of data about adults in education with number of working age population evidences (Table 2.4.) that only a little part of adults participate in continuing vocational training. This is proved by Labour Force Survey, according to which in 2001 only 3,7 % of population aged 25-64 participated in continuing training (whereas the European indicator was 8,7 %).

Unemployed vocational training. According to the LLE the share of the unemployed referred to vocational training, compared to the number of registered unemployed, have increased from 5,7 % in 2000 to 7,6 % in 2001 m. (Table 2.5.). However, the share of the unemployed referred to vocational training is too little, having in mind that 38,8 % of registered unemployed are without vocational training.¹⁷

Table 2.5. Involvement of the unemployed into vocational training

	1998	1999	2000	2001
Number of registered unemployed, total	113688	148655	204908	223480
The unemployed involved into active labour market policy measures	71379	76145	86260	106582
Of which, involved in vocational training	16146	12569	11659	17000
Percentage of the unemployed, involved into vocational training programme compared to all registered unemployed, %	14,2	8,5	5,7	7,6

Source: Activity of Lithuanian Labour Exchange in 2001. Lithuanian Labour Exchange, Vilnius, 2002

Employees training. Official statistics doesn't distinguish how many employees participate in qualification upgrading/re-qualification courses. According to CVTS-2 the participation of employees in CVT is low with only 20% of all employees participating in CVT (among the candidate countries Czech Republic is leading, where the participation rate in CVT is 49 %; in the EU analogous indicator is 40 %).

Participation in formal and non formal education. Official statistics doesn't separate what is the share of pupils/students participating in non formal education.

2.5. Guidance and counselling

The main providers of vocational guidance & counselling in 2001 were:

- Six territorial labour market training and counselling services (TLMTCS). They counselled 57,800 persons (13,800 pupils; 40,900 unemployed; 1,700 employed and 1,400 parents and teachers). They employ 35 psychologists;
- 40 information and counselling centres, five job centres and three youth job centres are established under the territorial labour exchanges. They provide counselling on job search and vocational guidance issues including self-serve internet based databases on job vacancies and training opportunities;
- Vocational guidance centre established under the supplementary education institution known as the Lithuanian Youth Technical Creativity Palace. Two psychologists at the vocational guidance division work with pupils individually and when invited organise lectures for students in lower and upper secondary schools;
- Youth Career Centre in Kaunas (founded in 1999, in collaboration between Vytautas Magnus University and the Open Society Fund). The Youth Career Centre provides information and counselling on studies abroad.

¹⁶ Courses in enterprises who have been licenced by the Ministry of Education and Science

¹⁷ Activity of Lithuanian Labour Exchange in 2001. Lithuanian Labour Exchange, Vilnius, 2002

- *Lithuanian National Resource Centre for Vocational Guidance* (or Lithuanian Euroguidance Centre) was established in 1998 together with the National Agency for Leonardo da Vinci. The main purpose of this Centre is the production and dissemination of guidance material as well as supporting mobility across Europe.

Finally, information on education institutions, training programmes, enrolment conditions etc. can be obtained via the internet, e.g. from the Lithuanian Education Information System homepage¹⁸, the LLMTA homepage and the Leonardo da Vinci NCU Vocational Guidance Resource and Information Centre homepage¹⁹.

The guidance and counselling system remains underdeveloped with only 10-15 % of students receiving some form of guidance in secondary schools.²⁰ Present capacities of guidance and counselling institutions are limited. In addition, vocational guidance and counselling specialists are not specially trained for this activity. It is important to note that working group was formed to prepare Strategy for Vocational Guidance that should improve the situation in the field.

2.6. Preparedness of the education and training system to comply with the principles of the European Employment Strategy

Following positive developments should be underlined while speaking about preparedness of the education and training system for the European Employment Strategy:

- *In Lithuania a legal framework and strategic documents for development of education system are in accordance with the European Employment strategy and the Memorandum on Lifelong Learning. The development of number of important strategic documents is already started.*
- *First steps were undertaken towards recognition of knowledge and skills acquired through non-formal learning.*
- *Establishment of multifunctional regional vocational training centres is ongoing.*
- *The development of number of documents: Strategy for Ensuring of Lifelong Learning; Strategy for Vocational Guidance; Conception of New Edition of Law on Vocational Education And Training has started.*
- *The Chambers are gradually taking over the responsibility for the full organisation of final exams what should improve the relevance of VET to labour market needs and quality of VET.*

However a number of challenges still need to be addressed:

- *Lithuanian legislation doesn't motivate employers to invest into personnel training.*
- *Instruments for the reduction of number of early drop-outs are not developed.*
- *The system of vocational guidance and counselling is underdeveloped.*
- *The variety of training measures (e.g. "second chance", apprenticeships) is to be developed.*
- *The links between the separate parts of the education system are insufficient to ensure favourable conditions for lifelong learning.*
- *A comprehensive qualifications system linking all educational sectors has not been created.*
- *The capacity of education system (human and material resources) is insufficient to ensure qualitative conditions for lifelong learning and to respond adequately to structural changes of economy.*

¹⁸ <http://www.mokykla.smm.lt>

¹⁹ <http://www.nrcg.lt>

²⁰ Country Monograph on Vocational Education and Training System and Structures and Public and Private Employment Services in Lithuania

3. RECENT DEVELOPMENTS IN EMPLOYMENT POLICY AND IMPLEMENTATION

3.1. State of preparation for the European Employment Strategy

As it is the case for education policy strategic documents, employment policy strategic documents also correspond with the four pillars of the EC's Employment Strategy: *development of employment capabilities, promotion of job creation and entrepreneurship, promotion of business and employee adaptation to change, strengthening of equal opportunities for men and women.*

In 2001 while implementing the Governmental Program the main strategy document on employment policy „*The National Programme for Promotion of Employment During 2001-2004*” was adopted. By its content and form, the Programme is a response to the European Employment Strategy.

Joint Assessment Paper on Employment Priorities in the Republic of Lithuania (JAP) sets out following priority policy areas where progress is still needed, including:

- developing a detailed action plan for the reform of the public employment service, including a necessary increase in the service's resources so that it can play a more active role in the reintegration of unemployed people;
- ensuring effective regional management and consultation structures for labour market services in the context of a coherent national strategy for broader regional planning across all areas of economic and social development;
- finalising arrangements for the use of ESF funds in support of employment policies, with particular attention to strengthening administrative capacity in the areas of financial management, monitoring and evaluation.

JAP represents an important step in Lithuania's preparations for participation in the European Employment Policy's coordination process. On the other hand, it identified those employment and human resources policy priorities which will be implemented through the ESF investments.

In 2001 a Phare - Twinning programme “*Preparation for Participation in European Employment Strategy*” started. The project is implemented by MSSL together with Denmark National Labour Market Authority, Danish Labour Ministry and Swedish National Labour Market Administration. The project aims to provide recommendation an administration of employment and labour market system in the way that it would be able to implement requirements raised by European Employment Strategy.

While preparing for usage of assistance of EU Structural Funds to Lithuania structures for administration of the assistance are created. Functions of implementing agency will be carried out by Human Resource Development Programs Support Foundation established by MES and MSSL in June, 2002. The aim of the Fund is to support those implementing PHARE Social and economical cohesion programme projects and to prepare for European Social Fund assistance.

3.2. General outline of employment policy objectives and measures

One of the main objectives of the Government of the Republic of Lithuania as stated in its Programme for 2000-2004 includes increasing employment. To attain this objective, the Government intends to devote more attention to unemployment reduction and prevention; promote investments; increase support for business in the regions; address labour qualifications and local-market orientation issues, pursue a pro-active labour market policies and etc.

The strategic objectives of already mentioned „*The National Programme for Promotion of Employment During 2001-2004*” are:

- eliminate the negative effects of the structural economic reform and external factors upon employment and labour market;
- increase employment, reduce unemployment and achieve balance in the labour market;
- prepare for participation in the European Union Employment Strategy coordination process.

The long term objective of the program is *to further increase employment up to the EU Member States' average, the aim being to achieve full employment.*

The pillars of the Programme are development of job system (promotion of entrepreneurship), improvement of support for employment, enhancing capabilities to adapt to change, increasing equal opportunities in the labour market, integration of employment policy.

3.3. Adaptation of legal framework

In 2002 following legal acts were adopted:

- *The Procedure of Support of Employment of Persons Additionally Supported in the Labour Market.* The document established organisation of establishment of and employment to working places for additionally supported unemployed.
- *The Procedure of Employment into Supported Works.* The procedure established organisation of supported works (from Employment Fund) to the unemployed. The objective of supported works is to create a possibility to obtain working skills or to improve them in place of work and to identify the lack of knowledge and to receive it in training courses.
- *The Procedure of Organisation and Implementation of Renewal of Knowledge and Practical Skills of Long-Term Unemployed.* It defined measures for renewal of knowledge and skills, the organisation, implementation and funding of measures. According to the procedure measures of renewal of knowledge and skills are organised for long-term unemployed when employing them into supported works, into job places created through local employment initiative projects, public works and work clubs.

In 2002 legal regulations for employment of handicapped and identification of quotas for new work places were improved. The amendment of the Law on Support of the Unemployed increased the interest of employers to employ handicapped. The maximum size of quota was increased from 2 % to 5 % of total number of staff in enterprise, if there are no less than 50 employees working in the enterprise.

New Procedure of Implementation of Local Employment Initiative Projects was approved. It defined guidelines for local initiative projects.²¹

3.4. Governance and responsible bodies

The *Ministry of Social Security and Labour* is playing the key role in the development of employment and labour market policies.

The main implementing bodies for labour market policies and programmes are the *Lithuanian Labour Exchange* and the *Lithuanian Labour Market Training Authority*.

LLE implements passive and active labour market policy measures. It consists from National Labour Exchange and 46 labour exchanges.

LLMTA implements labour market training policy and organises provision of vocational guidance and counselling services. It is responsible for content of labour market training; it supervises the activity of institutions that are licensed for labour market training.

Cooperation at national, regional and local levels. The closest cooperation links are with municipalities. Co-operation is implemented through organisation of public works, local initiative projects, implementation of the Programme for Assigning of Loans to the Unemployed for Organisation of Their Business, provision of preventive measures to support employees facing collective dismissal and etc.

Social partnership. Social partners participate in employment policy formation through tripartite commissions. The National Tripartite Commission at *LLE* advises the *LLE* on identification and funding of priority labour market policy measures, improvement of social support to the unemployed, allocation of Employment Fund to local labour exchanges, preparation of population employment programmes and etc. At every territorial labour exchange Tripartite commission is established. The decisions of the Tripartite commissions are advisory.

While assessing management of labour market system experts note that the network of public employment agencies ensures access all over the country and structures for social dialogue are in place. However there remain some problems. Firstly, legal documents, regulating activity of labour market institutions, functions of *LLE* and *LLMTA* are not clearly separated. In practice this results in some duplication of activity. Secondly, the activity of tripartite commissions remains more formal than effective, and its development receives insufficient attention. And thirdly, over-centralised management of *LLE* doesn't allow flexibly and urgently solve employment problems at local level.²²

²¹ *LEI aim at activating efforts of community to create jobs in order jointly solve social problems related to high unemployment. Entrepreneurs, having business ideas and ability to deliver entirely new products or services can apply for financing and receive job-creation grant, while undertaking obligation to employ socially vulnerable persons.*

²² *Country Monograph on Vocational Education and Training System and Structures and Public and Private Employment Services in Lithuania*

Funding. In 2001, nearly 37 million Litas were allocated for the staff, administration and overhead expenses of LLE, just over 59 million Litas for active labour market programmes and about 72 million Litas for passive programmes. For comparison, in 2000, for active labour market programmes over 39 million Litas were allocated and for passive programmes – over 80 million Litas. As it is planned for 2002, for the first time funding for active measures will exceed funding for passive measures (75 million Litas are planned for active labour market programmes and 71 million Litas for passive programmes).

3.5. Services of Lithuanian Labour Exchange

3.5.1. Structure and organisation

As it was mentioned, the LLE consists of the National Labour Exchange (NLE) together with 46 dependent territorial labour exchanges (TLE). The areas served by the TLEs vary in size and population. Therefore, in order to ensure the convenience of population, some TLEs have sub-district offices in addition to the main territorial office. At present, 28 TLEs have 46 additional sub-district offices, out of which 2 are specialised.

The *NLE* is responsible for analysing supply and demand of labour at national level and forecasting possible changes in the labour market. It also organises and finances research on employment issues, and prepares reports and reviews on the labour market situation (both national and territorial). It manages the funds of Employment Fund in accordance with the settled manner etc. The NLE manages the activity of the TLEs and allocates the funds necessary to finance their activities. The NLE is organised into a number of separate divisions - Labour Market Policy Implementation, Labour Supply and Demand, Information System, Employment Fund Accounting, and Foreign Relations.

The *TLEs* implement the functions of the Lithuanian Labour Exchange at the local level. They are subordinate to the NLE. Usually TLEs are organised into a number of divisions, dealing with Information System and Statistics, Employment Fund Accounting, Personnel and Administration, Clients Services and Labour Market Programmes, respectively.

3.5.2. Delivery of Services

Personnel. Currently the LLE has an overall staff of 1,312 of whom 54 % are front-line staff. Women make up 82 % of personnel. In TLE the number of personnel varies from 13 to 181. The ratio of front-line staff in structure of personnel in territorial labour exchanges varies from 38% to 67 %. According to Labour Exchange data, the average age of employees is 41. The biggest part of employees (72 %) is of 30-50 years old. Most employees (79 % of total employees excluding technical personnel such as cleaners, drivers etc.) have higher education diplomas. The ratio of unemployed registered in the TLE to front-line employees in different territories ranges from 76 to 641.²³ The differences between TLEs are likely to produce wide variations in the quality of services provided.

Client groups. Client groups of LLE cover job-seekers and employees.

According to LLE Report on activity for 2001 in the end of 2001 in TLE 224 thous. unemployed were registered, what accounted for 1,9 thous. less than in the beginning of the year. Males accounted for 52,5 %, youth – for 12,8 % of registered unemployed. The share of young unemployed decreased by 2,4 %. Unqualified unemployed accounted for 30 % and long time unemployed – for 33,3 % of registered unemployed. The share of registered unemployed increased by 5,7 %.

In 2001 services were provided to 30 thous. employers (in 2000 to 27,6 thous. employers).

Scope and balance of activities. The services provided by LLE are primarily oriented to job-seekers. They include guidance and vocational counselling, information on vacancies, mediation of employment in Lithuania and abroad, assignment and payment of unemployment benefits, preparation of employment plans, issuing of certificates, organisation of public works and works supported from the employment fund, issuing of recommendations for employment and public works, organisation of vocational training and job clubs, counselling and financial support in setting up of own business, etc. In addition, the labour exchange checks conditions and readiness of enterprises to employ the unemployed before sending them to the supported works, concludes contracts with employers and controls their implementation, also administrates subsidies for employment support.

In addition to general programmes the labour exchange organises and implements targeted labour market programmes. E.g. in 2001 programs for youth aged up to 25, for recent graduates, and for the long-term

²³ Stock data on registered unemployed in the end of May 2002 from reports of TLE was used for estimation

unemployed were implemented. Another important activity is administration and funding of local employment initiatives.

Specific measures for disadvantaged groups. In 2001, 3,4 thous. handicapped and 3,1 thous. ex-prisoners were employed or involved into active labour market policy measures. For the first time vocational training program for ex-prisoners was implemented and funded from the State budget. Through funding of local employment initiatives, more than every second person employed into newly established places is socially vulnerable person.

Career guidance and counselling. In 2001, 5 new Information and counselling centres were established at TLE and in 2002 already all clients of TLE could use information and counselling services. For guidance and counselling descriptions of occupations are prepared. In addition LLE is expanding open labour market information system. Self Information Service (SIP) is integrated with Vocational Guidance system (PIC). Both employers searching for employees and persons searching for job can place the information.

Cooperation with employers. In 2001, 6,3 thous. agreements of cooperation were signed. The cooperation with employers includes their participation in Tripartite Commissions, participation in projects and surveys. Research evidences that 90 % of employers served highly estimate services by LLE.

Share of active and passive measures. The share of funds allocated for implementation of active labour market policy measures increased. In 2001 for these objectives 59,5 mln. Lit. from the Employment Fund were used and in 2000 – 39,1 mln. Lit. As it was already mentioned, in 2002 for the first time it is planned to allocate more funds for active measures than to passive (75 mln. Lit. and 71 mln. Lit. respectively).²⁴ The increase in funding for active measures allowed involving more unemployed into active labour market policy programs. In 2001, 106,6 thous. (42,6 % of unemployed registered at TLE) participated in active measures what was by 20 % more than in 2000. Also in 2001 less unemployment benefits were assigned to the unemployed.

3.5.3. Monitoring and evaluation activities

The activity of Lithuanian Labour Exchange is based on management by objectives already for several years. 24 indicators were set for TLE, based on which the activity is evaluated monthly, quarterly and at the end of the year. The methodics for assessment of activity is approved. This allows to assess and amend the activity of TLE, to improve the quality of services provided and measures implemented.²⁵

As noted in Country Monograph, according to the experts the process of management by objectives in LLE is established rather well and the system of labour market indicators is in line with used in European countries, but the system of performance indicators needs some improvement.

3.6. Preparedness of Employment Services to contribute to the implementation of the European Employment Strategy

Public employment agencies should become the most important tool for implementation of general EU Employment strategy. Preparation for implementation of general strategy already started: the action plan and investment project for joining EURES (the network of European employment services and their partners) are under preparation. However, in order to prepare for coordination of European Employment strategy, it is necessary to continue rationalisation and decentralisation of labour market institutions' management, modernise TLE, to extend their responsibility for situation in the labour market and possibilities to use funds in a more flexible way for solution of local employment problems and to apply new principles to the organisation of work with clients. These measures are foreseen in „The National Programme for Promotion of Employment during 2001-2004”.

²⁴ Report on the Implementation of „The National Programme for Promotion of Employment during 2001-2004”

²⁵ Report on the Implementation of „The National Programme for Promotion of Employment during 2001-2004”

4. CONCLUSIONS

During 2001 and first half of 2002 *progress towards implementation of lifelong learning and preparation for the European Employment Strategy* was achieved in following areas:

- *Development of legal framework and strategic documents.* In Lithuania new legal and strategic documents for the development of educational and employment system are being prepared in accordance with the European Employment strategy and the Memorandum on Lifelong Learning. In 2001 a new edition of the Law on Education was developed and passed for public discussion. The same is to be said about Education Guidelines – Strategic provisions for the development of Lithuanian education for 2003-2012. The Joint Assessment Paper on Employment Priorities in the Republic of Lithuania was prepared and approved by Lithuanian Government and European Commission in the beginning of 2002.
- *Correspondence of training to labour market needs.* Training content is renovated based on competences and objectives.
- *Optimisation of VET institution network.* The establishment of multifunctional regional vocational training centres is ongoing.
- *Involvement of social partners into examination process.* Seeking to improve the relevance of VET to labour market, the responsibility for the full organisation and implementation of final exams is gradually passed to the Chambers. It is foreseen to finish the process in the upcoming year.
- *Recognition of knowledge and skills acquired through non-formal learning.* First acts establishing the procedure of recognition were adopted.
- *Balance between passive and active labour market measures.* The share of funds allocated for active labour market policy measures increased. This allowed to involve more unemployed into active labour market policy programs.
- *Unemployed training.* Introduction of the open call procedure into organisation of the unemployed training, firstly, allowed to diversify providers of training. Secondly, it decreased the training cost what allowed to involve more unemployed into vocational training.
- *Open labour market information system.* LLE is expanding open labour market information system through introduction of new information technologies. In addition, establishment of Information and counselling centres at TLE is ongoing and already all clients of TLE can use information and counselling services.
- *Preparation of the employment services to participate in European Employment Strategy.* In 2001 a Phare - Twinning programme “Preparation for Participation in European Employment Strategy” started. The project aims to provide recommendations on administration of employment and labour market system in the way that it would be able to implement requirements raised by European Employment Strategy.

However a number of *issues remain* which Lithuania has to address:

- *Lithuania experiences high number of “drop-outs” with over 20 % of young people leaving education system without finalisation of basic education.*
- *The links between the initial and continuing vocational training are insufficient to ensure favourable conditions for lifelong learning.* Though both labour market training and initial vocational education programmes are modularised, the modules are not homogenised and thus do not facilitate the continued development of comprehensive qualifications system. There are no possibilities for horizontal transfers from labour market training to vocational education and eventually to progress to some form of higher education.
- *The mismatch between vocational training and the requirements of the economy exists.*
- *Continuing education and training is underdeveloped in Lithuania with only 20% of all employees participating in CVT (according to CVTS2).* It is two times less than EU average.
- *The capacity of education system (human and material resources) is insufficient to ensure qualitative conditions for lifelong learning and to respond adequately to structural changes of economy.*
- *The system of vocational guidance and counselling is underdeveloped.*
- *There are great differences between territorial labour exchanges in workload.* This is likely to produce wide variations in the quality of services provided.
- *The share of the unemployed referred to vocational training is too little (7,6 % of all registered unemployed in 2001), having in mind that 38,8 % of registered unemployed are without vocational training.*
- *Following the regulations of open call for training provision, the providers suggesting the lowest price win. Due to low price of the training courses, the quality of training may suffer.*

Further reform steps should include:

- *Instruments for prevention of early drop out as well as the instruments for reduction of number of drop-outs (alternative training measures, "second chance", apprenticeships) need to be developed*
- *Guidance and counselling system needs to be developed.*
- *In order to assure a better correspondence between VET and economy needs, quality assurance system needs to be developed. Investments into education infrastructure should increase.*
- *A comprehensive qualifications system linking all educational sectors has to be created.*
- *Studies and researches, comparative and prognostic surveys on qualification and employment requirements need to be promoted.*
- *The system for the recognition of vocational competencies acquired through formal, non-formal and in-formal learning remains to be developed and implemented.*
- *The reduction of differences in both the quantitative and qualitative service level between the territorial labour exchanges is needed.*
- *Involvement of the unemployed into vocational training should be increased.*
- *Public tendering procedure should be further developed to better assure correspondence of training to the defined quality criterions.*

BIBLIOGRAPHY

- Conception of Law on Education, 2001
- Country Monograph on Vocational Education and Training System and Structures and Public and Private Employment Services in Lithuania, 2002
- Employment in Europe 2001. Recent Trends and prospects - European Communities, 2001
- Joint Assessment of Employment Policy Priorities in Lithuania, 2002
- Labour Force, Employment and Unemployment (survey data) 1998-2001, Statistics Lithuania, Vilnius 2002
- Lietuvos darbo birzos veikla 2000 metais (Activity of Lithuanian Labour Exchange in 2000) Lithuanian Labour Exchange – Vilnius, 2001
- Lietuvos darbo birzos veikla 2001 metais (Activity of Lithuanian Labour Exchange in 2001) Lithuanian Labour Exchange – Vilnius, 2001
- Lietuvos darbo birzos veikla ir darbo rinka 1991-2000 (Activity of Lithuanian Labour Exchange and Labour Market 1991-2000), Vilnius, 2001
- Lietuvos statistikos metraštis (Statistical Yearbook of Lithuania) Statistics Lithuania – Vilnius, 1997, 1998, 1999, 2000, 2001
- Lithuanian Economy. Ministry of Foreign Affairs, 2002. <http://www.urm.lt>
- LR Uzimtumo didinimo 2001-2004 metu programa (The 2001-2004 Programme of the Republic of Lithuania for Increasing Employment) -Valstybes zinios, N° 40, 2001
- LR Vyriausybės 2001-2004 metu programa (LR Government programme of 2001-2004) - Valstybes zinios, N° 62, 2001
- Report on the Implementation of „The National Programme for Promotion of Employment during 2001-2004”, 2002
- Situation and development tendencies of small and medium business in Lithuania“, <http://www.svv.lt>
- Statistics in focus First Survey of continuing vocational training in enterprises in candidate countries (CVTS2)- European Communities, 2002
- Svetimas (Education), Statistics Lithuania – Vilnius, 2001, 2002