

Swedish Labour Market Projects in Lithuania 1995-1997

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**Department for Central and
Eastern Europe**

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Sida Evaluation 98/3

**Department for Central and
Eastern Europe**

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Foreword

This report summarises the results of the fifth evaluation, carried out in 1997, of Swedish labour market projects in Central and Eastern Europe. The Swedish partner in this project is the *Swedish Labour Market Board* (AMS), represented by the *County Labour Market Board* in Blekinge.

Having already reviewed and presented the results of projects in Russia, Poland, Latvia and Estonia during the period 1994-1997, we are now happy to conclude this series of Sida Evaluations by submitting this report on cooperation with the Lithuanian labour market authorities.

We are most obliged to the Lithuanian Republican Labour Exchange and its General Director, Mr Vidas Slekaitis, for receiving us and arranging the programme for our field mission in Lithuania in September - October 1997. Special thanks are also due to Ms Janina Gaizutyte, Deputy General Director, who accompanied us on our trips to the Klaipeda labour office and the Trakai and Kretinga regional labour offices. We are also obliged to Dr Boguslavas Gruzevskis, Institute of Labour and Social Research of the Ministry of Social Security and Labour, for helping us with statistical material and communicating his views on the labour market situation in Lithuania.

Stockholm, 23 February 1998

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Stockholm

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Executive Summary

The purpose of this report is to provide an evaluation of the AMS technical assistance project with the Lithuanian Republican Labour Exchange which have been financed by BITS and Sida between 1995 and 1997. The main dimensions of the evaluation are: achievement of objectives, relevance of project area, sustainability of results, side-effects, efficiency of project implementation and cost-efficiency. In addition, the report makes recommendations to Sida on the potential for supporting future projects and suggests improvements in project objectives and design.

- ◆ Lithuania has an unemployment rate of around 13 per cent which means that projects in the labour market area are of relevance. The project that has been undertaken shows that Swedish experience can successfully be transferred and adapted to Lithuanian conditions.
- ◆ The project shows results which are sustainable and visible. This applies in particular to the introduction of management by objectives, the follow-up of different activities, the development of placement and vocational guidance techniques, and the forecasting of the labour market situation at both the local and national level.
- ◆ Project organisation and project management have been exceptionably good on both sides. Both sides have systematically involved a wide range of specialists in the project activities, which has resulted in the project evolving into a real partnership between the two organisations. The organisation and management of the project could serve as a model for other development projects in Central and Eastern Europe.
- ◆ The conscious involvement of a wide range of staff has, for example, taken the form of bringing one new Swedish consultant to Lithuania every time that seminars take place together with one with previous experience. One benefit of the fact that so many people have been involved from the Blekinge labour market board and its subordinate offices has been that this has made it easier to gain assistance and commitment from the staff for this project, parallel to the ordinary working tasks they cope with.
- ◆ The personnel in the Lithuanian employment service are highly qualified for their jobs. Almost 80 per cent have undergone higher education. The Republican Labour Exchange has seen to it that premises and equipment meet modern standards. Lithuania spends a larger amount of money on the development and administration of labour offices (around 20 per cent of the total labour market budget), than Latvia (7 per cent) and Estonia (15 per cent). This guarantees that results are sustainable.
- ◆ The responsibility for the project has been fully delegated to a county labour board in Sweden. This has ensured good co-ordination, as well as information and experience sharing between participants in different project components.
- ◆ The parties have built up confidence in one another. This is largely due to a high degree of personal commitment to the project on the part of the General Directors of the labour services and the project management.

- ◆ The cost efficiency of the project is good. Per unit cost is lower than in other AMS projects in the region. Administrative costs are much lower than in other AMS projects, 10 per cent of the money spent instead of the usual 25-28 per cent.
- ◆ Cooperation with other donors could be developed by the Swedish side in future projects.
- ◆ Lithuania has established contacts with employment services in other transition economies - Poland, Estonia, Lithuania, Kaliningrad (Russia), and Ukraine. These initial steps towards cooperation and the exchange of experience should be encouraged and supported. AMS might also consider using the Lithuanian model as an example of how the Swedish model can successfully be transferred to a transition country.
- ◆ It is proposed that cooperation be continued, provided that the Lithuanian side expresses a wish to do so. The cooperation should be long-term but low-key: the Lithuanian side is well capable of adapting Western experiences to Lithuanian conditions and limited input may have considerable impact. The parties have given priority to such issues as the evaluation of labour office activities, the development of the use of Internet-based information systems in the employment service, and adjustment to the EU

I Project Description

1. *The Objectives of the Evaluation Report*

AMS (the Swedish Labour Market Board) started technical assistance cooperation with the Lithuanian labour market authorities in 1992. The first project was financed by the Swedish Ministry of Labour. Since 1994, BITS, later Sida, has continued to finance the cooperation by approving an additional project to develop the employment service in Lithuania. The earlier project in Lithuania, financed by the Ministry of Labour, was not evaluated. Thus, this is the first evaluation of the AMS technical assistance project in Lithuania.

The project to be evaluated is:

The AMS project for the development of labour market institutions. BITS 1995-01-11, decision number 104-94/95, BITS number LTU 0671, 2, 346, 000 SEK.

The main dimensions of the evaluation are:¹

Evaluation of Past Cooperation

- Achievement of objectives. Achievement of the project goals as defined in the contract, taking into account possible changes in circumstances.
- Relevance. The relevance of the approach, goals and services provided during the technical cooperation with respect to the perspective of the labour market situation and in relation to the needs they were intended to serve.
- Efficiency of project implementation.
- Reasons for high/low degree of success in achieving goals.
- Side effects.
- Cost-efficiency.
- Prospects of the project having sustainable effects.
- Gender aspects. Have gender aspects been an integral part of the project? If not, what are the reasons?

Opportunities for Continued Cooperation

- The relevance of the proposed long-term and short-term objectives and the potential impact of the transfer of knowledge from the Swedish side.
- Organisational strengths of and weaknesses of the Lithuanian organisation involved.
- Tangible results and long-term development effects.

¹ See Terms of Reference for the Consultancy Assignment (**Appendix A1**)

- Need for co-ordination with other institutions and other donors.
- Potential for cost-sharing in future projects.

In addition the evaluation report aims to describe institutional structures, roles and responsibilities in the field of labour market policy in Lithuania.

Based on the above findings, the team will submit **recommendations** to Sida on the potential for the support of future projects and, if relevant, suggest ways of improving existing proposals in terms of project objectives, organisation and other aspects relevant to the achievement of the best development effects.

2. *The Team*

The evaluation assignment was entrusted to a team of two persons. Fil. dr Susanne Oxenstierna specialises in labour market economics and other issues in transition economies. In 1991, she took part in the *Economic Survey of the Baltic States*,² initiated by the Swedish Ministry of Foreign Affairs, and between 1992 and 1996 she worked in Moscow in a technical assistance project run by the Swedish Ministry of Finance. Fil.lic Henrik Huitfeldt was an economic analyst at Sida at the time of the evaluation, and is now working at the Institute for East-West Studies in Prague. He specialises in labour economics and has done research on the Czech labour market. Both team members have taken part in previous Sida evaluations of labour market projects in central and Eastern Europe.³

3. *Method*

The report is based on interviews with key persons in Lithuania and Sweden. A full day was spent at the County Labour Market Board of Blekinge in Karlskrona where a large part of the staff has been involved in the project. The field visit to Lithuania, in September - October 1997, was of great importance since the team was able to see not only the central office of the Republican Labour Exchange but also local labour offices in Vilnius, Klaipeda, Kretinga, and Trakai and meet with many people who have been directly involved in the Swedish project.⁴ The program was prepared by the Lithuanian Republican Labour Exchange - *Respublikine Darbo Birza*.

The *Economic Survey of the Baltic States* has provided a starting point for the analysis of developments in the labour market and its institutions. Dr Boguslavas Gruzevskis, Institute of Labour and Social Research of the Ministry of Social Security and Labour, who assisted in that study in 1991, was helpful to the team on this occasion too, by providing material and discussing the situation on the Lithuanian labour market. Of course, the team has also studied all relevant material produced in the course of the execution of the project, and material provided by the Lithuanian Republican Labour Exchange and the Statistical Office.

² Van Arkadie & Karlsson (1992).

³ See Oxenstierna & Pihlgren (1997); Oxenstierna, Lundberg, Huitfeldt (1997); Oxenstierna & Huitfeldt, (1997a); (1997b).

⁴ See List of Interviewed Persons (*Appendix A2*)

II The Lithuanian Labour Market

1. *Employment*

Between 1990 and 1993, GDP in Lithuania by about 57 per cent according to official statistics. During this period a sizeable proportion of the activity in the Lithuanian economy moved from the official to the shadow economy. According to official estimates, used in calculating the GDP, 6 per cent of GDP was produced in the shadow economy in early 1997. However, survey results suggest that the shadow economy represents 20-25 per cent of GDP. Thus, official output statistics presumably underestimate the real level of activity in the Lithuanian economy.

Table II. 1 Employment and Labour Force Participation in Lithuania 1989-1997

	1989 ^a	1993	1994	1995	1996
Employment					
Labour force survey (1000s)^a	1,901		1,849	1,843	1,740
Employer survey (1000s)^b	1,901	1,778	1,675	1,644	1,659
Agriculture		401	392	392	400
Industry		584	488	463	450
Private services		352	400	381	378
Public sector		442	395	407	430
Labour Force Participation Rate^c					
Total	93.3				90.7 ^d
Men	96.2				92.3 ^d
Women	90.7				89.2 ^d

Source: Department of Statistics to the Government of the Republic of Lithuania, and Van Arkadie & Karlsson (1992, pp. 224, 227; Population Census 1989)

a. Second quarter

b. Annual average

c. 25-54 years of age

d. According to the Labour Force Survey, second quarter 1996

The size of the shadow economy and problems in measuring employment in the private sector make official statistics on employment unreliable. In order to get some idea on how employment responded to the fall in GDP, it is possible to compare the population census from 1989 and the labour force surveys that were started in 1994. Unfortunately, the labour force survey have not been conducted regularly. Results are available from May 1994, February and May 1995, May and September 1996, and September 1997. The methodology used in the surveys follow international standards and is further adapted to the Lithuanian situation. Some problems arise in interpreting employment in the large agricultural sector. In the survey, farmers working on their own land are considered to be employed if the great part of the production is sold. Using these sources, employment fell by 9.2 per cent between 1989 and 1996. According to another source, the enterprise survey (where employment is estimated from the production side), employment fell by 14.6 per cent between 1989 and 1996. Thus, employment has only slightly reacted to changes in output, and labour productivity has decreased significantly during the period of transition.

In Poland, by comparison, the economic recovery has been driven by substantial growth in the private service sector. This structural change has been accompanied by great large mobility between different jobs and sectors. In Lithuania, structural change in the labour market has been slow. Labour mobility and the creation of new jobs in the service sector are still low.

In 1989, labour force participation was high for both men and women. Between 1989 and 1996, the labour force participation rate for prime-aged persons (25-54 years old) fell by about 1.5 percentage points for women, and 4 percentage points for men. Nevertheless, by international standards, the participation rate for prime-aged persons is still high in Lithuania - 92 per cent for men and 89 per cent for women.

2. Unemployment

According to the *Law on Assistance for the Unemployed* from 1996, in Lithuania, a person is defined as unemployed if he/she is registered at a labour office and is willing to and able to take a job, or prepared to undergo training or re-training.

According to the international definition of unemployment (ILO), a person is unemployed if he/she fulfils the following three conditions: (i) during a reference week, he/she neither worked nor was temporarily absent from work; (ii) he/she was actively seeking employment during the past four weeks; (iii) he/she was available immediately to start work within two weeks.

It is obvious that the official definition of unemployment in Lithuania excludes a large number of unemployed persons who, for example, fail to register at a labour office. On the other hand, some of the people registered as unemployed in Lithuania are not unemployed according to the international definition of unemployment, because they are not actively looking for a job. According to anecdotal evidence, only about 50 per cent of the number registered at the labour offices can be defined as truly unemployed.

According to the labour force survey, which uses the international definition of unemployment, the unemployment rate in Lithuania was about 13 per cent in September 1997, a rate comparable to that in many of the other transition economies in Central and Eastern Europe.

According to the labour force surveys, the unemployment rate has fallen by over two percentage points between September 1996 and September 1997. The same decreasing trend can be seen in registered unemployment. Some changes in the unemployment insurance system have taken place during 1996. But the fall in unemployment is likely to be a real phenomenon, rather than a result of changes in the manner in which unemployment is estimated, or changes in the incentives for registering at a labour office.

The most plausible explanations for the recent fall in the unemployment rate are the economic recovery and a growing emphasis on active labour market policy. An increasing number of people in active measures influences unemployment in two ways, directly through a flow of persons from the stock of the unemployed into programmes, but also indirectly via a higher re-employment rate among programme participants than among other unemployed people.

Women have not withdrawn from the labour force on a large scale during the transition period, as is the case in most other transition countries. The same pattern is seen, however, in Lithuania's neighbour Poland. The unemployment rate is at the same level for both men and women. Women are over-represented among those registered as unemployed, but this is largely due to the significant number of women with small children who have the right and the incentive to register as unemployed.

Table II.2 *Unemployment in Lithuania 1992-1997*

	1992	1994	1995		1996		1997 ^a
Unemployment Rate (%)		May	Feb.	May	May	Sep.	Sep.
Total		10.6	11.6	11.8	14.2	15.6	13.0
Women					12.8	15.9	
Men					15.6	15.2	
Registered Unemployment^b							
Total	1.3	3.8	6.3		7.2		5.9
Women		4.0	6.9		7.6		6.2
Men		3.6	5.7		6.6		5.5

Source: Department of Statistics to the Government of the Republic of Lithuania

a. Prognoses

b. Annual average

In Lithuania, almost a quarter of the population are farmers. The transformation of the Lithuanian economy has hit rural areas differently than urban areas. According to the labour force survey in September 1996, the unemployment rate was 6.7 per cent in rural areas and 20.0 per cent in urban areas. Thus, despite the negative economic shock, the rural population continues to a large extent to work, often on their own land. They are also less likely to visit a labour office, perhaps because the nearest labour office may be at a considerable distance.

The incidence of poverty has increased during the reform period. Poverty is often associated with unemployment, but also to a large extent with officially employed persons. The income of those employed in declining sectors such as industry and agriculture can be very low. Sometimes workers are only formally employed, without performing much actual work. These workers can have very low wages. For some state-owned enterprises, it can still be an advantage to have many employees. Persons with a low level of education and households in rural areas have been particularly vulnerable. Poverty is, however, often shallow: most poor people lie just below the poverty line. A continued economic recovery could thus reduce poverty substantially.

3. Active and Passive Labour Market Policies

Lithuania finances its labour market policies out of the Employment Fund, which consists mainly of compulsory payments from employers, but also of subsidies from the state budget. In 1996, 99.6 million Litas (24.9 million USD) or 0.32 per cent of GDP, was spent on labour market policy and the labour offices. More resources have been devoted to developing the labour market administration in Lithuania (19.6 per cent of total expenditure in 1996) than in Latvia (6.8 per cent) and Estonia (14.7 per cent). The result of this emphasis can be seen at labour offices throughout the country.

A new law on assistance for the unemployed came into force in January 1996. In order to be entitled to unemployment benefits, a job seeker must have worked (and paid state social insurance) for 24 months during the previous 3 years. A waiting period of 8 days is required in the case of persons dismissed at the initiative of the employer. In the case of persons who left a job on their own initiative or have been dismissed for misconduct, the waiting period is 3 months. Other job-seekers can qualify for unemployment benefits through participation for a minimum of 180 days in labour market training, public works, or other measures supported by the Employment Fund.

Unemployment benefits are paid for a period of 6 months within a 12 months period. The benefit level depends on the unemployed person's work experience. In 1997, benefits varied from 130 Litas (32.5 USD) to 240 Litas (60 USD) per month.

In Lithuania, active labour market policies have gained increasing importance. In the first six months of 1997, 27,700 persons participated in labour market programmes. The most important measures were labour market training (43 per cent of total participants), job clubs (26 per cent), and public works (18 per cent).

Table II. 3 *Active and Passive Labour Market Policies 1994-1997*

	1994	1995	1996	1997 ^a
Total (million Litas)	40.69	68.38	99.65	115.4
Share of GDP (%)	0.24	0.29	0.32	0.31 ^b
Share of passive measures (%)	38.1	50.2	52.0	44.4
Share of active measures (%)	34.1	29.4	28.4	37.5
Share of administration (%)	27.8	20.4	19.6	18.1
Active measures				
Share of training (%)	60.9	69.2	62.1	52.5
Share of other measures (%)	39.1	31.8	37.9	47.5

Source: The Lithuanian Republican Labour Exchange

a. Budget

b. Prognoses

An unemployed person taking part in labour market training receives a subsidy equal to 1.3 times the unemployment benefit he/she is entitled to. The maximum length of a training programme is six months (in special cases the training can be prolonged to ten months). Public works are financed by the municipalities and consist of unskilled work targeted at the long-term unemployed, or persons who have severe difficulty in finding a regular job. The emphasis on job creation programmes such as start-up loans and subsidised employment has increased during 1996 and 1997, but they still constitute a small proportion of total measures.

4. Further Development of Labour Market Policies

After the recession in the first half of the 1990s, the Lithuanian economy is now growing. A growth level of 4 per cent is estimated in 1997. The economic recovery has generated new jobs, and prevented layoffs, and the unemployment rate has been decreasing since 1996. Despite the present positive trend, structural change in the Lithuanian labour market has been slow.

The Lithuanian labour exchange has developed in a positive fashion, and is well equipped for making any adjustments needed in the event of an incipient deterioration in the labour market situation. Cooperation between the labour exchange and employers at the local level has lately been strengthened. Nevertheless, the focus on active labour market policies can be further developed, especially in targeting the active measures at vulnerable groups such as the long-term unemployed and persons with outdated skills.

III Development of the Employment Service in Lithuania

General Assessment: An example to others

This project is commendable first of all for the conscious and effective *organisation* of its implementation. Both the Swedish side and the Lithuanian side have chosen to use and involve a broad range of specialists from the respective organisations - the Blekinge County Labour Board and subordinate offices and the Lithuanian Labour Exchange. This means that the partners are involved in the project as organisations and not only as parts of organisations or individuals. This also means that the project has developed into a real partnership.

The project has many *sustainable and visible results*, which is due to the fact that it has been very *structured and systematic* and has been manned by *highly competent staff* on both sides. This was evident during the field mission in Lithuania, but it is also apparent from the project documentation, which is of very high quality. The final report includes summaries of the major results, and it also makes it possible to follow the project in quite precise detail chronologically, since the internal project reporting has been of a high standard. During the field mission it also became apparent that the *internal reporting and follow-up* on the Lithuanian side is at the same level. All the specialists we met gave well prepared and interesting presentations of their work in the project and its results.

However, we should also like to mention the commitment displayed by all project participants and the high degree of confidence the parties has shown in one another as important factors in the success. The personal commitment of General Director of the Lithuanian Labour Exchange, Mr Vitas Slekaitis, the Director of the Labour Market Board in Blekinge, Mr Börje Jönsson, and the project co-ordinator, Mr Kenneth Hake, has been decisive for the results of this project.

1. Institutional setting

There are 47 regional employment offices in Lithuania. The organisation has around 1200 employees of whom 20 per cent are management personnel, 70 per cent specialists and 10 per cent service personnel. A large majority of the employees, 78 per cent, have undergone higher education. Of the remaining 22 per cent, 19 have post secondary education and only 3 come directly from secondary school. The majority of the staff are between 30 and 50 years old, 25 per cent are under 30, and 10 per cent are over 50 years of age.

The regional labour offices are subordinate to the Republican Labour Exchange, which in turn is subordinate to the Ministry of Social Security and Labour. The Republican Labour Exchange is led by a General Director and two Deputy General Directors, and has six departments.

The *Department of Labour Market Policy Implementation* prepares employment programmes, organises the work of the regional labour exchanges, and expands cooperation. The *Department of Supply and Demand* forecasts economic policy and social policy, co-ordinates demand and supply on the labour market, assists in the selection of professions for the unemployed and in job placement and supports the regional labour exchanges in their

ongoing work. The National Labour Exchange cooperates with the *Lithuanian Labour Market Training Authorities* in their choice of training for the unemployed for jobs that are in demand.

The *Department of Information Systems* collects and analyses labour market statistics, prepares computer programme instruction manuals and provides training in this area, and maintains the information network via electronic mail contact with the regional labour offices. The *Department of Personnel and Maintenance Services* recruits directors for regional labour exchanges, trains labour exchange personnel, compiles personnel data, determines further personnel requirements, and organises advanced training. The *Department of Employment Fund Accounting* analyses and determines the national and regional use of the Employment Fund's resources. The *Department of Foreign Relations* cooperates with foreign partners, makes arrangements for those seeking employment abroad, issues temporary work permits and licences for foreigners working in Lithuania, and maintains public and media relations.

Representatives of the parties on the labour market - the employers, the workers, and the state/municipalities - take part in the formulation of labour market policies both at the national and at the regional level.

2. Project Objectives

The project, BITS 1995-01-11, decision number 104-94/95, LTU 0671, had the following objectives:

- A Continued development of the model office in Klaipeda.
- B Training of personnel from each of the 47 regional offices in vocational guidance and placement services.
- C Training of the trainers at a training centre adjacent to the labour office in Klaipeda.
- D Development of forecasting of the labour market
- E Development of a plan for the computerisation of the placement services and methods for the data processing of labour market statistics.
- F Evaluation seminar.

The project was to be run over a period of two years, and the total budget was 2.3 million SEK, of which 1.7 million SEK were for direct costs and about 700,000 SEK for remuneration of experts.

3. Project Results

The project has developed in particular the *management of objectives*, an emphasis on *active labour market policies*, a system for *internal staff training*, labour market *forecasting*, and concepts for the *computerisation* and development of information systems within the Lithuanian Labour Exchange. The model office in Klaipeda has functioned as an example to other offices in Lithuania and has been used as a training site for internal staff training, and has thus been an important part of the project. Because of a change of directors during the project period and the location of Klaipeda (in one corner of the country, far from Vilnius), its influence today seems to have diminished. One factor contributing to this development appears to be the fact that the plan to establish a training centre adjacent to the model office (with everything from well equipped classrooms to accommodation and catering services for the participants) has not been carried through.

A *Model office support*

The Klaipeda office has developed into a modern labour exchange with an information service for job-seekers, placement service and vocational guidance.

The evaluation team visited the office during a full day. The office is situated in a former children's day-care centre, and initially there were certain problems in acquiring the premises from the municipality. Now, however, the office has functional, renovated premises. From our discussions, it was obvious that the model office had played an important role early on in the cooperation. Also, the Klaipeda office has been used largely for internal training purposes, and has served as an inspiration and a model for other offices throughout the country.

In later years, the development of the office has slowed down, which appears to be due mainly to a change of director. The first director left in November 1995, and after that one of his deputies acted as a temporary director for six months. A new director was not appointed until the summer of 1996. The senior specialist Ms Aldona Vainikiene has played a major role for the continuity of the project. Thus, in spite of the management problem, progress was made in the development of the office. In particular, the share of working time devoted to contacts with employers has been increased, separation of the placement and vocational guidance functions has begun, and techniques for working with different groups of unemployed persons have been elaborated. Also, the handling of vacancies is performed in a more efficient way than previously and the results of the office's activities are evaluated.

When the evaluation team was in Karlskrona, we asked why the Klaipeda office had been chosen. The answer was that Karlskrona and Klaipeda are "twin towns". Apparently, contacts between the towns are quite intensive in both commercial and cultural respects. At the time when the model office was set up, a business centre in Klaipeda had already been established, which could help out with practical matters. The mayor of Karlskrona had helped in persuading the Klaipeda municipality to make the day-care premises available to the labour exchange. However, no account had been taken of the labour market situation, the practical aspects of a model office being in "one corner" of the country, etc. Now, the fact that Klaipeda has a Swedish twin town does not seem to play any role at all in the further development of the office.

We also visited the model office in Vilnius which was developed with German assistance. This office is located in an old military barracks at the outskirts of the centre of Vilnius. It is a big office, covering the whole Vilnius area. It differed from the Klaipeda office in the prominent place held by the independent search for vacancies by the unemployed themselves at a vacancy data terminal. Unlike at the Klaipeda office, the reception services are not at a desk in the entrance hall, but in a closed room, and there was a long queue waiting when we visited.

The two smaller offices in Kretinga and Trakai, were very nicely organised and had personnel who appeared to be very competent. The directors had been to Sweden for study visits and said they had profited greatly from this.

B *Training of personnel*

This component consisted of seven training weeks of training in Klaipeda and one week in Sweden. Two of the weeks were intended for vocational counsellors. Four weeks were devoted to training of placement officers. The activities are described in detail in the project report.¹ Four of the officers then made a study visit to Sweden. The last week of the programme was devoted to a seminar in Lithuania. The participants then formulated an action plan for their own labour exchanges. More than 120 officers, about 10 per cent of the total staff, have participated in the seminars on one or two occasions.

¹ See AMS (1997).

C *Training of the trainers*

Training of the trainers took place during two weeks in Lithuania and one week in Sweden. As in the training of officers, one week in Lithuania was followed by a week in Sweden and then a final week in Lithuania. A detailed description of the activities is found in the project report.² A draft curriculum for the training of newly hired staff at the labour exchange was presented and four persons have been trained as trainers. Both the Lithuanian and the Swedish side consider the training programme to have been too short.

D *Forecasting*

This project component was started in April 1995 when the two Swedish consultants, Torbjörn Israelsson and Tord Strannefors, made a mission to Vilnius. In total, four missions to Vilnius were made and one study visit to Sweden. The results have been unexpectedly good. Both Swedish consultants stressed this in our interview, especially in comparison with the results achieved in Estonia.³

The forecasting of the labour market is of great importance for planning adequate measures, estimating the amount of resources required, and training the unemployed for jobs that will be available. The employers play a central role in labour market forecasting, since they provide the micro information about what is to be anticipated in the near future: job destruction and job creation, professional profiles that will be in demand etc. Therefore, labour market forecasts are also a means of developing contacts with employers. Labour market forecasts are combined with other statistical data and prognoses relating to general economic development. In Lithuania, the labour market authorities cooperate with the Department of Statistics when making and analysing their prognoses.

As a result of the assistance in this field, a methodology for making forecasts has been worked out and two forecasts were made in 1995 and 1996. Evaluation of the 1995 forecast showed that it was very accurate (see also **Appendix 3** with charts for the Lithuanian forecasting model).

E *Computerisation*

The purpose of this component was to create a three-year-plan for software development in the Lithuanian employment service and to assist in developing systems and methods for processing statistical data and computerised management operations. Since some developments in this area had already taken place when the Swedish experts made their first mission to Lithuania within the framework of a Phare project, this component was reduced to include only some mapping of the existing routines and discussion of the alternative ways of developing computerisation.

The results were the product of documentation on the management information system in the labour offices, recommendations regarding suitable software, the introduction of a pilot system, and the provision of assistance with the collection of relevant data.

F *Additional study visits*

Because of economies in the computerisation component, it was possible to make additional study visits to Blekinge. In accordance with requests from the Lithuanian side three study visits were made by Lithuanian local office managers to labour offices in Blekinge between November 1996 and March 1997. This change was approved by Sida. Twelve Lithuanian directors participated in each study visit. The purpose of the study visits was to

² See AMS (1997).

³ See Oxenstierna & Huitfeldt, (1997b).

increase their knowledge of Swedish methods and working organisation; they had already taken part in seminars on these issues but needed to see how it worked in practice. The main emphasis was put on such issues as: analysing the labour market situation, management by objectives, computer-aided management, organisation of work in employment offices, working with the personnel, and cooperation with other authorities at the local level.

4. Cost Efficiency

Of the total budget of 2 346 000 SEK, 2.3 million SEK, or 98 per cent, has been used. The costs of the different project components are depicted in **Table III:1**.

AMS-project (BITS 950111, LTU 0671, 2 346 000 SEK)

Table III:1 Cost of activities in AMS-project 1995-1997			
Activity	Number of persons directly involved	Total costs (SEK)	Cost/person
1. Model office 16 649	20	332 977	
2. Training of officers	132	396 929	3 007
3. Training of trainers at training centre	9	209 850	23 317
4. Forecasting 15 585	22	342 880	
5. Computerisation	25	174 150	9 635
6. Evaluation seminar	5	116 929	23 386
7. Extra study visits			
visit 1	15	136 417	9 094
visit 2	15	121 047	8 070
visit 3	15	167 494	11 166
Total	258	2 301 491	8 921

On the whole, cost-efficiency is reasonable. In fact, the average cost per participant (and usually this means "per-participant-week") is slightly lower than in other AMS projects, about 9,000 SEK. The "perunit" cost varies between project components, and as usual seminars and other activities held in Sweden are more expensive than those held in Lithuania.

Table III:2 shows the breakdown of costs over remuneration, administration and direct costs.

Table III:2 Breakdown of Costs in the AMS-project 1995-1997			
	Total	Remuneration Direct	Administration
SEK	2 301 491	1 413 448	651 939
Percent	100	61	28

The distribution of costs over remuneration, direct costs and administration is different from other AMS projects in the region. The main difference is that the proportion of explicit costs for administration and project management is significantly lower than in other AMS projects - 10 per cent instead of the usual 25-28 per cent. We believe this is due to the persons from the Blekinge Labour Market Board working in the project bearing a large part of the management and administrative functions as an integrated part of their work as experts.

5. Other Donors

The Lithuanian labour market authorities have engaged in a Phare project on job centres with the Danes in 1995. Within this programme, a functional management system was also established. There has been cooperation with the German Federal Labour and Social Affairs Ministry since 1993, which has resulted, among other things in the model labour office in Vilnius. However, there does not seem to have been much direct contact between the Swedish side and these donors. The position of the Blekinge Labour Market Board seems to be that this would be the responsibility of the International Department of AMS in Stockholm.

There has been cooperation with Poland since 1993, which has resulted in quite close collaboration in the border regions, e.g. Alytus, Salcininkai and Druskinikai districts in Lithuania and the Suwalki, Elblag and Bialystock regions in Poland. Some assistance in small business development has been received from the USA Peace Corps volunteers. Contacts have been established with the labour authorities in Estonia, Latvia, Ukraine, and Kaliningrad (Russia), and cooperation will develop in these areas.

6. Side Effects

The County Labour Market Board in Blekinge (Kenneth Hake) is responsible for the internship agreement with Lithuania which was signed in 1994. Three hundred persons from each country may take part in the internship programme each year. Internships are available in companies all over Sweden. Internships are most common in the agricultural sector. The period can vary from 3 months to one year. So far, around 100-150 Lithuanians have come to Sweden each year, while only two Swedes have used the opportunity of going to Lithuania.⁴ Similar agreements exist with Estonia (the County of Kalmar is the Swedish partner), and with Latvia (the County of Östergötland is the partner).

In general there is a great interest for Lithuania in Blekinge, dating back to the years before the independence of Lithuania from the Soviet Union in 1991. The County Labour Market Board takes part in a wide range of activities together with the business community and the municipal authorities, with a view to strengthening the commercial and cultural contacts with Klaipeda, Lithuania as a whole, and also other geographically adjacent regions and towns (e.g. Rostock, Kaliningrad and Tallinn). Several direct transportation services are available from Blekinge to Lithuania, e.g. direct regular flights Kaunas-Palanga-Kristianstad, and taxi flights between Ronneby and different destinations in Lithuania.

7 Future Co-operation

Although the project shows sustainable and very mature results there is still a strong wish on both sides to continue their cooperation. The issues that are said to have highest priority are:

- Evaluation of labour office activities. Introduction of customer surveys.
- Introduction of information and matching via Internet. Technical prerequisites.
- Adjustments to the EU. Legislation, budgetary processes, systems for international cooperation.

⁴ During the fall 1997, Nijole Palaimiene from the Lithuanian Labour Exchange was a trainee at the Blekinge County Labour Market Board and the Karlshamn Labour Office within this internship agreement.

IV Conclusions and Recommendations

1. *Main Dimensions of the Evaluation*

This report provides an evaluation of the AMS technical assistance project with the Republican Labour Exchange of Lithuania that have been financed by BITS and Sida between 1995 and 1997. The main dimensions of the evaluation are:

- Achievement of objectives
- Relevance with regard to the labour market situation and the needs the projects are intended to serve.
- Efficiency of project implementation
- Reasons for high/low degree of success in achieving goals
- Side-effects, positive or negative
- Cost-efficiency
- Chances of sustainable effects
- Gender aspects

In addition, the report makes recommendations to Sida on the potential for supporting future projects and suggests improvements in project objectives and design with special regard to:

- Relevance of projects with regard to the needs they are intended to serve and the potential impact of the transfer of knowledge from Sweden.
- Organisational strengths and weaknesses of the Lithuanian partners
- Tangible results for long term development effects
- Potential for cost sharing in future projects.

2. *Conclusions Regarding Results of Past Cooperation*

Achievement of objectives

All objectives set forth in the plan for the project has been achieved. The major results are: the introduction of management by objectives, forecasting of the labour market situation at the national and regional levels, separation of placement and vocational guidance activities at the labour offices, training of trainers and the development of a curriculum for internal staff training and implementation of such training. The model office component has struggled with some problems due to a change of directors, but the model office in Klaipeda was an important source of inspiration at the start of the project and has served as an example for the development of the regional labour offices in Lithuania.

Relevance

According to the labour force survey, Lithuania had an unemployment rate of 13 per cent in September 1997. It follows that labour market projects are of great relevance. The registered unemployment rate, which is the figure cited officially, is around 6 per cent. We find that Swedish experience is of great value to the Lithuanian side. Both sides have

shown high capability in delivering and receiving the assistance and the cooperation has developed into a real partnership.

Efficiency of project implementation

Judging from the results, project implementation has been extraordinarily efficient. Both sides have been involved in formulating the different project components clearly and accurately, and have then seen to it that the goals have been fulfilled. In addition, all activities have been followed up. Project documentation is of the highest quality. From the final report it is easy to get an overview of what has been done, and it is also possible to follow the development of each project component in detail. On the Lithuanian side, participants appear to have been highly motivated and they showed great competence in presenting the achievements of the project during the evaluation team's field mission in September-October 1997.

Reasons for high/low achievement

The major reasons for the high degree of achievement of goals are:

- Very high quality of project management on both sides. Apart from that the project being well structured and each component distinctly formulated, the Swedish side has consciously involved many people employed at the County Labour Market Board in Blekinge and its subordinated labour offices in the project. The Lithuanian side has shown a dynamic approach to problems. All activities have been followed up upon.
- The Lithuanian side has always been able to find funds to develop facilities (e.g. offices) to keep pace with the Swedish training efforts. Lithuania spends a larger part of its labour market budget on placement services and development of labour offices than the other Baltic countries do.
- There has been continuity among the leading persons in the project both on the Swedish and the Lithuanian side. This has made it possible to build up a high degree of confidence between the parties.
- Many relations between individuals in the project have developed into personal friendships. This shows that there is a deep understanding and respect between the parties
- Most of the employees of the Lithuanian employment service has a high educational level. The majority has undergone higher education.
- There are positive side effects. Karlskrona and Klaipeda are twin towns and contacts in other fields between Blekinge and Lithuania are quite intense. Blekinge County Labour Market Board is in charge of the implementation of the internship agreement between Sweden and Lithuania.

Cost-efficiency

The AMS project is cost-efficient and has a "per unit" cost profile which is below other AMS projects in the region. The administration costs of the project are significantly lower than in other AMS projects - 10 per cent compared with the usual 25-28 per cent. This is probably due to that the Blekinge County Labour Board has taken full responsibility for the project and that experts working within the project have borne the greater part of management and administrative functions.

Prospects of sustainable effects

The project has already achieved sustainable effects. One important reason for this is that the Lithuanian side has matched Swedish training efforts with improvements in the labour offices and the working conditions of the staff. The employment service is computerised and most functions are performed in a fully up-to-date way.

Gender and ethnic aspects

The gender question has not been specifically addressed by the project. As has been seen from the unemployment statistics, the unemployment rate for women has been lower than for men, and is now only marginally higher. As in other Central European countries, the majority of the employment service staff are women who have profited from training in the AMS project.

The ethnic question is not a problem in Lithuania, because Lithuanians are in a clear majority over the Russian and Polish minorities, and ethnic tension is not an issue.

3. Recommendations (R#) for Future Cooperation

Relevance of project area

R1 Relevance of further cooperation

Unemployment is around 13 per cent in Lithuania, and the development of a well functioning labour market policy is of great importance. The project has made considerable progress, but there are still issues which could be further dealt with in continued cooperation.

Sida is recommended to continue financing well-defined projects with Lithuania in the labour market area. The parties in this project have stressed the need for further cooperation on issues such as evaluation of labour office activities, development of services via Internet, and adaptation to the EU.

Project design

R2 Co-ordination and Responsibilities

The design and organisation of this projects is of a very high standard which is one of the most important components behind its success. The County Labour Board in Karlskrona has taken full responsibility for the project. Deliberate measures have been taken to involve a large part of the staff on the Swedish side. The same thing is true for the Lithuanian side.

Sida is recommended to use the organisation and design of this project as an example of good project set-up and management for other projects. AMS is recommended to look at this project as a "model project" in terms of organisation and design.

R3 Project Documentation

The documentation of the project is of a very high standard. It is easy to get an overview of major aims and results, and it is also easy to follow the development of each project component in detail. One reason is perhaps that many people have been involved in the project and the demands made on internal project documentation have been high. Also, however, it appears that this has been considered normal procedure by the project management.

Sida is recommended to use the project report from this project as an example of how reporting should be carried out in a Sida project. The same recommendation applies to AMS.

R4 Model office

This project is one of the few AMS projects (other examples are found in the St Petersburg project and the one in Lodz, Poland¹) which has succeeded in setting up a model office. The problems encountered and the ways they have been solved should be important experiences in the development of model offices within other AMS projects in the region. We therefore repeat a recommendation from earlier evaluations regarding how offices for model offices are chosen. In this particular project Klaipeda was chosen because Karlskrona and Klaipeda are twin towns. This may have eased the process in the initial stages, but it has proved to be a criterion of little relevance in the further developing of this office.

The following criteria might be used:

- The office should be quite large in terms of staff in order to involve as many employees as possible and to avoid the effects of training being lost due to key persons leaving.
- The office needs to have premises in good condition or capable of being renovated to contemporary standards.
- The office needs to have - or to be able to acquire - all the technical equipment necessary for modern employment services.
- The director of the office should be seriously involved and very interested in the project. It is of importance that the director does not leave during the project implementation. AMS should perhaps consider recommending that a separate contract is signed with the regional employment service housing the model office activities.
- The office should be fairly centrally situated in the country, to allow easy access for workers at other labour offices, and to allow the running of training at the office.
- The unemployment rate could be used as a criterion, i.e. an unemployment rate higher than the average in the country. However, the vacancy situation should also be considered. Without free jobs available, the employment service cannot fulfil its function.

Cooperation with other countries

R5 Cooperation with other donors

The Republican Labour Exchange of Lithuania has cooperation with other donors, e.g. Germany, and Phare projects. It seems that there has been no direct cooperation between the Swedish agency and these other donors. To some extent this may be due to that the Blekinge Labour Market Board seeing such cooperation as a part of the responsibility the International Department of AMS in Stockholm, rather than part of its own responsibilities. We believe that direct contacts with the agencies responsible for projects run by other donors would be useful, and a step in the direction of streamlining, for example, the administrative routines of labour offices.

AMS is recommended to take active steps to get into contact with other projects in the labour market field in Lithuania run by other donors and to at least start a process of sharing information and experiences. This is also important in order to avoid discrepancies in the development of e.g. the administration of labour offices

R6 Cooperation with other Central European Transition Countries

The Lithuanian side has established contacts with the labour market authorities in Poland, Estonia, Latvia, Ukraine and Kaliningrad (Russia). The development of these

¹ See Oxenstierna & Pihlgren, (1997); Oxenstierna, Lundberg, Huitfeldt (1997).

contacts should be encouraged and supported. Since AMS has projects in almost all of these countries AMS could also encourage activities such as comparative conferences, study visits where the parties may see how they have adapted, or borrowed elements from, the Swedish model in various ways in the different countries. Lithuania, which has such a well developed employment service could also be used as an alternative or complement to study visits to Sweden.²

AMS and Sida are recommended to encourage and support cooperation between the Lithuanian Labour Exchange and the labour authorities in other countries. It is also recommended that the Swedish side take active steps to strengthen this cooperation, and to initiate conferences where the use of the Swedish model could be discussed as well as the development of the employment services in general, and also to support study visits between the countries for learning from each other's experiences.

² The employment service in St. Petersburg is another show case. See Oxenstierna & Pihlgren (1997).

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1997-06-16

Diarienummer: ÖST-1997-0374

TERMS OF REFERENCE

Evaluation of BITS/Sida's support to co-operation within the labour market sector between Lithuania and Sweden.

Background

AMS (The Swedish Labour Market Board) started co-operation with the Lithuanian Labour Exchange in 1992, originally financed by the Ministry of Labour in Sweden. This co-operation was then continued and financed by BITS/Sida 1995-1997.

Sida has decided to undertake an evaluation of the achievements to date, including to identify whether any motives for continued assistance to the sector are at hand. To undertake this evaluation, Sida intends to recruit an independent consultant (the Consultant). These terms of reference will guide the work to be performed by the Consultant.

The co-operation comprises of one project at a total cost of SEK 2 346 000. Counterparts in the project have been AMS at the Swedish side and the Ministry of Labour and Social Security, through the Lithuanian Labour Exchange, at the Lithuanian side. The project subject to evaluation is:

AMS - BITS decision LTU-0671; Co-operation within the Labour Market Sector, SEK 2 346 000 .

The overall goal of the AMS projects is to support the establishment and development of an administrative system for employment services on the central and local level. The project includes: 1) Model Office Support, 2) Training of Personnel, 3) Training Centre and Trainers, 4) Prognoses and Forecasts, and 5) Computerization and Data Processing. The expected results are better knowledge of employment services and vocational guidance at the local and central level. In particular, assistance to the Model office in Klaipeda, should result in concrete improvements.

2. Purpose

The purpose of the evaluation exercise is to evaluate the relevance, results, cost-effectiveness, sustainability and effects of the support so far provided to the Labour Market Institutions in Lithuania.

3. Scope of work

The evaluation should evaluate past co-operation and review the opportunities of continued co-operation. The main dimensions are:

Evaluation of past co-operation

- * Achievement of objectives. Achievement of the project goals as defined in the contract, taking into account possible changes in circumstances.
- * Relevance. The relevance of the project approach, goals and services provided during the technical co-operation in the perspective of the labour market situation and in relation to the needs they intended to service.
- * Efficiency in the project implementation
- * Reasons for high/low achievements of goals
- * Side effects
- * Cost efficiency
- * Conditions for sustainable effects of the projects
- * Gender aspects. Have gender aspects been an integrated part of the projects. If not, what are the reasons.

Opportunities for continued co-operation

- * The relevance of the proposed long- and short-term objectives and the potential impact of the transfer of knowledge from Swedish inputs
- * Organisational strength and weaknesses of the concerned Lithuanian organisations
- * Tangible results and long term development effects
- * Need for co-ordination with other institutions and other donors
- * Possibilities of cost-sharing in future projects

In addition the evaluation report should describe the institutional structure, including roles and responsibilities, in the field of labour market policy and labour market training in Lithuania.

Based on the above findings, the Consultant should give Sida recommendations on the potential of supporting future projects and, if relevant, suggest improvement of existing proposals with regard to project objectives, organisation and other aspects relevant for achieving the best development effect.

4. Method of work, Time plan and Reporting

The evaluation should be based on interviews with key persons and participants engaged in project implementation and activities, and on the study of all relevant materials, i.e. BITS/Sida-decisions, project reports, and materials produced in the course of the execution of the projects.

The evaluation is expected to start in September 1997, with interviews with key persons in Sweden and collecting of relevant materials. Then follows a field mission to Lithuania, September 29 - October 3, for meetings with key persons in the projects and participants in various project activities.

The assignment will be presented to Sida in a draft report in English within 7 weeks after the field visit to Lithuania (30 November). The final report should be submitted two weeks after Sida has commented on the first version.

The assignment is expected to take 15 working days for the consultant including preparations in Sweden, work in Lithuania, report writing and presentations (including writing the Sida Evaluation Newsletter for Lithuania). The Consultant will during all phases of the evaluation be assisted by Henrik Huitfeldt (Sida).

5. Undertakings

The Consultant will be responsible for practical arrangements in conjunction with the mission to Lithuania. Sida will make available or cause to make available all written material (reports, project preparation documents, project completion reports etc) deemed to be of relevance to the evaluation exercise by the Consultant and Sida.

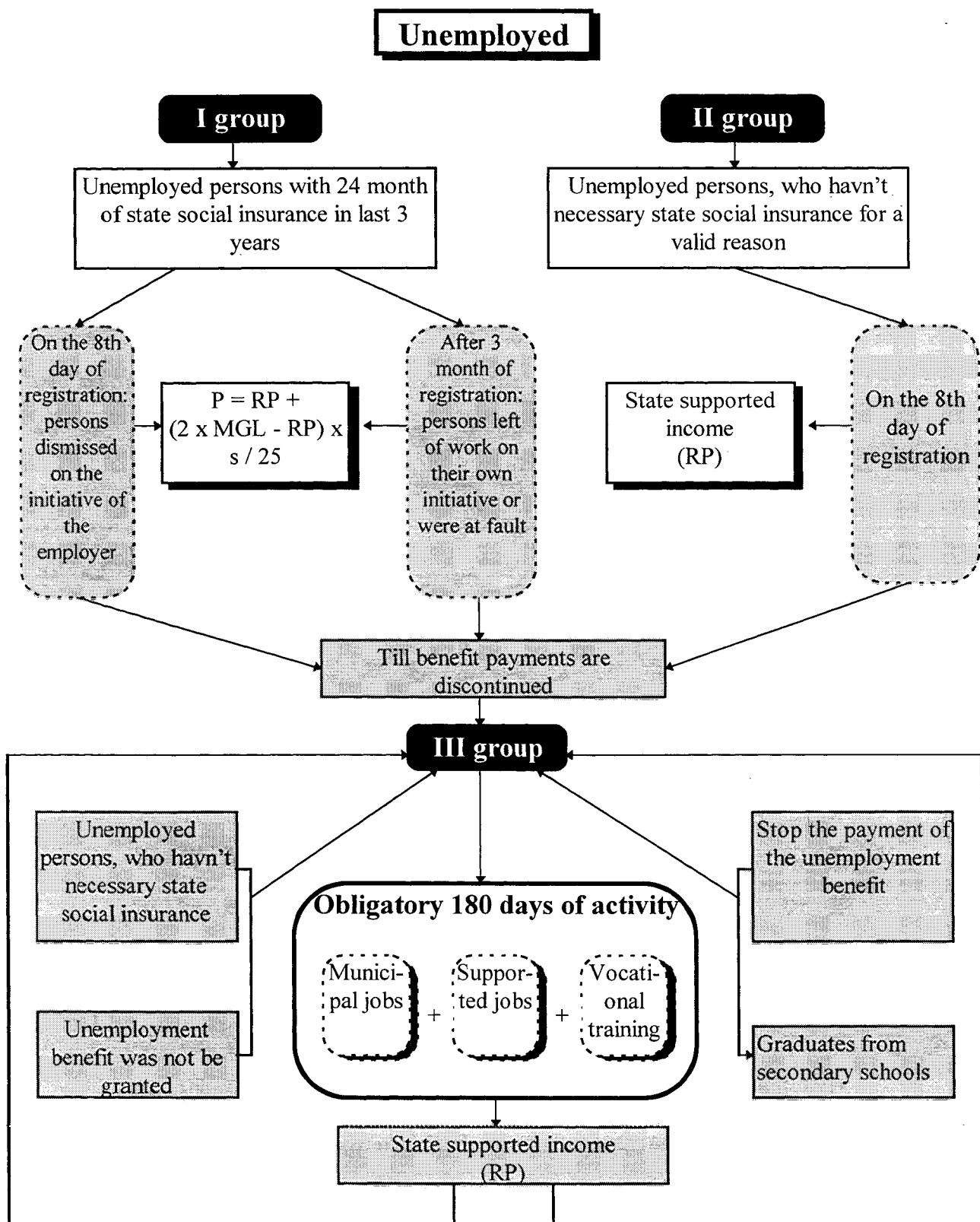
Appendix 2**List of Interviewed Persons****A2**

Liongina Beinoraviciene	Head of Department of Foreign relations, Republican Labour Exchange, Vilnius
Vladimiras Beliaskis	Head of Information system Organisation Department, Republican Labour Exchange, Vilnius
Aleksejus Biga	Head of the Organisation Group for Information System, Klaipeda Labour Exchange
Vanja Blomqvist	Deputy Project Leader for project on long-term unemployed, County Labour Market Board in Karlskrona
Rimvydas Dilba	Deputy Head of the Demand and Supply Department, Republican Labour Exchange, Vilnius
Tomas Esbjörnsson	Head of Labour Office in Ronneby
Boguslavas Gruzevskis	Deputy Director, Ministry of Social Security and Labour, Institute of Labour and Social Research
Kenneth Hake	Project Leader, Vocational Counsellor, Karlshamn,
Torbjörn Israelsson	Forecasting expert, AMS, Stockholm
Börje Jönsson	Director of Blekinge County Labour Market Board, Karlskrona
Juozas Kankevicius	Director of Vilnius Labour Exchange
Genovite Lakiene	Head of Personnel and Maintenance Department, Republican Labour Exchange, Vilnius
Vitalija Motiekaitiene	Lithuanian Department of Statistics
Virginija Naudziene	Director of Kretinga Labour Exchange
Nijole Palaimiene	Project Co-ordinator, Republican Labour Exchange, Vilnius
Janina Petkutiene	Deputy Director of Kretinga Labour Exchange

Danute Sadziuviene	Director, Trakai Labour Exchange
Agne Sköldung	EU Co-ordinator, Blekinge County Labour Board
Vidas Slekaitis	General Director, Lithuanian Republican Labour Exchange, Vilnius
Albertas Slekys	Head of Demand and Supply Department, Republican Labour Exchange, Vilnius
Vladas Stonkus	Director of Klaipeda Labour Exchange
Zita Stonkuvienė	Head of Employment Fund Account Group of Kretinga Labour Exchange
Tord Strannefors	Forecasting expert, AMS, Stockholm
Rita Taluntienė	Chief Specialist of Information System Organisation Department, Republican Labour Exchange, Vilnius
Ing-Britt Wahlsten	Deputy Head of Blekinge County Labour Market Board, Karlskrona
Eugenija Vaicekaukiene	Chief Specialist of the Personnel and Maintenance Department, Republican Labour Exchange, Vilnius
Beruta Vaitkeviciene	Head of Employment Fund Accounting, Klaipeda Labour Exchange
Aldona Vainikiene	Specialist for the unemployed, Klaipeda Labour Exchange
Arunas Zagurskis	Former Director of Klaipeda Labour Exchange
Vida Zmajauskiene	Specialist for the unemployed, Klaipeda Labour Exchange

THE SCHEME OF THE PAYMENT OF UNEMPLOYMENT BENEFITS

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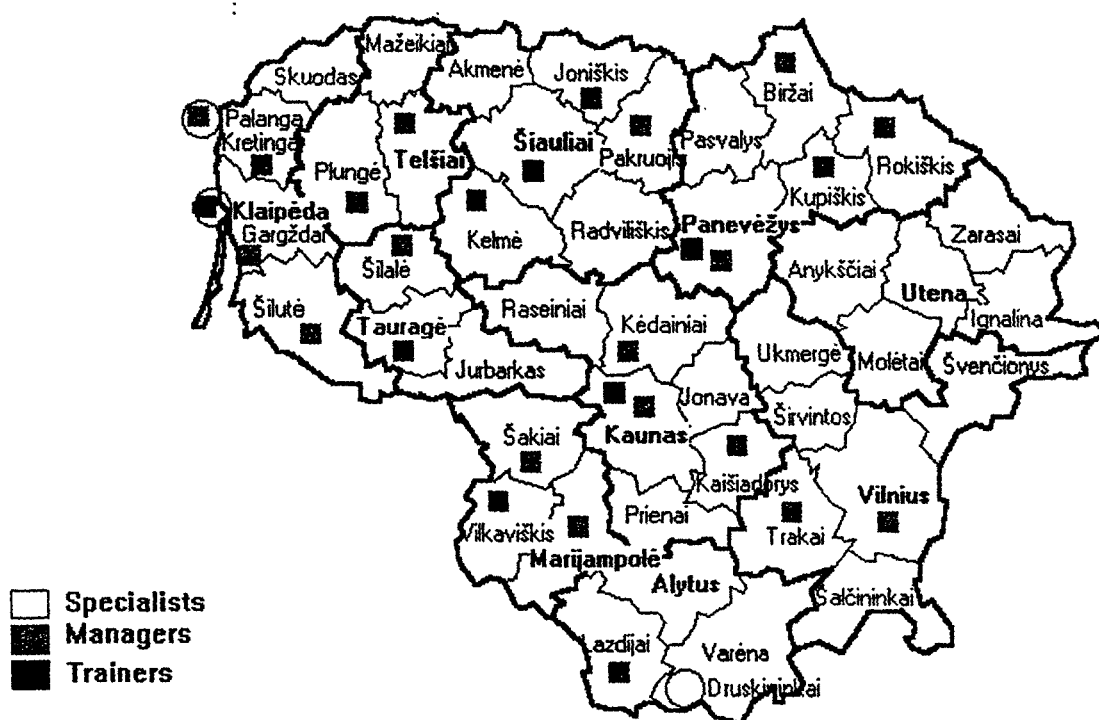
P - The Unemployment benefit

RP - State supported income

MGL - Min standard of living

S - The number of month of state social insurance

THE SPECIALISTS OF LOCAL LABOUR EXCHANGES TRAINED BY PROGRAMME B. TRAINING OF PERSONNEL



By this programme are trained 126 specialists of local Labour Exchanges and 24 managers- chief of labour market departments.

There are prepared 4 trainers: Jūratė Maleckienė from Kaunas LE, Aldona Vaineikienė from Klaipėda LE, Jolanta Mikšionytė from Šiauliai LE, Loreta Masonienė from Panevėžys LE.

THE REALIZATION OF PROGRAMME B. TRAINING OF PERSONNEL



From 1996-10-01
The specialists for
Lithuanian Labour
Exchange

The trainers of
Lithuanian Labour
Exchange realize the
seminars

8 seminar
at Klaipėda
LE
1996 09 09 -
1996 09 13
24 -managers

7 seminar
at
Blekinge
County
Labour
Board
1996 06 10 -
1996 06 14
R.Prelmon-
tienė,
R.Staslonie-
nė,
D.Mincelkytė,
L.Rimkienė,
N.Palaimienė

6 seminar
at Klaipėda
LE
1996 04 22 -
1996 04 26
21 -
specialists
4 -managers

5 seminar
at Klaipėda
LE
1996 04 15 -
1996 04 19
21 -
specialists
4 -managers

4 seminar
at Klaipėda
LE
1996 02 19 -
1996 02 23
21 -
specialists
4 -managers

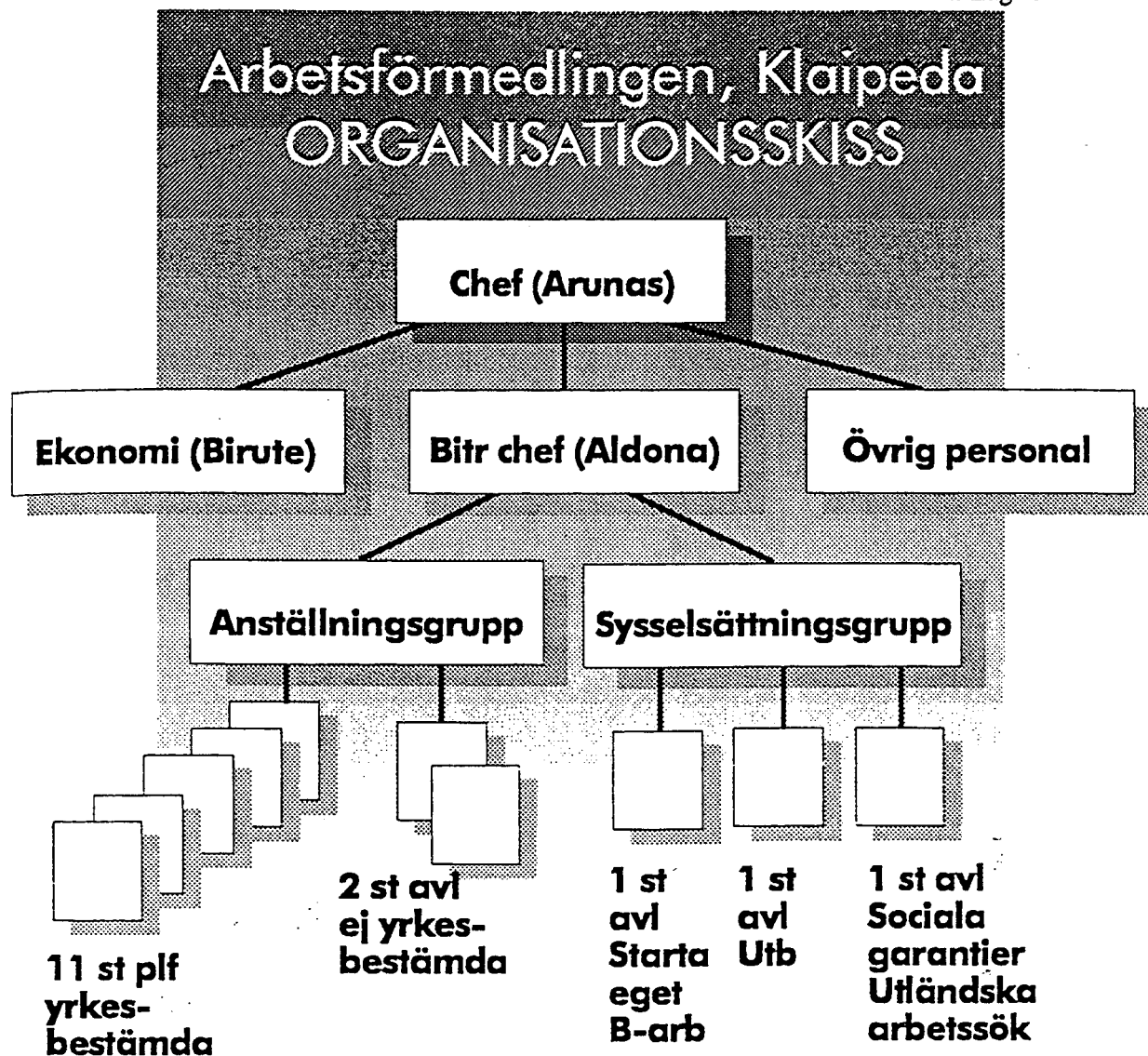
3 seminar
at Klaipėda
LE
1996 02 12 -
1996 02 15
21 -
specialists
4 -managers

2 seminar
at Klaipėda
LE
1995 10 16 -
1995 10 20
21-specialists
4 managers

1 seminar
at Klaipėda
LE
1995 10 09 -
1995 10 13
21 specialists
4 -managers

The trainers of Sweden Labour Market Board realized the seminars. The
4 trainers who were trained by programme C.Training Centre and
Trainers participate like assistant.

A3
3(10)



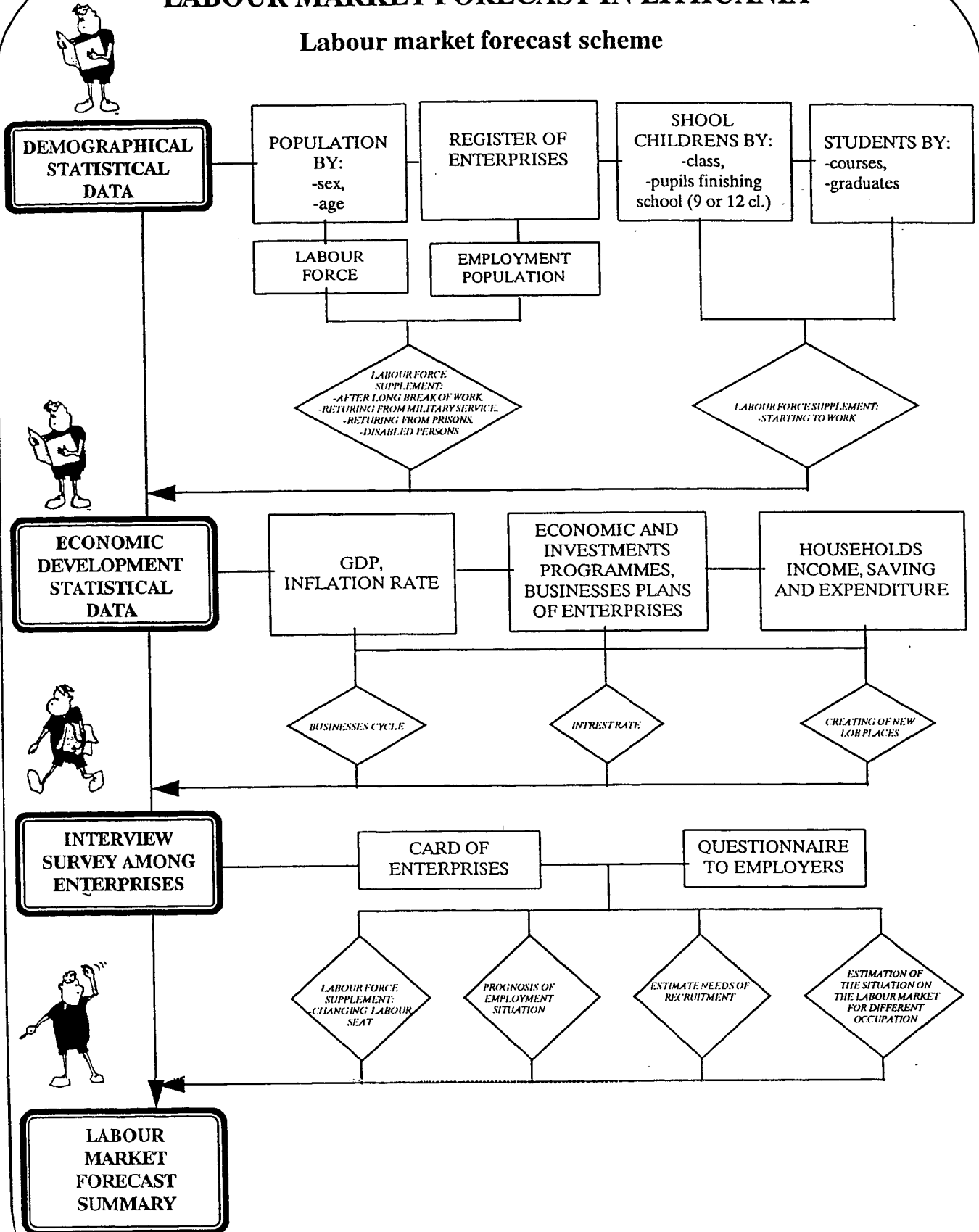
Aldona (bitr.chef är chef för både anställnings- och sysselsättningsgruppen. Någon mellancheff finns inte på Af Klaipeda, däremot är det vanligt på andra Af i Litauen att det finns en chef för platsförmedlarna.

I kundmottagningen arbetar 3 st personer. Det är för oss oklart om dessa lyder under Arunas (chef) eller Aldona (bitr chef). De rubriceras inte som platsförmedlare ej heller som arbetsvägledare utan (i fri översättning) som receptions konsulter.

Under Birute (ekonomichef) finns ett antal administratörer. Bland övrig personal finns fastighetsförvaltare tillika chaufför, chefssekreterare, datapersonal, vaktpersonal m. fl.

LABOUR MARKET FORECAST IN LITHUANIA

Labour market forecast scheme



LITHUANIAN LABOUR EXCHANGE Labour supply and demand department

RESPUBLIKINĖ DARBO BIRŽA Darbo pasiūlos ir paklausos skyrius

DARBO RINKOS PROGNOZAVIMAS

A3
6(16)

LABOUR MARKET FORECAST IN LITHUANIA

Administration schedule

Once a year labour market forecast in August - September

The whole Labour Exchange administration and staff are involved in the forecasting process

Interviews with 6.000 employers and with all employers, where employed more than 100 employees

Contacts with employers in all sectors

Agriculture, hunting, forestry
and fishing

Industry,
of them especially

Construction

Service sector
-state and
-private,
of them especially

manufacture of food
and beverages

manufacture of textiles

manufacture of wearing
apparel, dressing and
dyeing of fur

manufacture of machinery
and equipment

wholesale and retail trade,
repair of motor-vehicles,
motorcycles and personal
and household goods

education

health and social work

transport and storage

hotel and restaurants

The answers from this interviews is the information-base for the labour market forecast

Gathering information from other forecasts, employers organisations, municipality, etc.

Gathering information from statistical data

Study materials from WAPES and EU country reports



LITHUANIAN LABOUR EXCHANGE Labour supply and demand department

RESPUBLIKINĖ DARBO BIRŽA Darbo pasiūlos ir paklausos skyrius

DARBO RINKOS PROGNOZAVIMAS

LABOUR MARKET FORECAST IN LITHUANIA

Time schedule

Jul (beg)	Letter to the local Labour Exchange offices
Aug - Sept	Employment offices make contacts with employers
Sept (end)	The local Labour Exchange offices make forecasts for their own region
Oct (beg)	The Republican Labour Exchange office make the forecast for the Country
Oct (end) Nov (beg)	The Lithuanian Labour Exchange presents the forecast to the State organisations and to the press
Dec	The Lithuanian Labour Exchange present the forecast about occupations to the training institutions and to the press
Apr - May	Follow-up information from enterprises, look back and see what they said last time to the local Labour Exchange offices
Jun (beg)	Education of the staff in forecasting
Jun - Jul	Follow-up forecast and learn by mistakes at the Republican Labour Exchange



LITHUANIAN LABOUR EXCHANGE Labour supply and demand department

RESPUBLIKINĖ DARBO BIRŽA Darbo pasiūlos ir paklausos skyrius

DARBO RINKOS PROGNOZAVIMAS

LABOUR MARKET FORECAST IN LITHUANIA

Questionnaire to employers For evaluate and forecast of the employment situation

1.Name of employers

2.Form of ownership

3.Main form of economical activity

4.Expectation for demand of products (services)

4.1.For last three months:

Increased ☐ Much the same ☐

Decreased ☐ Hard to say ☐

4.2.For forecasting year

Increase ☐ Much the same ☐

Decrease ☐ Hard to say ☐

4.3.Are You going to make investments or changes in the forecasting year?

Yes ☐ No ☐

5.Describe number of employees

5.1.Total number today

5.2.Level fluctuation of employees % of total number

5.3.Expectation number of employers in ahead

Much the same ☐ Increase ☐

Decrease ☐ Hard to say ☐

5.4.Will decrease about employees: will be additional demand about employees

5.5.Decribe of employment:

5.5.1.Expectation for three months ahead

Name of occupation	No		Education/working live experience/personal competent (social)	When
	today	forecast		

5.5.2.Expectation for forecasting year

Name of occupation	No		Education/working live experience/personal competent (social)	When
	today	forecast		

6.Does the enterprise want to co-operate with the Labour Exchange in recruitment employees?

Yes ☐ No ☐

Not decide yet ☐

7.Does the enterprise want to co-operate with the Labour Exchange in establishing a systematic training policy?

Yes ☐ No ☐

Not decide yet ☐

7.1.Yes, please describe the needs of training

7.1.1.The employees, whom unemployment is threatening

Name of occupation	No	Demand of personal competent	When

7.1.2.In recruitment employees

Name of occupation	No	Demand of personal competent	When

8.Are employers forecast discharge groups of employees

8.1.For next three months

Yes ☐ No ☐

8.1.1.If yes:

number; when

8.2.For forecasting year

Yes ☐ No ☐

8.2.1.If yes:

number; when

9.Does You company have "over- employment"?

Yes ☐ No ☐

9.1.If yes:

9.1.1.Number of employees, who work part time ...;

Who are on the forced leave

9.1.2. Reason of "over- employment"

10.Registered free labour seat (no and by occupations)

Interviewer:

Date



LITHUANIAN LABOUR EXCHANGE Labour supply and demand department

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LABOUR MARKET FORECAST IN LITHUANIA

Educational programme in forecasting



§ **Intoductin and information about the forecasting model in Lithuania.** Tasks of forecasting activity. Forecasting model. Connection with business idea. Management by objectives and forecasting. Plans of operations and forecasting.

§ **Statistical analyses in forecasting.** Study statistic and unemployment trends. Labour force. Employment. Demand and supply of labour. Unemployment - job-seekers of different groups, long-term unemployment. Reading different kind of information.

§ **Business cycle and economic indicators.** Information about business cycle and economic indicators in forecasting. GDP, productivity. Investments, private consumption, inflation. Domestic and foreign trade.

§ **Contacts with employers in forecasting.** Detailed description about forecasting in the local Labour Exchange office and Lithuanian Labour Exchange. Contacts with employers. Improvement of effectiveness in contacts between local Employment offices and employers. The way of works to create confidence with the employers. Questionnaire to employers. Sample of employers. Barometer with labour market data. Using of information - marketing material. Monitoring. Follow-up earlier forecasts.

§ **Preparing of labour market forecast summary.** Forecasts of unemployment and unemployment rate. Changes of employment in the future. Estimate needs of recruitment and of the situation on the labour market in different occupations one year in the future. Influence results from the forecasting on the planning of labour market training schemes, in the field to do work planning and to create general objectives in labour market programmes.

§ **Presentation of the forecasting results.** Distributed to State authorities, companies, members of employers, training institutions board and to press.

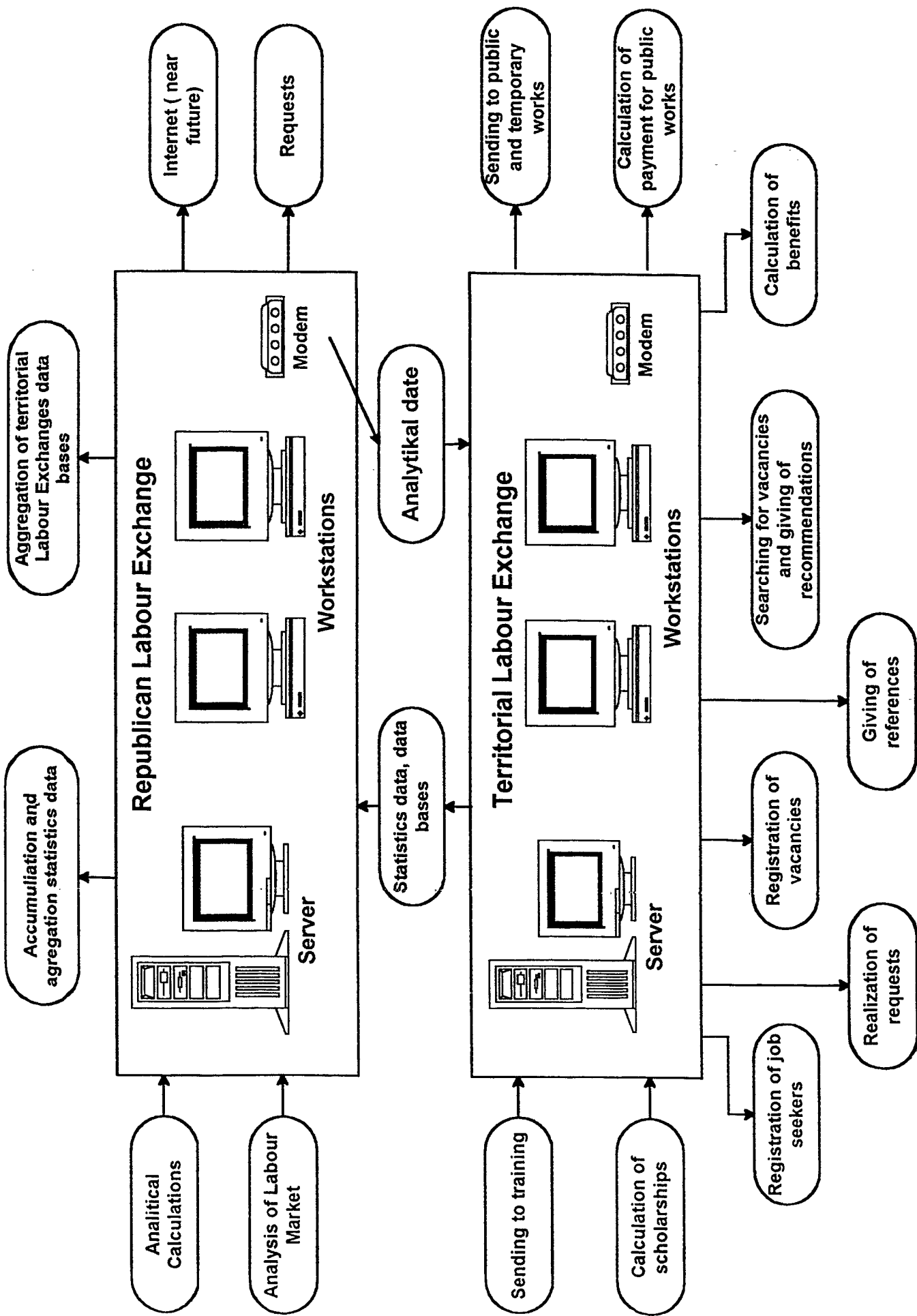


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