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THE ROLE OF THE STATE IN IMPROVING LABOUR MARKET COMPETITIVENESS: EDUCATING AND TRAINING IN LITHUANIA

Abstract

The paper aims at researching the role of state in improving labour market competitiveness. In order to solve this problem, the following research tasks are derived: a) *firstly*, to disclose the context of labour force competitiveness on the theoretical level; b) *secondly*, to illustrate and backup theoretical considerations with hard data from World Economic Forum database of 2008, focusing on global competitiveness index on the education pillar, c) *finally*, the experience of educating and training labour force in Lithuania will be provided to demonstrate the country's position amongst other developed and developing countries.

Keywords: labour management, competitiveness, government policy of education, education analysis, training, Lithuania.

JEL classification: M53, I28, I21, M54, P2.

Introduction

Economic theory has long emphasized the importance of research and development, employee expertise and knowledge, and social capital, although their respective meanings vary in the world's developed countries (technology leaders) and less developed countries. A better-educated labour force finds it easier to embrace foreign technology and rapidly develop its own. To be sure, numerous studies have shown that the impact of education and research and development is scant at low developmental levels, and that after a certain level of development is achieved the average number of years of education completed by the employed and the investments in research and development are *positively* linked to economic development. Simultaneously, it seems that the role of research and development and labour force education could differ in large and small countries. While greater outlays for education and research and development may increase the rate of innovation in larger countries, in small countries such outlays serve to facilitate the *transfer of knowledge and technology* from abroad.

Therefore, *the paper aims at* researching the role of state in improving labour market competitiveness. In order to solve this problem, the following research tasks are derived: a) *firstly*, to disclose the context of labour force competitiveness on the theoretical level; b) *secondly*, to illustrate and backup theoretical considerations with hard data from World Economic Forum database of 2008, focusing on global competitiveness index on the education pillar, c) *finally*, the experience of educating and training labour force in Lithuania will be provided to demonstrate the country's position amongst other developed and developing countries.

The Context of Labour Force Competitiveness

Contemporary knowledge clearly indicates that education and research and development are increasingly more important under the current conditions of the global economy and a knowledge-based world. Education, know-how and innovations have been inculcated into all activities, and they are linked to almost all manner of operations and enterprises of all sizes. Educational institutions and the education level of a population not only influence the creation of human capital, but also the invigoration of socially beneficial capital and the minimization of dysfunctional forms of social capital (Cascio, 2000). Education doubtlessly carries ancillary non-market effects (for example, easier access to information, greater care for personal health, more active participation in social life which encourages responsible democratic civic behaviour, election of democratic authorities, and actualization of the rule of law).

As a whole, additional research confirms that economic competitiveness and GDP growth are influenced:

- positively by an increase in the share of persons over 25 years of age who have completed secondary, college and higher education;
- negatively by increased public spending: a larger volume non-productive public spending – and the associated higher taxes – means an unfavourable environment for growth;
- positively by the index of the rule of law (quality of governmental administration, political corruption, probability that the government will not respect contractual agreements, risk of government expropriation and general respect for the rule of law).

The better education of the general populace and the labour force and lower public spending improve a country's attractiveness to foreign investors, which facilitates the acceptance and development of modern technological and organizational solutions, paves the way for the rule of law and limits the extent of the informal (grey) economy, increases demands for education and in turn spurs the competitiveness of the economy.

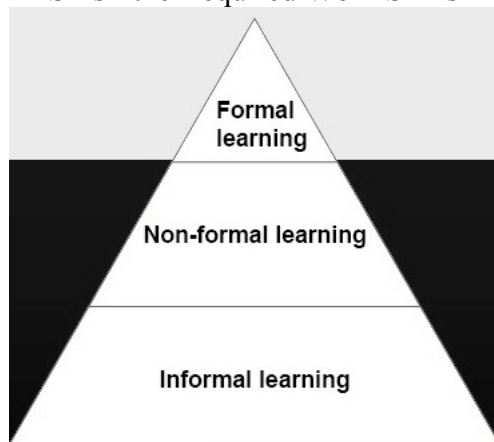
At different levels of economic development, the significance of certain levels of education is the creation of competitiveness changes. For developed industrial countries, research has indubitably shown that there is a close positive link between education and economic growth, with higher levels of education having a greater impact on economic growth. The importance of tertiary education is especially great, as it directly influences the productivity and competitiveness of a national economy and the improvement of general living standards.

Education is certainly essential in the creation of the necessary competitiveness of an economy and society as a whole. It helps a country move up “the ladder of development” and prompts its transition from producing simpler products to more complex items. A more educated labour force finds it easier to adopt foreign technology and to more rapidly develop its own. Another vital aspect in all of this is the acceptance of the rule of law.

The value of *formal education/ learning* (Figure 1) in and of itself should not be uncritically overestimated. Most researchers agree that human capital is an essential component of competitiveness and economic development (return on investment in education is greater than that of any other investment), but this is not a guarantee of development because countries with the finest human capital do not necessarily achieve the best developmental results.

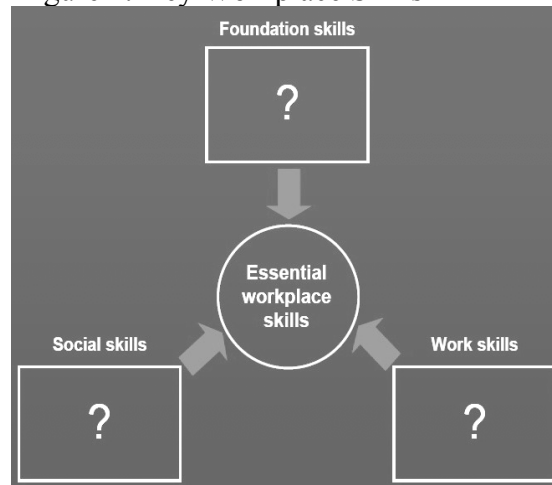
Under conditions of rapid technological development and commerce based increasingly more on conceptual rather than on material production, academic diplomas and degrees are no longer a guarantee of economic success to either individuals or society as a whole.

Figure 1. The Pyramid of Acquiring Skills - the Required Work Skills



Source: created by the author.

Figure 2. Key Workplace Skills



Source: created by the author.

In transition countries [Lithuania including] it is particularly true that the existing educational level of the employed and the population as a whole is no guarantee of competitive ability and economic growth (Sachs et al, 1999). The labour force can easily be insufficiently or inappropriately educated, i.e. the (formally educated) employed do not have the know-how necessary for successful market competition. Furthermore, the existing systems, with regard to educational results, are expensive and ineffective, but there are no simple formulas to improve them. Here expertise is not sufficient: employees today have to be capable of creating, analyzing and transforming information, communicating effectively, and organizing and coordinating business activities.

Developed communication skills, computer knowledge, and the ability and willingness to engage in further education and training are all sought-after qualities (Collins et al, 2001). We can estimate with relative certainty that educational programs in the transition countries of Central and Eastern Europe (particularly those based on the Austro-German model) are more oriented toward the rote memorization of course materials than on independent analytical/critical thinking and deduction and the innovative approach, which is certainly a hindering factor in other approaches to education and future work (see Figure 2).

Today the emphasis is placed on *analytical abilities* – the possibility of seeking and selecting information, clarifying problems, formulating assumptions, confirming and assessing evidence, and finding solutions. Even a well and adequately educated labour force can, for a number of reasons, remain unutilized or underutilized, which has a direct impact on economic competitiveness. There are a number of reasons for this, but most often it involves the unsatisfactory level of social capital and the non-existence of public confidence caused by the high costs of transition.

Furthermore, even the best educated and professional labour force will not be sufficiently competitive under conditions of unsatisfactory levels of innovativeness and entrepreneurship in society, non-existence of the rule of law, extensive and deeply-rooted corruption and/or an omnipresent informal economy (Mayo, 2001). Additionally, a disproportionately expensive labour force (given overall salaries and contributions) in relation to actual productivity is certainly not competitive.

Finally, the achievement of a competitive economy and economic growth is hindered by a government that is either inefficient or prone to spending, or an unprofessional and unskilled public administration. Thus, the formation and reinforcement of professional institu-

tions of public authority and a non-governmental sector are equally important to the improvement of **labour force competitiveness** and the creation of economic growth. In overcoming all of the aforementioned obstacles, an important positive role can be played by pressure from international organizations or external anchors, such as EU requirements based on the *acquis communautaire* to develop expert and effectual governmental and public institutions.

In short, the educational structure of the population and employees *in line with economic needs* is an essential component of competitiveness and economic development, but there are also many other factors that can greatly blunt competitiveness, such as insufficient social capital, a social climate not conducive to free enterprise, lawlessness, and an ineffectual government or governing institutions.

Labour Force Education: Evidence from Global Competitiveness Index

Each year World Economic Forum evaluates a number of countries worldwide to determine their global/ growth competitiveness index. In 2008, 134 countries were surveyed in twelve different areas, labour force and education indicators amongst them. According to 2008 data, in the sphere of the quality of education system Finland crowned the list with 6.2 points out of 7 (Table 1).

Table 1. The Quality of Education System in Global Competitiveness Index (GCI), 2008 (meeting the needs of a competitive economy)

| <i>No Country</i> | <i>GCI</i> | <i>No Country</i> | <i>GCI</i> |
|--|------------|-------------------|------------|
| 1 Finland | 6.2 | 11. Norway | 5.4 |
| 2. Singapore | 6.2 | 12. Sweden | 5.3 |
| 3. Switzerland | 6.0 | 13. Netherlands | 5.3 |
| 4. Belgium | 6.0 | 14. Austria | 5.2 |
| 5. Iceland | 5.9 | 15. Barbados | 5.1 |
| 6. Denmark | 5.8 | 16. Qatar | 5.1 |
| 7. Ireland | 5.6 | 17. Tunisia | 5.1 |
| 8. Canada | 5.6 | 18. Malaysia | 5.0 |
| 9. Australia | 5.5 | 19. United States | 5.0 |
| 10. Cyprus | 5.4 | 20. France | 5.0 |
| <i>Legend: The educational system in your country (1 = does not meet the needs of a competitive economy, 7 = meets the needs of a competitive economy)</i> | | | |

Source: World Economic Forum, Executive Opinion Survey, 2008.

As the quality of education system indicates whether it meets the needs of a competitive economy, we have quite a different image of Central and Eastern European Countries (CEEC) and Commonwealth of Independent States (CIS) (see Table 2). Here, Estonia heads the list at No 30, followed by Slovenia (No 35) and Russian federation (No 36). Poland, Latvia and Lithuania take No 54, No 63 and No 64 respectively. Even though, Lithuania meets the mean of 134 surveyed countries of 3.7 points, it causes serious doubts whether the country is able to cope with changing market demands and consequently restructure the education system.

Table 2. The Quality of Education System in Global Competitiveness Index (GCI), 2008 in selected CEE Countries and CIS (meeting the needs of a competitive economy)

| <i>No</i> | <i>Country</i> | <i>GCI</i> | <i>No</i> | <i>Country</i> | <i>GCI</i> |
|--|--------------------|------------|------------|------------------|------------|
| 30. | Estonia | 4.5 | 63 | Latvia | 3.7 |
| 35. | Slovenia | 4.4 | 64. | Lithuania | 3.7 |
| 36. | Russian Federation | 4.3 | 66. | Croatia | 3.6 |
| 40. | Ukraine | 4.2 | 71. | Romania | 3.6 |
| 49. | Serbia | 3.8 | 76. | Slovak Republic | 3.4 |
| 54. | Poland | 3.8 | 81. | Bulgaria | 3.3 |
| 57. | Montenegro | 3.8 | 87. | Hungary | 3.2 |
| <i>Legend: The educational system in your country (1 = does not meet the needs of a competitive economy, 7 = meets the needs of a competitive economy)</i> | | | | | |

Source: World Economic Forum, Executive Opinion Survey, 2008

In Lithuania, during 1st quarter of 2008, from all vacancies that labour market specialist could have offered for jobseekers, biggest number, over 60%, was in service sector, 24% in industry sector, 12 per cent in construction sector, around 4% was in agricultural sector (Table 3). In comparison with the same period in 2007, number of vacancies in service sector increased by 4%. Demand for labour force in industry and agricultural sectors decreased by 1.6% each, also small decrease was felt in construction sector – by 0.4%.

During 1st quarter of 2008, in order to provide employers with qualified labour force Lithuania Labour market issued work permits to 2133 foreigners out of whom 774 were for persons on a mission, 1359 permits to work with a contract, 91 of permits were prolonged, there none work permits issued for seamen. In comparison with the same period in 2007, the number of issued permits increased two times (in 1st quarter of 2007 there were 1098 work permits issued).

The biggest number of foreigners worked in construction – 1321 (57 per cent of all employed foreigners), in service – 933 (39 per cent), industry – 103 (4 per cent) sectors. In service sector biggest number of foreigners worked in transporting, warehousing and relations areas (82 per cent). In manufacturing area worked 10 per cent (100), in hotels and restaurants 3 per cent (34), in real estate, renting and other business areas 3 per cent (31). In educational sector worked 2 foreigners, in health care and social work area worked 1 foreigner.

The biggest number of work permits were issued for truck drivers, drivers of heavy-weight trucks and trucks with loads from Belarus, Ukraine and Moldova (844), for masons from Turkey, Belarus and China (355), for metal constructions assemblers from Turkey, Ukraine and Belarus (200), for decorators from Belarus, Ukraine, China and Uzbekistan (149), for welders from Belarus, Ukraine and Russia (140), for concreters from Turkey (106), ships hull assemblers from Russia and Ukraine (97).

Foreigners worked on a mission as masons (202), metal constructions assemblers (186), concreters (96), metal ships hull assemblers (59) and welders (63).

Table 3. The Biggest Demand in Lithuania for the following Workers, 1st quarter of 2008

| | |
|--|--|
| <p><i>Qualified workers and craftsmen 9,7 thousand vacancies out of whom the biggest proportions is:</i> 1.2 thousand masons; 1.0 thousand painters and workers of related professions; 0.8 thousand welders; 0.6 thousand tailors, needlewomen and workers of related professions; 0.6 thousand constructors, working with traditional materials; 0.6 thousand concrete workers and plasterers; 0.4 electricians; 0.4 thousand plumbers and manifold adjusters; 0.3 thousand bakers and confectioners; 0.3 thousand mechanics and adjusters of motor transport vehicles; 0.2 thousand toolmakers and workers of related professions; 0.2 thousand plasterers; 0.2 thousand industry and agricultural mechanics and adjusters; 0.2 thousand butchers, fishermen and workers of related professions.</p> | <p><i>Employees in the area of services and trade 4,4 thousand vacancies out of whom the biggest proportion is:</i> 2.2 thousand shop-assistants and demonstrators of goods; 0.9 thousand cooks; 0.5 thousand waiters and barmen; 0.3 thousand security guards; 0.1 thousand firemen; 0.1 thousand health care and social care givers; 0.1 thousand hairdressers, cosmeticians.</p> |
| <p><i>Specialists, junior specialists and technicians 4,2 thousand vacancies out of whom the biggest proportion is:</i> 0.4 thousand sales managers; 0.3 thousand administration secretaries and junior specialists of related professions; 0.3 thousand accountants; 0.2 thousand accounting department workers; 0.2 thousand insurance agents; 0.1 thousand business services managers; 0.1 thousand teachers of general education; 0.1 thousand social workers; 0.1 thousand projects managers.</p> | <p><i>Operators and assemblers of equipment and machines 4.0 thousand vacancies out of whom the biggest proportion is:</i> 1.4 thousand drivers of heavy-weight trucks and trucks with loads; 0.9 thousand car, taxi and van drivers; 0.3 thousand operators of engine vehicles and equipment of agriculture and forestry; 0.2 thousand operators of wood-processing machines; 0.2 thousand loaders operators; 0.2 thousand bus and trolleybus drivers; 0.1 thousand operators of steam engines and boilers; 0.1 thousand operators of cranes, lifting equipment and similar machines; 0.1 thousand railway operators, points men, signalmen and shunters.</p> |

Note: The names of professions and profession groups are shown according to the Lithuanian profession classificatory.

Source: Lithuanian Department of Statistics, 2008.

Higher Education and Training: Evidence from Lithuania

Lithuania's Position in Global Competitiveness Ranking of Education and Training

The Government approved the new National Lisbon Strategy Implementation Programme for the period 2008-2010 with enhancement of Lithuania's competitiveness as its primary goal. The strategy document drafted on the basis of the guidelines and the recommendations of the European Union institutions focuses on growth and job creation and the implementation measures of these set priorities.

The National Lisbon Strategy Implementation Programme is based on four priority areas established by the European Council: knowledge and innovation, unlocking the business potential, investment in people and modernisation of labour markets, energy and climate change.

Tertiary enrollment in Lithuania is evaluated by World Economic Forum (2008) very high; the country takes the 12th position amongst the surveyed 134 countries with 76.4% of school graduates enrolling into universities and colleges. The most competitive countries in this aspect are Greece (94.9%), Finland (93.2%) and Republic of Korea (92.6%).

For *Quality of math and science education*, Lithuanian stands in a very prestigious 22nd place (5.1), given the way to Finland (6.5), Singapore (6.3) and Belgium (6.3) sharing first three positions (World Economic Forum, 2008).

In the sphere of *quality of management schools*, Lithuania appears in the 52nd place (with 4.3 points out of 7) (World Economic Forum, 2008). France (6.1), Switzerland (6.0) and United States (6.0) taking first places (World Economic Forum, 2008).

In the sphere of *local availability of specialized research and training services*, Lithuania is in the 56th position (4.1 points) quite ahead of Latvia, which stays in the 75th place (3.8 points). But Estonia leads in the Baltic States with the 21st position (4.9) (World Economic Forum, 2008).

As for the *extent of staff training*, Lithuania takes the 38th position (4.4), with Estonia rowing ahead at the 35th place (4.6) and Latvia lagging behind at the 62nd place (4.0) (World Economic Forum, 2008).

The National Lisbon Strategy Implementation Programme for Lithuania takes into account the recommendations of the European Commission to promote investment into R&D, innovation and human capital. Much effort will be put into creating conditions favourable to private investments in R&D and innovation, especially investment in traditional and low-tech sectors. The measures set in the programme aim to increase the supply of skilled labour force by reforming the education and training systems to ensure their quality and relevance to the labour market needs and implementing the revised lifelong learning strategy.

The National Lisbon Strategy Implementation Programme provides for the measures that focus on the following challenges outlined by the European Commission: improving macro-economic stability and containing inflation, increasing foreign direct investment, enhancing the efficiency of regulatory environment with a special emphasis on legislative simplification; improving youth employability; expanding entrepreneurship education; increasing the availability of childcare; and strengthening occupational health and security.

The Spring 2008 European Council meeting introduced the new 2008-2010 cycle of the Lisbon strategy that will give a fresh impetus to address globalisation challenges, accelerate the implementation of reforms for furthering European economic growth and competitiveness. With the above set goals in mind, every European Union member state should draft its National Lisbon Strategy Implementation Programme and present the measures for economic growth and job creation over the next three years.

Lithuania's National Lisbon Strategy Implementation Programme over the 2008-2010

period was drafted in line with the new Integrated Guidelines for Growth and Jobs (2008-2010) and recommendations presented by the European Commission and the conclusions of the European Council.

The System of Labour Force Training in Lithuania

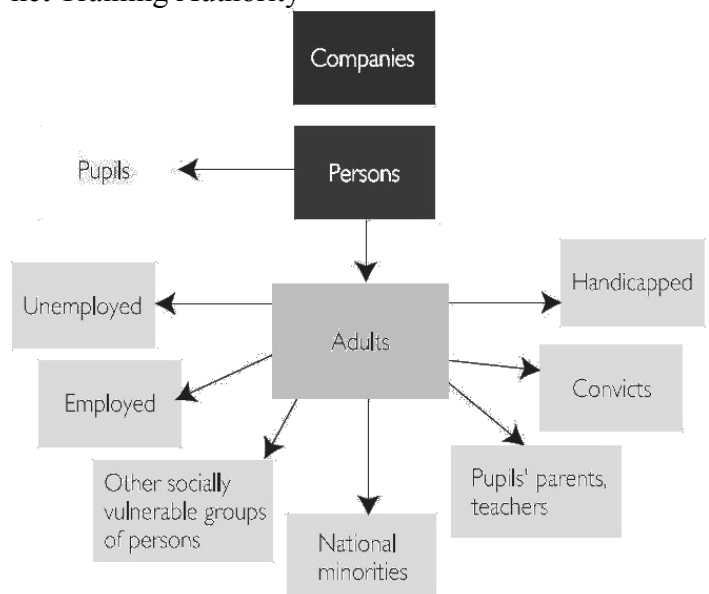
The main organizer of labour force training in Lithuania is *Lithuanian Labour Market Training Authority* (hereinafter referred to as the Authority). Its founder is the Ministry of Social Security and Labour of the Republic of Lithuania (Figure 3).

Figure 3. The Structure of Labour Market Training in Lithuania



Source: Lithuanian Labour Market Training Authority: Activity and Services, 2004.

Figure 4. The Target groups of Lithuanian Labour Market Training Authority



Source: Lithuanian Labour Market Training Authority: Activity and Services, 2004.

The Authority is the largest national organisation engaged in the consecutive and purposeful development of adults' vocational training, guidance and counselling as active labour market policy measures for the enlargement of employment rate among jobless or risk-group people and for the advancement of competitive skills among the employed. The Authority takes part in the formation of vocational training policy geared to labour market needs. It contributes to human resources' development programmes. Through its active co-operation with social partners, the Authority implements state policy decisions in the area of labour market vocational training, counselling and guidance.

Seven territorial labour market training and counselling offices subordinate to the Lithuanian Labour Market Training Authority are located in major towns of Lithuania: in Vilnius, Kaunas, Klaipeda, Siauliai, Panevezys, Alytus and Utena and have suboffices in Taurage, Akmene, Kursenai and Ignalina. They are state institutions providing vocational guidance, counselling and information services for the unemployed, pupils of comprehensive schools, pupils of comprehensive schools, their parents, teachers and any other person wishing to enter the marketable profession corre-

sponding to his/her personal characteristics and meeting labour market needs. Services, provided by territorial labour market training and counselling offices, are free. Their staff includes about 50 counsellors with higher psychological and pedagogical education.

Psychologists of territorial offices have spent a number of years working with the long-term unemployed, youth who have not received any vocational training, servicemen, prisoners, staff members of imprisonment institutions, the Roma (Gypsies), victims of human trafficking and of prostitution, and with the disabled. The majority of this client group needs mainly psychological assistance and support. They need to develop self-confidence and the understanding that any human being is able to perform tasks assigned by life.

Currently, the Lithuanian Labour Market Training Authority has *fourteen subordinate labour market training centres* with their branches and sub-offices in other towns. The main activity directions of labour market training centres are vocational training, retraining and advanced training of adults, including the unemployed. These services afford a person the opportunity to learn a new trade and to raise the level of professional education.

Over 20 thousand persons participating in training annually are granted state professional qualifications of levels I and II, certificates of employees' security and health, they acquire new skills and qualifications after finishing programmes of *non-formal training*.

The most popular fields of education are: *business and administration, construction, wood processing, professional health and labour security, transportation services, food products production, computer application, hotels, restaurants, public nourishment, textiles, clothing, mechanics and metal work (especially welding), hairdressing and specialty of beautician, motor transport means repair, fine crafts, electricity and energy*.

More than 70 thousand persons are consulted in groups and individually every year (Figure 4). Those are people who find it difficult to adapt in the labour market, who lost their abilities to compete due to various reasons, who lost their self-confidence because of unemployment, who suffer from apathy and passiveness.

Training programmes that have demand in the labour market and their modules are prepared in coordination with employers. There are 400 *formal* and 200 *non-formal training programmes* registered in total. 31 active labour search and labour skills development programmes have been prepared for group consultations. They are divided into 3 groups according to the main aims:

- Group I - professional determination and career planning programmes;
- Group II - skills and ability to compete in the labour market improvement programmes;
- Group III - self-confidence and active labour search programmes.

Diagnostic methods and psychological assessment methodologies are applied. The training and counselling programmes are prepared and adapted for various target groups of persons.

The following obstacles in the way of reform of VET (vocational education and training) life-long learning and competitiveness of the human resources in Lithuania are being distinguished:

- a. Lack of funding for vocational education and training. This concerns insufficient public funding and inability of schools to find and develop ways of the self-financing. This problem prevents the modernisation of the technological and technical infrastructure of vocational training in order to reduce the technological gap between the training and real work situations.
- b. Lack of social partnership and, especially, the involvement of employers in the development of vocational education and training, both in the development of the technological and technical infrastructure of practical training and the development of the training contents.

- c. Lack of training and qualification development of the VET teachers, concerning both the development of the vocational and pedagogical qualifications.
- d. Underdeveloped quality system of the vocational training, especially in the vocational schools.
- e. Absence of systems of qualifications, unfinished system of occupational standards, lack of the transferability and assessment of the skills and qualifications between educational institutions. The occupational standards are developed by the Centre of the Methodology of Vocational Training together with the experts from the different occupational fields.

Trying to overcome the shortcoming of VET policy in the country, peripheral VET offices also take an important role in the development of competitive labour force. Here, we present a case of *Siauliai Labour Market Training and Counselling Office*, which is situated in the Northern part of the country. Its structure comprises two other divisions in Akmene and Kursenai. Besides, Siauliai Office renders its services to other adjacent eight districts, namely Radviliskis, Pakruojis, Joniskis, Kelme, Akmene, Mazeikiai, Telsiai, and Plunge. VET Office in Siauliai is based on several subdivisions, namely:

- a. Training Supervision Division.
- b. Career Planning Division.
- c. Staff and Economy Divisions.
- d. International Projects Subdivision.

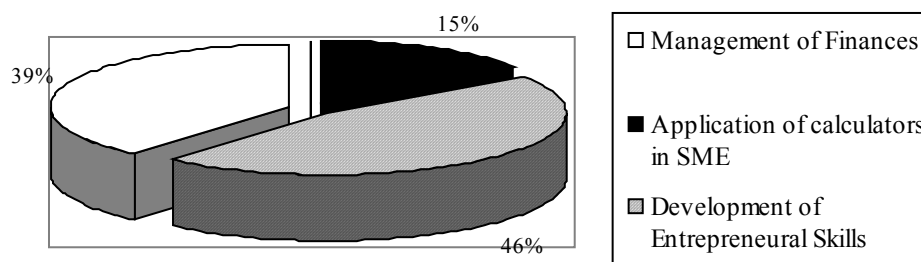
Training Supervision Division organizes and executes expertise of training licenses accordingly to labour market training programs; and performs quality supervision of the labour market training and methodical support for training institutions.

Career planning division provides vocational information and psychological counseling of the unemployed and employees informed about dismissal; performs vocational orientation and counseling of senior pupils from secondary schools. Also provides training courses "Formation of adaptive behaviour", including facilitating integration of persons with special needs into the labour market and encouraging vocational rehabilitation of persons temporarily out of work.

Five modules are being offered by Siauliai Office at the present:

- Development of entrepreneurship skills (Figure 5).
- Management of finances.
- Taxes.
- Application of electronic calculators in small and medium business.
- Basics of management account.

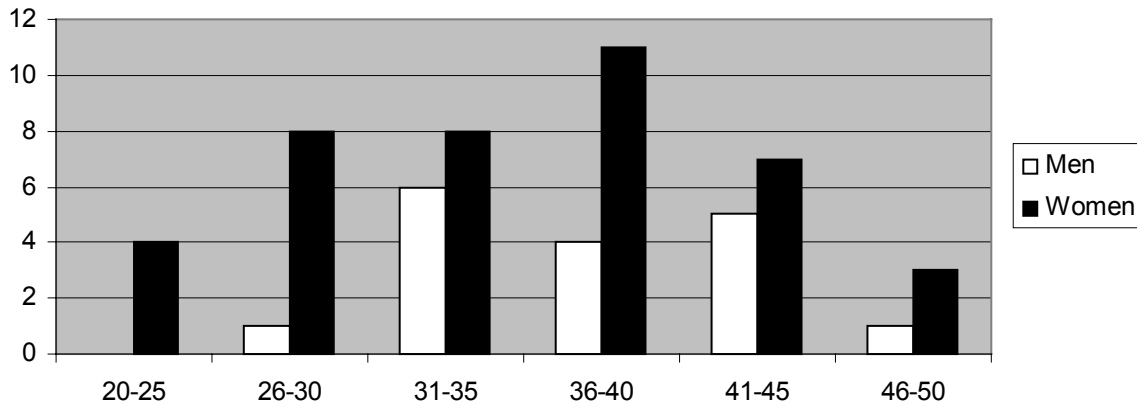
Figure 5. Most Popular Training Courses at Siauliai Labour Market Training and Counselling Office, 2007



Source: compiled by the author from Siauliai Labour Market Training and Counselling Office, 2007.

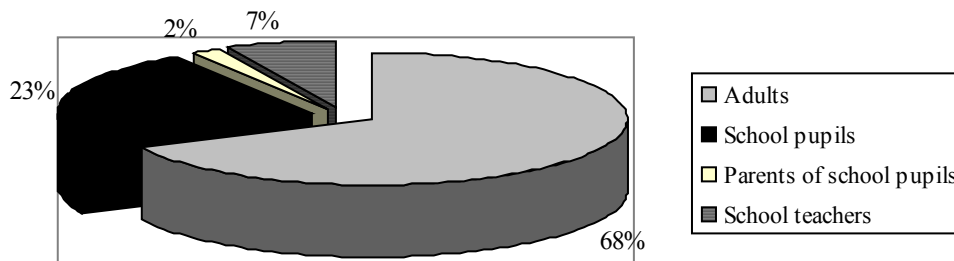
The target groups at Siauliai Labour Market Training and Counselling Office are females within the age range of 36-40, though other age groups are also represented (see Figure 6). The occupations of the major groups of the training courses are adults (68%) and schools pupils (23%) (Figure 7).

Figure 6. VET Participants by Age and Gender at Siauliai Labour Market Training and Counselling Office, 2007



Source: compiled by the author from Siauliai Labour Market Training and Counselling Office, 2007.

Figure 7. Users' Structure by Occupation at Siauliai Labour Market Training and Counselling Office, 2007



Source: compiled by the author from Siauliai Labour Market Training and Counselling Office, 2007.

The Projects subdivision at Siauliai Labour Market Training and Counselling Office prepares, co-ordinates and implements national and international projects. It co-operates with international funds, organizations and institutions. The Subdivision also collects, systematizes and stores information on EU funds and integration into EU processes.

Projects under implementation by *the Projects subdivision* at Siauliai Labour Market Training and Counselling Office are as follows:

- PHARE “Creation of system of foundation of social enterprises for the disabled in Akmene region”. SLMTCO–project co-ordinator.
- PHARE, „Foundation of social adaptation centre and lodging-house for former prisoners in Akmene region”. SLMTCO –project partner.
- PHARE “The model of success in women’s business”. SLMTCO – project co-ordinator.
- Leonardo da Vinci “A new model of vocational guidance for young disadvantaged

- people Phoenix”. SLMTCO – project partner.
- EQUAL “EQUAL –Towards Open Doors”. SLMTCO – project co-ordinator.
- PHARE –“Development of the analysis of the Ignalina Nuclear Power plant workers”. SLMTCO – project partner.

Conclusions

The paper researched the role of the government in improving labour market competitiveness, considering the case of Lithuania in the context of Central and Eastern European Countries (CEEC) and Commonwealth of Independent States (CIS).

Hard data from World Economic Forum database of 2008, focusing on global competitiveness index on the education pillar, demonstrated that Lithuania’s competitiveness in the education and training sector is average, with some exceptions in preparing maths and applied sciences, where the country takes the 22nd position amongst 134 surveyed countries in the world.

Even though the Lithuanian Government had taken steps towards adopting the Lisbon strategy to the Lithuanian context and drafted a strategy in this field, lack of political will is observed, resulting in *status quo* of educational reform in the country. Lithuania does not perform well in reacting to the market needs when forecasting the most wanted professions on the market: the data from World Economic Forum (2008) indicates that Lithuania catches only 64th place.

The experience from *Lithuanian Labour Market Training Authority*, backed up with the in-depth presentation of *Siauliai Labour Market Training and Counselling Office*, prove that steps are taken on local and national level to foster labour force competitiveness in the country.

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