



Job Creation and Local Economic Development 2020: Rebuilding Better examines the impacts of COVID-19 on different types of local labour markets. It also considers their performance prior to the pandemic, and how COVID-19 could impact other ongoing local labour market transitions such as digitalisation, automation and the polarisation of jobs. Finally, it discusses the role local actors will play in rebuilding better. Consult the full publication [here](#).

Lithuania

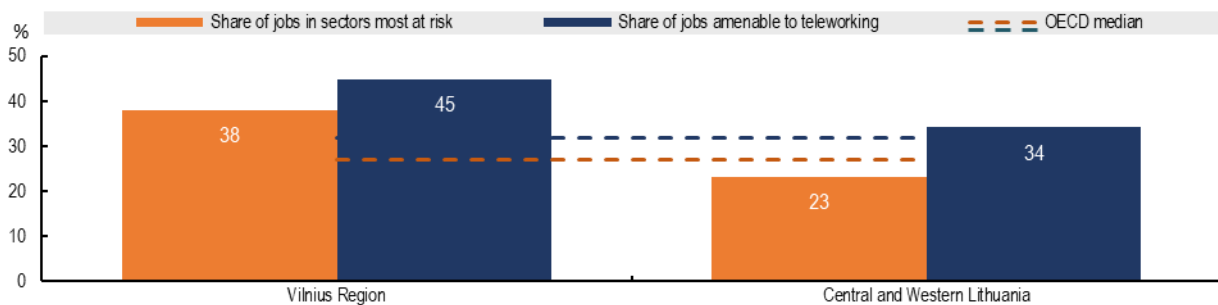
The share of jobs amenable to teleworking in both Lithuanian regions is above the OECD median region.

Pre-COVID, the unemployment rate in Lithuania was above the OECD average, and varied one-and-a-half-fold across regions.

The Vilnius Region was responsible for 80% of net employment growth between 2013 and 2019.

The potential impacts of COVID-19 on local labour markets

Jobs in sectors most at risk and amenable to teleworking



Note: Share of jobs at risk is based on estimates of sectors most impacted by strict containment measures, such as those that involve travelling and direct contact between consumers and service providers. The sectoral composition of the regional economy is based on data from 2017 or latest available year. Share of jobs amenable to teleworking is based on the types of tasks performed in different occupations, and the share of those occupations in regional labour markets. These figures do not account for gaps in access to IT infrastructure across regions, which could further restrict teleworking potential. The OECD median presented here is the median of OECD regions with available data for each indicator.

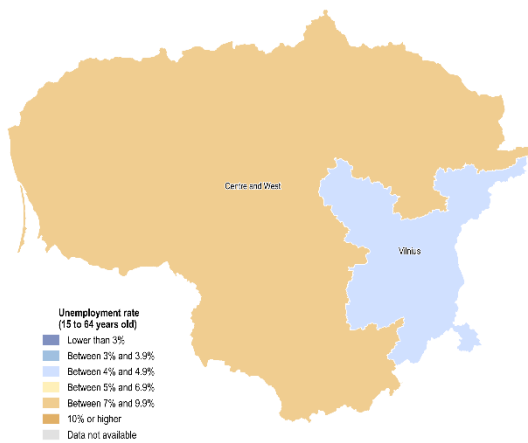
Source: OECD calculations on OECD (2020), "Regional economy", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/6b288ab8-en>; and OECD (2020), *OECD Regions and Cities at a Glance 2020*, <https://doi.org/10.1787/959d5ba0-en>.

COVID-19 has put unprecedented pressure on local labour markets and economies. The share of jobs in the sectors most at risk from containment measures (e.g. accommodation and food services, and wholesale and retail trade) varies from less than 15% to more than 35% across OECD regions. In Lithuania, disparities between the two regions are relatively large: the share of jobs in sectors most at risk ranges from 23% in Central and Western Lithuania to 38% in the Vilnius Region.

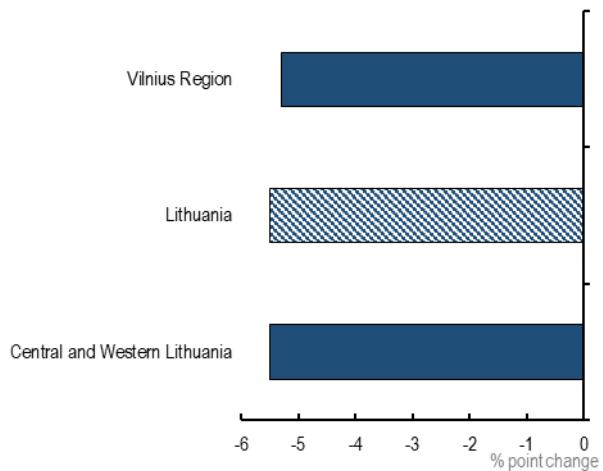
While containment measures have restricted economic activity in some sectors, the rapid expansion of teleworking has helped maintain other jobs. The share of jobs amenable to teleworking in both regions is higher than the OECD median region, but varies from 34% in Central and Western Lithuania to 45% in the Vilnius Region. However, employer and employee attitudes towards teleworking may mediate the extent to which this translates into actual rates of teleworking in the short and long term.

Local labour market performance prior to COVID-19

Unemployment rate, 2019



Change in unemployment rate, 2013-2019

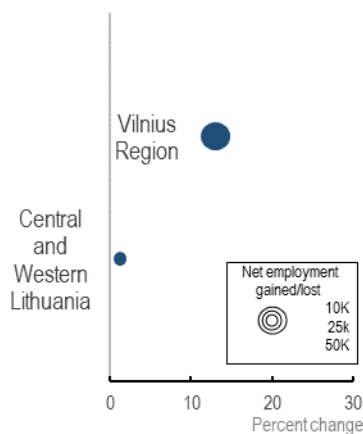


Note: The unemployment rate is computed as the share of unemployed people over the labour force, for the age group 15-64.

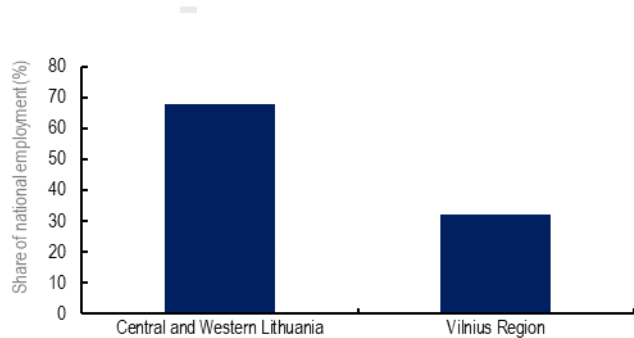
Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en>.

Prior to the COVID-19 pandemic, the unemployment rate in Lithuania was above the OECD average. It varied one-and-a-half-fold across regions, from a low of 4.6% in Vilnius Region to a high of 7.4% in Central and Western Lithuania. Both regions had unemployment rates lower in 2018 than in 2008, a pattern seen in one-third of OECD countries. Regional gaps in unemployment shrank only slightly over this period.

Change in net employment, 2013-2019



Employment by region, 2019



Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database)*, <https://doi.org/10.1787/f7445d96-en>.

In both regions, the number of people employed grew between 2013 and 2019. The Vilnius Region was responsible for 80% of net employment growth over this period. Almost one-third of national employment in 2019 is in this capital region.

Active labour market policies: institutional arrangements

Active labour market policies will be of growing importance as the COVID-19 response moves from emergency supports to facilitating labour market transitions. The institutional arrangements for these policies, and the role of subnational governments, varies significantly across countries.

X	Centralised, including branch offices of national ministry / agency	Under the Ministry of Social Security and Labour of the Republic of Lithuania (hereafter - PES) - one juridical entity since 2018 October 1 st , the Employment Service acts as a single legal entity and has 5 customer service departments covering 70 divisions providing customer service. The PES implements active labour market policy measures established by the Law on Employment No XII-2470. Among many other functions, PES establishes criteria and procedures for selection of jobseekers participation in active labour market policy measures and selection criteria and procedures for employers wishing to implement active labour market policies.
	<i>Decentralised to subnational governments</i>	
	<i>Fully outsourced or delivered through network of public, private, and/or non-profit providers</i>	
	<i>Combined system with shared competences, or different systems for different target groups</i>	

Source: OECD (forthcoming), "Local and regional variations in labour market and skills policies: A cross-country comparison", *OECD Local Economic and Employment Development (LEED) Papers*.

Notes

¹ Data is presented at the TL2 level, which typically corresponds to the first administrative tier of subnational government. See Reader's Guide of the full report for more information on the methodologies behind the calculations.