



OECD Skills Studies

# OECD Skills Strategy Lithuania

ASSESSMENT AND RECOMMENDATIONS

REPORT SUMMARY





OECD Skills Studies

# OECD Skills Strategy Lithuania

ASSESSMENT AND RECOMMENDATIONS

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document, as well as any data and map included herein, are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

#### Note by Turkey

The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the “Cyprus issue”.

#### Note by all the European Union Member States of the OECD and the European Union

The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

#### Please cite this publication as:

OECD (2021), *OECD Skills Strategy Lithuania: Assessment and Recommendations*, OECD Skills Studies, OECD Publishing, Paris, <https://doi.org/10.1787/14deb088-en>.

ISBN 978-92-64-37281-8 (print)

ISBN 978-92-64-42067-0 (pdf)

OECD Skills Studies

ISSN 2307-8723 (print)

ISSN 2307-8731 (online)

**Photo credits:** Cover © Roman Babakin/ Shutterstock.com and Studio Foltzer

Corrigenda to publications may be found on line at: [www.oecd.org/about/publishing/corrigenda.htm](http://www.oecd.org/about/publishing/corrigenda.htm).

© OECD 2021

---

The use of this work, whether digital or print, is governed by the Terms and Conditions to be found at <http://www.oecd.org/termsandconditions>.

# Foreword

Developing and using people's skills effectively is crucial for Lithuania's economic prosperity, innovation and social cohesion.

Globalisation, digitalisation, demographic change and climate change are combining to increase and transform the skills needed to thrive in Lithuanian workplaces and society. People will need a stronger and more well-rounded set of skills, including cognitive, social and emotional, and job-specific skills, to flourish in life both in and outside of work. Lithuania will also need to make better use of people's skills in the labour market and in individual workplaces to harness the potential of people's skills. The COVID-19 crisis of 2020 has accelerated the digitalisation of learning and work, and made upskilling and reskilling even more critical for many adults.

Lithuania has achieved relatively strong skills performance in various areas. In terms of developing people's skills, participation rates in upper secondary and tertiary education are higher in Lithuania than in almost all other OECD countries. In terms of using people's skills, Lithuania does a good job overall of activating skills in the labour market, with men and women having relatively high and equal employment rates.

However, Lithuania faces several persistent skills challenges. Young people have comparatively low levels of cognitive and socio-emotional skills, and this has not improved over time. There remain large gaps in skill levels and educational attainment between youth from disadvantaged and advantaged backgrounds. Skills imbalances appear to be high, and many graduates are not well matched to their jobs. Many adults lack foundational skills such as literacy and numeracy, and relatively few adults participate in education and training. Employers are not using workers' skills to their full potential to support productivity and innovation.

In recent years, Lithuania has introduced various strategies and reforms covering different levels of education and training, and different areas of labour market and innovation policy. These have helped improve school and university networks, vocational education, teachers' education and conditions, among other things.

Today, Lithuania has a unique window of opportunity to build on these reforms to improve performance and equity across the skills system. Lithuania is in the process of developing several important medium- and long-term strategies that have a clear focus on skills. The OECD's Skills Strategy project seeks to support Lithuania to seize this opportunity. It does this by providing detailed analysis and widespread engagement with stakeholders, leading to several tailored recommendations for Lithuania outlined in this report summary.

The OECD stands ready to support Lithuania as it seeks to put skills at the forefront of its agenda for a more productive, innovative, green and equitable economy and society.

# Executive summary

## OECD-Lithuania collaboration on the OECD Skills Strategy project

This National Skills Strategy (NSS) project provides Lithuania with tailored findings and recommendations on its skills performance from an international perspective, and supports Lithuania's ongoing strategic planning activities. The NSS project was launched via a virtual Skills Strategy Seminar in March 2020, with senior representatives from the Ministry of Education, Science and Sport; Ministry of Social Security and Labour; Ministry of Economy and Innovation; Ministry of Finance, the Tripartite Council (representing employers, trade unions and the government); the Office of the Government of Lithuanian Republic; and the Government Strategic Analysis Centre. The European Commission was also present.

During virtual consultations in May-June and September 2020, the OECD engaged with a range of ministries and government agencies and over 150 stakeholders in workshops, expert meetings, regional discussions and bilateral meetings (see Annex A of the full report for a full list of participating organisations). This process provided invaluable input that shaped the findings and recommendations in the report.

## Key findings and opportunities for improving Lithuania's skills performance

In Lithuania, as in other OECD countries, megatrends such as digitalisation, globalisation, demographic change and climate change are transforming jobs and the way society functions and people interact. There are many consequences of these megatrends in Lithuania, including workers facing relatively high risks of job automation, employers often struggling to find the skills they need, and productivity becoming a more important driver of economic prosperity. The COVID-19 crisis commencing in 2020 has accelerated the digitalisation of learning and work, disrupted several economic sectors, and risks increasing inequalities in education and labour markets in Lithuania. Although the economic contraction of 2020 was relatively mild following major fiscal and financial measures, unemployment rose more starkly, with youth unemployment (15-24 year olds) reaching 28% in November 2020. While the OECD forecasts economic growth in 2021 and 2022, unemployment is expected to remain above pre-crisis levels at least until 2022.

These megatrends and challenges reinforce the need for Lithuania to design forward-looking, dynamic skills policies. To thrive in the world of tomorrow, people will need a stronger and more comprehensive set of skills, underpinned by high-quality learning opportunities across the life course, as well as better opportunities to use skills in the labour market and workplaces. Lithuania has made progress in this direction – the state progress strategy “Lithuania 2030”, the National Plan for Progress (NPP) 2021-2030, the Programme of Government 2020 and other strategies have a strong focus on skills. Lithuania has embarked on a range of skills policy reforms in recent years spanning the funding of formal education, education network efficiencies, teacher education, vocational education governance, labour code amendments and more. In the context of Lithuania's ongoing medium- and long-term planning initiatives, the country has a unique window of opportunity to put skills at the top of the agenda to positively influence the megatrends, tackle the challenges and seize the opportunities facing the country.



The OECD and the Government of the Republic of Lithuania have identified four priority areas for improving Lithuania's skills performance. These priority areas are the focus of the report. The key findings and opportunities for improvement in each of the areas are summarised below and elaborated in subsequent chapters, which also have detailed policy recommendations.

***Priority 1: Equipping young people in Lithuania with skills for work and life (Chapter 2 of the full report)***

Young people's cognitive, socio-emotional and technical skills are critical for their personal well-being and outcomes later in life, as well for countries' economic prosperity and social cohesion. Lithuania continues to expand young people's enrolment in different levels and forms of education and training. However, young people are not developing high levels of skills, with their performance below the OECD average and not improving over time. There are persistent gaps in student performance and tertiary attainment between youth from disadvantaged and advantaged backgrounds. The success of the education system in meeting labour market demand is mixed, with many graduates mismatched to their jobs.

The OECD has identified and made recommendations to help Lithuania realise three main opportunities for improvement related to young people's skills:

- Opportunity 1: Successfully implementing and complementing modern curricula.
- Opportunity 2: Strengthening Lithuania's teaching workforce.
- Opportunity 3: Making vocational and higher education more responsive to labour market needs.

***Priority 2: Raising adults' and enterprises' participation in learning in Lithuania (Chapter 3 of the full report)***

Across the OECD, adults of all skills levels have growing needs to upskill and reskill during their careers in the context of technological change, job transitions, non-standard forms of work and longer working lives. Adult learning is essential for boosting adults' skills, and has become more urgent in the context of the COVID-19 crisis and its impact on labour markets. However, in Lithuania, awareness about adult learning benefits and opportunities remains low. Individuals and employers also report facing considerable financial and time-related barriers to engaging in adult learning. Finally, both the recognition of prior learning procedures and quality assurance mechanisms could be improved to ensure the benefits, quality and attractiveness of non-formal education and training.

The OECD has identified, and made recommendations to help Lithuania realise three main opportunities for improvement related to adult learning:

- Opportunity 1: Raising awareness about adult learning benefits and opportunities.
- Opportunity 2: Removing barriers to participation in adult learning.
- Opportunity 3: Strengthening the recognition and quality of non-formal adult education and training.

***Priority 3: Using people's skills more effectively in Lithuania's workplaces (Chapter 4 of the full report)***

Effectively using skills in workplaces is associated with more satisfied and productive workers, which translates to higher business performance benefits for the economy and society. However, the skills of Lithuania's working population are not optimally used in workplaces. Workers use their reading, information and communication technology (ICT), writing and problem-solving skills less frequently in Lithuania's workplaces than on average across the OECD. There is a strong, positive link between the intensive use of skills and the adoption of high-performance workplace practices (HPWP), including work flexibility and autonomy, teamwork, training and development, and career progression and performance management.

However, Lithuanian firms are adopting HPWP at a lower rate than their counterparts in most other OECD countries.

The OECD has identified and made recommendations to help Lithuania realise three main opportunities for improvement related to using skills:

- Opportunity 1: Enhancing the use of skills by supporting businesses to adopt high-performance work practices.
- Opportunity 2: Strengthening management and leadership skills to drive the transformation of workplaces.
- Opportunity 3: Empowering and engaging the workforce to make better use of their skills.

#### ***Priority 4: Strengthening the governance of skills policies in Lithuania (Chapter 5 of the full report)***

Effective governance arrangements are essential to support Lithuania's performance in developing and using people's skills, and for achieving the goals outlined in its medium- and long-term strategies (such as Lithuania 2030 and the new National Progress Plan). In Lithuania, horizontal co-ordination between ministries on skills policies continues to be challenging, and is relatively limited beyond the planning phase. The capacities of municipalities and regional development councils for vertical co-ordination, self-management and the management of education providers are often underdeveloped. Lithuania's performance in engaging stakeholders in skills policies is relatively strong, yet stakeholder associations sometimes lack the capacity to effectively engage. Lithuania has made substantial progress in the area of evidence-based policy making and skills assessment and anticipation tools, but these tools need to be improved further while strengthening the demand and capacity for evidence-based policy inside ministries. Career guidance is only available to some parts of the Lithuanian population, mostly youth and jobseekers in the economically stronger regions of the country. Lithuania's expenditure on education and training is low by international and regional comparison, funding sources are not highly diversified, and the impacts of skills investments are not systematically evaluated.

The OECD has identified and made recommendations to help Lithuania realise three main opportunities for improvement related to skills governance:

- Opportunity 1: Increasing the capacity and co-ordination of governmental and non-governmental actors across the skills system.
- Opportunity 2: Enhancing skills information and career guidance systems and practices.
- Opportunity 3: Ensuring the sustainable, well-targeted and shared financing of Lithuania's skills system.



# **1** Key insights and recommendations for Lithuania

---

This document summarises the context, key insights and policy recommendations of the OECD Skills Strategy project in Lithuania. It applies the OECD Skills Strategy Framework to provide a high-level assessment of the performance of Lithuania's skills system, and gives an overview of the four priority areas of focus selected for this project: 1) young people's skills; 2) adult learning; 3) skills use; and 4) skills governance. The report summary provides an overview of the policy context for each of the four priority areas and summarises the related key findings and recommendations. The full report and subsequent chapters provide more details on the opportunities for improvement, good practices and policy recommendations for Lithuania in each priority area.

---

## Skills matter for Lithuania

Skills are vital for enabling individuals and countries to thrive in an increasingly complex, interconnected and rapidly changing world. Countries in which people develop strong skills, learn throughout their lives, and use their skills fully and effectively at work and in society are more productive and innovative, and enjoy higher levels of trust, better health outcomes and a higher quality of life.

As new technologies and megatrends increasingly shape our societies and economies, getting skills policies right becomes even more critical for ensuring societal well-being and promoting inclusive and sustainable growth. For Lithuania, implementing a strategic approach to skills policies is essential given the country's persistent regional inequalities and relatively high exposure to digital and demographic disruptions. The COVID-19 crisis of 2020 has accelerated the digitalisation of learning and work, and risks increasing inequalities in education and labour markets. Lithuania currently has a unique opportunity to set policy directions for the next decade and beyond.

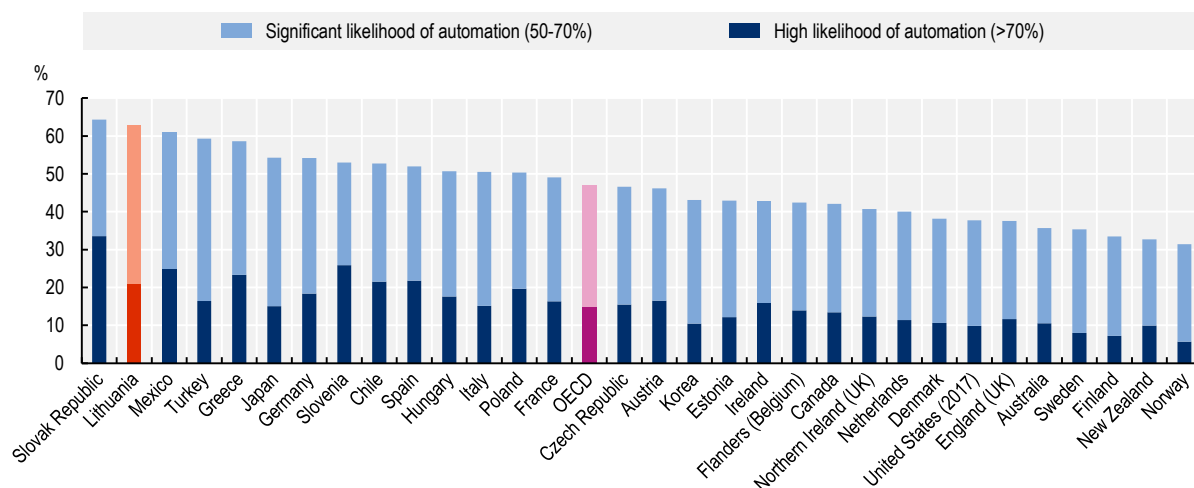
### ***Skills are essential for Lithuania's response to global megatrends***

In Lithuania, as in other OECD countries, megatrends such as digitalisation, globalisation, demographic change and climate change are transforming jobs and the way society functions and people interact. To thrive in the world of tomorrow, people will need a stronger and more well-rounded set of skills. These include foundational; cognitive and meta-cognitive; social and emotional; and professional, technical and specialised knowledge and skills. Lithuania will also need to make better use of people's skills in the labour market and in individual workplaces.

In particular, the digital transformation continues to have significant impacts on all aspects of life in Lithuania, including the development and use of skills. Information and communications technologies (ICT), advances in artificial intelligence (AI) and robotics are profoundly changing the way people learn, work, communicate and live across the OECD (OECD, 2019<sup>[1]</sup>). The Survey of Adult Skills, a product of the Programme for the International Assessment of Adult Competencies (PIAAC), shows that Lithuanian workers face among the highest risks of job automation in the OECD: about 20% of jobs in Lithuania face a high risk of being automated, while another 40% face significant changes in their tasks due to automation, a share higher than the OECD average (Nedelkoska and Quintini, 2018<sup>[2]</sup>) (Figure 1.1). Furthermore, the COVID-19 crisis has required a sudden transition to remote working in many occupations, forcing enterprises and workers to rapidly increase their digital competencies. Lithuania will need to encourage the development of skills and jobs that are more resilient to automation, and design interventions and investments to capture the benefits of digitalisation.

**Figure 1.1. Cross-country variation in job automatability in selected countries**

Percentage of jobs at risk by the degree of risk



Note: High risk – more than 70% probability of automation; risk of significant change – between 50% and 70% probability.

Source: Nedelkoska and Quintini (2018<sup>[2]</sup>), “Automation, skills use and training”, *OECD Social, Employment and Migration Working Papers*, <http://dx.doi.org/10.1787/2e2f4eea-en>.

StatLink  <https://stat.link/ihqm0s>

Contributing further to the uncertainties associated with technological change is the continuing expansion of international trade and global value chains. New technologies and trade liberalisation have led to a more globalised world that is characterised by the expansion of supply chains and the outsourcing of certain forms of work. Lithuania’s integration into international trade and global value chains continues to influence the structure and competitiveness of its economic sectors, which in turn has an ongoing impact on skills supply and demand in the labour market.

Emigration and population ageing are also profoundly affecting the Lithuanian economy and society. Migration flows turned positive in 2019 after being negative for 20 years. The shrinking share of the working-age population in Lithuania, as in many other OECD countries, is reducing the contribution of labour utilisation to economic growth. As a result, productivity growth will be an even more important driver of economic growth in the future, putting more pressure on the need to raise workers’ output.

Environmental challenges – climate change, air quality, water pollution, waste management and biodiversity loss – have implications for skills, and potentially how they are developed and used. As a result of the green transition, some new “green jobs” will be created, while some existing jobs could be eliminated or transformed in terms of their day-to-day tasks and methods (ILO, 2017<sup>[3]</sup>; Martinez-Fernandez, Hinojosa and Miranda, 2010<sup>[4]</sup>). The long-term challenge for policy makers will be to help their economies move towards sustainable highly skilled, high-productivity activities.

Against this backdrop, people will increasingly need to upgrade their skills to perform new tasks in their existing jobs or acquire skills for new jobs. Strong foundational, digital and social and emotional skills, such as critical thinking, communication and adaptability, will become essential for people to be resilient to changing skills demands and to succeed in both work and life.

### ***The COVID-19 pandemic has disrupted progress and may exacerbate systemic challenges***

Lithuania was hit hard by the 2008 global financial crisis, and a deep recession followed. By 2019, Lithuania had regained the path to prosperity, with gross domestic product (GDP) growth among the highest in the OECD, and the employment rate above the European Union (EU) and OECD averages. However, the COVID-19 crisis halted the recovery, with the economy contracting by -0.8% and unemployment rising to 8.5% for the full year 2020, despite the government providing support to households and firms equivalent to almost 10% of GDP. The OECD forecasts the economy to rebound and unemployment to decline in 2021 (OECD, 2020<sup>[5]</sup>), although protracted disruptions in world trade could worsen this outlook.

Other persistent challenges remain that risk being exacerbated by the COVID-19 pandemic. Poverty rates are high, especially among the unemployed, less educated, single parents and older people (OECD, 2020<sup>[6]</sup>). Regional disparities in productivity and well-being are increasing, reflecting low investment in peripheral regions and low labour mobility towards economically strong areas. Additionally, labour productivity is only about two-thirds of the OECD average, reflecting a high incidence of labour informality and skills mismatch, among other things (OECD, 2020<sup>[6]</sup>). As international evidence shows that the crisis has disproportionately impacted the low skilled and low paid, Lithuania will need to enact targeted skills and other policies to prevent inequalities from increasing further.

Lithuania continues to face skills imbalances that undermine productivity growth. According to the OECD Skills for Jobs Database (OECD, 2018<sup>[7]</sup>), Lithuania faces a shortage of workers with knowledge of computers and electronics, skills in systems evaluation and analysis, and verbal and quantitative abilities. These shortages have particularly affected certain occupations (including science and engineering professionals, and chief executives, senior officials and legislators) and sectors (including ICT). Recent forecasts suggest that Lithuania could face hiring difficulties in a range of medium-skill occupations, including service and sales workers, as well as plant and machine operators and assemblers, and craft and related trades workers (Cedefop, 2020<sup>[8]</sup>). In 2019, about 41% of employed higher education (HE) and vocational education and training (VET) graduates in Lithuania (aged <35, not in formal education) were mismatched with their job by field of study and/or qualification level. Lowering skills mismatches in Lithuania to the levels of the best performing countries could equate to productivity gains of about 10% (Adalet McGowan and Andrews, 2017<sup>[9]</sup>). The COVID-19 pandemic has reduced hiring and shortage pressures in the short run, which could force more graduates to accept lower-skilled or poorly aligned jobs. The pandemic could also accelerate structural change across sectors, for example through shifts in consumer habits, which could exacerbate skills mismatches if education systems do not respond quickly enough.

### ***Skills should be at the core of Lithuania's policy response***

The above megatrends and challenges reinforce the need for Lithuania to design forward-looking, dynamic skills policies. To thrive in the world of tomorrow, people will need a stronger and more comprehensive set of skills. Strong foundational skills will make people more adaptable and resilient to changing skills demands, and digital, transversal, social and emotional, and job-specific skills (Box 1.1) will become increasingly essential for individuals to succeed in learning, work and life. High-quality learning across the life course should be accessible for everyone to enable full participation in society and to successfully manage transitions in the labour market. Adults will need greater opportunities to upskill and reskill, while learning providers will need to create more flexible and blended forms of learning. Firms will have to adopt more creative and productive ways of using their employees' skills. Finally, robust governance structures will be needed to ensure that reforms are sustainable.

The importance of skills for Lithuania is also reflected in the European Skills Agenda, which seeks to strengthen sustainable competitiveness as set out in the European Green Deal, implement the first principle of the European Pillar of Social Rights (access to education, training and lifelong learning for everybody in the EU), and build resilience to react to crises (learning from the COVID-19 pandemic). In line with these goals, the European Commission (EC) has recommended that Lithuania improve quality and efficiency at all education and training levels, including adult learning. However, Lithuania has made limited progress on this recommendation since 2019 (European Commission, 2020<sup>[10]</sup>). In the context of Lithuania's ongoing medium- and long-term planning initiatives (discussed below), the country has a unique window of opportunity to put skills at the top of the agenda to positively influence megatrends, tackle the challenges and seize the opportunities facing the country. This Skills Strategy project seeks to support Lithuania to seize this opportunity.

### Box 1.1. A wide range of skills are needed for success in work and life

The OECD Skills Strategy 2019 identifies a broad range of skills that matter for economic and social outcomes, including:

- **Foundational skills:** Including literacy, numeracy and digital literacy.
- **Transversal cognitive and meta-cognitive skills:** Including critical thinking, complex problem solving, creative thinking, learning to learn and self-regulation.
- **Social and emotional skills:** Including conscientiousness, responsibility, empathy, self-efficacy and collaboration.
- **Professional, technical and specialised knowledge and skills:** Needed to meet the demands of specific occupations.

Source: OECD (2019<sup>[11]</sup>), *OECD Skills Strategy 2019: Skills to Shape a Better Future*, <https://dx.doi.org/10.1787/9789264313835-en>.

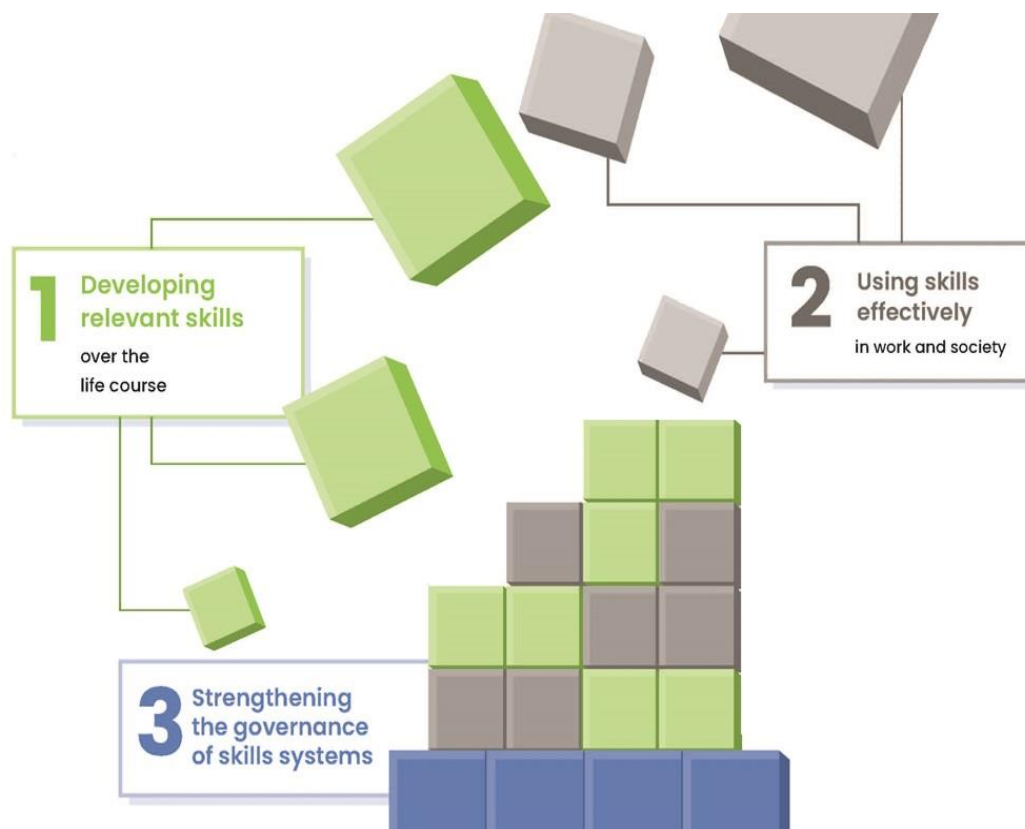
## The OECD Skills Strategy project in Lithuania

OECD Skills Strategy projects provide a strategic and comprehensive approach to assess countries' skills challenges and opportunities and build more effective skills systems. The OECD collaborates with countries to develop policy responses tailored to each country's specific skills challenges and needs. The foundation of this approach is the OECD Skills Strategy Framework (Figure 1.2), the components of which are:

- **Developing relevant skills over the life course:** To ensure that countries are able to adapt and thrive in a rapidly changing world, all people need access to opportunities to develop and maintain strong proficiency in a broad set of skills. This process is lifelong, starting in childhood and youth and continuing throughout adulthood. It is also "life wide", occurring both formally in schools and higher education, and non-formally and informally in the home, community and workplaces.
- **Using skills effectively in work and society:** Developing a strong and broad set of skills is just the first step. To ensure that countries and people gain the full economic and social value from investments in developing skills, people also need opportunities, encouragement and incentives to use their skills fully and effectively at work and in society.
- **Strengthening the governance of skills systems:** Success in developing and using relevant skills requires strong governance arrangements to promote co-ordination, co-operation and collaboration across the whole of government; engage stakeholders throughout the policy cycle; build integrated information systems; and align and co-ordinate financing arrangements. The OECD Skills Strategy project for Lithuania adopted this approach by forming

an interdepartmental project team to support the whole-of-government approach to skills policies, and by engaging a broad variety of stakeholders.

**Figure 1.2. The OECD Skills Strategy Framework**



Source: OECD (2019<sup>[1]</sup>), *OECD Skills Strategy 2019: Skills to Shape a Better Future*, <https://dx.doi.org/10.1787/9789264313835-en>.

The OECD Skills Strategy project for Lithuania officially started at the onset of the COVID-19 pandemic, and so missions to Lithuania were replaced with virtual forms of engagement. The OECD held a virtual skills seminar in March 2020 to begin the project, assessment consultations in May and June to diagnose challenges, and recommendation consultations in September to develop recommendations. The virtual assessment and recommendations consultations involved bilateral meetings, expert group discussions, interactive stakeholder workshops, and webinars with government officials and stakeholders. The consultations sought not only to enrich the report with local insights, but also to develop a constructive dialogue and cultivate a shared understanding of skills challenges and opportunities as a basis for action. The OECD Skills Strategy project in Lithuania has engaged around 150 participants who represent ministries and agencies, municipalities, education providers, employers, workers, researchers, and other sectors.

The report was prepared after the initial outbreak of the COVID-19 pandemic and makes recommendations that could facilitate Lithuania's recovery, as well as recommendations to build the performance and resilience of Lithuania's skills system in the longer term.

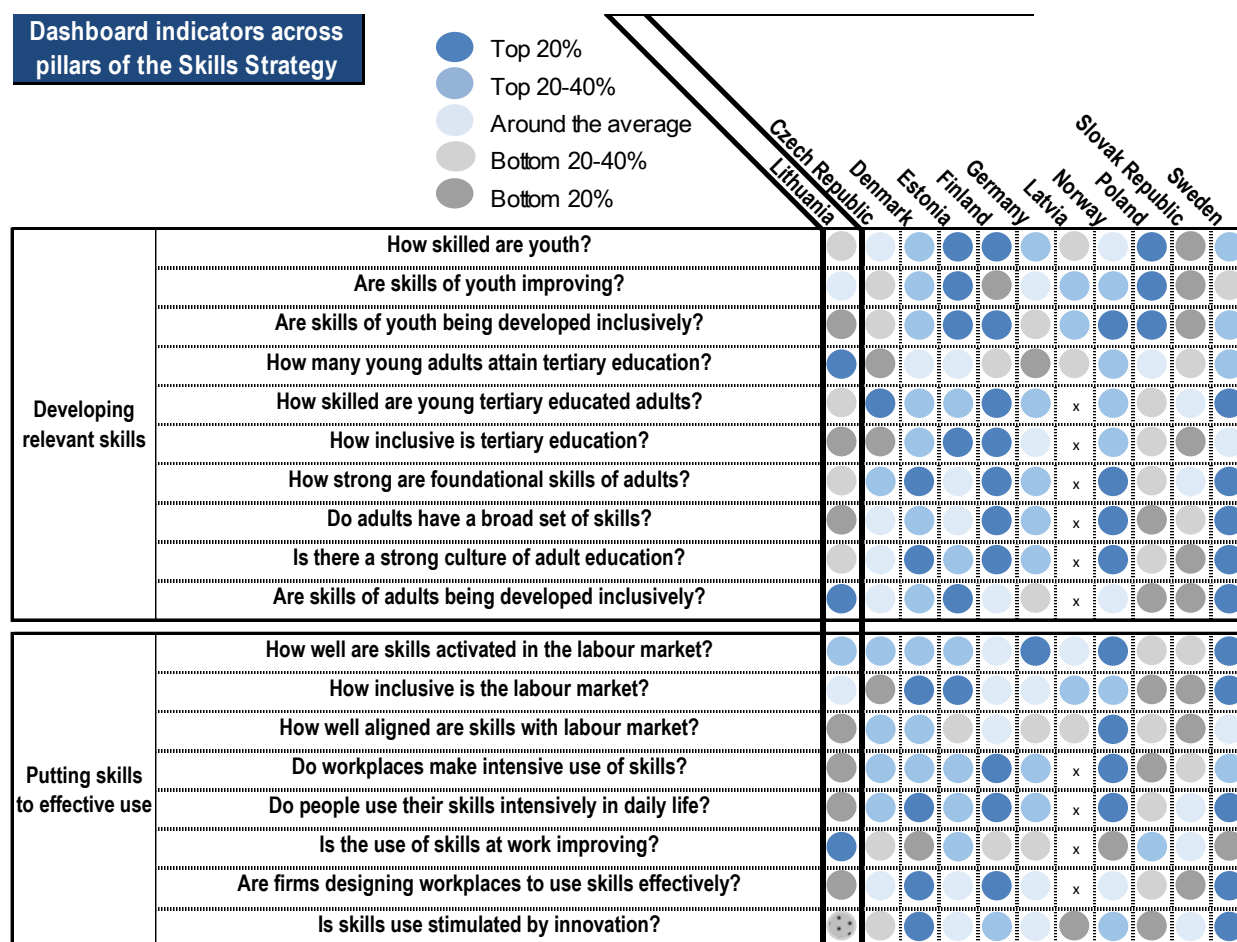
### **The performance of Lithuania's skills system**

The OECD Skills Strategy Dashboard provides an overview of the relative performance of countries across the dimensions of the OECD Skills Strategy (Figure 1.3). For each dimension of the strategy, there are



a number of indicators, some of which are composite indicators, which provide a snapshot of each country's performance (see Annex 1.B in Chapter 1 of the full report for the indicators).

**Figure 1.3. OECD Skills Strategy Dashboard: Lithuania and selected European countries**



Note: These summary indicators are calculated as a simple average of a range of underlying indicators (see Annex 1.B in Chapter 1 of the full report). All underlying indicators have been normalised in a way that implies that a higher value and being among the "top 20%" reflects better performance. The "x" indicates insufficient or no available data and dotted circles indicate missing data for at least one underlying indicator.

**Developing relevant skills**

Lithuania could improve its performance in several areas of developing people's skills (Figure 1.4).

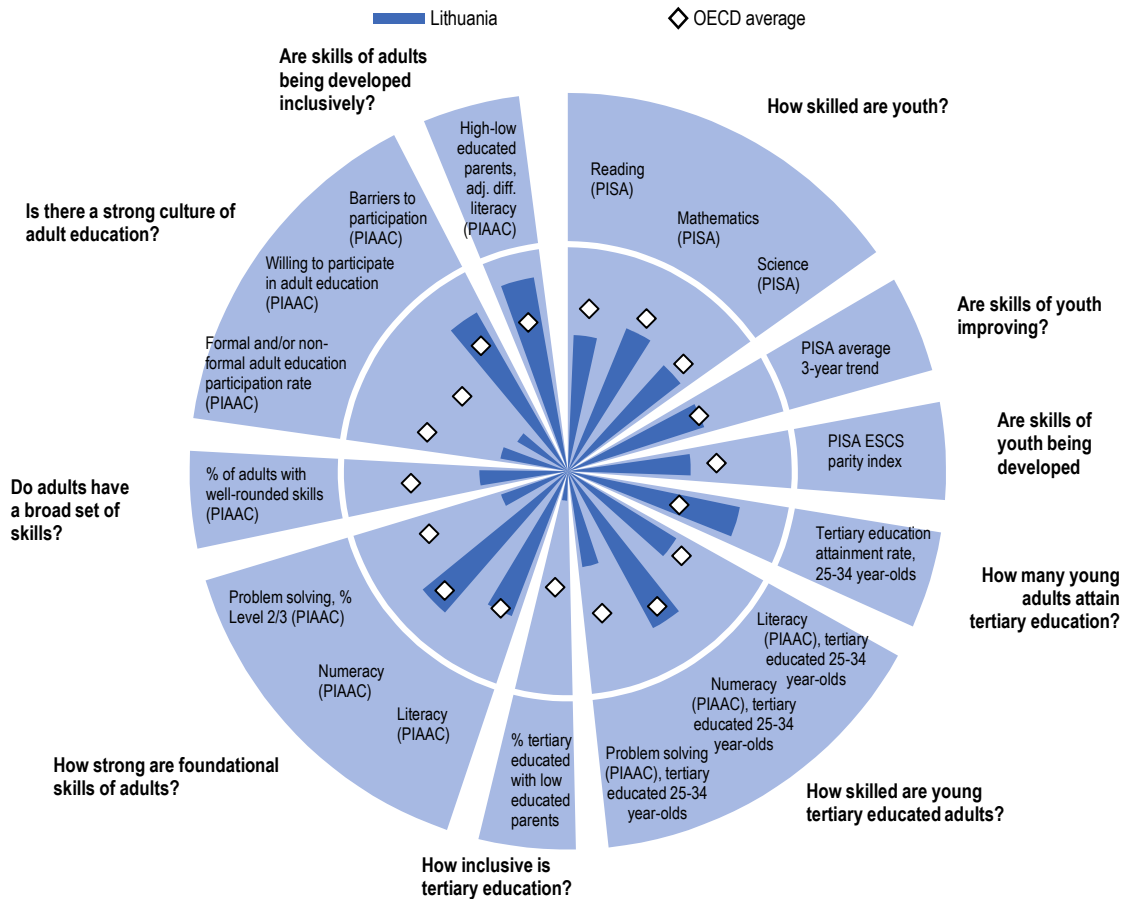
*Participation rates are high at all levels of formal education, yet inequalities remain*

Participation in education is compulsory from pre-primary to lower secondary education (from the ages of 6 to 16). Participation in early childhood education continues to increase, but is below the rates in Latvia and Estonia, and remains particularly low among children from socio-economically disadvantaged backgrounds. In compulsory education, Lithuania has among the lowest drop-out rates in the OECD, which has positive implications for equity. However, relatively few secondary students choose VET, and those that do are far more likely to be from disadvantaged backgrounds than those in general education. Lithuania has among the highest share of young adults (aged 25-34) with a tertiary education (55.2% in 2019) in the OECD, and this rate continues to grow. However, individuals from disadvantaged backgrounds remain under-represented in tertiary education. In 2020, only 17% of upper secondary

graduates from low-income families entered tertiary education, compared to 68% from high-income families (STRATA, 2020<sup>[11]</sup>).

**Figure 1.4. Lithuania's performance on key indicators for developing relevant skills**

Relative position in country ranking (based on normalised scores), where higher value reflects better performance



How to read this figure: The normalised scores indicate the relative performance across OECD countries: the further away from the core of the chart, the better the performance. For example, the indicator "Willing to participate in adult education" has a low score compared to the average, indicating a share of employees willing to participate near the bottom of the ranking.

Notes: ESCS refers to the PISA index of economic, social and cultural status. The OECD average is based on the sample of countries/regions assessed in the Survey of Adult Skills (PIAAC).

Source: See Annex 1.B in Chapter 1 of the full report for an explanation of sources and methodology.

StatLink  <https://stat.link/rsuhb8>

*Young people lack high levels of skills*

Young people in Lithuania have comparatively low levels of skills. Results from the OECD Programme for International Students Assessment (PISA) 2018 show that the performance of 15-year-old students in reading, mathematics and science remains below the OECD average, and has not improved over time (OECD, 2019<sup>[12]</sup>). Students from disadvantaged economic, social and cultural backgrounds perform worse than other students (to an extent that is consistent with the OECD average), and the performance gap has not narrowed over the last decade. Young tertiary graduates in Lithuania have lower levels of literacy skills, but higher levels of numeracy skills than the average for tertiary graduates in OECD countries.

### *Adults lack strong foundational skills, and few participate in education and training*

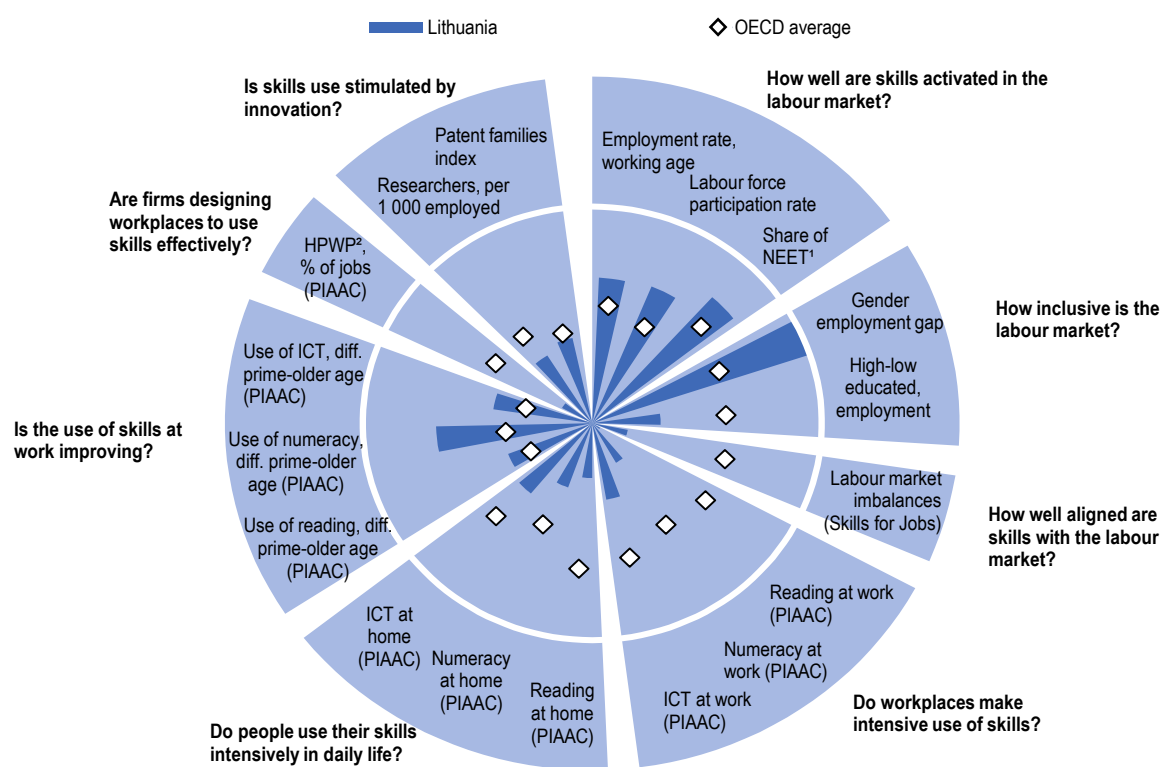
Adults in Lithuania have lower levels of foundational skills (literacy, numeracy, problem solving) on average than adults in other OECD countries. Furthermore, compared to other OECD countries, relatively few adults in Lithuania (16%) have a well-rounded set of foundational skills (at least medium levels of proficiency in literacy, numeracy and problem solving). Foundational skills levels are relatively similar between adults who were raised in highly-educated households and those who were not. However, relatively few adults participate in education and training. Adults' motivation for adult learning is fairly low, and many who wish to participate face barriers to doing so.

### **Using skills effectively**

Lithuania could also utilise people's skills more effectively in workplaces and society (Figure 1.5).

### **Figure 1.5. Lithuania's performance on key indicators for using skills effectively**

Relative position in country ranking (based on normalised scores), where higher value reflects better performance



How to read this figure: The normalised scores indicate the relative performance across OECD countries: the further away from the core of the chart, the better the performance. For example, the indicator 'High-low educated, employment differences' indicates performance below the OECD average, i.e. Lithuania has a comparatively large difference in employment outcomes between its high- and low-educated workers.

Notes: The OECD average is based on the sample of OECD countries/regions assessed in the Survey of Adult Skills (PIAAC).

1. Youth not in employment, education or training (NEET).

2. High-performance workplace practices (HPWP).

Source: See Annex 1.B in Chapter 1 of the full report for an explanation of sources and methodology.

StatLink  <https://stat.link/kejx1a>

### *A relatively high share of adults is active in the labour market*

Lithuania does a relatively good job at activating people's skills in the labour market. A relatively high share of adults participate and are employed in the labour market, and the rate of young people not in

employment, education or training (NEET) is below the OECD average. However, Lithuania's performance in achieving an inclusive labour market is mixed. Although there is virtually no gender gap in the employment rate, unlike in other OECD countries, Lithuania has one of the largest employment gaps between high- and low-educated adults in the OECD, highlighting the value placed on tertiary education in the labour market.

### *Skills imbalances in the labour market are relatively high*

According to the dashboard, Lithuania's labour market is experiencing a higher incidence of mismatches, shortages and surpluses than many other OECD countries. Other data from Lithuania, the OECD and Cedefop confirm this assessment (OECD, 2018<sup>[7]</sup>) (Cedefop, 2020<sup>[8]</sup>), as is discussed in Chapter 2 of the full report and elsewhere. For example, Lithuania has one of the largest shares of over-skilled workers (in literacy and numeracy) across the countries/economies participating in the Survey of Adult Skills.

### *People's skills are not used to their potential in work or society*

Adults in Lithuania report that they use their skills (reading, numeracy and ICT) less frequently at work and in life than adults in most other OECD countries. This represents a missed opportunity to realise the benefits of investing in developing people's skills. Furthermore, in Lithuania the share of jobs in which high-performance work practices (HPWP) such as work flexibility and autonomy, teamwork, training and development, and career progression and performance management are used (15%) is about half of the OECD average. Low levels of skills use and HPWP may constrain innovation in Lithuania, and be constrained by a lack of innovation.

## **Strengthening the governance of skills systems**

While not measured in the Skills Dashboard, sound public governance of the skills system is contingent upon a government's ability to co-ordinate, steer, monitor, communicate and work horizontally (across departments and institutions within government) and vertically (with local authorities and external public and private stakeholders). Many of today's skills challenges across OECD countries are rooted in poor governance arrangements across policy areas and levels of government, ineffective engagement with stakeholders, inadequate information on skills and learning outcomes, and inefficient financing mechanisms.

In Lithuania, horizontal co-ordination between ministries on skills policies continues to be challenging and appears to be limited beyond the planning phase, including in the implementation, monitoring and evaluation of policy. The capacities of municipalities and regional development councils for self-management and to manage their education providers are often underdeveloped. Lithuania's performance in engaging stakeholders in skills policies is somewhat stronger, yet stakeholder associations sometimes lack the capacity to effectively engage. Lithuania has made substantial progress in the area of evidence-based policy making and skills assessment and anticipation tools, but demand and capacity for evidence-based policy inside ministries is not strong. Lithuania's per-student expenditure on education is low by international and regional comparison, and funding sources are not highly diversified.

## **The policy context in Lithuania**

### ***A range of Lithuanian policies recognise the importance of skills***

Lithuania has already developed a range of strategies and reforms (see Annex 1.C in Chapter 1 of the full report for a complete overview) to help the country positively influence megatrends, address the challenges and seize the opportunities facing its skills system. Relevant priorities and goals from these strategies are

summarised at the beginning of each chapter to highlight their connection with the OECD's assessment and recommendations.

The state progress strategy "Lithuania 2030" (*Lietuva 2030*) is a national strategy document that outlines the vision of Lithuania's future to 2030. It envisions a learning society in which people are educated, interested in science and innovations, easy and familiar with the latest technologies, good at foreign languages, and eager to pursue lifelong learning. The National Plan for Progress (NPP) 2021-2030 outlines 10 strategic goals for Lithuania over the upcoming decade to ensure progress in social, economic, environmental and security policies. Strategic Aim 3 of the NPP is particularly skills focused and aims to increase the inclusion and effectiveness of education to meet the needs of the individual and society. The Programme of Government 2020 outlines the government's missions for the next four years, and includes priorities such as "good school for all and modern education curriculum", "market-responsive vocational education and training", "lifelong learning for all in Lithuania", "universal entrepreneurship" and "modern and efficient (public) institutions" (The Seimas of the Republic of Lithuania, 2020<sup>[13]</sup>). Finally, the Law on Strategic Governance seeks to create a results-oriented strategic governance system that integrates strategic planning, regional development and spatial planning processes to ensure long-term and sustainable public progress and efficient government finances. It creates the opportunity for skills policy to be co-ordinated to an extent that has not yet been achieved in the country.

Furthermore, as detailed in subsequent chapters in the full report, Lithuania has embarked on a range of skills policy reforms in recent years. These include funding models in formal education, the consolidation of schools and vocational and higher education institutions, initial and continuing teacher education, the governance of vocational and education training (VET) (institutions, and labour code amendments. Monitoring and increasing the positive impacts of these reforms is critical for Lithuania as it enters a new period of strategic planning.

### ***Lithuania has a unique opportunity to implement a strategic approach to skills***

Lithuania is now in the midst of a new round of strategy development for the medium and long term. This gives Lithuania a unique window of opportunity to implement a more strategic approach to skills to help drive economic prosperity, social cohesion and sustainable growth. In summary:

- Following the development of the National Plan for Progress (NPP) 2021-2030, Lithuania's ministries are finalising their own National Development Programmes to outline how they intend to achieve Lithuania's strategic goals in the NPP. The National Development Programmes will be approved by the Government and monitored by the Ministry of Finance.
- Lithuania is finalising its 2021-2027 EU Funds Investment Programme, which breaks down the overarching strategic objectives agreed in its partnership agreement into investment priorities, specific objectives and further into concrete actions. Consistent with the European Skills Agenda, skills are relevant across the policy objectives in the programme, especially the objectives for a smarter and more socially responsible Europe.
- Lithuania will submit a recovery and resilience plan to the European Commission by 30 April 2021 that outlines substantive reform and investment efforts to mitigate the economic and social impact of the coronavirus pandemic, with financing from the EUR 672.5 billion Recovery and Resilience Facility (RRF). Skills policies should be a core part of this plan, as skills cut across the four general objectives and European Flagship initiatives targeted by the RRF (including number 7 to "reskill and upskill").
- Lithuania's new Law on Strategic Governance (*Lietuvos Respublikos Strateginio Valdymo Įstatymas*) foresees "national agendas", which are planning documents used by government to set the long-term agenda in specific policy areas, with ultimate reporting to the parliament.

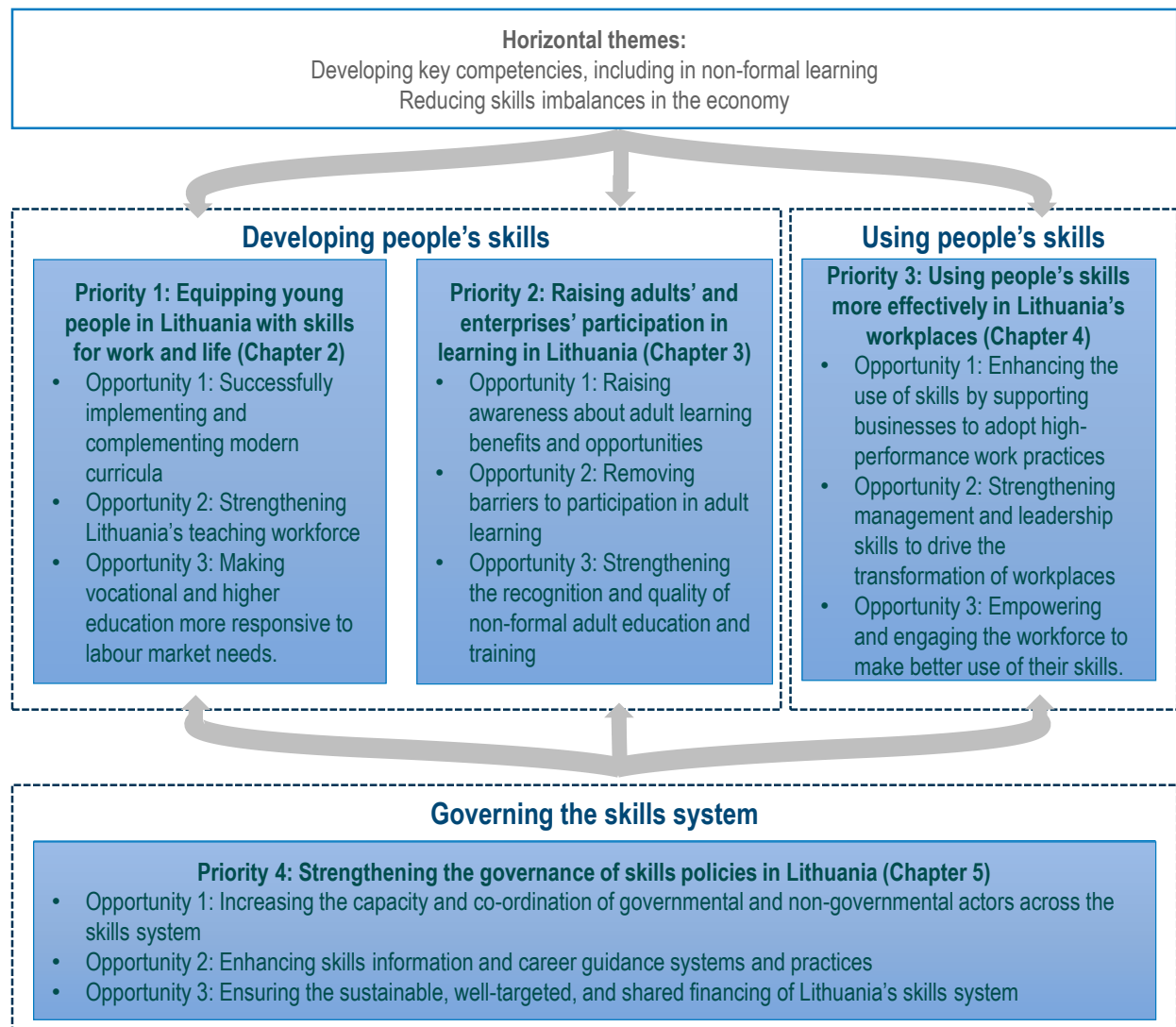
- Lithuania's long-term strategy for progress, Lithuania 2050, is being developed by 2022 and will set Lithuania's vision for development and strategic directions. These could cover cross-cutting topics including skills.

The assessment and recommendations in the report can feed into these processes to help ensure that Lithuania's skills priorities, policies and investments over the next decade improve outcomes across the skills system.

## Priority areas and recommendations

Based on the OECD's initial assessment of the performance of Lithuania's skills system and discussions with the Lithuanian national project team, four priority areas and two horizontal themes were identified for this Skills Strategy project. Over the course of the project, the OECD identified opportunities for improvement and developed recommendations in each of the priority areas based on in-depth desk analysis and virtual consultations with the Lithuanian Government and stakeholder representatives. The Figure below depicts these priority areas, horizontal themes and opportunities for improvement (Figure 1.6).

**Figure 1.6. Scope and focus of the OECD Skills Strategy Lithuania**





The summaries below highlight the key findings and recommendations for each priority area, while subsequent chapters in the full report provide full details in these areas.

### ***Priority 1: Equipping young people in Lithuania with skills for work and life (Chapter 2 of the full report)***

Young people's skills are critical for their personal well-being and outcomes later in life, as well for countries' economic prosperity and social cohesion. Across the OECD, individuals with higher literacy proficiency are more likely to be employed, earn high wages, trust others, participate in the democratic process and community life, and report good health than their less-skilled peers. For countries, skills are a key driver of innovation, productivity and, ultimately, economic growth, social cohesion and higher living standards (OECD, 2016<sup>[14]</sup>). Developing skills at an early age is, therefore, a key investment in the economic prosperity and well-being of countries. Countries whose youth develop strong skills typically have highly skilled adult populations, as skills outcomes in youth are strongly correlated with success in tertiary education (OECD, 2019<sup>[15]</sup>). Young people can develop skills in various learning contexts (schools, communities and even workplaces) and at different levels (early childhood education and care, primary, secondary and tertiary education). This learning may be formal (leading to a recognised qualification) or non-formal in nature. Young people increasingly need high levels of cognitive skills (e.g. literacy, problem solving), social and emotional skills (e.g. perseverance, teamwork), and technical skills to thrive in the modern world as adults. The COVID-19 pandemic has been a major test of the ability of institutions, teachers and families to equip young people with skills through remote learning, without leaving any students behind.

Lithuania continues to expand young people's enrolment in different levels and forms of education and training. However, participation remains relatively low in certain types of learning and for certain groups of learners. Beyond participating in and completing education programmes, it is essential that young people of all backgrounds develop a range of skills to a high level and build high expectations for their future. However, students in Lithuania are not developing high levels of skills. Successfully equipping young people with skills for work and life should positively affect their employment outcomes and reduce skills mismatches. While there is strong and growing demand for high levels of skills in Lithuania, the success of the education system in meeting these needs is mixed, with many graduates mismatched to their jobs.

#### *Opportunity 1: Successfully implementing and complementing modern curricula*

Raising students' performance in the school years and equipping them with the skills needed for success in work and life requires, among other things, a modern and effective school curricula. Lithuania is currently updating the general curriculum framework for primary, basic and secondary education (ISCED 1-3) to implement a competency based curricula that addresses various identified weaknesses. Some participants in this project raised concerns about how well general competences will be integrated across subjects, whether there is sufficient interdisciplinary content and coherence between levels of education, and whether curriculum overload is addressed. Successful implementation of the curricula will require stronger government engagement with general and vocational educational stakeholders, a clear plan for improving equity through the curricula, and modernised competency based student assessment. Ensuring more young people have access to high-quality non-formal education programmes will also be essential to complement the new curricula. Non-formal education activities are not equally available in all regions of Lithuania, quality is not monitored, and activities are not well-integrated with or recognised in formal education.

#### *Opportunity 2: Strengthening Lithuania's teaching workforce*

Equipping young people with higher levels of skills depends on capable and empowered teachers and school leaders. Investing in the competencies of teachers will be essential for realising the goals of curricula reforms. Lithuania could improve pathways into the teaching profession, as well as salary and non-salary conditions, to attract and retain more skilled candidates and empower excellence in teaching

and leadership. Limited opportunities for full-time workloads and salary increases may deter people from entering the teaching profession and school leader positions. Lithuania could better empower teachers and school leaders by linking promotions more closely to responsibilities and appraisals, and further improving induction activities, professional collaboration and impactful feedback. Teachers and school leaders also need the right competencies to successfully equip young people with skills for work and life. Lithuania could raise the quality of initial teacher education (ITE) by increasing practical learning, school leader training, and research and development capacity. Lithuania could improve continuous professional development (CPD) by increasing and better targeting public support at teachers' and leaders' identified training needs, more innovative forms of professional development, and formal training to teach additional subject areas.

*Opportunity 3: Making vocational and higher education more responsive to labour market needs*

Lithuania could also increase the responsiveness of vocational and higher education to current and anticipated labour market needs to better equip young people with skills for work and life. A responsive education system that allows students to develop a set of skills aligned with current and anticipated labour market needs is beneficial for students, employers and the economy as a whole. Lithuania could modify funding arrangements and admissions policies to increase incentives for institutions and students to respond to labour market needs. The determination of publicly funded places and subsidies by field of study in VET and HE could be more closely linked to labour market needs. Furthermore, public funding for institutions is not linked to VET and HE graduate outcomes, which dampens institutions' incentives to be responsive. Improving the labour market relevance of education requires effective interaction between the education system and employers. Participants stated that Lithuania lacks a culture of co-operation between educational institutions and employers. Employer involvement in institutional governance and course design is relatively well established, especially in VET, but employers need greater financial and non-financial support to offer work-based learning to students. Policy makers also lack reliable information on the quantity and quality of students' work-based learning experiences.

*Priority 1: Summary of policy recommendations*

Policy directions	High-level recommendations
<b>Opportunity 1: Successfully implementing and complementing modern curricula</b>	
Implementing the new general education curricula and modern assessment practices	1.1 Continue to improve the design of the general curriculum framework during the final steps of the preparation phase. 1.2 Actively engage and communicate with education stakeholders to ensure the successful implementation of the new curriculum for general education, especially in socio-economically disadvantaged schools. 1.3 Modernise student assessment practices to complement the new curriculum for general education.
Complementing formal education with accessible, high-quality non-formal education and training	1.4 Recognise and reward the skills young people acquire through non-formal education and training, including in formal examinations and tertiary entrance. 1.5 Better target non-formal education and training programmes and vouchers to students from socio-economically disadvantaged backgrounds. 1.6 Systematically assess and monitor the quality and impact of non-formal education and training on young people's competencies to inform future investments.
<b>Opportunity 2: Strengthening Lithuania's teaching workforce</b>	
Attracting, retaining and empowering skilled teachers and school leaders	1.7 Make initial teacher education studies accessible to highly skilled students and professionals by continuing to develop and promote multiple pathways, delivery methods and incentives. 1.8 Continue improving career progression opportunities to attract, retain and motivate highly skilled teachers and school leaders, especially in socio-economically disadvantaged schools. 1.9 Improve non-salary work conditions and the school climate for teachers' and school leaders' well-being to empower teaching excellence, especially in socio-economically disadvantaged schools.
Training teachers and school leaders to equip young people with skills for work and life	1.10 Improve the content and quality of ITE by aligning it with the new general curricula, focusing more on practical learning and teachers' training needs, and investing in educational research. 1.11 Better target public funding for CPD to the needs of teachers, leaders and schools, while improving quality assurance and increasing funding (especially for socio-economically disadvantaged schools) over time.

Policy directions	High-level recommendations
<b>Opportunity 3: Making vocational and higher education more responsive to labour market needs</b>	
Ensuring that VET and HE funding and admission policies incentivise institutions and students to meet labour market needs	<p>1.12 Make better use of “student basket” subsidies and performance contracts/funding to steer HE and VET enrolments towards fields facing shortages and/or of strategic importance.</p> <p>1.13 Expand measures to support students from socio-economically disadvantaged backgrounds to access state-funded HE places, especially in fields experiencing skills shortages and/or of strategic importance.</p>
Strengthening co-operation between employers and VET and HE institutions	<p>1.14 Expand work-based learning (WBL) in VET and HE by increasing financial and non-financial support for apprenticeships and other forms of WBL.</p> <p>1.15 Increase rural students’ access to, and attract employers to be more involved in VET ‘work-based learning’ in VET institutions and sectoral practical training centres.</p> <p>1.16 Expand existing administrative datasets with details on students’ work-based learning activity to inform policy and ensure the quality of WBL.</p>

Note: See Annex 1.A for the full recommendations.

## **Priority 2: Raising adults’ and enterprises’ participation in learning in Lithuania (Chapter 3 of the full report)**

Across the OECD, adults with lower literacy and numeracy levels are far more likely than those with higher levels of skills to have lower earnings and employment rates, report poor health, feel excluded from political processes and have less trust in others. Adults of all skill levels have a growing need to upgrade and reskill regularly in the context of technological change, more frequent transitions between jobs, the growth of non-standard forms of work (and by extension less access to employer sponsored training), and the lengthening of working lives. Adult learning (in all forms and contexts) is essential for boosting the skills of adults and can generate a range of personal, economic and social benefits. In the context of COVID-19, those unemployed will need extensive support to upskill and retrain in order to quickly adapt to changing economic conditions and a more challenging labour market.

### *Opportunity 1: Raising awareness about adult learning benefits and opportunities*

Increased participation in adult learning is strongly linked to an individual’s positive learning dispositions and perceptions that learning brings tangible benefits. A lack of awareness about adult learning benefits and opportunities can lead to low levels of motivation to participate in adult learning, and indicates that Lithuania will need to more actively reach out and promote the benefits of adult learning to individuals. A number of policy levers can support these efforts, including the dissemination of information through awareness-raising campaigns and online portals. Raising awareness about the benefits of adult education and training among enterprises is equally as important. Employers play a major role in facilitating non-formal education and training for employees, in addition to their role in providing informal learning on the job. Helping employers assess their training needs and put in place training plans can lead to increased participation in adult education and training.

### *Opportunity 2: Removing barriers to participation in adult learning*

Even when individuals and employers are motivated to engage in adult learning, they frequently face barriers. A disproportionate number of enterprises in Lithuania list the high cost of continuous vocational training as a reason for not providing education and training opportunities for employees. This indicates a need to improve the availability of financial incentives for enterprises to facilitate training opportunities. The high cost of participation in adult education and training is also a barrier for individuals, which means that improving financial incentives for individuals will be necessary to reduce the number of adults who want to but cannot afford to participate in training. However, financial incentives alone are likely to be insufficient to reduce barriers to participation in adult learning. In Lithuania, time-related barriers such as the inability to fit training around personal and work commitments are another important obstacle to

participating in adult learning. As a result, improving the flexibility of adult learning provision is crucial to improving access to adult learning opportunities.

*Opportunity 3: Strengthening the recognition and quality of non-formal adult education and training*

In Lithuania, as in other OECD countries, the majority of structured adult learning takes place within non-formal education and training. Non-formal learning forms a core part of the adult learning system because it is more flexible in duration and delivery than most formal learning. Non-formal courses are typically shorter than formal courses, enabling adults to take individual modules rather than full courses. They can take place via on-the-job training, open and distance education, courses and private lessons, seminars and workshops, as well as in vocational and higher education institutions. The diversity of non-formal offerings can present a challenge to ensure that learning outcomes are recognised and that training is of high quality. Learning is most rewarding for individuals when their achievements are visible and understood by employers. This matters for skills acquired in both non-formal and informal learning environments. Lithuania has taken important steps towards creating a national system of skills recognition over the past few years, but the quality of processes to recognise and validate non-formal and informal learning is still unequal between providers. Ensuring the high quality of non-formal adult education courses can also be challenging. Whilst Lithuania has robust quality assurance mechanisms for formal learning in both higher and vocational education, these are lacking in publicly funded non-formal adult education. Lithuania should consider strengthening *ex ante* and *ex post* quality assurance mechanisms to improve the quality of publicly funded non-formal education.

*Priority 2: Summary of policy recommendations*

Policy directions	High-level recommendations
<b>Opportunity 1: Raising awareness about adult learning benefits and opportunities</b>	
Raising awareness about adult learning benefits and opportunities among individuals	2.1. Consolidate and expand online information about adult learning benefits, opportunities and funding into a one-stop shop (portal). 2.2. Introduce local awareness-raising initiatives through co-operation with local stakeholders to engage low-skilled adults in education and training.
Enabling employers to understand their training needs	2.3. Support enterprises to undertake training needs assessments and develop training plans, starting with SMEs in economic sectors of strategic importance.
<b>Opportunity 2: Removing barriers to participation in adult learning</b>	
Better using financial incentives to reduce barriers for employers	2.4. Streamline the application process for Competence Vouchers and other existing financial incentives directed at enterprises. 2.5. Introduce regional or sectoral training funds financed through a training levy.
Overcoming financial and time-related barriers for individuals	2.6. Expand financial incentives for adults to participate in adult learning, focusing on target groups such as low-skilled workers. 2.7. Improve the supply of online adult learning in the Lithuanian language by providing technical support to vocational and higher education institutions.
<b>Opportunity 3: Strengthening the recognition and quality of non-formal adult education and training</b>	
Improving the processes to recognise and validate non-formal and informal learning	2.8. Develop guidelines to support Lithuanian education institutions in implementing high-quality recognition and validation processes for non-formal and informal learning. 2.9. Consider introducing digital/open badges for non-formal and informal learning.
Strengthening quality assurance mechanisms in non-formal adult education and training	2.10. Establish quality labels for providers of non-formal adult education and training that exceed minimum certification requirements. 2.11. Introduce a monitoring framework for learning outcomes of publicly funded non-formal adult education and training.

Note: See Annex 1.A for the full recommendations.

### ***Priority 3: Using people's skills more effectively in Lithuania's workplaces (Chapter 4 of the full report)***

In addition to making progress in developing strong skills among youth and adults, Lithuania should strive to use these skills as intensively as possible to realise the full potential of initial investments in skills. There has been growing awareness among policy makers across the OECD of the importance of effectively using skills in workplaces. Skills use is associated with the better performance of workers (e.g. higher job satisfaction and productivity), which helps to strengthen business performance and can help drive economic growth. The organisation of workplaces is arguably the most important determinant of skills use, especially through the adoption of a range of HPWP.

For Lithuania, effectively using skills could help to address challenges linked to megatrends (e.g. by supporting the transition to more high value-added jobs), and could contribute to the economic recovery from the COVID-19 crisis.

#### *Opportunity 1: Enhancing the use of skills by supporting businesses to adopt HPWP*

Lithuania has launched many strategies and programmes aiming to enhance business performance and move towards more high value-added activities. However, among these policies there is currently no focus on skills use and HPWP. A stronger focus on business support targeted at the level of workplaces could further strengthen and complement Lithuania's current policies aimed at transforming the business sector. Lithuania lacks support measures for businesses to adopt HPWP, such as awareness raising of the relevance of skills use and related HPWP, accessible and targeted business support for HPWP, and sectoral solutions that leverage employer networks and support sectoral collaboration to increase HPWP adoption.

#### *Opportunity 2: Strengthening management and leadership skills to drive the transformation of workplaces*

Strong and effective management and leadership has many benefits for businesses, including higher levels of employee engagement, more innovation and higher productivity. As a result, strong management and leadership skills can support the transformation of workplaces to help them more effectively use skills, strengthen business performance and transition towards more high value-added activities. There are, however, indications that management skills are not strong in Lithuania (e.g. 22% of managers have low skill levels, compared with 15% across the OECD). This is also reflected in the overall quality of management, for example data from the World Economic Forum Global Competitiveness Report suggest that many businesses do not rely on professional management (i.e. those selected on merit and qualifications). Currently, Lithuania lacks awareness of the importance of overcoming management and leadership skills challenges, and a strategic vision might be needed. The initial development of management and leadership skills in formal education is not strong, and available learning programmes are not sufficiently promoted to strengthen management and leadership skills.

#### *Opportunity 3: Empowering and engaging the workforce to make better use of their skills*

In addition to strong and effective management and leadership, the skills and attitudes of the workforce are critical for transforming workplaces to use skills more effectively. Without the buy-in and support of employees, the adoption of HPWP is more difficult to achieve. An empowered workforce is typically more motivated to develop and optimally use skills. In the context of a changing business environment (e.g. through COVID-19 and the digital transformation), empowering and engaging employees becomes even more important. In Lithuania, HPWP related to employee engagement, work autonomy and performance management are uncommon, and thus not empowering workers towards higher skills use. Only 10% of employers say that their employees are very motivated, compared with 17% across the EU

and as high as 43% in top-performing countries such as Denmark and the Netherlands. Lithuania's opportunities to improve the empowerment and engagement of employees are not limited to private enterprises, with evidence of relatively low skills use and HPWP in the country's public sector.

### *Priority 3: Summary of policy recommendations*

Policy directions	High-level recommendations
<b>Opportunity 1: Enhancing the use of skills by supporting businesses to adopt HPWP</b>	
Raising awareness of the relevance of effective skills use and HPWP	3.1. Create a central portal with user-friendly information for businesses on HPWP and related support programmes, including diagnostic tools, potentially as part of a broader awareness-raising campaign.
Providing relevant, targeted and accessible support to businesses on adopting HPWP	3.2. Encourage the greater adoption of HPWP by expanding existing and/or introducing new business support programmes that target workplace practices. 3.3. Ensure that public support for the adoption of HPWP is differentiated and targeted at employers' needs, for example through personalised mentoring and coaching services. 3.4. Minimise the administrative burdens on businesses taking advantage of support programmes by, for example, streamlining procedures and improving guidance.
Leveraging employer networks and supporting collaboration at the sector level to promote the adoption of HPWP	3.5. Facilitate the adoption of HPWP by strengthening business clusters and other collaborative networks that spread good practices and facilitate knowledge spillovers. 3.6. Strategically target HPWP support for businesses and collaborative networks at narrowly defined priority sectors in order to maximise the impact of this support.
<b>Opportunity 2: Strengthening management and leadership skills to drive the transformation of workplaces</b>	
Raising awareness of the importance of management and leadership skills for maximising skills use and business performance	3.7. Develop a strategic and shared vision for strengthening management and leadership skills in Lithuania's workplaces, accompanied by an action plan.
Strengthening the initial development of management, leadership and entrepreneurial skills	3.8. Expand and improve the quality of entrepreneurship education in schools in the context of the current update of school curricula, and set out a plan for further action. 3.9. Strengthen the development of management and leadership skills in higher education by making relevant modules and subjects more accessible and enhancing collaboration with businesses.
Promoting adult learning opportunities to strengthen management and leadership skills	3.10. Ensure the availability of relevant and flexible learning opportunities for different types of managers by assessing and filling gaps in the current provision and promoting online learning. 3.11. Enhance the willingness of managers to participate in learning through targeted awareness raising, information on the training offer, recognition of prior learning and financial support.
<b>Opportunity 3: Empowering and engaging the workforce to make better use of their skills</b>	
Empowering and engaging employees in the business sector	3.12. Encourage businesses to effectively engage and empower employees by promoting the adoption of advanced HR practices and people management approaches, pay systems and practices for job mobility. 3.13. Facilitate the active engagement of employees in workplaces by ensuring that employees have the capacity and motivation to be involved.
Empowering and engaging employees in the public sector	3.14. Continue to strengthen workplace and HR practices in the public sector through the broad adoption of good practices across the public sector and by building on the new Law on the Civil Service. 3.15. Build a culture of lifelong learning in public sector organisations by adopting a more long-term, strategic approach to skills development and by strengthening learning opportunities.

Note: See Annex 1.A for the full recommendations.

### ***Priority 4: Strengthening the governance of skills policies in Lithuania (Chapter 5 of the full report)***

Well-functioning governance arrangements are central for effective skills policies. However, governance structures for skills policies are complex as they involve a wide variety of actors in the provision, financing, reform and day-to-day administration of skills policy. These actors range from different levels of government to stakeholders such as employers and their associations, employees and trade unions, education and training providers, and students. In addition, skills policies lie at the intersection of more "traditional" policy fields and so implicate ministries responsible for education, labour market, innovation, industrial and other policy domains. Furthermore, skills policies are designed in the context of uncertainty



and change, such as rapid technological change, globalisation, and demographic and climate change, as well as the potential structural economic changes resulting from COVID-19. The latter could include relocations of economic sectors considered as critical infrastructure or changed consumer behaviour leading to structural economic change (e.g. boosting online trade and business practices, increased domestic business and tourism), which could have consequences for skill needs. In light of these complexities, the success of Lithuania's skills policies will require a whole-of-government approach, effective stakeholder engagement, integrated information systems and co-ordinated financing arrangements to improve skills development and use.

*Opportunity 1: Increasing the capacity and co-ordination of governmental and non-governmental actors across the skills system*

In well-functioning skills systems, all actors should have sufficient opportunity to co-ordinate, as responsibilities for skills policies are dispersed. Skills policies should be guided by common goals and a shared vision across all relevant stakeholders and decision makers. However, this appears to be lacking in Lithuania. Individual ministries or semi-autonomous bodies should not pursue their own skills policies without co-ordination with other relevant ministries and governmental bodies, necessitating co-ordination across the "whole-of-government". Since its independence, Lithuania has invested substantial resources into building up a system of social partnership and consequently stakeholder engagement. This infrastructure should be leveraged in the future, as stakeholder engagement is more successful if it goes beyond ad hoc consultations towards the long-term institutionalisation of consultations. Furthermore, well-functioning stakeholder engagement depends on stakeholders perceiving their involvement as meaningful and consequential. Participants in this project stated that some stakeholders in Lithuania lack such positive perceptions. Subnational actors sometimes lack sufficient personnel, financial resources and expertise to fulfil their responsibilities in policy making, which shows their need for greater guidance and support from central government.

*Opportunity 2: Enhancing skills information and career guidance systems and practices*

Comprehensive information systems on current skills policy outcomes and future skills needs, as well as on the career opportunities connected to current and future skills needs, are an essential building block of well-governed skills systems. Lithuania could improve both the availability of information for evidence-based policy making and the use of this information by policy makers. For example, Lithuania could use qualitative "foresight" to take into account the fundamental uncertainties of future skill demands that are not fully identifiable via quantitative analysis. To improve the use of existing information by policy makers, Lithuania should take a more co-ordinated approach to understanding ministries' individual data needs and ensure that relevant stakeholders have sufficient capacity (personnel and expertise) to effectively use information in policy making. Individuals of different age groups lack the information and capacity to make wise learning and career decisions. A major shortcoming to this is that career guidance is only available to some parts of the Lithuanian population, mostly youth and jobseekers in the economically stronger regions of the country. Lithuania should consequently build a comprehensive information system to inform and guide the career choices of individuals across all regions and age groups.

*Opportunity 3: Ensuring the sustainable, well-targeted and shared financing of Lithuania's skills system*

Lithuania's spending on skills policy remains relatively low by international comparison. Beyond increasing public expenditure, Lithuania could resort to more innovative mechanisms for raising the financial resources necessary for sustainable skills policy. For example, cost-sharing mechanisms between central government, employers and potentially employees can help to raise the resources necessary for sustainable skills provision. The money allocated to skills policy should also be well targeted. Lithuania

currently has a dense network of schools and higher education institutions relative to its population size, creating opportunities for cost savings. Contributions of international organisations to skills policies, in particular from the European Union, are high in Lithuania. There is evidence that this funding is not consistently well targeted, as funding is rarely continued beyond the initial life of the project. Mechanisms need to be put into place to allow high-performing EU-funded programmes to continue on a permanent basis.

#### *Priority 4: Summary of policy recommendations*

<b>Policy directions</b>	<b>High-level recommendations</b>
<b>Opportunity 1: Increasing the capacity and co-ordination of governmental and non-governmental actors across the skills system</b>	
Strengthening strategic planning and oversight in the Lithuanian skills system	4.1. Develop a shared, overarching vision for developing and using skills by creating a comprehensive skills strategy for Lithuania. 4.2. Improve inter-ministerial co-ordination by creating a designated, inter-ministerial body with lead authority and responsibility for skills policy.
Fostering national-level social partnership and stakeholder engagement in skills policy	4.3. Ensure close collaboration between a future Skills Policy Council and Lithuania's current Tripartite Council. 4.4. Increase the impact of issue-specific stakeholder engagement bodies by guaranteeing government accountability regarding given advice.
Increasing the capacity of governmental institutions and social partners at the subnational level	4.5. Increase the capacity of municipalities, regional development councils and sectoral professional committees to fulfil their responsibilities in the governance of Lithuania's skills system. 4.6. Strengthen social partnership at the subnational level by including trade unions in regional development councils.
<b>Opportunity 2: Enhancing skills information and career guidance systems and practices</b>	
Improving Lithuania's ability to use evidence in skills policy making	4.7. Improve the identification, communication and response to ministries' data needs through regular, inter-ministerial technical-level meetings. 4.8. Continue to improve skills needs assessment and anticipation in Lithuania, particularly in the areas of quantitative skills forecasting and qualitative skills foresight. 4.9. Increase the capacity of ministries and the Government Strategic Analysis Centre (STRATA) to fulfil their functions in supporting and undertaking evidence-informed policy making.
Implementing a system of lifelong career guidance for individuals of all ages	4.10. Strengthen career guidance in Lithuania by establishing an integrated, comprehensive lifelong career guidance system to serve all regions and age groups, with multiple modes of delivery. 4.11. Expand the supply, awareness and uptake of career guidance services for adults to support their job searches and their efforts to upskill and reskill. 4.12. Ensure the accessibility of career guidance services for school students of all age groups, regardless of school type and geographical location.
<b>Opportunity 3: Ensuring the sustainable, well-targeted and shared financing of Lithuania's skills system</b>	
Ensuring well-targeted and shared investments across the skills system	4.13. Increase public investment in skills policies as part of a tripartite funding agreement. 4.14. Increase employer and potentially employee investment in skills development through the establishment of a tripartite funding agreement. 4.15. Better target funding across Lithuania's skills system by assessing options for cost-savings in the provision of higher and secondary-level education.
Enabling sustainable funding for well-functioning, externally-financed skills policies	4.16. Increase the long-term sustainability of externally funded skills projects by systematically identifying successful programmes and committing to continue them with state funding.

Note: See Annex 1.A for the full recommendations.

## References

Adalet McGowan, M. and D. Andrews (2017), "Skills mismatch, productivity and policies: Evidence from the second wave of PIAAC", *OECD Economics Department Working Papers*, No. 1403, OECD Publishing, Paris, <https://dx.doi.org/10.1787/65dab7c6-en>.

[9]

- Cedefop (2020), *Skills forecast 2020: Lithuania*, <https://www.cedefop.europa.eu/en/publications-and-resources/country-reports/lithuania-2020-skills-forecast> (accessed on 11 February 2021). [8]
- European Commission (2020), *Recommendation for a COUNCIL RECOMMENDATION on the 2020 National Reform Programme of Lithuania and delivering a Council opinion on the 2020 Stability Programme of Lithuania*, [https://ec.europa.eu/info/publications/2020-european-semester-country-specific-recommendations-commission-recommendations\\_en](https://ec.europa.eu/info/publications/2020-european-semester-country-specific-recommendations-commission-recommendations_en) (accessed on 24 March 2021). [10]
- ILO (2017), *Addressing the impact of climate change on labour*, International Labour Office (ILO), [https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---relconf/documents/meetingdocument/wcms\\_543701.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_543701.pdf) (accessed on 29 November 2019). [3]
- Martinez-Fernandez, C., C. Hinojosa and G. Miranda (2010), “Greening Jobs and Skills: Labour Market Implications of Addressing Climate Change”, *OECD Local Economic and Employment Development (LEED) Papers*, No. 2010/2, OECD Publishing, Paris, <https://dx.doi.org/10.1787/5kmbjgl8sd0r-en>. [4]
- Nedelkoska, L. and G. Quintini (2018), “Automation, skills use and training”, *OECD Social, Employment and Migration Working Papers*, Vol. 202, <https://dx.doi.org/10.1787/2e2f4eea-en>. [2]
- OECD (2020), *OECD Economic Outlook, Volume 2020 Issue 2*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/39a88ab1-en>. [5]
- OECD (2020), *OECD Economic Surveys: Lithuania 2020*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/62663b1d-en>. [6]
- OECD (2019), *OECD Learning Compass 2030: A Series of Concept Notes*, OECD, Paris, [https://www.oecd.org/education/2030-project/contact/OECD\\_Learning\\_Compass\\_2030\\_Concept\\_Note\\_Series.pdf](https://www.oecd.org/education/2030-project/contact/OECD_Learning_Compass_2030_Concept_Note_Series.pdf) (accessed on 5 July 2020). [15]
- OECD (2019), *OECD Skills Strategy 2019: Skills to Shape a Better Future*, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264313835-en>. [1]
- OECD (2019), *PISA 2018 Results (Volume I): What Students Know and Can Do*, PISA, OECD Publishing, Paris, <https://dx.doi.org/10.1787/5f07c754-en>. [12]
- OECD (2018), *Skills for Jobs Database*, <http://www.oecdskillsforjobsdatabase.org>. [7]
- OECD (2016), *Skills Matter: Further Results from the Survey of Adult Skills*, OECD Skills Studies, OECD Publishing, Paris, <https://dx.doi.org/10.1787/9789264258051-en>. [14]
- STRATA (2020), *Kaip skirtingo SES moksleiviams sukurti lygias galimybes įgyti aukštąjį išsilavinimą*, <https://strata.gov.lt/images/tyrimai/2020-metai/svietimo-politika/2020-AM-prieinamumo-ataskaita.pdf>. [11]
- The Seimas of the Republic of Lithuania (2020), *Nutarimas Dėl Lietuvos Respublikos Vyriausybės programos [Ruling on the Program of the Government of the Republic of Lithuania]*. [13]

## Annex 1.A. Policy recommendations

This Annex presents the OECD's full policy recommendations for Lithuania arising from this project. These recommendations and the analysis, evidence and international examples that support them can be found in Chapters 2 to 5 of the full report.

### Priority 1: Equipping young people in Lithuania with skills for work and life (Chapter 2 of the full report)

#### *Opportunity 1: Successfully implementing and complementing modern curricula*

#### Annex Table 1.A.1. Policy recommendations for successfully implementing and complementing modern curricula

Policy directions	Recommendations
Implementing the new general education curricula and modern assessment practices	<p><b>1.1. Continue to improve the design of the general curriculum framework during the final steps of the preparation phase.</b> In particular, the Ministry of Education, Science and Sport (SMSM) should focus efforts on ensuring well-integrated general competences across subjects, sufficient interdisciplinary content in the curriculum, coherence between levels of education (including with pre primary), and less risk of curriculum overload. This could involve more clearly defining and prioritising the competencies that young people should develop and consistently integrating foundational/transversal skills across subjects, while identifying opportunities to simplify the curricula. Subject content that is less comprehensive and challenging than in other OECD countries, such as mathematics, should be aligned with international standards. Experts should conduct a final review of the framework against the guidelines before implementation, and the SMSM should consider how to test the framework design with school leaders, educators and students. In the longer term, the SMSM and stakeholders should seek to make early childhood, general and vocational curricula coherent and mutually reinforcing so that students in all stages and paths of learning can develop skills for work and life in the 21st century.</p>
	<p><b>1.2. Actively engage and communicate with education stakeholders to ensure the successful implementation of the new curriculum for general education, especially in socio-economically disadvantaged schools.</b> The SMSM should actively engage practitioners and experts to develop a shared understanding of what the vision and framework for the new curricula looks like in practice in both general and vocational schools, and of each stakeholder's revised roles and responsibilities for implementation. The SMSM and practitioners could develop knowledge, materials and space for the local and school level to understand and collectively design new curriculum, potentially by establishing collaborative networks. The SMSM should develop a communication strategy for the new curriculum, in particular utilising the reform website (<a href="http://mokykla2030.lt">mokykla2030.lt</a>) to provide an interactive online portal with support materials and good practices. As part of this, the SMSM should proactively communicate how professional learning, school improvement services and resourcing will support the new curricula, especially for schools with more students from socio-economically disadvantaged backgrounds.</p>
	<p><b>1.3. Modernise student assessment practices to complement the new curriculum for general education.</b> The SMSM should work with teachers, experts and other stakeholders to align the <i>matura</i> examination with the new competence-based curriculum. It should also supplement the <i>matura</i> with personal learning outcome folders, and potentially the externally moderated grading of classroom-based work (e.g. open/digital badges) and/or more formative assessment (e.g. as in Lithuania's new 4K learning model). Student assessment should aim to cover all relevant cognitive and non-cognitive competencies targeted in the curriculum. Students' tertiary entrance scores should be based on their performance and results according to all of these modernised student assessment practices.</p>
Complementing formal education with accessible, high-quality non-formal education and training	<p><b>1.4. Recognise and reward the skills young people acquire through non-formal education and training, including in formal examinations and tertiary entrance.</b> Lithuania should seize the opportunity afforded by the current update of the general curriculum framework to implement a system to recognise and reward young people's competences developed in non-formal education and training. This could involve the use of personal learning outcome folders and/or alternative credentials (such as digital badges). Lithuania could learn from the experience of the Discover Yourself project, the new 4k model and/or the European Youth Pass project in Portugal. The skills young people acquire through non-formal education and training should be recognised in student assessments for the new curricula, as well as in tertiary entrance examinations.</p>

Policy directions	Recommendations
	<p><b>1.5. Better target non-formal education and training programmes and vouchers to students from socio-economically disadvantaged backgrounds.</b> School communities (municipalities, leaders, teachers, guidance counsellors, etc.) should increase awareness-raising efforts to promote non-formal education and training, especially in disadvantaged schools. The SMSM should also consider increasing the monetary value of the learning voucher for students in rural areas to spur the demand for and supply of non-formal education and training in underserved areas. The SMSM and municipalities should co-operate to ensure that there is sufficient publicly subsidised transport for students in rural areas to allow them to participate in after school non-formal education programmes.</p>
	<p><b>1.6. Systematically assess and monitor the quality and impact of non-formal education and training on young people's competencies to inform future investments.</b> Lithuania should implement a standard, robust monitoring and evaluation system for publicly funded non-formal education and training for young people to ensure that participants are developing skills for work and life. Various education and youth policy stakeholders should be involved in developing and implementing quality indicators, tools and systems. This should build on current leading practices in monitoring and evaluating non-formal education and training, such as the state methodology for the quality assurance of non-formal education, as well as practices from the field of youth work.</p>

## Opportunity 2: Strengthening Lithuania's teaching workforce

### Annex Table 1.A.2. Policy recommendations for strengthening Lithuania's teaching workforce

Policy directions	Recommendations
Attracting, retaining and empowering skilled teachers and school leaders	<p><b>1.7 Make initial teacher education studies accessible to highly skilled students and professionals by continuing to develop and promote multiple pathways, delivery methods and incentives.</b> The SMSM and teacher training centres should continue to develop and promote diverse pathways for students and working professionals to become teachers, such as the consecutive, adjacent and alternative pathways. In order to increase the intake of skilled students and professionals to initial teacher education (ITE) programmes, the Lithuanian High Schools Association for Centralised Admission (LAMA BPO) and teacher training centres should also ensure that student selection processes systematically consider candidates' motivation, prior non-formal experience, skills and attitudes, in addition to academic achievements. Institutions should also develop processes to better recognise the formally and non-formally acquired competencies of mid-career professionals in order to offer tailored and expedited pathways to a formal teaching qualification. The SMSM should expand public funding for the I Choose to Teach! programme. It should also increase the value of teaching scholarships for highly skilled students and those specialising in fields experiencing shortages (e.g. Science, technology, engineering, art [creative activities] and mathematics [STEAM]; Vocational education and training [VET]), closely monitoring their impact and potentially making them conditional on entering the profession. Finally, the government and institutions should actively promote these pathways, methods and incentives in schools, universities and the labour market through various multimedia channels, as well as through expanded career guidance services (Chapter 5 of the full report).</p>
	<p><b>1.8. Continue improving career progression opportunities to attract, retain and motivate highly skilled teachers and school leaders, especially in disadvantaged schools.</b> More closely link teachers' and leaders' salaries to their responsibilities and the outcomes of their ongoing performance appraisal processes (and potentially ongoing professional certification), rather than tenure. Consider the greater use of pay increases or bonuses linked to appraisal processes (and potentially certification), as is the growing trend in OECD countries, and/or grants for teachers or teaching teams for innovation and excellence. Consideration should be given to developing oversight arrangements to ensure appraisal processes and promotions are implemented fairly and consistently across schools. Ensure that increases to school leaders' salaries are consistent with recent increases for teachers to attract and reward highly competent leaders. Introduce systematic national financial incentives for teaching in subjects in shortage (e.g. STEAM) and in rural and disadvantaged schools, for example in the student funding formula. Also, provide meaningful and impactful opportunities for continuing professional development (CPD) (see Recommendation 1.11).</p>
	<p><b>1.9 Improve non-salary work conditions and the school climate for teachers' and school leaders' well-being to empower teaching excellence, especially in disadvantaged schools.</b> Further investigate the quality of non-salary work conditions and school climate in Lithuania, and its impact on teachers' performance. Expand activities positively associated with teachers' job satisfaction and self-efficacy in Lithuania, such as induction activities, professional collaboration, impactful feedback and autonomy. Look for opportunities to reduce teacher stress by reducing administrative work, especially for school leaders in rural areas and disadvantaged schools. This could be done, for example, by reviewing and reducing administrative burdens through streamlined processes, and by setting standards and allocating funding more consistently across municipalities for administrative support in schools. Provide more relevant and impactful opportunities for CPD to school leaders (see Recommendation 1.11). Teachers and school leaders should also have ongoing opportunities to provide feedback to central government on education policy, for example through engagement on the new school curricula (see Opportunity 1: Successfully implementing and complementing modern curricula) and improved skills policy engagement more broadly (see Chapter 5 of the full report).</p>

Policy directions	Recommendations
Training teachers and school leaders to equip young people with skills for work and life	<p><b>1.10 Improve the content and quality of ITE by aligning it with the new general curricula, focusing more on practical learning and teachers' training needs, and investing in educational research.</b> The SMSM should provide information and support to ITE providers to update their programmes in order to prepare teachers to implement the new general education curricula. ITE should familiarise teaching students with all major elements and content of the new general curricula, as well as best-practice teaching and learning and assessment strategies. The government should consider raising the minimum requirement for practical training, and/or find other ways to connect the theory and practice of ITE, such as involving current teachers/leaders in delivering some course content. The government and ITE institutions should expand national and international collaboration, increase investment and improve knowledge transfer with practitioners in educational research to facilitate continuous improvement and best practices in ITE. Finally, the government should closely monitor the impacts of recent ITE reforms on learning and teaching outcomes in the short term (for example by surveying educational stakeholders), and monitor ITE graduates' training needs (for example for information and communications technology [ICT] skills) in the longer term to guide further improvements to ITE.</p>
	<p><b>1.11 Better target public funding for CPD to the needs of teachers, leaders and schools, while improving quality assurance and increasing funding (especially for disadvantaged schools) over time.</b> The SMSM should expand the Tešk! programme to give more teachers the opportunity to teach in multiple subject areas. The government should formalise individual learning plans as part of teacher and school leader appraisals, and collect data on and monitor teachers' and school leaders' training needs over time. The government should require that CPD be linked to individual learning plans and broader school needs, and align national priorities for CPD with the results of the ongoing monitoring of training needs. In the first instance, priority could be given to CPD for the new curricula, as well as ICT skills, student assessment and classroom management for teachers; and data use, feedback, and financial management for school leaders. The SMSM, municipalities, institutions, experts and stakeholders should develop a quality assurance system for CPD to assess alignment with learning needs, user satisfaction, and impacts on teaching and leadership. With this system in place, the SMSM and municipalities should increase public funding for CPD to overcome barriers to the provision of and participation in relevant, high-quality CPD. In particular, higher rates of public CPD funding for teachers and school leaders should be provided in disadvantaged schools to improve their access to CPD and their capacity to teach and support disadvantaged students.</p>

### *Opportunity 3: Making vocational and higher education more responsive to labour market needs*

#### **Annex Table 1.A.3. Policy recommendations for making vocational and higher education more responsive labour market needs**

Policy directions	Recommendations
Ensuring that vocational education and training (VET) and higher education (HE) funding and admission policies incentivise institutions and students to meet labour market needs	<p><b>1.12 Make better use of "student basket" subsidies and performance contracts/funding to steer HE and VET enrolments towards fields facing shortages and/or of strategic importance.</b> The SMSM, in consultation with the National Commission for the Co-ordination of Human Resources Monitoring, social partners and institutions, should re-evaluate the effectiveness of the current methodology for allocating state-funded places by field of study to consider meeting labour market needs. They should also consider partially linking the value of student basket subsidies for different VET and HE programmes to labour market needs, as assessed by experts. As Lithuania improves its skills needs assessment and career guidance systems over time (see Chapter 5 of the full report), the SMSM should consider decentralising the allocation of student basket subsidies, for example by removing field-of-study-level quotas for state-funded places and allowing funding to more freely follow students to courses of their choice. In addition, the SMSM should make use of performance agreements and/or performance funding to link some funding to completions by field of study and/or graduate employment outcomes to increase institutions' incentives to attract students to, and ensure they complete, programmes that meet labour market needs. Finally, the SMSM should seek to increase public transparency around how and why state-funded places are allocated, and make funding allocations more stable over the medium term (e.g. for a five-year period, with limited annual fluctuations) so that institutions have incentives to invest in new and innovative programmes that meet labour market needs. These measures should be complemented by measures that empower learners to make well-informed study choices, such as access to high-quality lifelong career guidance (see Chapter 5 of the full report).</p>
	<p><b>1.13 Expand measures to support students from socio-economically disadvantaged backgrounds to access state-funded HE places, especially in fields experiencing skills shortages and/or of strategic importance.</b> In the context of declining HE enrolment numbers and persistent inequalities in access, the SMSM should seek to improve admission policies, financial incentives and support for youth from socio-economically disadvantaged backgrounds. Lithuania's admission agency and institutions should seek to implement alternative pathways into HE for youth from disadvantaged backgrounds, for example by recognising a broader range of competencies in the admission process (see Opportunity 1: Successfully implementing and complementing</p>



Policy directions	Recommendations
	modern curricula) and by providing upfront academic support. The SMSM could raise the value of the student basket subsidy for students from low socio economic backgrounds to increase institutions' capacity to academically support students to successfully complete their studies. This could be complemented by expanded and more generous needs-based scholarships and loans for youth from disadvantaged backgrounds to help cover their living costs during studies. The SMSM should start with these measures in fields assessed by experts as facing shortages and/or being of strategic importance for the economy. The measures for students from disadvantaged backgrounds should be complemented by efforts to improve school performance in the long run (see Opportunity 1: Successfully implementing and complementing modern curricula, and Opportunity 2: Strengthening Lithuania's teaching workforce).
Strengthening co-operation between employers and VET and HE institutions	<b>1.14 Expand work-based learning (WBL) in VET and HE by increasing financial and non-financial support for apprenticeships and other forms of WBL.</b> The ministries overseeing apprenticeships should ensure that recent plans to expand financial support for apprentices and their employers are implemented. The ministries could also provide training for apprentice instructors, offer support materials to firms to help them develop their training skills, and facilitate networking among employers. They could promote bodies that work with groups of small employers to co-ordinate training, and support them with the administration and provision of apprenticeships. Ministries should also consider introducing financial incentives to firms for curriculum relevant traineeships and other types of work-based learning in VET and HE programmes to support WBL in the context of the current economic downturn.
	<b>1.15 Increase rural students' access to, and attract employers to be more involved in VET 'work-based learning' in VET institutions and sectoral practical training centres.</b> The government and municipalities should seek to increase subsidised transport for rural VET students to access sectoral practical training centres, particularly if they are unable to find workplace placements in the context of the current economic downturn. The ministries should work with institutions to reach out to and attract employers to be more involved with teaching and instruction at the centres. For example, this could be through offering credits to use the centre's infrastructure at a later time and/or financial incentives. This would have the added benefit of creating linkages between students and employers, and between centres and employers.
	<b>1.16 Expand existing administrative datasets with details on students' work-based learning activity to inform policy and ensure the quality of WBL.</b> The responsible ministries should collect administrative data from VET institutions, colleges and universities on the quantity and type of WBL undertaken by students to better inform policy in this field. The quality assurance agencies responsible for VET and HE should develop and implement a framework for monitoring the quality of WBL as part of their activities.

## Priority 2: Raising adults' and enterprises' participation in learning in Lithuania (Chapter 3 of the full report)

### Opportunity 1: Raising awareness about adult learning benefits and opportunities

#### Annex Table 1.A.4. Policy recommendations for raising awareness about adult learning benefits and opportunities

Policy directions	Recommendations
Raising awareness about adult learning benefits and opportunities among individuals	<b>2.1. Consolidate and expand online information about adult learning benefits, opportunities and funding into a one-stop shop (portal).</b> This portal should merge existing information from various portals currently operating in Lithuania. The one-stop shop should also expand on previous efforts in order to include more comprehensive information on funding opportunities for adults and include indicators on the quality of courses and the direction of the labour market. It should also detail the benefits of engaging in learning throughout the life course. Lithuania might take inspiration from portals in other countries such as Northern Ireland's <i>Student Finance NI</i> and Poland's graduate tracking system ( <i>Ekonomicznych Losów Absolwentów</i> ) for guidance on how to present data in informative and user-friendly ways for adults.
	<b>2.2. Introduce local awareness-raising initiatives through co-operation with local stakeholders to engage low-skilled adults in education and training.</b> These initiatives could consist of outreach via emails, social media, radio and TV, and through in-person events and testimonials from past learners. Awareness-raising initiatives should be tailored to local job market conditions and allow for flexibility in design and delivery. They would benefit from being organised with all relevant stakeholders including the public employment service (PES), employers, trade unions and social partners. Adult learning co-ordinators could take the lead in overseeing the design and implementation of these awareness-raising initiatives.
Enabling employers to understand their training needs	<b>2.3. Support enterprises to undertake training needs assessments and develop training plans, starting with small and medium enterprises (SMEs) in economic sectors of strategic importance.</b> The Ministry of the Economy and Innovation (EIM) could support SMEs by hiring training specialists that SMEs can use to help them assess their training needs and design training plans. These measures could first be piloted for SMEs in sectors of strategic importance before being rolled out more widely. Funding for these support measures could come from the creation of a training levy (see Opportunity 2: Removing barriers to participation in adult learning).



### Opportunity 2: Removing barriers to participation in adult learning

#### Annex Table 1.A.5. Policy recommendations for removing barriers to participation in adult learning

Policy directions	Recommendations
Better using financial incentives to reduce barriers for employers	<p><b>2.4. Streamline the application process for Competence Vouchers and other existing financial incentives directed at enterprises.</b> The EIM should ease the administrative burden of applying for financial incentives as this can deter enterprises, especially SMEs, from applying. This could include providing free support to help SMEs understand and fulfil the requirements. The training specialists introduced to help SMEs assess their training needs and produce training plans (see Opportunity 1: Raising awareness about adult learning benefits and opportunities) might be well placed to provide this support to SMEs applying for financial incentives.</p> <p><b>2.5. Introduce regional or sectoral training funds financed through a training levy.</b> The EIM should consider moving to a more sustainable training funding model for enterprises by introducing a training levy that can raise money from employers specifically for adult education and training. This levy could be used to finance the creation of regional or sectoral training funds that would distribute training grants to firms in their sector or region in line with the fund's strategic priorities. Employer buy-in both for the design and implementation of this scheme will be crucial to its success. This could be facilitated through a tripartite funding agreement governed by a Tripartite Council (see Chapter 5 of the full report).</p>
Overcoming financial and time-related barriers for individuals	<p><b>2.6. Expand financial incentives for adults to participate in adult learning, focusing on target groups such as low-skilled workers.</b> The Ministry of Social Security and Labour (SADM), the SMSM and the EIM should come together to determine which groups of adults would benefit from additional financial incentives for training (such as low-skilled adults in employment) and decide whether an individual learning scheme such as subsidies (vouchers) or financial mechanisms such as loans or tax incentives are most appropriate for reaching the target groups. Lithuania could either expand the coverage of existing tax incentives and vouchers or introduce new incentives, such as subsidies for target groups like low-skilled workers. Information on these financial incentives should be brought together in one place so that adults are able to easily understand their financing options (see Opportunity 1: Raising awareness about adult learning benefits and opportunities).</p> <p><b>2.7. Improve the supply of online adult learning in the Lithuanian language by providing technical support to vocational and higher education institutions.</b> Lithuania should build on its work so far to guarantee a sufficient supply of online courses during COVID-19 and into the future. The SMSM could consider providing vocational and higher education institutions (HEIs) with technical and methodological support to cheaply and efficiently design and deliver courses online. As part of this support, Lithuania could consider creating a common online learning platform that would bring together online courses from Lithuanian education providers. This platform could be hosted independently or incorporated into an online one-stop shop that brings together for individuals in a clear and engaging manner the provision of online training and information on all aspects of the adult learning system (see Opportunity 1: Raising awareness about adult learning benefits and opportunities).</p>

### Opportunity 3: Strengthening the recognition and quality of non-formal adult education and training

#### Annex Table 1.A.6. Policy recommendations for strengthening the recognition and quality of non-formal adult education and training

Policy directions	Recommendations
Improving the processes to recognise and validate non-formal and informal learning	<p><b>2.8. Develop guidelines to support Lithuanian education institutions in implementing high-quality recognition and validation processes for non-formal and informal learning.</b> The SMSM, in conjunction with the Qualifications and Vocational Education and Training Development Centre (KPMPC), the Centre for Quality Assessment in Higher Education (SKVC), and vocational and HEIs, should develop guidelines and standards for the recognition of prior learning (RPL) system to ensure that all education institutions carrying out RPL have access to the methodologies, tools and reference materials needed to effectively certify prior learning. These guidelines could be informed by input from the ongoing project, Improvement of the System for Assessment and Recognition of Competences and Qualifications Acquired in Different Pathways. Adults will also need to be made aware of the RPL system and how they can have their skills recognised. This could be done via an online one-stop shop (see Opportunity 1: Raising awareness about adult learning benefits and opportunities) and through career guidance counsellors (see Chapter 5 of the full report).</p> <p><b>2.9. Consider introducing digital/open badges for non-formal and informal learning.</b> The SMSM, the EIM and the SADM, in co-operation with representatives of the non-formal education sector and employers, should consider working with education institutions to develop open badges that would enable adults to visualise their skillset online. For example, the completion of non-formal courses could be awarded with a badge that adults can incorporate into online portfolios or curriculum vitae indicating the skills taught and developed on the programme. Lithuania could begin by introducing such badges for online non-formal courses delivered through a common learning virtual platform (see Opportunity 2: Removing barriers to participation in adult learning).</p>

Policy directions	Recommendations
Strengthening quality assurance mechanisms in non-formal adult education and training	<b>2.10. Establish quality labels for providers of non-formal adult education and training that exceed minimum certification requirements.</b> To strengthen the ex ante recognition and certification of non-formal adult education and training providers, Lithuania should consider introducing quality labels for the best-performing providers in the certification process. Establishing quality labels should be a cross-ministry effort also involving the KPMP, the SKVC, and other stakeholders such as education institutions. These labels could help to drive quality improvements by encouraging providers to exceed minimum requirements. Publicly funded non-formal providers could be required to meet this more comprehensive set of criteria.
	<b>2.11. Introduce a monitoring framework for the learning outcomes of publicly funded non-formal adult education and training.</b> Ministries and stakeholders should together decide on standardised indicators for a monitoring framework across publicly funded non-formal adult education courses. These could consist of labour market outcomes as well as the satisfaction of participants with the provided training. The KPMP and the SKVC could arrange this through post-participation surveys or through the collection of administrative data from training providers. The results of these learning outcomes should be communicated clearly to adults, perhaps through an online portal (see Opportunity 1: Raising awareness about adult learning benefits and opportunities).

### Priority 3: Using people's skills more effectively in Lithuania's workplaces (Chapter 4 of the full report)

#### *Opportunity 1: Enhancing the use of skills by supporting businesses to adopt high-performance workplace practices (HPWP)*

#### Annex Table 1.A.7. Policy recommendations for enhancing the use of skills by supporting businesses to adopt HPWP

Policy directions	Recommendations
Raising awareness of the relevance of effective skills use and HPWP	<b>3.1. Create a central portal with user-friendly information for businesses on HPWP and related support programmes, including diagnostic tools, potentially as part of a broader awareness-raising campaign.</b> The EIM, or one of its agencies, should centralise the currently fragmented provision of information for businesses in a single portal, with more emphasis on skills use and the adoption of HPWP. This portal should be especially useful for, and targeted at, SMEs that are most in need of support, and information should be presented in a business-friendly manner, e.g. by presenting concise information on good practice and success stories, as well as simple guides on how to implement specific HPWP. The portal could also play a crucial role in informing, guiding and supporting employers with benchmarking the performance of their business and finding relevant support programmes by including diagnostic tools that will help them to identify their business needs, challenges and opportunities. The portal should be supported by strong governance structures and could be part of a broader awareness-raising campaign for businesses on adopting HPWP and transforming workplaces (e.g. in business media and through outreach by government agencies and employer organisations).
Providing relevant, targeted and accessible support to businesses on adopting HPWP	<b>3.2. Encourage the greater adoption of HPWP by expanding existing and/or introducing new business support programmes that target workplace practices.</b> The Lithuanian Government and agencies with responsibilities in business support could put more emphasis on workplace practices in support programmes. This could be achieved by enhancing the reach and/or scope of existing programmes (e.g. Process LT [Procesas LT]), or by introducing new programmes that affect activities at the level of the workplace. In this context, Lithuania should direct public support to promoting digitalisation in workplaces, including by building on existing initiatives (e.g. digital innovation hubs) and good examples (e.g. its success in developing the digital and technology intensive Fintech sector).
	<b>3.3. Ensure that public support for the adoption of HPWP is differentiated and targeted at employers' needs, for example through personalised mentoring and coaching services.</b> To raise the impact of existing and potential new support programmes that help to strengthen workplace performance, the Lithuanian Government and related agencies with relevant responsibilities should aim to target these programmes at employers' needs. To this end, Lithuania could apply a differentiated approach to business support, whereby programmes are targeted at groups of businesses that face comparable challenges related to the adoption of HPWP. To achieve this, Lithuania should implement its plans for consolidating programmes to overcome fragmented responsibilities across organisations and mechanisms, and reorganise programmes to address the needs of different groups of businesses. In addition, developing official typologies of groups of firms based on the challenges they face, with programmes adapted to address their challenges, could help to facilitate differentiated support. Lithuania could also expand mentoring and coaching programmes, which are by their nature targeted and tailored to the needs of the employer, by building on and possibly expanding existing programmes such as the National Mentorship Network.

Policy directions	Recommendations
	<p><b>3.4. Minimise the administrative burdens on businesses taking advantage of support programmes by, for example, streamlining procedures and improving guidance.</b> The Lithuanian Government, and the EIM in particular, should limit the administrative burden linked to programmes that will support the adoption of HPWP by reviewing and minimising the occurrence of situations where regulations overlap or are excessive and unnecessarily stringent. The ministry could also seek to simplify and accelerate application procedures by better integrating different information systems to allow automated checks. To facilitate this, Lithuania should aim to improve the relationship between service providers and business recipients. Service providers should become more like “competence centres” that actively support and work together with businesses, rather than “inspectors”. Associations and clusters could potentially play a more prominent role in helping businesses to overcome administrative barriers by guiding them through administrative procedures (e.g. by introducing a specific point of contact for support).</p>
Leveraging employer networks and supporting collaboration at the sector level to promote the adoption of HPWP	<p><b>3.5. Facilitate the adoption of HPWP by strengthening business clusters and other collaborative networks that spread good practice and facilitate knowledge spillovers.</b> To catalyse change in Lithuanian workplaces, the EIM, and the Agency for Science, Innovation and Technology (MITA) in particular, should aim to further strengthen collaborative networks, facilitate more sector-specific interventions, and spread good practice and knowledge across the Lithuanian business sector. This could involve facilitating knowledge spillovers on HPWP and broader business practices between strong performing businesses (e.g. international businesses and large state-owned enterprises) and small (more locally operating) businesses. Lithuania should also introduce measures that help to strengthen collaboration and trust between members of collaborative networks, including providing sufficient resources to achieve this, and to promote more co-operation between the networks.</p>
	<p><b>3.6. Strategically target HPWP support for businesses and collaborative networks at narrowly defined priority sectors in order to maximise the impact of this support.</b> The Lithuanian Government and the EIM in particular, should identify and target support for the adoption of HPWP at strategic priority sectors to raise the impact of support programmes and to strengthen specialisation in fields with higher value-added activities. Building on the broader priorities set out in the Smart Specialisation Strategy, the more narrowly defined sectors could include finance (especially Fintech), information technology services, innovative biotechnology, laser manufacturing and photonics. For these sectors, Lithuania should develop long-term strategies and consider prioritised and targeted business support.</p>

## *Opportunity 2: Strengthening management and leadership skills to drive the transformation of workplaces*

### **Annex Table 1.A.8. Policy recommendations for strengthening management and leadership skills to drive the transformation of workplaces**

Policy directions	Recommendations
Raising awareness of the importance of management and leadership skills for maximising skills use and business performance	<p><b>3.7. Develop a strategic and shared vision for strengthening management and leadership skills in Lithuania's workplaces, accompanied by an action plan.</b> The Lithuanian Government – especially the EIM – should develop a strategic vision for management and leadership skills as part of a broader National Skills Strategy (see Recommendation 4.1). This vision could help to make these management and leadership skills a higher policy priority, create momentum for co-ordinated action, and clarify the types of skills that need to be developed. The vision could be accompanied by an action plan with concrete measures (as explained in subsequent recommendations) that could set out the direction, objectives and actions needed to strengthen leadership and management in Lithuanian workplaces. The government should actively involve stakeholders, especially employers, in the development of the vision and action plan to build a common understanding of the objectives and build commitment to provide support and resources for implementing these actions.</p>
Strengthening the initial development of management, leadership and entrepreneurial skills	<p><b>3.8. Expand and improve the quality of entrepreneurship education in schools in the context of the current update of school curricula, and set out a plan for further action.</b> To strengthen entrepreneurship education, Lithuania should utilise the final stages of the current update of the school curricula to make entrepreneurship skills more prominent across subjects (see also Chapter 2 for a discussion on curricula). As part of the vision and action plan for management and leadership skills (as recommended in the previous section), Lithuania could also develop a plan that describes the actions needed to meet Lithuania's ambitions for entrepreneurship education across all levels of education. The plan should build on existing programmes and actions in the Entrepreneurship Action Plan of Lithuania for 2014-2020, and include actions to expand the role of Junior Achievement Lithuania, better evaluate and monitor the outcomes of entrepreneurship education, and learn from both national and international best practice. These actions should also be supported by a common institutional framework and centralised implementation.</p>

Policy directions	Recommendations
	<p><b>3.9. Strengthen the development of management and leadership skills in higher education by making relevant modules and subjects more accessible and enhancing collaboration with businesses.</b> Lithuania could make management and business courses at HEIs, as well as entrepreneurship courses, more widely available and accessible to students from other programmes. For instance, HEIs could offer these courses as optional modules or “parallel” study forms. HEIs could also consider embedding management and leadership skills, as well as entrepreneurial skills, across the curriculum of different studies – i.e. not as a standalone subject, but as part of other subjects. Furthermore, to better align the study offer and teaching methods with the needs of the market, Lithuania could strengthen collaboration between the business sector and HEIs (see also Chapter 2), for instance in the form of partnerships, internships, mobility and research.</p>
Promoting adult learning opportunities to strengthen management and leadership skills	<p><b>3.10. Ensure the availability of relevant and flexible learning opportunities for different types of managers by assessing and filling gaps in the current provision and promoting online learning.</b> To ensure that different types of managers and leaders (e.g. for different firm size, sectors, management level) have access to relevant learning opportunities, Lithuania should locate the gaps in the current provision of learning and aim to fill these gaps by creating incentives for private sector providers to deliver relevant courses, or by introducing new programmes by government agencies. There could be an enhanced role for HEIs by making their offer of management and leadership courses more accessible to adults, for example by stimulating modular, flexible and part-time learning opportunities. Lithuania should ensure that the training offer for managers is easily accessible by raising flexibility through the enhanced provision of online learning. Lithuania should also assess if available online courses for developing management and leadership skills could be expanded, ensure effective testing methods and certificates, and establish quality assurance mechanisms.</p> <p><b>3.11. Enhance the willingness of managers to participate in learning through targeted awareness raising, information on the training offer, recognition of prior learning and financial support.</b> The Lithuanian Government and related agencies should consider a targeted campaign on the benefits of lifelong learning for managers, which is supported by the effective dissemination of information on learning opportunities. These could both be combined with the central portal and awareness-raising campaign on adopting HPWP and transforming workplaces, as recommended in Opportunity 1. In addition, the management and leadership skills acquired through experience and other types of non-formal learning should be better recognised (as discussed in Chapter 3), which could help to motivate managers to learn more (e.g. by reducing the time required to achieve a formal qualification). Lithuania should also aim to provide more financial support for learning by managers (see Chapters 3 and 5 of the full report for discussions on funding mechanisms for adult learning). This could potentially be achieved by expanding the scope of the competence voucher to allow it to be used by more high-skilled workers, thereby supporting participation in management and leadership programmes.</p>

### *Opportunity 3: Empowering and engaging the workforce to make better use of their skills*

#### **Annex Table 1.A.9. Policy recommendations for empowering and engaging the workforce to make better use of their skills**

Policy directions	Recommendations
Empowering and engaging employees in the business sector	<p><b>3.12. Encourage businesses to effectively engage and empower employees by promoting the adoption of advanced human resources (HR) practices and people management approaches, pay systems and practices for job mobility.</b> The EIM and the SADM, as well as related agencies, should consider various soft measures that could help to facilitate a cultural change in businesses where employees are more empowered and engaged. These measures could include the promotion of advanced HR practices and people management (e.g. performance appraisals), remuneration and pay systems where skills acquired on the job are rewarded, and practices that help to enhance mobility in businesses (e.g. job shadowing and talent programmes). To this end, Lithuania could publicise good practices by Lithuanian businesses and the benefits of these practices for employee performance in the central portal and a related awareness-raising campaign on adopting HPWP and transforming workplaces (recommended in Opportunity 1). Lithuania could also introduce and/or expand measures that help to recognise and raise awareness of employers that successfully improve workplace cultures (including, but not limited to, accredited standards, charters and pledges).</p> <p><b>3.13. Facilitate the active engagement of employees in workplaces by ensuring that employees have the capacity and motivation to be involved.</b> The Lithuanian Government, and the SADM in particular, should continue to strengthen various forms of employee representation (e.g. works councils, trade unions and trustees) in workplaces. To this end, Lithuania should ensure that employees have the right skills, knowledge and motivation to actively and effectively be involved. Lithuanian employees should have access to high-quality information on the benefits of employee representation and on how to effectively participate, which can be disseminated on websites targeted at employees and their work conditions and distributed by organisations such as trade unions and the State Labour Inspectorate.</p>

Policy directions	Recommendations
Empowering and engaging employees in the public sector	<p><b>3.14. Continue to strengthen workplace and HR practices in the public sector through the broad adoption of good practices across the public sector and by building on the new Law on the Civil Service.</b> Lithuania should further increase HPWP and improve the overall performance of the public sector by ensuring that all public sector organisations provide clear career paths, performance reviews, skills mapping and professional development. This could help to transform the organisational culture and better attract and retain talent. Potentially, these measures could be combined in a comprehensive public administration reform to improve the effectiveness, quality and efficiency of government. Lithuania could also more widely adopt initiatives implemented by the Law on the Civil Service across the public sector (i.e. also outside the civil service), including initiatives to reduce fragmentation and unify the remuneration system in the public sector. This approach should be supported by a system to monitor and evaluate public sector programmes. In this context, Lithuania could consider introducing a survey for employees in the public sector on their attitudes and experiences of working within a public sector organisation.</p> <p><b>3.15. Build a culture of lifelong learning in public sector organisations by adopting a more long-term, strategic approach to skills development and by strengthening learning opportunities.</b> To strengthen the culture of lifelong learning for all employees in the public sector, Lithuania should adopt a more long-term, strategic approach to skills development in public sector organisations as part of a National Skills Strategy (see Recommendation 4.1). Such an approach could include clear objectives on how to raise participation, as well as a better assessment and evaluation of what skills need to be developed (possibly informed by the survey of public sector employees – as mentioned above). Moreover, the Lithuanian Government should ensure that there are sufficient training opportunities (with a particular emphasis on online learning) and provide incentives to employees to participate (e.g. by linking training to performance appraisal and career pathways).</p>

## Priority 4: Strengthening the governance of skills policies in Lithuania (Chapter 5 of the full report)

### *Opportunity 1: Increasing the capacity and co-ordination of governmental and non-governmental actors across the skills system*

#### Annex Table 1.A.10. Policy recommendations for increasing the capacity and co-ordination of governmental and non-governmental actors across the skills system

Policy directions	Recommendations
Strengthening strategic planning and oversight in the Lithuanian skills system	<p><b>4.1 Develop a shared, overarching vision for developing and using skills by creating a comprehensive skills strategy for Lithuania.</b> First, this strategy could be granted the status of “national agenda” under the Lithuanian Law on Strategic Governance, as this enables a cross-sectoral approach addressing all sectors of the skills system and providing strategic objectives, targets and high-level indicators. Second, the strategy should clarify the main roles and responsibilities of governmental actors (e.g. ministries, semi-autonomous bodies, subnational administrative units and learning providers), as well as non-governmental stakeholders (see the next section “Fostering national-level social partnership and stakeholder engagement in skills policy”) and thereby define clear accountability for results. This accountability could also be translated into law. Third, this strategy should also be accompanied by concrete “programming level” planning documents, as foreseen in the Lithuanian Law on Strategic Governance. This enables the identification of clear measures to fulfil the strategic objectives of the national agenda in the respective sub fields of skills policy, to be co-ordinated by a future Skills Policy Council (see Recommendation 4.2). This should include, for example, a clear, comprehensive and shared plan for developing young people’s skills in Lithuania (see Chapter 2 of the full report). Finally, a Lithuanian skills strategy should base its objectives on the best available skills evidence (see Opportunity 2: Enhancing skills information and career guidance systems and practices) and should include common funding priorities and potential cost-sharing agreements (see Opportunity 3: Ensuring sustainable, well-targeted, and shared financing of Lithuania’s skills system).</p>
	<p><b>4.2 Improve inter-ministerial co-ordination by creating a designated, inter-ministerial body with lead authority and responsibility for skills policy.</b> The current National Commission for the Co-ordination of Human Resources Monitoring (Lietuvos Respublikos Vyriausybės komisija nacionalinei žmogiškųjų išteklių stebėsenai koordinuoti, NŽISK) could be transformed into a “Skills Policy Council” to oversee all sectors of the skills system. High-level political meetings (e.g. with vice-ministers) should provide strategic guidance and make political decisions. These meetings should be complemented by more frequent, lower-level technical meetings (e.g. among career civil servants), reserved for in depth discussions on concrete policy issues, implementation and data needs (see Opportunity 2: Enhancing skills information and career guidance systems and practices). The Skills Policy Council should also oversee the implementation of the abovementioned skills strategy for Lithuania. This includes co-ordination across the various programming level planning documents of the different sub fields of skills policy, and proposals for revisions of the skills strategy. The Skills Policy Council could also be responsible for overseeing</p>



Policy directions	Recommendations
	high-level indicators and progress towards strategic objectives and targets identified in the skills strategy, while the monitoring of lower-level indicators of programming level planning documents remains the responsibility of individual ministries. The Skills Policy Council should work in close collaboration with the national Tripartite Council (see the section “Fostering national-level social partnership and stakeholder engagement in skills policy”).
Fostering national-level social partnership and stakeholder engagement in skills policy	<b>4.3 Ensure close collaboration between a future Skills Policy Council and Lithuania’s current Tripartite Council.</b> This would include regular communication between the proposed Skills Policy Council and the social partners represented in the Tripartite Council. Members of the Skills Policy Council could be part of a sub-committee within the Tripartite Council, for example the education sub-committee or a newly created sub-committee for skills. The Skills Policy Council should thereby inform social partner representatives of the Tripartite Council in a timely manner on planned future draft legislation and seek their advice, as well as ask Tripartite Council members for feedback on already implemented programmes and potential future revisions. In order to foster this system of social partnership, Lithuania should continue to honour unanimous decisions by employer associations and trade unions within the Tripartite Council. Furthermore, the current practice of sending government representatives (e.g. ministers) with decision-making powers to the Tripartite Council should be continued to establish mutual trust between social partners and the government, and ensure the accountability of government to decisions taken by the council.
	<b>4.4 Increase the impact of issue-specific stakeholder engagement bodies by guaranteeing government accountability regarding given advice.</b> Minimum criteria for consultation with stakeholder engagement bodies should be implemented to ensure the sufficient quality of communication between these bodies and government, and create greater incentives for stakeholders to actively participate in consultation processes. For example, transparency in how stakeholders’ advice is used should be ensured, which might include mandatory written responses from the respective ministries to any advice given.
Increasing the capacity of governmental institutions and social partners at the subnational level	<b>4.5 Increase the capacity of municipalities, regional development councils and sectoral professional committees to fulfil their responsibilities in the governance of Lithuania’s skills system.</b> In order to increase the expertise of subnational actors in skills policy, Lithuania’s ministries and/or semi-autonomous bodies responsible for the policy fields in question should ensure the sufficient provision of training workshops for municipalities, regional development councils and sectoral professional committees, combined with strategic and methodological guidance for skills policy making. Potential providers of these capacity building activities could include the SMSM, the National Education Agency, the KPMP, the SKVC, and the Education Exchanges Support Foundation. For regional development councils, the newly created competence centres could engage in similar capacity building activities. Lithuania should also increase the human and financial resources of municipalities, regional development councils and sectoral professional committees. Financial resources could be raised via better targeting the funding in Lithuania’s skills system (which could lead to cost savings on the side of municipalities) and/or the creation of a tripartite funding agreement (see Opportunity 3: Ensuring sustainable, well-targeted, and shared financing of Lithuania’s skills system).
	<b>4.6 Strengthen social partnership at the subnational level by including trade unions in regional development councils.</b> The Lithuanian Government should implement legislation that establishes a certain balance of power between employer and employee representatives in regional development councils, particularly if these councils gain more authority as part of the further implementation of the new Regional Development Act. While an advisory/observatory seat for trade unions in regional development councils can be a first step, the Lithuanian Government could also consider giving each social partner a fixed minimum number of seats in order to establish parity between employer and employee representatives.

## *Opportunity 2: Enhancing skills information and career guidance systems and practices*

### **Annex Table 1.A.11. Policy recommendations for enhancing skills information and career guidance systems and practices**

Policy directions	Recommendations
Improving Lithuania’s ability to use evidence in skills policy making	<b>4.7 Improve the identification, communication and response to ministries’ data needs through regular, inter-ministerial technical-level meetings.</b> The inter-ministerial National Commission for the Co-ordination of Human Resources Monitoring (NŽISK) and a future Skills Policy Council (see also Opportunity 1) should intensify efforts to identify and follow-up on the data needs expressed by ministries. Meetings of this body at a higher, political level (e.g. vice ministers) could be complemented by more frequent, lower-level technical meetings (e.g. career civil servants, heads of divisions and department directors) to facilitate the communication of respective data needs and create commitment by ministries to use evidence in policy making. Political-level meetings should subsequently decide which actor should be obliged to follow up on specific data needs, thus ensuring the sufficient provision of data in the long term.

Policy directions	Recommendations
	<p><b>4.8 Continue to improve skills needs assessment and anticipation in Lithuania, particularly in the areas of quantitative skills forecasting and qualitative skills foresight.</b> In order to avoid skills mismatches, Lithuania (and in particular NŽISK) should first assess and address the most immediate data needs in the field of skills forecasting, in particular the need for regularly conducted medium-term forecasts on future skills supply and demand across occupations, with an emphasis on high value-added sectors. Second, Lithuania should better supplement quantitative forecasts with qualitative data from stakeholders and experts. In order to design effective skills development measures in the face of ongoing megatrends and/or current uncertainties resulting from the COVID-19 crisis, the Government Strategic Analysis Centre (STRATA) and/or individual ministries and their semi-autonomous bodies (in potential collaboration with research institutes, universities and colleges) should increase skills foresight exercises (see Box 5.5 in Chapter 5 of the full report).</p>
	<p><b>4.9 Increase the capacity of ministries and STRATA to fulfil their functions in supporting and undertaking evidence-informed policy making.</b> In the short term, STRATA together with individual ministries should coordinate and carry out training workshops to increase knowledge of and sharing of best practices for evidence-informed policy making in the area of skills policies. In the long term, Lithuania should consider implementing a specific analytical track within the civil service that offers competitive salaries and upwards career mobility, thereby attracting highly skilled analysts. The Lithuanian Government should also assess and ensure that individual ministries and STRATA currently have sufficient financial and human resources (see Opportunity 3: Ensuring sustainable, well-targeted, and shared financing of Lithuania's skills system) to fulfil their respective responsibilities in the area of evidence-informed skills policy making.</p>
Implementing a system of lifelong career guidance for individuals of all ages	<p><b>4.10 Strengthen career guidance in Lithuania by establishing an integrated, comprehensive lifelong career guidance system to serve all regions and age groups, with multiple modes of delivery.</b> For example, Lithuania could create common professional and quality standards for career guidance and set up common information tools that equip counsellors with labour market intelligence (for example based on data from NŽISK). Lithuania could potentially appoint a dedicated agency responsible for providing and managing career guidance across all age groups and modes of delivery, building on existing competencies within the PES. Lithuania should also build the specific modes of delivery of such an integrated system on existing infrastructure. For example, one-stop shop regional career centres (such as the Alytus Career Guidance Centre) should be built on youth job centres wherever possible, and the use of digital tools for career guidance could be strengthened by building on existing efforts of the PES to adapt career guidance in the context of the pandemic. All career guidance providers in Lithuania should increase their provision of remote guidance services (e.g. via phone, email, social media and video call) to achieve better coverage across Lithuania's regions. The government should encourage providers to use the same digital tools (e.g. video call software) in order to enable local career guidance counsellors to exchange best practices, improve the compatibility of services across different providers and clients and achieve cost savings.</p>
	<p><b>4.11 Expand the supply, awareness and uptake of career guidance services for adults to support their job searches and their efforts to upskill and reskill.</b> Regional career centres and digital modes of delivery (see Recommendation 4.10), when expanded, should also serve the target group of adults, regardless of their employment status. Awareness about these new offerings could be raised via specific information campaigns directed at adults using social media and the Internet as part of a more general effort to increase awareness about adult learning (see Chapter 3 of the full report). Lithuania should assess if the PES (or a future dedicated agency responsible for career guidance, see previous recommendation) has sufficient capacity to meet the needs of new target groups of regional career centres and digital modes of delivery (e.g. employed adults), including financial resources and expertise.</p>
	<p><b>4.12 Ensure the accessibility of career guidance services for school students of all age groups, regardless of school type and geographical location.</b> Regional career centres, when expanded, should provide schools across all of Lithuania's regions access to high-quality career guidance services. Staff from regional career centres, jointly with local employers, should engage in outreach activities in schools. Similarly, schools and individual teachers should be encouraged and supported to provide scheduled class excursions to nearby regional career centres, if possible considering pandemic trends. These visits could be followed up by additional counselling sessions at the regional career centres. These sessions could be face to face or virtually with students in schools to mitigate the health concerns associated with the current pandemic. Virtual sessions would also reach more schools and students in remote locations.</p>



### Opportunity 3: Ensuring sustainable, well-targeted, and shared financing of Lithuania's skills system

#### Annex Table 1.A.12. Policy recommendations for ensuring sustainable, well-targeted, and shared financing of Lithuania's skills system

Policy directions	Recommendations
Ensuring well-targeted and shared investments across the skills system	<p><b>4.13 Increase public investment in skills policies as part of a tripartite funding agreement.</b> As public expenditure for skills policies is still low in international comparison, the government should pledge to increase its expenditure as part of a tripartite funding agreement for skills policies, signed by government, employer and employee representatives. The resources provided by government as part of this agreement could be used for a broad range of activities, for example to increase the capacity of ministries, STRATA and subnational actors (see Opportunities 1 and 2, and Chapter 4 of the full report), to guarantee continued funding for well-functioning European Social Fund (ESF) projects (see the next section "Enabling sustainable funding for well-functioning, externally-financed skills policies"), as contributions to a skills fund/levy and/or individual learning scheme (see Chapter 3 of the full report and Recommendation 4.14), as well as for other recommendations identified in this report summary.</p>
	<p><b>4.14 Increase employer and potentially employee investment in skills development through the establishment of a tripartite funding agreement.</b> In exchange for increased public expenditure on skills policies, representatives of employers and employees (e.g. employer associations, trade unions) within the Tripartite Council should commit to increase their contributions to skills policies, for example via potentially mandatory contributions to a skills fund/levy (see Chapter 3 of the full report). Public contributions to a fund could match employer and employee contributions and therefore increase the social partners' willingness to contribute. These resources could be used for a variety of skills programmes, but could also help to increase the capacities of sectoral professional committees (which are also organised in a tripartite manner, see Opportunity 1: Increasing the capacity and co-ordination of governmental and non-governmental actors across the skills system). The governance of the training fund, including decisions on the level of contributions and how to spend the funds, should be undertaken in a tripartite manner, for example within the education sub-committee or a dedicated sub-committee for skills within the Tripartite Council (see also Opportunity 1).</p>
	<p><b>4.15 Better target funding across Lithuania's skills system by assessing options for cost savings in the provision of higher and secondary-level education.</b> Lithuania should assess options for achieving cost savings in higher and secondary-level education, including through better inter-municipal co-operation between education providers, incentives for municipalities to achieve cost savings in their respective secondary school network, and/or changes in Lithuania's higher education network. First, concerning inter-municipal co-operation in service provision, regional development councils can constitute a forum to discuss potential for inter-municipal co-operation. Lithuania should assess if some municipal public service administration powers including education should be transferred to the county-level, leading to cost savings, as foreseen in the New Regional Development Act. Second, Lithuania should assess if municipalities can be incentivised to achieve cost savings in the provision of secondary education, for example by holding central government subsidies for secondary education at current levels and letting them keep part or all of potential cost savings. In this regard, Lithuania should ensure that in order to increase the capacities of municipalities in skills policy making (see Opportunity 1: Increasing the capacity and co-ordination of governmental and non-governmental actors across the skills system) and teachers' skills (see Chapter 2 of the full report), these savings remain ring fenced to skills policy related tasks. A third option for Lithuania's central government is to assess potential cost savings as a result of changes to Lithuania's higher education network.</p>
Enabling sustainable funding for well-functioning, externally-financed skills policies	<p><b>4.16 Increase the long-term sustainability of externally funded skills projects by systematically identifying successful programmes and committing to continue them with state funding.</b> A potential Skills Policy Council (see Opportunity 1: Increasing the capacity and co-ordination of governmental and non-governmental actors across the skills system) could jointly decide on successful programmes to be permanently implemented and financed by Lithuania's own budget if external funding ends. In these decisions, the Skills Policy Council should be supported by systematic evaluations of ESF-funded programmes. Commitment to undertake systematic evaluations should already be included in the application for external funding, setting aside a certain share of programme budget for thorough evaluation. Funding for well-functioning policies should be secured as part of increased public expenditure (see the previous section "Ensuring well-targeted and shared investments across the skills system").</p>



# OECD Skills Strategy Lithuania

## ASSESSMENT AND RECOMMENDATIONS

### REPORT SUMMARY

Skills are the key to shaping a better future and central to the capacity of countries and people to thrive in an increasingly interconnected and rapidly changing world. Megatrends such as globalisation, technological advances, and demographic change are reshaping work and society, generating a growing demand for higher levels and new sets of skills.

OECD Skills Strategy projects provide a strategic and comprehensive approach to assess countries' skills challenges and opportunities and help them build more effective skills systems. The OECD works collaboratively with countries to develop policy responses that are tailored to each country's specific skills needs. The foundation of this approach is the OECD Skills Strategy Framework, which allows for an exploration of what countries can do better to: 1) develop relevant skills over the life course; 2) use skills effectively in work and in society; and 3) strengthen the governance of the skills system.

This report, OECD Skills Strategy Lithuania: Assessment and Recommendations, identifies opportunities and makes recommendations for Lithuania to better equip young people with skills for work and life, raise adults' and enterprises' participation in learning, use people's skills more effectively in workplaces, and strengthen the governance of skills policies.