

Executive summary

OECD-Lithuania collaboration on the OECD Skills Strategy project

This OECD Skills Strategy (OSS) 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 OSS 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). This process provided invaluable input that shaped the findings and recommendations in this 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 this 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)

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)

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)

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)

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.



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