

LEGAL REGULATIONS OF FREE MOVEMENT OF WORKERS IN THE EUROPEAN UNION AS A BOOST TO BUSINESS DEVELOPMENT AND EMPLOYMENT: CASE STUDY OF EURES NETWORK ACTIVITIES IN LITHUANIA

Zivile Pauzaite, Jurgita Baryniene

*Kaunas University of Technology
Mickeviciaus str. 37, Kaunas, Lithuania
E-mail: zivile.pauzaite@ktu.lt ; jurgita.baryniene@ktu.lt*

Margarita Suke

*European Employment Services network in Lithuania, Klaipėda city
Naikupes str. 27A, 93202 Klaipėda, Lithuania
E-mail: margarita.suke@gmail.com*

crossref <http://dx.doi.org/10.5755/j01.eis.0.8.6972>

After Lithuanian's accession to the European Union (EU) in 2004, the citizens of Lithuania gained one of the four freedoms of the EU: it is a freedom to move, work and live in another EU and European economic area (EEE) country. Now workers can live in one country and work in another; they can even work in more than one country. While Lithuanian business can look for specialist in another EU country if there are no any in Lithuania. Consequently the free movement of workers did effect on the Lithuanian business development and employment itself.

During the economic crisis the unemployment rate started to grow in many EU countries. Especially youth unemployment appeared as one of major issues. For Lithuanian economy high unemployment rate was and still is a serious problem. The free movement of workers is a challenge not only for the Lithuanian citizens but for employers as well. According to the strategy Europe 2020, the mobility could be as a solution in reducing high unemployment, which was reached during the economic crisis. With reference to the above, it could be stated that balanced labour movement could play a significant role in boosting business development and employment in the EU and the EEE. The dissemination of information about legal regulations of free movement of workers takes an important place in this regard. Accordingly a network of consultants, the European Employment Services (EURES), initiated by the European Commission (EC) is highly focused to this issue. EURES is acting in all the members of the EU as well as EEE. EURES is responsible for information, advice and placement services for jobseekers and employers wishing to benefit from the principle of the free movement of persons. The network has its consultants in ten cities of Lithuania as well and it covers all main regions of the state.

Considering the above mentioned, the article solves the scientific problem: how EURES network's activities could impact employment and business development in the EU and Lithuania?

The aim of this paper is to study peculiarities of legal regulations of free movement of workers in the EU and importance of EURES network's activities as well as its relevance to employment and business development in the EU and Lithuania.

To achieve this aim three tasks were solved: to present the main topicalities of employment and its relevance to business development in the EU and Lithuania; to analyse the legal aspects of free movement of workers in the EU; to highlight the main EURES network's activities reducing unemployment in the EU and Lithuania.

The paper presents a combination of several research methods: comparative analysis of Lithuanian and international scientific works; comparative analysis and interpretation of the EU legal documents, strategies and practical papers; comparative and explanatory analysis of secondary statistic data; the paper includes the case study of EURES network activities in Lithuania.

The results of the article: there were presented the main topicalities of employment and its relevance to business development in the EU and Lithuania; there were highlighted the main legal aspects of free movement of workers in the EU; there were highlighted the main EURES network's activities, reducing unemployment, balancing labour market and boosting business development in the EU and Lithuania by disseminating information about free movement of workers.

Keywords: *European Union, free movement of workers, legal regulations, business development, employment, EURES.*

Introduction

Unemployment situation in EU enforce to find ways to stop unbounded growth. This issue is a relevant topic analysed by Lithuanian and foreign scientists in several aspects: Martinkus, Stoskus, Berzinskiene (2009), Ferragina, Pastore (2008), Marelli, Patuelli, Signorelli (2012), Pavelka

(2012), Chung, Bekker, Houwing (2012) emphasise in their research an unemployment, its problems and ways to solve and reduce high unemployment rate; scientists like Berzinskiene, Juozaitiene (2011), Neverauskienė, Moskvina (2010), Šakienė (2009) highlight in their research a labour

market measures reducing unemployment in general and *Repečkienė, Kvedaraitė, Žvirelienė, Glinskienė (2012), Rakauskienė, Žukovskis (2010), Shucksmith (2013)* emphasise a labour market measures reducing youth unemployment. *Doyle, Hughes, Wadensjö (2006), Iglicka (2006), Gilpin, Henty, Lemos, Portes, Bullen (2006), Donaghey, Teague (2006), Carrera (2005), Dolvick, Visser (2009), Dobson, Sennikova (2007), Manolo (2006), Pettinger (2009)* examine legal topicalities, of free movement of workers responding to accepting countries (like UK, Ireland, Sweden) and immigrating workers. *Ferragina and Pastore (2008)* introduce mobility as a tool to contribute in making high unemployment differences persistent. The *comparative analysis of scientific works* revealed that unemployment problems and issues of free movement of workers are relevant topics not only for Lithuanian scientist but also for many EU scientists as well.

The unemployment situation in the EU is an important issue and it is highly emphasised by European Commission. Due to this a lot of statistical data are collected and disseminated in Eurostat statistical database for deeper analysis in this field. Accordingly it was chosen in a paper to use *comparative and explanatory analysis of secondary Eurostat statistic data* to analyse and the overall EU and Lithuanian unemployment trends.

While *legal aspects and political initiatives focused towards free movement of workers are highlighted in the EU legal documents: Treaty of establishing European Community, EC regulations No.883/2004 and No.987/2009 about social security rights, Directive 2004/38/EC on the right of EU citizens to move and reside freely within the territory of the Member States; strategies and practical papers: Strategy 2020 which encourage free movement of workers for sustainable development and EC communication COM (2012) 173 final, where Member states are recommended to promote free movement of workers for balanced labour market. To reveal the above mentioned aspects the comparative analysis and interpretation of the EU legal documents, strategies and practical papers is used in this paper as one of the research methods.*

Beside legal documents, strategies and practical papers EC puts a lot of efforts towards various kind of initiatives to boost efficient free movement of workers, effective business development and accordingly to balance a labour market and reduce an unemployment.

Considering the above mentioned, the article solves the *scientific problem*: how EURES network's activities could impact employment and business development in the EU and Lithuania?

Novelty of the paper:

- there are a lot of scientific works analysing free movement of workers in general, however free movement of workers as one of the solutions to reduce growing unemployment rate in the EU is not deeply analysed;
- *case study of EURES network activities in Lithuania presents a new approach to the network.* It appears as a tool helping to balance EU labour market and to boost business development.

To achieve this aim three tasks were solved: to present the main topicalities of employment and its relevance to business development in the EU and Lithuania; to analyse the legal

aspects of free movement of workers in the EU; to highlight the main EURES network's activities reducing unemployment in the EU and Lithuania.

The aim of this paper is to study peculiarities of legal regulations of free movement of workers in the EU and importance of EURES network's activities as well as its relevance to employment and business development in the EU and Lithuania

The main tasks were: to present the main topicalities of employment and its relevance to business development in the EU and Lithuania; to analyse the legal aspects of free movement of workers in the EU; to highlight the main EURES network's activities reducing unemployment in the EU and Lithuania.

The paper presents a combination of several *research methods:*

- *comparative analysis of Lithuanian and international scientific works;*
- comparative analysis and interpretation of the EU legal documents, strategies and practical papers;
- *comparative and explanatory analysis of secondary statistic data;*
- *case study* of EURES network activities in Lithuania.

Topicality of business development and employment in the European Union

The economic crisis highlighted a high unemployment rate in all European Union and especially youth unemployment (Shucksmith, 2013; Rakauskienė, Žukovskis, 2010) in rural areas. High unemployment reduces citizen's income, downward states economics and financial situation.

Accordingly, it is expedient to analyse EU's unemployment trends in the overall as well as to consider the situation of each country, and to emphasise the Lithuanian unemployment trends. Regarding to this *comparative and explanatory analysis of secondary Eurostat statistic data* was used in the paper.

According to Eurostat unemployment statistics, unemployment rate in European Union countries dramatically started to grow after the economic crisis (see figure 1). The chart shows that since 2008 the unemployment started to grow, during 2011 stopped growing and gradually decreased, but not for a long time. After the 2011 the unemployment rate started to grow again and reached the highest unemployment rate in the last 8 years. The chart also shows that not only European Union has high unemployment rate but Euro area countries as well, while the recent has a slight higher unemployment rate after 2008. It could be concluded that after economic crisis bigger influence to Euro zone countries. According to the European Commission's publication Labour Market developments in Europe 2013 there were 19.231 million unemployed in July 2013 in the euro area and 26.654 million in the EU. The scientists Marelli, Patuelli, Signorelli (2012) in their paper empirically assessed the evolution of European regions in terms of both employment and unemployment during the recent financial crisis and global recession. Referring to Pavelka (2012), many people, who became unemployed in the time of economic decline, remained unemployed and moved into the category of long-term unemployed.

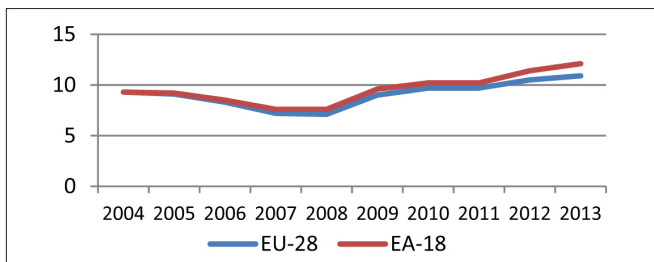


Figure 1. Unemployment rate in EU-28 and EA-18, period 2004–2012 (Eurostat, Unemployment statistics, Unemployment rate in EU-28 and EA-18, period 2004–2012)

January 2014 the EU’s overall unemployment rate was 10.8% comparing with 2013 same month it decreased by 0,2% (Eurostat, Unemployment statistics, Harmonised unemployment rate by sex). According to the Eurostat statistics, the highest unemployment rate was (see figure 2): in Greece – 28 % and Spain – 25.8%; while the lowest was in Austria – 4.9%. Lithuania’s unemployment rate was 11.3% higher than EU-28 by 0.5%, but still lower by 0.7% than EA-18, which was 12%.

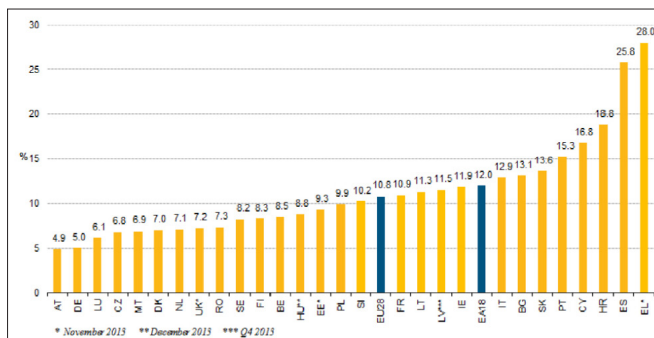


Figure 2. Unemployment rates, seasonally adjusted, January 2014 (Eurostat, Unemployment statistics, Unemployment rates, seasonally adjusted, January 2014)

With reference to Eurostat unemployment statistics, recently youth unemployment in the EU appears as a major issue. Regarding to statistics youth unemployment rate is far higher than total. After the economic crisis youth unemployment rate uncontrollably was increasing and in January 2014 it reached 23.4% (see figure 3). Youth unemployment rate is more than twice (12.6%) higher as total unemployment rate; it does reflect the employment problems of young people.

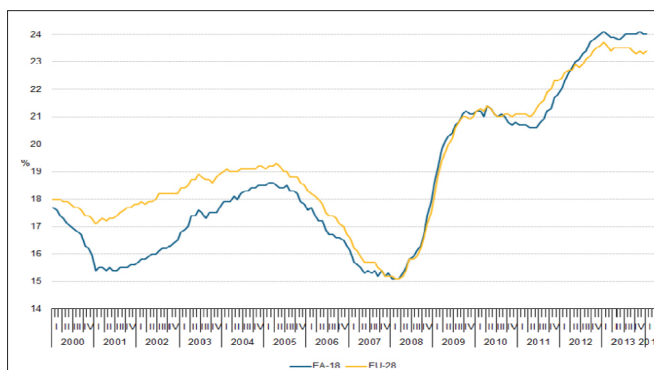


Figure 3. Youth unemployment rates, EU-28 and EA-18, seasonally adjusted, January 2000–January 2014 (Eurostat, Unemployment statistics, Youth unemployment rates, EU-28 and EA-17, seasonally adjusted, January 2000–January 2014)

However Lithuania’s unemployment rate has different tendencies in the period 2003–2013 than in other EU countries (see figure 4). Either after economic crisis the total and youth unemployment rate start to grow rapidly, but it stopped growing in 2010 and slightly were decreasing. Youth unemployment rate is unlikely lower than total. According to Kvedaraite, Repeckiene, Glinskiene and Zvireliene (2012) in Lithuania youth unemployment regularly starts in June and July each year, after students graduate from higher education institutions. In 2013 total unemployment rate was 10.9% and youth unemployment was 6.3%.

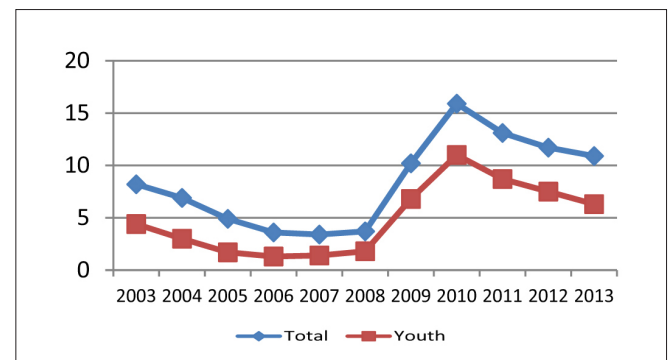


Figure 4. Total and youth unemployment rate in Lithuania, 2003–2013. (Lithuania labour exchange, Labour market, Total and youth unemployment rate in Lithuania, 2003–2013)

However the unemployment rate’s range is very linked to emigration. According to Rakauskė O. G., Ranceva O., (2012), young people (aged 15 to 29) make up 40.8% of all Lithuanian emigrants. For the most part, young employable people leave: every other migrant is 20 to 34 years old and this tendency remains stable from 2001. In 2008, one fifth of all emigrants were inhabitants aged 25–29, 13% were 20–24, 14% – 30–34; in 2007, 18, 13 and 14% respectively. In 2010, 22.3% of emigrants were aged 25 to 29, 18.2% were aged 20 to 24, 14.4 percent were aged 30 to 34. In 2010, people from 35 to 54 made up one fourth of all emigrants; in 2009 – one third. With reference to Rakauskė O. G., Ranceva O., (2012) it is obvious that emigration causes Lithuania lose many young employable people. 77% of emigrants are aged from 15 to 44.

Šakienė (2009) was identifying problems caused by Lithuanian unemployment regulation policy in her paper and became with the result that main problems are caused by unemployment benefit policy.

Quite often young people leave Lithuania because of low income, difficult life conditions, the lack of workplaces and miserable opportunities for self-realisation. Focus on young and mobile people is crucial, as they are the main group of interest, who needs knowledge in free movement of workers, guarantees on their rights as well as encouragement and support for the involvement to business sector.

The secondary statistical analysis shows that EU has to develop measures in order to reduce unemployment and especially youth unemployment. The unemployment situation in Europe influence economies and business development of all member states. In the member states there is not enough of money inflow to the member states’ budget from the employment and there is money outflow for the unemployment benefit.

Accordingly an efficient free movement of workers could appear as one of the solutions in reducing the high unemployment rate in the EU and in boosting business development. Potentially mobile workers could move to another EU country to work. During that period one could gain necessary experience, to develop one's skills and to improve knowledge of foreign language. Jobseeker with working experience and gained competence would get employment easier in his native country and would integrate into a labour market faster. Moreover, business could benefit from experienced employee.

However the reinforcement of an efficient free movement of workers in the EU is a major challenge. And one of its reasons is the legal aspects of free movement of workers as well as dissemination of information about it.

Legal aspects of free movement of workers in the European Union

After the biggest EU enlargement in 2004 the legal issues of free movement of persons as well as workers became an important issue and a relevant research object. A number of scientists: Doyle, Hughes, Wadensjo (2006), Igllicka (2006), Gilpin, Henty, Lemos, Portes and Bullen (2006), Donaghey, Teague (2006), Carrera (2005) emphasised the legal aspects of free movement of workers moving to EU15 countries after the enlargement of EU in 2004. Carrera (2005) highlighted the theoretical aspects of free movement of workers and its adoption to practice as well as emphasised a need to overcome barriers for efficient free movement of workers and to make free movement and residence rights more inclusive. While Doyle, Hughes, Wadensjo (2006), Gilpin, Henty, Lemos, Portes, Bullen (2006), Donaghey, Teague (2006) pointed out the movement of workers from Central and Eastern Europe to Western countries. Scientific works highlighted the EU social security regulation problems for EU15 member states and especially cases of Ireland, Sweden and UK. It was stated that social security rights there were positively conducive to immigrants that a number of applicants started to grow and it made a negative effect to established national systems of labour market regulation. Igllicka (2006) analysed legal aspects of free movement of youth and especially students. According to scientist a number of students from Eastern Europe in universities of the EU15 started to grow. Due to this it became essentially important to raise an issue of education and resident rights for students as potential labour power and a boost to business development.

The EC responding to on-going changes in the EU constantly initiates the development of legal regulations of free movement of workers in creating various legal documents.

One of the first documents, which included regulations for free movement of workers, was Treaty of establishing European Community (EC Treaty Articles 39–42 on the free movement of workers, 1997-10-02). The treaty gives a permission to move in European Community. The 39–42 articles include all the basic regulations for free movement of workers. According to Dolvick and Visser (2009) the freedom of movement includes employment, remuneration and other employment and working conditions, abolition of any discrimination against workers of Member States on grounds of nationality. According to EC Treaty Articles 39–42 member States by a joint program encourage the exchange

of young workers. Furthermore, based on EC Treaty, Council encouraged member states to liberalize the movement of workers by abolishing those administrative procedures and practices and those jobs right qualifying periods applicable under national legislation or previous agreements between Member States. By EC Treaty Articles 39–42, there was taken necessary measures to ensure social security rights for migrant workers and their dependents, in accordance with the laws of the several states (Dobson and Sennikova, 2007). There were created two EC regulations No.883/2004 and No.987/2009, which recites social security rights moving across Europe, like right to pension, sickness benefit, maternity leave or unemployment benefit.

Another important document regulating free movement of workers is European Parliament and Council Directive 2004/38/EC on the right of EU citizens and their family members to move and reside freely within the territory of the Member States. The biggest value of this directive, that it explains all the EU citizens' rights in other member states.

Currently, the European Union's desire is to overcome the economic downturn and one of its consequences – high rates of unemployment. In pursuing its objectives, the EU offers to Member States to take the initiative in reducing unemployment. The European Commission has prepared a ten-year European Economic Recovery Strategy 2020 (EUROPE 2020 a strategy for smart, sustainable and inclusive growth). The document states that within 10 years the EU should strive to create more jobs. The strategy presents measures to Member States how to achieve a decline in unemployment and employment growth, as well as recommendations, how to address the problem of youth unemployment (Chung, Bekker, Houwing 2012).

European Union Strategy 2020 has 7 flagship initiatives; however one of these initiatives – “Youth on the Move” is essentially important, whereas it is directly related to the free movement of workers (COM (2012) 173 final. Brussels 2012.04.18). The aim of this initiative is to promote students' and trainees' mobility, as well as to improve employment situation of young people in the EU. On the basis of this framework the European Commission has established goals in the European Union level:

- to explore ways promoting mobility programs for young professionals in entrepreneurship;
- to launch a Youth employment framework outlining policies to reduce youth unemployment with Member States and social partners to promote the integration of young people into the labour market through apprenticeships, internships or other work experience, including EURES job system, which aims to increase youth possibilities for facilitating mobility across the EU.

Due to economic crisis young people experience difficulties finding a job. More than five million young Europeans are looking for a job. Indeed more than half of young people in Europe are willing or keen to work abroad, but lack of job search support or cash discourages many of them from taking a first step. At the same time, while the current job outlook may not seem too bright, many vacancies remain unfilled due to the lack of suitable job applicants among the available workforce. Employers are missing out on many young European mobile workers who could make

their businesses more innovative and competitive (Your first EURES, job 2012–2013 guide).

Flagship initiative “Youth on the Move” includes a pilot programme – “*Your first EURES job*”. The programme is established in 2012. Its specific target is to help young people (aged 18 to 30) to find work and to help employers find young workers in other Member States.

With companies operating across a wider geographical area and educational qualifications more easily recognisable in other European countries than ever before, young people have access to more employment opportunities and businesses have access to a larger pool of talented workforce.

Accordingly “Your first EURES job” could help to reduce labour market imbalances at EU level by boosting job mobility between in particular EU countries with high youth unemployment and those countries facing skills shortages in specific economic sectors. A particular emphasis is put on encouraging participation of small and medium sized enterprises (SME’s) in the action in order to tap the potential of SME’s to recruit young mobile workers (Your first EURES job, 2012–2013 guide).

EU citizens are using the right of free movement in order to find a work in another EEE country. According to Dobson and Sennikova (2007), Manolo (2006) and Pettinger (2009) migration had an important positive effect on EU-15 economies (for example in UK, Ireland and Sweden) because it alleviated labour shortages and skill bottlenecks. Likewise free movement of workers can: deal with labour storages, prevent wage inflation, diminish the rise in unemployment, make more flexible labour markets and fill undesirable jobs as well as to boost a business development. The EU regulations ensure that mobile workers are equally treated and their rights are protected. Furthermore, social security regulations protect social security rights for mobile workers, which allow moving across Europe with gained social security rights to another EEE country without losing them.

Summarising the above made analysis of legal documents and EU initiatives, can be stated, that legal regulation of free movement of workers as well as political guidelines towards its implementation is a significant factor towards successful free movement of workers in the EU. Consequently it has a direct impact to further aspects such as balanced migration flows and balanced labour market; lower unemployment rate and bigger involvement of workers to business sector – especially to SMEs.

However the dissemination of information about legal regulations of free movement of workers is an important factor in this regard. Quite often EU citizens need basic information on their rights as well as guidelines, where they could look for a job. Consequently, in 1993 the EC has launched a new initiative – EURES - European Employment Services is a network of national consultants.

Activities of EURES network towards an employment in the European Union disseminating information about legal regulations of free movement of workers

With reference to *European job mobility laboratory*, before the crisis, there were large-scale movements from the EU12 into the EU15, particularly to the UK, Ireland and Sweden. Workers were and are mobile and moving to work from country to country. Consequently there is a constant demand

for the information about their rights. The established by EC EURES network is responsible for exchanging information between national and international consultants in order to help workers to look for a job in all over the EU and EEE countries. The *European job mobility portal* gives a clear description of EURES mission, which is *to provide information, advice and recruitment/placement (job-matching) services for the benefit of workers and employers as well as any citizen wishing to benefit from the principle of the free movement of persons.*

During the period of two decades from its establishment the EURES network has developed. While in the beginning of networks establishment its main goal was to ensure and to encourage a closer cooperation between national employment services in the EU (Dobson and Sennikova, 2007), nowadays EURES became more sophisticated and gained more important role. As it is mentioned in strategy 2020, the network is directed to potentially mobile jobseekers and employers willing to recruit from other member states. Related to the strategy 2020 mobility is becoming an important factor to balance European labour market, while EURES could become a tool helping to implement it.

According to 17th January 2014 proposal (COM/2014/06 final) the EURES network at EU level accounts for approximately 150,000 placements per year: 50 000 through EURES advisers and 100 000 through European job mobility portal. According to the latest data of The European job mobility portal (refreshed on the 2nd of June, 2014), there were more than 1.5 million vacancies announced in a portal. While the *EURES survey* results (SWD/2014/09 final) shows, that the main problems working abroad are lack of language skills (52%) and lack of information on finding a job (24%). The survey exposed that 43.05% jobseekers 2006–2012, who have applied for EURES services were interested in job search information and 17.09% were interested in information in general EURES services.

With reference to EURES survey results it can be stated that there is still a lack of awareness of EURES services at the EU level and there is a demand from jobseekers for reliable information about job search opportunities abroad as well as legal rights of free movement of workers.

To reveal a case of the Lithuanian EURES network activities in disseminating information about free movement of workers it was chosen a case study method based on the analysis of EURES surveys and reports and EC recommendations.

EURES Lithuania network was established in 2003 and there are 10 EURES bureaus in every territorial public employment services (Territorial labour exchange). According to Lithuanian EURES database in 2013 there were approx. 24 thousand consultations provided about living and working conditions in EEE countries and 147 information events organized for both potentially mobile workers and employers wishing to work and recruit in the EU and EEE countries. In 2012 with Lithuanian EURES advisors help only 11 jobseekers from other countries managed to find a job in Lithuania, while 373 found a job abroad. *With reference to this can be stated, that Lithuanian labour market and business sector experience bigger outflow then inflow of workers through EURES network channels*, while in such countries like UK, Ireland and Sweden it works in opposite. And due to this aspect those countries’ economies and business sector is gaining bigger benefit. However countries “sending” or

“accepting” of workers mutually benefit from one common factor – harmonised and balanced labour market.

With reference to Lithuanian EURES statistics *Lithuanian jobseekers in 2013 were mostly interested in information about job search and social security rights*. However, according to EURES survey results, *there are still a lot of jobseekers in Lithuania who are still not aware of EURES. These workers have a lack of information on their rights and labour market situation in the EU*. Quite often Lithuanian jobseekers approach EURES networks after they face job search problems in other countries or when they get into troubles regarding their social security rights already being abroad. Regarding to this it can be stated, that *a need of EURES network for Lithuanian citizens is relevant, however its visibility must be strengthened*.

It seems to be a tendency not only of Lithuanian citizens' not being aware of EURES network's activities, while in the guidelines of the Commission (SWD/2014/09 final) it is stressed to increase bigger awareness of EURES in the EU overall and to provide reliable and professional information to both jobseekers and employers.

Each country has its own system of hosting EURES network bureaus across the country. Lithuanian EURES bureaus are incorporated into every territorial public employment services (Territorial labour exchange). Personnel of EURES network in Lithuania gives information and consultation for those who want to know about job opportunities, living, working and studying conditions in EU countries, also for Lithuanian employers who are looking for workers in other EU countries. *However responsibilities and management of personnel is divided between hosting country and EC. Such combined management brings some difficulties in division of EURES personnel functions in Lithuania*. It is related with an issue, that quite often a mission of EURES network is interpreted and understood in Lithuania with negative approach. Lithuania, especially during the economic crisis, experiences the brain-drain and emigration. Due to this fact Lithuanian territorial public employment services has a strong obligation trying to employ Lithuanian citizens in their native country, while its subdivision EURES bureaus' advisers put all their efforts offering open vacancies abroad. Theoretically both sides are working towards balanced labour market, however one – in the level of Lithuania and another – in the level of the EU. Practically, besides mutual efforts to reduce an employment and to consult workers about their rights, both sides experience contradiction in term, which makes certain influence to its activities and direct duties. *Accordingly it can be stated, that bigger autonomy of EURES bureaus in Lithuania would make its development and activities more flexible and purposeful*.

EURES bureaus in the EU are highly encouraged by EC to cooperate together with other EC initiatives and resources: like Europe Direct, Eurodesk, SOLVIT, European information centres and etc. Close cooperation between above mentioned initiatives increases its awareness as well as helps to solve one's problem faster and more comprehensively. *Lithuanian EURES bureaus follow EC recommendations regarding closer cooperation between EC initiatives and resources; however mostly in national level. While it should be more and with bigger divers developed towards international level and*

could reach all potentially mobile workers and could solve their needs.

A need for changes in Lithuanian EURES network activities is timely responding to currently raising needs for changes in EURES network at large. In 2014, EC presented and EU's Council of Ministers and the European Parliament adopted a “Proposal for a regulation of the European Parliament and of the Council on a European network of Employment Services workers' access to mobility services and the further integration of labour markets” (COM/2014/06 final). The proposal stresses a need to improve the EURES network as well as to develop it to a stronger and more transparent as well as flexible tool providing more job offers, increasing the likelihood of job matches and helping employers, especially small and medium enterprises, to fill job vacancies. These improvements would benefit jobseekers and businesses of all sizes, but particularly SMEs, since currently they may not be able to afford to recruit abroad without the services that EURES provides free of charge (Improvement of the EURES job search network).

According to the EC, the current level of cooperation between PES in Member States is insufficient in terms of mutual learning and benchmarking. A stronger legal basis is Public employment services in the EU needed to foster cooperation beyond what currently takes place in the context of EURES and to facilitate labour market projects financed by the European Social Fund. The possibility of extending EURES to traineeships was raised in the EC's proposal on a quality framework for traineeships (EPRS, Briefing, 2014). Accordingly to these remarks a pilot programme “*Your first EURES job*” is considered to become an official and permanent part of EURES.

László Andor, a Commissioner for employment, social affairs and inclusion, has highlighted in the proposal, that *„the reformed EURES would facilitate labour mobility and contribute to achieving a truly integrated EU labour market“*.

In summarising the above analysed reports, surveys and documents can be stated that Lithuanian EURES network currently experiences raising need for changes and improvement, which are relevant to new rules and recommendations presented by EC for the improvement of EURES network at large. The improvement process will bring new changes for Lithuanian EURES network and will reinforce the network to contribute to integrated and balanced EU labour market.

Conclusions

- According to the made analysis of secondary statistic data, it can be stated that the EU experiences a high rate of unemployment as a consequence of economic crisis. It makes an impact to economies and business development in all member states of the EU. The analysis has revealed that a major problem of unemployment is between young people. However Lithuanian youth unemployment rate range depends on their mobility. Lithuanian young people solve their problem of unemployment by leaving a country (because of low income, difficult life conditions, the lack of workplaces and miserable opportunities for self-realisation) and trying to integrate to a labour market abroad.

- The result of secondary statistical analysis revealed a need for the EU measures to reduce unemployment and especially youth unemployment in the EU as well as in Lithuania. As one of the solutions is a balanced labour market in the EU strengthening the free movement of workers and involvement of possible workers into business sector all over the EU. The EU intra-mobility of workers is a challenge for member states in their national level as well as a major challenge to the EU itself.
- Comparative analysis and interpretation of the EU legal documents, strategies and practical papers revealed a fact, that legal regulation of free movement of workers as well as political guidelines towards its implementation is a significant aspect towards successful free movement of workers in the EU. Consequently it has a direct impact to further aspects such as balanced migration flows and balanced labour market; lower unemployment rate and bigger involvement of workers to business sector – especially to SMEs.
- According to the made analysis, it can be stated, that beside EC's efforts towards the legal regulation of free movement of workers, there is still a need for bigger development of legal basis in this field (social security rights, equal rights of immigrants and registration obligations necessary for ensuring immigrant right in other EU and EEE country). Political guidelines and practical initiatives of the EC (Strategy 2020, its flagship initiative “Youth on the Move” and a pilot programme “Your first EURES job”) make a significant contribution towards its implementation. However, according to the analysis, the EU citizens quite often still need basic information on their rights as well as guidelines where they could look for a job. The European Employment Service (EURES) initiated by EC takes an important place in this regard by disseminating information about legal regulations of free movement of workers and supporting the involvement of potential workers to a labour market.
- Case study, based on the analysis of official reports, surveys and documents, revealed, that Lithuanian EURES network currently experiences raising need for changes and improvement, which are relevant to new rules and recommendations presented by EC for the improvement of EURES network at large. According to the EC recommendations EURES network should become a stronger, more flexible, and transparent tool providing consultations, dissemination of information, increasing the likelihood of job matches and helping employers, especially small and medium enterprises, to fill job vacancies. Due to this a pilot programme „my first EURES job“ is foreseen as an official part of EURES activities. These improvements would benefit jobseekers and businesses of all sizes, but particularly SMEs.
- According to the made analysis there is a need as well for a closer cooperation between EURES network's consultants and Public Employment Services as well as others EC initiatives (such as Europe Direct, Eurodesk,

SOLVIT, European information centres and etc.) locally and internationally. Close cooperation between above mentioned initiatives increases its awareness as well as helps to solve one's problem faster and more comprehensively. The EURES improvement process will bring new changes for Lithuanian EURES network and will reinforce the network to contribute to integrated and balanced EU labour market.

References

- Berzinskiene D. and Juozaitiene L. (2011). Impact of labour market measures on unemployment. *Inžinerinė ekonomika-Engineering economics*, 22 (2), 186–195.
- Carrera S. (2005). What Does Free Movement Mean in Theory and Practice in an Enlarged EU? *European Law Journal*, Volume 11, Issue 6, pages 699–721, accessed March 21, 2014, <http://onlinelibrary.wiley.com/doi/10.1111/j.1468-0386.2005.00283.x/abstract?deniedAccessCustomisedMessage=&userIsAuthenticated=false>;
- Chung H., Bekker S., Houwing H. (2012). Young people and the post-recession labour market in the context of Europe 2020. *Transfer: European Review of Labour and Research*. August 2012 vol. 18 no. 3, pages 301–317 doi: 10.1177/1024258912448590, accessed March 17, 2014, <http://trs.sagepub.com/content/18/3/301.short>.
- Commission staff working document impact assessment SWD/2014/09 final, accessed March 21, 2014, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=SWD:2014:0009:FIN:EN:HTML>.
- Dobson J. R. and Sennikova I. (2007). From fundamental freedom to political and economic “hot potato” in 50 years: labour mobility and migration withing the EU. *Journal of Business Economics and Management*. ISSN 1611–1699.
- Dolvick J. E. and Visser J. (2009). Free movement, equal treatment and workers' rights: can the European Union solve its trilemma of fundamental principles? *Industrial relations journal*, volume 40, issue 6, pages 491–509, accessed March 21, 2014, <http://onlinelibrary.wiley.com/doi/10.1111/j.1468-2338.2009.00542.x/abstract;jsessionid=E4F7B886A912AC1A4E9A4BEA0DE38D66.03t04?deniedAccessCustomisedMessage=&userIsAuthenticated=false>
- Donaghey J. and Teague P. (2006) The free movement of workers and social Europe: maintaining the European ideal. *Industrial relations journal*, volume 37, issue 6, pages 652–666, accessed March 21, 2014, <http://onlinelibrary.wiley.com/doi/10.1111/j.1468-2338.2006.00426.x/abstract;jsessionid=F22887E3D6D7F7015F7AF2EB548E33B7.f02t02?deniedAccessCustomisedMessage=&userIsAuthenticated=false>.
- Doyle N., Hughes G. and Wadensjö E. (2006). Freedom of Movement for Workers from Central and Eastern Europe, Experiences in Ireland and Sweden. ISBN 91-85129-38-0, accessed March 21, 2014, http://www.agri-migration.eu/docs/Swedish_Institute_for_European_Policy_Studies_2006.pdf.
- EC Treaty Articles 39-42 on the free movement of workers, 1997-10-02, accessed March 18, 2014, http://www3.lrs.lt/pls/inter1/dokpaieska.showdoc_l?p_id=9224

- EURES Lietuva. EURES Lietuva veiklos ataskaita. accessed March 21, 2014, http://www.ldb.lt/eures/index.aspx?page=/lt/eures_lietuva/eures_lietuva_veiklos_ataskaita/&menu_id=326.
- European Commission. Communication from the Commission to the European Parliament, The Council, The European Economic and Social Committee and the Committee of the regions, Towards a job-rich recovery. COM(2012) 173 final. Brussels 2012.04.18, accessed March 17, 2014, <http://ec.europa.eu/social/BlobServlet?docId=7619&langId=lt>;
- Labour market developments in Europe 2013. European Commission, Economic and financial affairs. European economy 6., 2013. ISBN 978-92-79-28538-7. DOI: 10.2765/40221
- European Commission, Employment, social affairs and inclusion. Mobility in Europe 2012. European job mobility laboratory, accessed June 2, 2014, <http://www.mobilitypartnership.eu/Documents/Mobility%20in%20Europe%202012.pdf>
- European Commission. Employment: how the EURES jobseeker mobility network works. MEMO/12/896 26/11/2012, accessed March 21, 2014, http://europa.eu/rapid/press-release_MEMO-12-896_en.htm;
- European Commission. EUROPE 2020 A strategy for smart, sustainable and inclusive growth. COM(2010) 2020 final. Brussels, 3.3.2010, accessed March 17, 2014, <http://eur-lex.europa.eu/legal-content/EN/ALL/?jsessionid=Q7DDT5GHnNlssws2BGbCnpLRVtCXRLrrHK9YvN5sMBqhQqfX2BhPl-1032436182?uri=CELEX:52010DC2020>.
- European Commission. The European job mobility portal. EURES. What can EURES do for you? accessed March 21, 2014, <https://ec.europa.eu/eures/main.jsp?catId=27&cro=eures&lang=en>;
- European Parliament and Council Regulation (EC) No. 883/2004. Coordination of social security system, accessed March 18, 2014, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32004R0883:LT:HTML>;
- European Parliamentary Research Service (EPRS). Briefing, 23/03/2014. Public employment services in the EU Facilitating mobility and employment, accessed June 2, 2014, [http://www.europarl.europa.eu/RegData/bibliotheque/briefing/2014/140769/LDM_BRI\(2014\)140769_REV1_EN.pdf](http://www.europarl.europa.eu/RegData/bibliotheque/briefing/2014/140769/LDM_BRI(2014)140769_REV1_EN.pdf)
- European vacancy monitor, European Commission. No. 12/ February 2014. ISSN: 1977–3897.
- Europedia. Improvement of the EURES job search network. Insights of Nicholas Moussis, accessed March 14, 2014, <http://www.europedia.moussis.eu/discus/discus-1390555514-218296-13329.tkl>
- Eurostat, Unemployment statistics, Harmonised unemployment rate by sex, accessed March 17, 2014, <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&language=en&pcode=teilm020&tableSelection=1&plugin=1>;
- Eurostat, Unemployment statistics, Unemployment rate in EU-28 and EA-18, period 2004-2012, accessed March 14, 2014, http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=une_rt_a&lang=en;
- Eurostat, Unemployment statistics, Unemployment rates, seasonally adjusted, January 2014, accessed March 14, 2014, http://epp.eurostat.ec.europa.eu/statistics_explained/index.php?title=File:Unemployment_rates,_seasonally_adjusted,_January_2014.png&filetimestamp=20140228082240;
- Eurostat, Unemployment statistics, Youth unemployment rates, EU-28 and EA-17, seasonally adjusted, January 2000 - January 2014, accessed March 14, 2014, http://epp.eurostat.ec.europa.eu/statistics_explained/index.php?title=File:Youth_unemployment_rates,_EU-28_and_EA-17,_seasonally_adjusted,_January_2000_-_January_2014.png&filetimestamp=20140228082441;
- Ferragina A. M. and Pastore F. (2008). Mind the gap: unemployment in the new EU regions. *Journal of Economic Surveys*. pages 73–113, DOI: 10.1111/j.1467-6419.2007.00534.x. Available on the internet: <http://onlinelibrary.wiley.com/doi/10.1111/j.1467-6419.2007.00534.x/abstract?deniedAccessCustomisedMessage=&userIsAuthenticated=false>;
- Gilpin N., Henty M., Lemos S., Portes J. and Bullen C. (2006) The impact of free movement of workers from Central and Eastern Europe on the UK labour market. Department for Work and Pensions. Working Paper No 29, accessed March 21, 2014, <http://collection.europarchive.org/tna/20090106142604/http://www.dwp.gov.uk/asd/asd5/WP29.pdf>.
- Iglicka K. (2006). Free Movement of Workers Two Years After the Enlargement: Myths and Reality. Center for International Relations, Reports&Analyses 11/06, accessed March 21, 2014, <http://www.sosuarhus-international.com/dokumenter/EHCweb/CAREmob%20BACKGROUNDERS/Nye%20CAREmob%2020okt/Free%20Movement%20of%20Workers.pdf>;
- In 2004. April 29. European Parliament and Council Directive 2004/38/EC on the right of EU citizens and their family members to move and reside freely within the territory of the Member States, accessed March 17, 2014, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2009:0313:FIN:LT:HTML>;
- Kvedaraitė N., Repeckienė A., Glinskiene R. and Zvireliene R. (2012). Youth employment and measures that facilitate inclusion into the labour market. *Socialiniai tyrimai / Social Research*. Nr. 4 (29), 82–90. ISSN 1392–3110.
- Lithuania labour exchange, Labour market, Total and youth unemployment rate in Lithuania, 2003–2013, accessed March 14, 2014, http://www.ldb.lt/Informacija/DarboRinka/Puslapiai/rodikliai_men_pabaigoje.aspx;
- Making it easier to move and work to recruit young people in Europe. Your first EURES job 2012–2013 guide, accessed June 2, 2014, http://www.yourfirsteuresjob.eu/images/allegati/yfej_guide_en.pdf.
- Manolo A. (2006). Global competition for skilled workers and consequences. Competing for global talent. International Institute for labour studies. ISBN 92-9014-776-8
- Marelli E., Patuelli R., Signorelli S. (2012). Regional unemployment in the EU before and after the global crisis. *Post-Communist Economies*. DOI:10.1080/14631377.2012.675153, Accessed March 21, 2014, <http://www.tandfonline.com/doi/abs/10.1080/14631377.2012.675153#.UzhdMfsyKsg>;
- Martinkus B., Stoskus S., Berzinskiene D. (2009). Changes of employment through the segmentation of labour market

- in the baltic states. *Inzinerine Ekonomika-Engineering Economics*(3). ISSN 1392 – 2785.
- Neverauskienė L.O., Moskvina J. (2010). Aktyvios darbo rinkos politikos priemonių socialinė nauda. *FilosoFija. sociologija*. T. 21. Nr. 2, p. 101–111.
- Official Journal of the European Union. L 229 of 29 June 2004. Directive 2004/58/EC of the European Parliament and of the Council, accessed June 2, 2014, <http://www.solvitireland.ie/eu-treaty-rights-information-/official-journal-229.pdf> ;
- Official Journal of the European Union. L 200 of 7 June 2004. Regulation (EC) No 883/2004 of the European Parliament and of the Council, accessed June 2, 2014, <http://www.ceass.ro/docs/883.pdf> ;
- Official Journal of the European Union. L 284 of 10 October 2009. Regulation (EC) No 987/2009 of the European Parliament and of the Council, accessed June 2, 2014, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:284:0001:0042:en:PDF> ;
- Pavelka T. (2012). Long-term unemployment in the European Union during the last five turbulent years. *Intelektinė ekonomika*. Vol. 6, No. 3(15), p. 293–305. ISSN 1822–8011.
- Pettinger T. (2009). Free movement of labour. *Economics*. Accessed March 21, 2014, <http://www.economicshelp.org/blog/1386/economics/free-movement-of-labour/>.
- Proposal for a Regulation of the European Parliament and of the Council on a European network of Employment Services, workers' access to mobility services and the further integration of labour markets. Brussels, COM/2014/06 final - 2014/0002 (COD). Improvement of the EURES job search network, accessed June 2, 2014, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2014:0006:FIN:EN:HTML>
- Rakauskienė B., Žukovskis J. (2010). Jaunimo įsidarbinimą kaimiškoje vietovėje įtakojantys veiksniai. *Akademinio jaunimo siekiai: ekonomikos, vadybos ir technologijų įžvalgos*. VŠĮ Vakarų Lietuvos verslo kolegija. ISSN 2029–0217.
- Rakauskienė O. G., Ranceva O. (2012) Strengths of Emigration from Lithuania: Demographic, Social and Economic Consequences. *Intellectual economics*, 2012, Vol. 6, No. 2(14), p. 89–101. ISSN 1822–8011.
- Repečkienė A., Kvedaraitė N., Žvirelienė R. and Glinskienė R. (2012). Measures facilitating reduction of academic youth unemployment and transfer from educational institutions to labour market (Lithuanian case). *Economics and management*, 17 (4). ISSN 2029–9338.
- Šakienė H. (2009). Unemployment regulation policy analysis in Lithuania. *Ekonomika ir vadyba: aktualijos ir perspektyvos*. 1 (14). 270–277. ISSN 1648–9098.
- Shucksmith M. (2013). How to promote the role of youth in rural areas of Europe? Newcastle University, UK. Power Point presentation. Available on the internet: http://www.desenvolupamentrural.cat/system/uploads/attachment/nv_asset/1292/1._mark_shucksmith_rural_youth_catalonia.pdf.

The article has been reviewed.

Received in April, 2014; accepted in June, 2014.