



## SOCIALLY RESPONSIBLE AND SUSTAINABLE EMPLOYMENT POLICY TRENDS

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**Abstract.** The purpose of the article is to examine social and economic issues and problems systematically in order to determine how the public and corporate social responsibility are understood, processed and increased over time; to explore if there are any statistically significant values. Also, the analysis of corporate social responsibility concept is performed and tools of corporate sustainability and its implications on companies are analysed, highlighting the situation regarding corporate social responsibility development in Baltic States. This study investigates the relationship between organizational values and sensitivity to corporate social responsibility among current employees. Corporate social responsibility (CSR) is analyzed in order to explain its effectiveness in Lithuanian encouraging firms to focus on the empowerment of business participants and socially oriented effective business development. The research has contributed to the development of assessment instrument for organizational culture environment values orientations that determine the organizational culture environment and ascertain the factors that affect the differences of value orientation structures. This article provides an overview of socially responsible and sustainable employment policy trends in Lithuania. The publication also deals with the employment and corporate social responsibility (CSR) development factors that are closely related with the implementation of socially responsible labour market policies; these factors reflect chances of the population's integration into the labour market. Results of the research point out the necessity of social responsibility facilitating ethics studies in entrepreneur training programs in universities and colleges. Also, a conclusion has been achieved that the integration of CSR and public administration system would bring higher sustainable level.

**Keywords:** corporate social responsibility, employment policy, sustainable integration.

**JEL classification:** J5, J58.

### 1. Introduction

Responsible business development in separate companies of the country is closely linked to the increase of attractiveness of their employees' employment. Job-creation and the realization of opportunities for the promotion of entrepreneurship reflect CSR development tendencies. Most of the information about CSR in Lithuania shows the formal (“front”) CSR side, but relevant studies, which would reflect real and unvarnished situation in the country, are especially lacking. The most noteworthy data is the study “Corporate Social Responsibility Trends among Small and Medium-sized Enterprises in the Baltic Countries” (Corporate Social Responsibility 2010), which emphasizes that only 43.6 percent of heads of country's small and medium-sized companies did not know what corporate (general) social responsibility is. Moreover, the results of the study showed that 52 percent of country's small and medium-sized enterprises have not yet implemented any CSR program. 37.7 percent

companies claimed that they had carried out CSR activities. 54.9 percent of them said that they have been carrying out CSR activities for more than three years, 25.2 percent – about two years, and 19.9 percent – about one year. On the other hand, the extent of CSR development in the country is far from sufficient judging by slowly pending problems of unemployment and the relatively low level of well-being, which could be reached by the people working in Lithuania.

It is clear that CSR development is concurrent with the creation of jobs the solution of employment problems in different sectors of the economy. Employment has become the absolute priority by the revised Lisbon Strategy. This was reflected during the period of programming the Community financial instruments for the period 2007-2013 (Community Programme... 2006). At the same time, the European Commission is supporting the fight against unemployment and undeclared work by modernizing the public employment services and by encouraging flexibility of employers and

employees. It promotes the use of different policy approaches considering the key economic sectors, such as services, and categories of workers that can be better integrated into the labour market (such as women and the elderly) (Corporate Social Responsibility 2010). CSR development involves various areas which are associated with job-creation and their maintenance.

Economics is becoming more productive if maximum attention is focused on the principles of ethics. Moral factors are the causes of both – ecological and economical recession, and it is difficult to find a moral non-related economical issue.

Most often definitions and interpretations of the corporate social responsibility include the following aspects:

- corporate social responsibility includes the social and environmental aspects;
- corporate social responsibility by its nature should not be separated from the business strategy and transactions;
- it should rather be turned into an integral part of the enterprise and make the enterprise take into account the social and ecological consequences resulting from entrepreneurship;
- corporate social responsibility by its nature is a voluntary activity;
- and one of the most important aspects of corporate social responsibility is interaction of the enterprise with the stakeholders.

Considering the presented situation regarding CSR development trends, the main purpose of the article can be formulated as follows: to examine how CSR is perceived by Lithuanian companies and propose the tools for corporate sustainability improvement.

In order to reach the stated objective, the following tasks can be distinguished:

- to examine social and economic issues in order to determine how CSR is understood and how it can be improved;
- to overview the situation regarding CSR development and employment trends in the Baltic States;
- to analyse possible tools of corporate sustainability and its implication on companies;
- to investigate the relationship between organizational values and sensitivity to CSR among current employees.

To perform the research the methods of comparative analysis of scientific and practical literature, synthesis and statistical data analysis have been used.

## **2. The assessment of opportunities for the development of corporate social responsibility and their role in responsible business formation and factors influencing the situation**

Experience shows that the traditions of CSR are deeply rooted in Western Europe. Accession of countries to the EU encouraged the development of CSR in the new EU member states. On the other hand, it can be said that the focus on problems of CSR development did not by pass countries from other continents. For example, problems of CSR and the situation of the development in the Middle East (Ehaab *et al.* 2010; Ehaab *et al.* 2011; Gopalkrishnan 2013), Peru (Rees *et al.* 2012), and Africa (Forstater *et al.* 2010) are analyzed in the separate publications. CSR can be counterposed against one-sided pursuit of profit at the economy entity level. However, only the development of CSR comprehensively combining interests of the business and the public can help to create long-term well-being of people living in a state.

Despite the fact that stronger economics and faster economy growth rates constitute favourable conditions to ensure higher level of living and decrease poverty and social differentiation in a country, still these economic changes by themselves do not provide any substantial positive influence on social welfare and decrease of poverty. For this purpose an efficient resource allocation and a purposeful problem-oriented social and economic policy of a country is required (Gruževskis, Zabarauskaitė 2010, 2012).

It is stated that in contemporary global society the social and labor market policy can and must supplement each other. In the European Union due to recent reforms of social security system and developed active inclusion policy the economic growth was faster and more jobs were created. However, not all the members of society can equally use the advantages of economic system, especially the people outside the social boundary. Thus in order to achieve the sustainable development in Europe as well as in Lithuania it is necessary to stop poverty and social differentiation and solve these problems by modernising social security systems and matching economic sustainability with the principles of social cohesion (Moskvina, Okunevičiūtė Neverauskienė 2011).

The improvement of employment policy also determines the successful CSR development possibilities. There is a broad opinion that CSR is related to the adjustment of interests of different groups of citizens (Mankelov, Quazi 2007; Jonker, Marberg 2007), representing the improvement of quality of life in such a way that is suitable not only for the business, but also for the society. Al-

so, it is stressed that social responsibility is closely related with sustainable development (Grybaitė, Tvaronavičienė 2008). All the definitions of social responsibility cover the three key fields: viewpoint regarding society, environmental protection and employees (Lobanova, Melnikas 2012), but the key regulator of relationship between these fields is a state, and efforts of its activity are evidenced through social and labor market policy.

In today's conditions when separate market economies (ex., Baltic countries) have suffered from the impact of economic crisis, the security in a flexible labor market is especially stressed (Skučienė, Moskvina 2009). However, the conception of labor market flexibility and employment security that is very prevalent nowadays in EU countries, should be analysed systemically with regard to labor market, social security and economic policy issues. The concept of flexibility and employment guarantee is not viable if flexibility is related only with the needs of employers, while security – with employee needs (Tangian 2007). Flexibility of labor market in contemporary economics is impossible without responsible development of business and sustainable employment policy.

Thus the major principle of CSR must not be violated and its implementation should be reflected in the mechanisms of adjustment of society, business and state. With growing liberal market impact on the development of EU countries' societies a threat appears that implementation of sustainable employment policy will be based on large-scale business interests and because of influence of globalization process the impact of countries on efficient social and labor market policy formation will diminish.

Talking of Lithuania it is important to emphasize that CSR at national policy level in the website of Ministry of Social Security and Labour is defined as an ideology, policy, and practice of companies, reflecting such behaviour of companies, when they voluntarily involve social and environmental issues into their activities and they are guided by the codes of the respect for the individual, society and the environment in relations with all interested representatives of society, business and government (Imonių socialinė atsakomybė 2014). In other words, CSR is the policy and practice of companies, when they voluntarily integrate social and environmental business principles into internal processes and external relationships of their activity in accordance with the laws, international agreements and agreed norms of behaviour. Companies with social and public sector partners are looking for innovative, systemic and broader solutions to social, environmental and economic

well-being problems (Corporate Social Responsibility 2010).

On the other hand, the legal side of CSR is more emphasized in the definition provided by the European Commission (Corporate... 2008; Europa Summaries... 2014; European Commission 2014). CSR refers to companies voluntarily going beyond what the law requires to achieve social and environmental objectives during the course of their daily business activities. Corporate social responsibility covers a range of areas:

- Europe 2020 (especially new skills and jobs, youth, local development),
- business and human rights,
- corporate social responsibility reporting.

EU corporate social responsibility has been associated with economic, social and environmental objectives of the Lisbon strategy, because it is believed that the enterprises using the corporate social responsibility will contribute to job creation and the improvement of working conditions, security of workers' rights, the development of science and technological innovation (The Program of the Development of Corporate Social Responsibility for 2009-2013 and Plan of Measures for its Implementation in 2009-2011). The development of national policies and the development peculiarities of individual EU countries are available in various sources.

The opinion is offered that CSR is principles of companies' activity. The latter principles actually involve separate areas of activity of CSR that were previously listed by the European Commission definition with a special emphasis on business representatives who need to take into account interests of stakeholders (consumers, employees, community, business representatives, government, society, etc.) (State-Owned Enterprises 2013). In this way, the importance of harmonization of interests of different population groups is accentuated in CSR activities that the objectives of business would not be against (would not be opposed to) interests of society and would serve all people's welfare.

As already mentioned, data of the study "General Trends of Social Responsibility among Small and Medium-sized Enterprises in the Baltic Countries" may be enough to evaluate the CSR situation and changes of situation in Lithuania. On the other hand, there is a lack of the direct studies of the actual situation of CSR in Lithuania. However, the situation can be assessed from other studies (Imonių... 2012; Study... 2013) that are closely related to the assessment of environmental factors of the favourable development of CSR. Social cohesion is one of the most important fac-

tors which shape such environment; close social relationships and trust in various institutions determine the social cohesion. It is not possible to achieve a high level of development, which is based on long-term traditions of development of CSR, without the purposeful formation of social cohesion in the country. Lithuania overtakes only four countries – Latvia, Bulgaria, Greece and Romania in aforesaid study “Bertelsmann Foundation”, which evaluated the strength of cohesion of 34 countries of the European Union and the Organization of Economic Cooperation and Development. According to the study, the strongest cohesion is in the Scandinavian countries – Denmark, Norway, Sweden and Finland. Indicators of confidence in people and identification with the nation, social networks and acceptance of diversity were improved in Lithuania, while civic participation has fallen considerably over two decades.

Notices of the experts who evaluated examples of good practice of the responsible business can be used in default of the data of sociological researches, which would thoroughly evaluate CSR developments in Lithuania. For example, the National Responsible Business Award jury members (latter jury members are purposefully considered serious experts with competence in the situation in Lithuania), who pointed out quite a few positive CSR development assessments, presented serious criticisms for responsible business development problems (Imonių... 2009).

An opinion is offered that responsible business is just beginning in Lithuania. Companies often value socially responsible activities as a tool to promote their products or services. Yet not many companies understand that long-term CSR activities would bring real benefits. An important role falls to the media during the spread of CSR ideas: journalists should publicly declare whether reports of companies correspond to reality. However, there is no doubt that the CSR movement will expand in Lithuania. The largest prophets of social responsibility are foreign capital companies coming to Lithuania, and employers' organizations of Lithuania are too little aware of corporate social responsibility philosophy and principles. The activities of Lithuanian business organizations are mainly focused on lobbying in the Parliament and the Government, the rapid pursuit of.

Despite the existing problems, CSR traditions have been quite rapidly developed in Lithuania over the last decade. The state authorities and the proactive companies of the country have contributed significantly to it. Promotion of socially responsible business in Lithuania was carried out by using the selection of the best companies in this

field and the bestowal of awards. There are different award categories for socially responsible business in Lithuania: the workplace of the year, the most communal enterprise of the year, the environment enterprise of the year, the socially responsible company of the year.

In order to promote the development of CSR in Lithuania, the Lithuanian National Responsible Business Network is established. In 2013 it operates and has members of 130 companies and organizations (Nacionalinis... 2013).

National Responsible Business Network members are large companies such as „Lietuva Statoil“, „Mažeikių nafta“, „Achemos grupė“, „AGA“, „Aviva Lietuva“, Danisco Sugar Kėdainiai Panevėžys. While at the National CSR Network Lithuania has only 130 joined companies, but the popularity of the initiative is already growing. In particular, international companies follow the western country model to introduce CSR in the growing public pressure. It can be said that our country's growth potential of CSR is just beginning to gain momentum. The National Responsible Business Network (further – Network) was established in 2005. The information about responsible business development results is available in greater detail on the website of Ministry of Social Security and Labour; Evaluation report of the Corporate Social Responsibility Progress in Lithuania on the national level in 2008-2011 is presented on the website; and a model of the application plan of corporate social responsibility and its implementing guidelines for state-owned enterprises were prepared by JSC „Kvalitetas“ and Daxam Sustainability Services in 2013 and it reflects the CSR implementation plans in the public sector (Pavyzdinis... 2013).

The Network's mission is to promote the development of responsible business as a condition for sustainable development in Lithuania. Purpose of the Network is the exchange of information, experience and innovation, the organization of joint learning forums, the improvement of business strategies and the implementation of joint projects in the public interest. Companies and organizations which believe in sustainable development and responsible business respect workers' human and labour rights, protect the environment, resist corruption, are interested in developing strategies for sustainable business and civil society. These companies and organizations can become members of the Network formally acceding to the United Nations Global Compact initiative. The Network adopts micro-enterprises, which are not listed in the UN Global Compact initiative. The Network runs completely a voluntary initiative. Initially, the Network was coordinated by the

United Nations Development Programme (UNDP), but since 2007 the leadership of the Network training activities and meetings has been transferred to the company leader which changes every six months by a rotation. UNDP has an advisory role, provides expert support, coordinates key events in the Network with other CSR / Global Compact events in Lithuania and the region and serves as a link with the Global Compact Office (Nacionalinis... 2013).

Due to the difficult financial situation in the country it is hardly possible to talk about the creation of new jobs in the public sector, therefore, only positive changes in the private sector can actually determine the increase in employment. However, most of jobs created for the wage labour in Lithuania are not sufficiently attractive concerning low-paid work and its adverse development trends. The average work payment grew very slowly in Lithuania even during the rapid improvement of the economic situation after the former economic crisis. Gross wages increased by 4 percent according to data from the Department of Statistics (first-quarter of 2012 – 2138 LTL, first-quarter of 2013 – 2233 LTL). Quarterly real wage index through all 2012 (compared with the corresponding period of the previous year) was less than 100 percent (Statistics Lithuania 2014). The latter trend shows the actual reduction in real work payment in Lithuania in the previous year, and it has grown at least several percents only in 2013 I-II quarter. The provisions to create one's own business seem more attractive under unfavourable trends of payment for work in the country, because income of the population seeking to establish themselves in the labour market in this way is highly dependent on their own efforts.

Successful CSR development in creating jobs is impossible without promotion of independent population employment. People having their own business, quite often not only create jobs for themselves, but also create opportunities to employ other job seekers. Opportunities for the development of self-employment of population in Lithuania to a large extent can be forecasted by the situation of small and medium business (SMB). However, it was stated that the legal-economic environment is not favourable for small and medium business development in Lithuania: the unfinished reform of the legal system, remained bureaucratic business constraints, imperfect systems of bookkeeping and taxation, and etc. (Business Development ... 2000). The statistics of self-employed population share in 2005 – 2012 years is presented in Fig. 1.

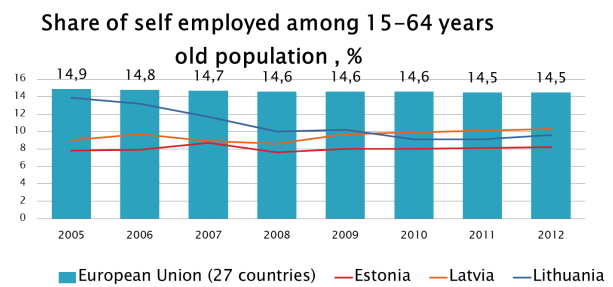


Fig. 1. Share of self-employed population (source: Eurostat 2013)

### 3. Changes of situation in the labour market and the development of socially responsible employment policy

Question of measuring effectiveness of CSR is perhaps the most important in terms of assessing CSR and employment policy development trends. Issue of CSR changes interface with the common development of the country's social-economic situation and labour market remains particularly relevant because there is a lack of informative studies on the results of socially responsible employment policy development trends. In other words, in this article it is complied with the methodical provision that the individual favourable aspects of the country's social-economic situation and labour market development are in one way or another related to the application of responsible business principles and reflect the socially responsible employment policy implementation. It is important to emphasize that our business should more actively look for measures that would help Lithuania to get rid of "cheap labour resources" label image. Purposeful employment policy should help at least to maintain the current number of jobs in the current conditions of the development of new technologies.

The employment rate is the simplest and probably the most reliable indicator of responsible business and creation of vacancies in the EU countries. Higher employment is worth to be associated with the effects of successful development of CSR. Level of employment is traditionally high in the Scandinavian countries, the Netherlands, Germany, United Kingdom. The employment rate was over 70 percent in most cases in the latter EU countries during the period of 2007-2012. Despite the economic boom that followed from the economic crisis and job growth, the Baltic countries Latvia, Lithuania and Estonia have failed to restore the pre-crisis level of employment, as it was in 2007 (the latter indicator was still lower in 2012). The other countries in the Baltic Sea region were still unable to do it except Germany and Poland, where employment increased, but in Germany in 2012 the employment rate was 72.8, while in Po-

land only 59.7 percent and this ratio remained the lowest in the latter country among the countries in the Baltic Sea region. Denmark was one of the most affected countries in terms of dynamics of changes in labour market, where the employment rate decreased significantly enough in 2007-2012 (from 77 to 72.6 percent).

The macroeconomic conditions of the implementation of active labour market policy measures have been more widely considered in Lithuania in terms of its economic development cycle in study that was conducted by the Institute of Labour and Social Research in Lithuanian Social Research Center (Okunevičiūtė-Neveauskienė *et al.* 2013; Moskvina, Okunevičiūtė-Neveauskienė 2011). A. Pocius and L. Okunevičiūtė-Neveauskienė concluded that “there is no close cooperation between the country’s economic growth and labour market conditions, and that economic growth that does not enhance the employment was characteristic for a long period of time in Lithuania” in article “Evaluation of Economic Loss due to Changes in Labour Market in Lithuania” that was published in 2005. The analysis of recent economic crisis and the recovery period after it leads to the same conclusion – the economic growth practically did not encourage the employment in Lithuania. Indeed, review of economic and labour market trends in different periods of the economy showed that positive processes in the labour market are much slower during the period of the economic boom, while employment and unemployment rates react very rapidly during the deteriorating economic situation. At the same time it is necessary to mention the wage change of population, depending on the economic fluctuations. Wages of employees in the private sector began to decline rapidly enough during the falling GDP (Okunevičiūtė-Neveauskienė *et al.* 2013).

It would be difficult to fully assess the entire causal mechanism of changes in employment, but it is obvious that negative economic impact of the crisis had especially significant undeniable influence on the dynamics of employment and at the end of the last decade, and in this decade. The latter impact can be interpreted as the factor, which significantly reduces the efficiency of CSR development and employment policies. Unemployment increased rapidly and employment decreased during the economic crisis in the EU countries. Adverse economic cycles change impact on labour markets in EU countries occurred more significantly with one two-year lag. Thus, labour market reacted negatively to GDP changes.

The separate Baltic countries (Lithuania, Latvia and Estonia), which during the past year first of all have responded to negative changes in GDP,

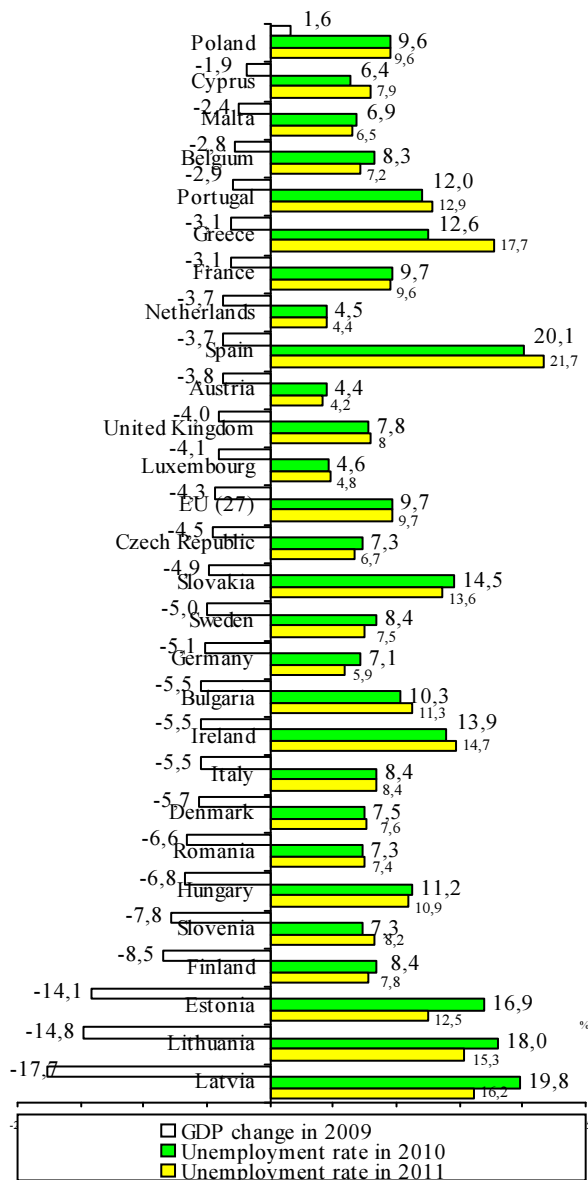
seemed perhaps worst in this context. Maximum economic downturn, expressed in a negative change in GDP in 2009, has been observed in these Baltic countries: Latvia (-17.7 percent), Lithuania (-14.8 percent), Estonia (-14.1 percent). Perhaps the highest unemployment rate in the EU in 2010 was in Latvia (19.8 percent), Lithuania (18 percent) and Estonia (16.9 percent), higher value of this indicator was only in Spain (20.1 percent) (Okunevičiūtė-Neveauskienė *et al.* 2013). It is obvious that due to the negative effects of the economic crisis markets of these Baltic countries have experienced a real shock (Fig. 2). Finland, Sweden and Denmark, where the unemployment rate amounted to about 8 percent in 2011, also pretty much felt the effects of the economic crisis. The high unemployment rate was in Poland in 2010-2011. Every tenth economically active resident of Poland did not have a job in this country, although the situation was the most stable across the EU according to the pace of GDP growth.

However, the unemployment rate pretty much decreased in the Baltic countries in 2011, although still remained relatively high when the economic situation was stabilized. On the other hand, the unemployment rate has increased also in 2011 in Spain and Greece because these countries were troubled by the financial and economic shocks.

Factors of the development of CSR have been identified on the basis of an analysis of the situation in the labour market in Lithuania (the analysis was conducted by the individual authors) and these factors are closely related to the implementation of socially responsible labour market policy (Ignotas *et al.* 2013). It must be emphasized that the effects of most of these factors depend on economic development favour. The factors promoting the development of CSR are more evident during the good economic times and the effects of the negative factors intensify in the context of the economic crisis.

Key factors encouraging the development of Lithuanian CSR are:

- Long-term and sustainable growth of the economy;
- Fostering the socially responsible business traditions, developing enterprise network, and enhancing the part of socially responsible companies in the total businesses;
- Exciting increase in the number of jobs in the national economy;
- The growth of wages and labour productivity;
- Improvement in the labour market over a longer period of time (reduction of unemployment);
- Follow-up and consistent Lithuanian labour market integration in the EU labour market.



**Fig. 2.** Effect of real GDP change in critical economic crisis years in EU on the unemployment rate in 2010-2011 with one and two-year lag according to Eurostat data (%). Research source: (Okunevičiūtė-Neveauskienė *et al.* 2013).

Realization of expected Europe-2020 aspirations on the labour market and social protection (Ignotas *et al.* 2013).

More favourable labour taxation policies and other potential incentives encourage the creation of attractive jobs.

Factors hindering the development of CSR in companies:

- An uneven development of economy cycles is associated with the negative impact of the economic crisis in the country and its regional social development;
- Job losses and the unfavourable change. Low development of fascinating jobs;

- Negative low wages paying traditions, relatively low labour productivity and minimum wage;
- A bad situation in the labour market and high unemployment;
- The large territorial disparities in unemployment and significant differences in the development of different regions;
- The existence of high social and economic development gap between the new EU countries and the EU old-timers;
- The impact of negative shadow economy and corruption relations on the country's most sustainable business development, lack of competitiveness;

The dominant small entities (especially in peripheral regions) yet poorly take responsible business traditions (Ignotas *et al.* 2013).

#### 4. Detailed situation of the labour market in Lithuania

Studies and research findings suggest that high level of flexibility, employment, social security or income guarantees are not essential characteristics of the labour market in Lithuania (Gruževskis, Blažienė 2005). In other words, Lithuania has neither high flexibility, nor high security (Tangian 2007). For example, Lithuania and Latvia, as well as Macedonia have the highest low-paid workers part according to The Structure of Earnings survey, which is published by Eurostat.

This relative rate amounted to 27 percent in Lithuania and 28 percent in Latvia and Macedonia in 2010. This rate was slightly lower in Romania – 26 percent. Statistical data shows that the distribution of the structure of earnings is very unfavourable for workers in these countries. The relative weight of workers receiving low wages in other EU countries was significantly lower. Comparative analysis of indicator of part of persons who get low wages implicitly suggests that CSR development in the Baltic countries (Lithuania and Latvia in particular) has had serious problems that are associated with low level of employment income.

The more jobs are created, the more vibrant and flexible labour market is. Country's companies in one way or another promote to the development of CSR (especially under favourable conditions for business development) by creating new jobs. But more importantly, in terms of the development of CSR is that the newly created jobs would be attractive and would provide an adequate standard of living for employees of companies and their families. Therefore, sustainable business

growth potential is particularly important in the formation of more favourable conditions for the development of CSR. Share of persons who get low wages was high enough even in such countries (characterized by the strong potential of economic growth) as United Kingdom. Although the observed trends in these countries were poor, but their impact on wellbeing of lower salaried employees was relatively painless and felt less in comparison with the Baltic States, where the payment for work was relatively low.

Eminent differences in regional business development (employment) in Lithuania to a large extent determine imbalances of social and demographic development in its individual areas. In other words, it must be kept in mind that the situation in different regions may vary significantly. Let us examine observable differences in the labour market situation in Lithuania in its individual regional level in terms of employment (job creation) (Pocius, Okunevičiūtė-Neveauskienė 2011). Study that was carried out by the Institute of Labour and Social Research on Lithuanian Real Estate Association initiative shows that discontinuity of economic development led to employment differences in the investigated district level. It must be emphasized that relative rate of insured employees that was established according to The State Social Insurance Fund Board data spread very unevenly by territories. The largest proportion of insured workers of the total population in 2009 was in Tauragės and Alytaus municipalities (respectively 32.2 and 28.6 percent), the lowest – in Akmenės and Ignalinos districts – nearly one-fifth. This suggests that different areas have very different social-economic development potential in terms of the development of human resources that create added value. Ignalinos and Akmenės districts are attributable to depressive regions of the country according to the current situation. Depressed regions in terms of the labour market are defined as key target areas for employment and unemployment problems that remain longest in them (Andriušaitienė 2008).

It is logical that the development of human resources potential is more favourable in major cities, where economic conditions are better, and part of the employees is relatively higher than in smaller areas. Part of the insured population in Vilnius in 2009 was the highest (66 percent), significance of this ratio was lesser in Kaunas and Klaipėda (respectively 45 and 41 percent). Relative indicator of insured was slightly higher than 30 percent only in Tauragės district among areas that were excluded as less urbanized and it was lower in other regions. This indicates that bu-

ness enterprises create jobs in smaller regions of the country. However, development of responsible business starts with job creation.

Extreme attention is given to the unemployment problems during the period of economic crisis in Western countries (Messenger 2009; Bertola 2010), and efforts to maintain and create new jobs in Lithuania during the earlier economic crisis were relatively low that it would be possible to avoid the rapid growth in the number of unemployed. Typically, it is stated that although economic growth determines a country's welfare, but we have pretty controversial examples of observed changes. For example, economic growth which took place in Lithuania after the Russian crisis did not ensure the welfare of more socially vulnerable groups of the population. Lithuania's economy grew by an extremely high unemployment conditions. Thus, on the one hand profits has grown, on the other hand unemployment, poverty and work for minimum wage were regular attendants of a relatively large part of people (Pocius, Okunevičiūtė-Neveauskienė 2011).

## 5. Conclusions

The employment and CSR development factors that reflect the opportunities of the population's integration into the labour market are closely related to the implementation of socially responsible labour market policy and are examined in the article. An important and worthy of serious scientific discussion insight has been formulated in the publication; labour market flexibility is overly counterposed against employment security in labour market policy area, though their balance is declared. It is rightly pointed out in the publication that there is the need to change the conceptual approach to the very concept of labour market flexibility. The very flexibility of the labour market should be based precisely on CSR. CSR is a way to ensure labour market flexibility combining interests of employer and employee.

The traditions of CSR are formed and developed in Lithuania using the experience of the EU and various international organizations. Various factors interact with each other and influence opportunities of CSR promotion and development. Former economic crisis has had a serious injury to the development of CSR. Many companies in the country in 2008-2010 reduced staff salaries and unemployment significantly increased. It is therefore very important that the CSR principles would be implemented also in difficult business conditions, not just declared. Recovery of the national economy created favorable conditions for the de-



velopment of a new CSR pulse. Various companies and institutions should make better use of arising opportunities for CSR development.

Different researchers observe that high level of flexibility, employment, social security and guarantees of income is not generally typical of Lithuanian labour market. The situation is similar in the other Baltic countries. More flexible and influenced by the traditions of the development of CSR, the labour market would help to better deal with the working integration problems of women and other social groups of the population.

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