



**NATIONAL REPORT**  
**ON STRATEGIES OF LITHUANIA**  
**FOR SOCIAL PROTECTION AND SOCIAL INCLUSION**  
**2006–2008**

## **PART 1 - COMMON OVERVIEW**

### **1.1. ASSESSMENT OF THE SOCIAL SITUATION AND TENDENCIES**

Recently the State development is determined by rapid growth of the economy. The growth of GDP in Lithuania in recent years was one of the biggest among the EU countries. In 2004 it reached 7%, and in 2005 increased up to 7.5% (see: Annex 2.2, Table 1).

However, the proportion of the GDP per capita is considerably small. Lithuania is markedly behind the EU states according to the proportion of GDP per inhabitant: GDP per inhabitant in Lithuania makes 46% of the EU-25 average and about 44% of the EU-15 average. But the high rates in GDP growth create realistic preconditions for Lithuania to speed up approaching the EU average in the nearest future.

Since the rapid economic growth is not yet sufficiently transformed into the quality increase of jobs and living standards, as well as the improvement of social protection, strategic documents envisage that priorities in economic growth and fiscal policy will be closer related to the goals of social cohesion. It leads to raising a prioritized political target of increasing the level of social protection.

Due to the decreasing tendencies of birth rates in recent years (see: Annex 2.2, Table 2) and high degree of emigration, the number of population in Lithuania dropped by 5.8% since the 1989 census, and in 2003 reached only about 3,45 million inhabitants continuing to decrease further on (3,41 million in 2005). Women account for 53.3% of all inhabitants. More people live in urban than in rural areas, correspondingly 66.6% and 33.4% (see: Annex 2.2, Table 3). More people of working age reside in towns (about 62%), and about 54% – in rural areas. Correspondingly, children and elderly persons account for the larger proportion of rural population.

Taking into account the official and unofficial migration, about 404 thousand persons emigrated from Lithuania within the period of recent 16 years since 1990. Unofficial migration is considerably big. Only in 2001–2005 about 70 thousand people left the country, accounting for 126 thousand inhabitants together with officially declared departures (see: Annex 2.2, Table 4). According to the migration balance Lithuania ranks the last among the EU member states (see: Annex 2.2, Fig. 1).

Big difference between life expectancy among men and women exists in Lithuania, accounting correspondingly for 65.4 and 77.4 years to the date of birth. Life expectancy for men of 65 is 13.1 years, and 17.7 – for women. It is anticipated that the average life expectancy of men will increase more rapidly than of women. Life expectancy of men until 2030 may increase almost by six years. Such forecasts are based on preconditions that comparatively high current mortality rate among young men will rapidly decrease due to the decreased numbers of traffic accidents and violent deaths. However, the anticipated life expectancy of 60 year old men until 2030 is going to increase by 3.2 years. Life expectancy of women in the similar age, who now live considerably longer, will increase by 2.9 years.

In 1995–2006 the number of children (from 0 to 14 years of age) and persons in the age of 15–59 decreased by 29.8% and 2.8% correspondingly, and the number of elderly people increased by 9.6%. Persons in the age over 60 accounted for 20.4% of all population in 2006. Consequently, the economic load of the population is increasing. It is best demonstrated by the ratio of dependency – 58 children and elderly persons in the average fell per 100 persons in the age group of 15–59 in 2006. High growth of the dependency rate is anticipated due to the increasing life expectancy and the decreased live birth rate. Such situation urges to discuss the necessity and possibilities for

increasing the duration of working life and employment.

According to the data of the employment survey, 1 million and 474 thousand inhabitants were employed in Lithuania in 2005, i.e. by 38 thousand more than in 2004. Population employment rate in the age group of 15–64 increased by 1.5 percent point per year: from 61.1% in 2004 to 62.6% in 2005. According to the data of the Department of Statistics, employment rate among women in 2005 was 59.4 % (among men – 66.0%), and in comparison to the employment rate among women in 2004 it slightly increased: 57.8% among women and 64.6% among men. Already in 2003 the employment rate among women in Lithuania exceeded the established 57% in the EU Employment Strategy for 2005 and accounted for 58.4% (among men – 63.6%). The difference in employment of men and women (as calculated according to the equivalent of full time employment) reached 7.4 percent point, i.e. was among the lowest in the European Union. The difference in employment of men and women in rural areas is higher than in urban areas and accounts correspondingly for 9.4 percent point in rural areas and 5.7 percent point in urban.

Employment rate of older workers is also increasing: 46.9% of persons in the age group of 55–64 were employed in 2004, and 49.2% – in 2005 (the difference in employment among older men and women in the age group of 55–64 was 17.4 percent point). Such changes were partly influenced by the decreasing labour force (labour force decreased by 14 thousand per year). The lack in labour force becomes currently one of the major limitations in the economic development of Lithuania.

Long-term unemployment and youth unemployment, which are higher than the total unemployment rate of the country, remain serious issues (youth unemployment rate, even though was decreasing, remains significantly higher than the general – 15.7% (see: Annex 2.2, Table 5).

The use of skills and knowledge of the disabled on the labour market is rather limited. The main source of living for most of them is social benefits. Motivation and economic activeness of the disabled is rather low at present.

In 2005 the disposable income of households in Lithuania increased in comparison to 2004 by 16.9%. Having in mind that consumption prices increased by 2.7% per year, real income increased by 13.8%. Disposable income in cash increased by 20.6% in comparison to 2004. The average disposable income and expenditures of a household member was continuously increasing every year (see: Annex 2.2, Table 6).

The average disposable income of urban inhabitants in 2005 reached 636 Litas per household member per month, and 467 Litas of rural inhabitants. In comparison to the previous year the disposable income of urban residents increased by 17.8%, and by 14.7% of rural. The highest impact on the growth of the disposable income as in the urban as in the rural areas was made by the increase of income from contracted employment. Other important factors were the increase of social benefits for the urban households, and the growth of income from agricultural activities in rural areas.

The main source of disposable income is income from employment, i.e. the wage and income from self-employment. According to the data from the household survey, earnings from employment accounted for 70% of total disposable income, social benefits (various pensions, allowances) – for 23%, and the so called other income (scholarships, maintenance, assistance from relatives, lottery winnings, etc.) – for 7%. In comparison to 2004 the proportion of income from employment increased by 1 percent point. Income from employment in urban households made 72% of total disposable income, and 66% – in rural, social benefits in urban households accounted for 20%, and in rural – even for 29% (see: Annex 2.2, Table 7).

A considerably large number of people in the country worked for the minimal and less than minimal wage. The number of full time employees, who worked for the minimal and less than minimal wage in 2005, in comparison to the total number of full time employees in the national economy of the

country accounted for 10.3% (in 2004 – 12.1%); in the public sector – 5.2%; in the private sector – 13.9%. In recent years the minimal wage was rapidly increased and from 450 Litas in 2003 it increased to 600 Litas in 2006 (33%). The new Programme of the Government is planning to increase the minimal wage to 800 Litas by 2008.

The average gross wage of women in the first quarter of 2005 made 83.1% of the average gross wage of men. The difference in wages decreased in comparison to 2004, when the average gross wage of women was 81.4% of the average gross wage of men. During the first quarter of 2005 this difference in the public sector was 77.6%, and in the private – 83.6%.

Poverty assessment system in Lithuania, as agreed in 1998, was different from the system used in the EU, and calculations were based on 50% of the average consumption expenditures. However, currently the commonly agreed EU indicator of 60% equivalent disposable income median is gradually introduced. In 2005 the at-risk-of-poverty rate in Lithuania according to this indicator was 15.9% (at-risk-of-poverty rate before social benefits reached 23%), (see: Annex 2.2, Table 8).

The highest at-risk-of-poverty rate was in rural areas, the lowest – in large cities. In 2005 compared to 2004 the at-risk-of-poverty rate in urban areas slightly decreased, and in rural areas – increased. In comparison to the average, high poverty risk group covers single persons (25.8%) and in particular single elderly persons in the age of 65 and older (27.1%).

At-risk-of-poverty rate among households with children under 18 was 16.4% in 2005, and was not much higher than the average in the country – 15.9%. However, at-risk-of-poverty rate is significantly higher in single parent families, where a single adult person (in most cases a woman) maintains children (31.4%), or where two adults maintain three and more children (21.2%), (see: Annex 2.2, Table 9). Accordingly, the reduction of poverty among children and further development of the system for family support are a regular priority issue on the social policy agenda.

Social insurance pensions account for the major part in the pension system of Lithuania (92% of recipients and 92% of all expenditures on pensions). Such pensions are disbursed from the separate social insurance fund budget in the case of old age, disability and survivorship. Pensions disbursed from the state budget to certain professional groups of persons (soldiers, officers, etc.), pension benefits to specific groups of individuals (victims due to political reasons or meritorious personalities, etc.) and social assistance pensions, account for 8% of all expenditures on pensions.

The GDP proportion for social insurance pensions in 2005 was 6.1%. This amount is decreasing (in 2003 it was 6.2%) in recent years. The total number of pension beneficiaries is slightly decreasing due to the increased retirement age (to 60 years for women in 2006, and 62.5 years for men in 2003). The decreasing number of old age pension beneficiaries is counterbalanced by the increasing number of disability (lost working capacity) and survivors pension recipients. The rise in numbers of the lost working capacity pensions will be hopefully stopped through the implementation of the 2005 reform in the assessment of working capacity.

An extensive pension reform in two stages was introduced for the first time in Lithuania within the recent decade, leading to the development of the overall national pension system in the country. During the first stage, which started in 1995, main PAYG social insurance pension system was reformed. The reform was aimed at strict implementation of social insurance principles, refusing from the inherited exceptions and privileges coming from the previous times. In the second stage of the reform, which started in the autumn of 2003, the 2<sup>nd</sup> tier of the 1<sup>st</sup> pension pillar was established covering the participants of the social insurance pension system, who transfer part of compulsory contributions to pension funds. The advantage of the national pension system is that the entitlement to social insurance, state or social assistance pensions is granted to almost all old age persons, the disabled and survivors. However, it is universally accepted that the average level of social insurance

pensions is too scarce so far to ensure sufficient income of the recipients; therefore the issue of increasing pensions remains among the top tasks of the Government. Aiming at improving the situation of pensioners, pensions in recent years were increased before the increase of the average wage in the country. The average old age pension in 2005 accounted for 45% of the average net wage in the national economy. Differentiation of pensions is rather small – the income inequality indicator (S80/S20) for the 65+ age group is 2.9.

Despite allocations of 26% contributions from wages for the social insurance pensions, sustainability of social insurance pension system was not reached by 2003 as a result of insufficient economic development, high unemployment rate, and widely spread informal employment. Financial situation in the system improved only in the period of 2003–2005, following the improvement of the economic situation in the country, increase in wages, reduced unemployment rate, and upgraded social insurance administration leading to a steady rise of social insurance pensions. Comparing the year of 2005 to 2003 the average old age pension increased by 23.5% and the pension of lost working capacity (disability) – by 22.1% as a result of increase of the lowest state social insurance old age and lost working capacity (disability) pensions and increase of the state social insurance basic pension and current year's insured income.

Economic and demographic development, social security and other above discussed processes are closely related with public health, the situation in the health care system and the mode of life of people, and have impact on each other.

The strengthening economic situation opens more possibilities for the implementation of the rights of people to enjoy healthy and wealthy life, the improvement of the quality of life and the level of wellness. Such tendency could in its own turn increase the efficiency of the society and contribute to further rapid economic development. Programmes, implemented (or planned to be introduced) in recent years, on keeping people longer on the labour market and extending the retirement age are based on the progress in medicine, which allows to ensure (shall ensure) high working capacities of senior people; and this is one of the essential ways in dealing with the deficit of employees. All this stipulate for the necessity to give priority to the development of service sector in the health care system and is recognised by the Government as one of its priorities among other activities. The GDP percentage in Lithuania allocated for the expenditures in the health care system is among the lowest in the EU member states (in 2005 it reached 5.9%). Moreover, the allocated means are not always purposefully targeted and adequately used. High numbers of hospitalizations (exceeding by over 40% the average of the EU member states), the highest number of doctors per 1000 of inhabitants and one of the highest number of beds in hospitals per 1000 of inhabitants indicates, that functioning of the health care system in Lithuania is so far too much directed towards providing institutional services and less attention is given to ambulatory treatment and care at home, including preventive measures.

## **1.2. OVERALL STRATEGIC APPROACH**

Following its programme provisions, the Government of the Republic of Lithuania is going to seek further through the implementation of social protection and social inclusion policy to create favourable conditions of life for each inhabitant of the country taking into consideration the differences of men and women: such conditions of life for individuals capable of work could be ensured through income gained from employment, and for those who are not capable of work or are temporarily jobless – the developed and well functioning social protection system, flexibly adapted to the challenges and new needs. More attention will be given to the issues of social exclusion, reduction of poverty and inequality in wealth, promoting the stability of families. The dimension of combating poverty shall be included into all spheres of policy not just social protection and employment policy.

Social policy shall be revised in order to:

- ⇒ Strengthen further the possibilities and motivation to work involving into the activities of the labour market all groups of persons capable of work, which dropped out of it because of various reasons;
- ⇒ Use more efficiently and fairly the means of social protection to help people, who are not able to work due to various reasons;
- ⇒ Ensure unconditionally the essential rights of children and young persons for versatile life and quality education;
- ⇒ Create much more possibilities for individuals vulnerable to social exclusion to return to full-fledged life;
- ⇒ Address gender equality issues in all spheres of life on a continuous basis and in a systematic way, seeking to ensure both quantitative and qualitative changes of the situation of men and women in the society.

The given approaches of the social protection and social exclusion policy will help to implement the priority set in the National Reform Programme to encourage employment and investments in human capital. Strengthening of possibilities and motivation to work will help to involve more individuals capable of work into the activities on the labour market and keep them in jobs, ensuring safe and quality employment, improving capacities of employees to adapt themselves to the needs and requirements on the labour market leading to the reduction of structural unemployment. On the other side, encouragement of investments in human capital is the necessary precondition leading to higher employment, better education and return of individuals in social exclusion to the labour market.

Visibility of actions in the social sphere is clearly evidenced in the programme of the Government, where social exclusion and poverty of separate social groups are among the essential priority issues of the state.

Aiming at further integration of social priorities into the activities of lawmaking, it is suggested to legalize the expertise of each draft law on its possible impact on social exclusion and poverty.

**A.** With the view to encourage social cohesion, equality among men and women and equal treatment to all individuals, and to ensure, that social inclusion policy and social protection systems are appropriate, accessible, effective (efficient), financially reasoned and sustainable, efforts will be made in:

1. *The Policy of Social Protection and Social Inclusion.* Intensify the implementation of this policy through addressing the issues of regional disparities, taking into account areas of deepest poverty and exclusion in particular. Ensure that services provided through the system of social protection were properly targeted, of the right quality and accessible to all individuals in need of them. Consistently introduce measures to ensure versatile life and appropriate income for such individuals, who left or temporarily dropped out of the labour market due to important reasons. Increase for this purpose the amounts of social benefits to relevant levels and introduce a clear indexation mechanism safeguarding their income from inflation. Reduce gradually the burden of income tax, in particular for low income population. Ensure for each disabled person the indispensable special aid measures and provide better and various social services meeting their needs, also adapting the environment correspondingly.

Strengthen attention to the family policy and the protection of children. Implement measures to assist parents, who left labour market for bringing up their children, to return more easily to the labour market, help them upgrade their vocational skills and knowledge, create conditions for finding employment, encourage social partners to apply flexible forms of labour aimed at supporting the reconciliation of family and work duties, create the effective system of services for

families, covering the care of children and other family members in need of care services – the elderly or the disabled. Provide social assistance to families bringing up children: implement the disbursement of benefits to every child under 18 and longer if they study at full day time comprehensive school. Ensure equal gender opportunities and responsibilities in taking care of children, encouraging men in particular to take paternity leave.

Provide assistance to children from socially vulnerable families in getting ready for school and grant free meals at school. Improve the children care system, including special activities with problematic families. Defend interests of the child by strengthening the organisational system of children rights' protection on the national and municipal level.

*2. The Pension Policy.* To improve the system of social insurance pay-as-you-go (PAYG), to ensure higher fairness of social benefits, gender equality and justification. To increase the amounts of pensions in order to ensure income for senior persons for meeting their essential needs, and pursue according to possibilities that elderly people could lead a full-fledged life, actively participating in the society, professional and cultural life.

Aiming at addressing financial consequences of the aging population to the system of pensions, it is necessary to start discussions concerning gradual extension of the retirement age alongside with the implementation of measures for longer employment period of senior people and creating conditions for matching partial retirement with employment; ensure successful and financially sustainable functioning of the accumulative pension system by rationally harmonizing the interests of the current and future pensioners.

*3. Policy of Health and Long-term Care.* Part of the investments in the welfare of people - are investments in health protection, healthy and safe living environment. Consequently, efforts will be made to intensify the implementation of policy in health protection and long-term care directed at addressing the issues of regional disparities and giving particular attention to rural areas; ensure that services provided in the system of health protection and long-term care were of the right quality, accessible and provided on time; increase state and municipal budgetary means for health protection system accordingly.

Investments in health protection and prevention of diseases shall be encouraged by streamlining health care systems with the view to ensure high quality and accessible health care services to the population, giving particular attention to rural areas and encouraging voluntary health insurance.

Efforts will be taken to adapt public health care system to the needs of the community by creating and developing possibilities for immediate reaction to the potential danger for the health of people.

Great consideration shall be given to the health care of pregnant women and infants, as well as health protection and health improvement of children and young persons; also to the strengthening of psychological health of people by creating favourable social environment to individuals, encouraging and educating the sense of solidarity and sociality among the members of the society.

Cooperation with the sector of social security is of great importance in addressing health and social issues, in reducing social and economic disparities in health protection and health care.

Funding of the health care system shall be increased.

**B.** The implementation of the Lisbon goals included in the National Reform Programme<sup>1</sup> will be supplemented and supported by the following policies:

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<sup>1</sup> Involve more people into the labour market and keep them employed by ensuring quality and safe jobs, streamlining the systems of the labour market and social protection; improve skills and capacities of employees and companies to adjust to changes; reduce structural unemployment by investing more in people.

*1. Pension System Reform.* The revised system of pensions (in particular the accumulative part) will be more strictly binding pension benefits to contributions, therefore it will create incentives to remain active on the labour market for a longer period for those individuals, who are capable of work, and consequently ensure higher income. Moreover, if the retirement age is gradually increased alongside with the introduction of measures for longer employment of senior persons and partial retirement and employment (being at the same time in retirement and on the job) it could in its own accord increase the number of employees on the labour market. On the other side, the implementation of Lisbon goals will strengthen the economic capacity of the country, the efficiency of labour, and consequently the possibilities for better funding of the pension system providing for higher pensions to the individuals out of work.

*2. Policy of Health and Long-term Care.* Seeking to avoid the unjustified increase of state funds for health care and the negative impact thereof on macroeconomic stability, it is necessary to ensure the efficiency of the health care system, accessibility and the quality of health care services. For this purpose, health care institutions will be restructured, and the national policy on medicines implemented. The introduced reforms will lead to more effective use of state budget means allocated for health care, improved working conditions and increased labour efficiency. Aiming at improving the quality and accessibility of health care services to the entire population, as well as increasing the efficiency of the health care system, introduce more efficient forms of using the allocated means. Pursuing to ensure accessible, high quality and safe health care services to the entire population institutions providing such health care services shall be accordingly streamlined. In this process the objectives and the priorities are the following: the improvement and development of primary health care and ambulatory services; optimization of institutional services and introduction of alternative forms of activities; and the development of services in nursing, attendance and supportive treatment. National capital investment means shall be used for the introduction of new technologies in the sphere of medicine, for the renovation and the restructuring of health care institutions, for the development of the integral and open for innovations information system. Revision of the public health care system will help to bring it closer to the community, by transferring part of the functions to municipalities and encouraging them to contribute financially and thus create preconditions for quick reaction to the potential danger for the health of the people.

The concept of voluntary health insurance shall be elaborated through the development of the health insurance system, where additional private funds could be raised for additional contribution to the funding of health care services. Means of the compulsory health insurance fund are allocated according to statistical demographic indicators on the population, i. e. with regards to the number, gender and age of inhabitants within the region of attendance.

Investments in the reform of the health care system aimed at more efficient use of the state budget means allocated for the development of this system are a long-term input of the state to the improvement of social and economic welfare of the society leading to the improved quality of life, encouraging the growth of labour efficiency, increasing entrepreneurship and higher economic achievements.

*3. Policy of Social Protection and Social Inclusion.* By measures of this policy encourage the return to the labour market of individuals, who left labour market, but are capable of work. Implement active employment and human resources development policy that each individual willing and capable of work could find a suitable job for himself. Reduce considerably long-term unemployment as well as unemployment among young persons. Create favourable conditions for the disabled, who are willing and capable of work, to find jobs corresponding to their skills and capacities, eradicating barriers for the integration of the disabled into the labour market.

Ensure that all educational facilities were accessible to everybody seeking to acquire appropriate education, encouraging life-long training. Streamline the system of education and science, adjusting



it to the changing needs of the society. Ensure that all children attend schools. Provide better support to students, in particular from poor families. Implement the reform of scholarships and loans for studies seeking to ensure that more students choose complex professions conditioning the development of national economy. Pursue for reduction of segregation by gender in choosing professions.

### C. Improve management:

With the view to improve the management of social policy processes the utmost priority is to ensure the involvement of all interested parties in the planning of the implementation of strategies on social security and social inclusion, participation of the society in discussions on social policy issues, as well as in the development and implementation of plans in reducing poverty.

It is of great importance to incorporate measures of striving against poverty and social exclusion into the general policy of the country. High priority shall be given to the development of projects funded from the European Social Fund and aimed at addressing the issues of reducing social exclusion and wider implementation of equal rights initiatives (EQUAL).

Use the social assistance information system to ensure operative social policy management, reduction of regional and structural disparities of poverty and social exclusion, the development and improvement of e-services in the social sector.

## 1.3. OVERARCHING MESSAGES

### Implementation of *social inclusion policy* priorities

(a) will contribute efficiently towards greater social cohesion and equal opportunities as the development of high-quality social, legal and cultural services will enable vulnerable groups to maintain the standards of fulfilling public life and will facilitate integration of socially excluded risk groups. Measures aimed at reduction of child poverty and education improvement follow the same approach and seek to facilitate access to good education and vocational training for children and young people which will enable them to lead comprehensive professional and public life and develop an active civil position. Better gender equality will be achieved through improved services and family support allowing to reduce the burden of family duties primarily falling on the shoulders of women, promoting equal division of this burden between both parents as well as raising awareness of equal opportunities among young people through inclusion of gender equality issues into curriculum;

(b) selected priority “To Promote Participation in the Labour Market” will contribute to implementation of the Lisbon objectives, i.e. the labour market will be expanded through inclusion of some social groups such as the disabled, senior citizens, people raising children or groups at social risk that occasionally withdraw from the market due to unfavourable labour conditions. Development of social and other services as well as family support measures will also facilitate more active participation in the labour market and starting own business. Vocational training and guidance measures will ensure better access to the labour market for young people, while implementation of the lifelong learning strategy will improve availability of good employment;

(c) better governance and transparency will be achieved, on the one hand, through optimisation of activities of public authorities and, on the other hand, increased role of non-governmental organisations through support given to their projects aimed at greater social inclusion.

### *Pension policy measures*

(a) have already had an impact on strengthening social cohesion as the pension system allows bridging the income gap among the elderly people (as compared with pre-retirement age people), while social assistance pensions are paid to old and disabled persons with inadequate social insurance rights. Further actions will promote better implementation of equal opportunities as efforts will continue to equalise the amount of widow's pensions and their eligibility. It is expected that the reform of the pension system and launch of the accumulation system will improve adequacy of pensions and, at the same time, will ensure their financial stability;

(b) the pension system functions in a way which does not conflict with employment promotion priorities that are important for the Lisbon Strategy. More focus will be given to measures promoting employment of elderly people including pensioners. It is expected that the review of feasibility to gradually increase the retirement age will lead to decisions which will enable elderly people to stay in the labour market for longer while the financial burden on the pension system will be reduced. Implementation of the new procedure for evaluation of disability and capacity to work will also ensure that the individual's ability to work will be assessed objectively and that will have a positive impact on the labour market;

(c) reforms to ensure that the administrative system of social insurance will be geared towards customers will continue alongside implementation of the central management information system which will enable benchmarking the activities of social insurance territorial units against the established criteria. Introduction of the comparative index of pension funds will improve transparency. The launch of the occupational pension system will ensure diversity of services and will promote both horizontal and vertical development of social dialogue between social partners.

### *Health care and long-term care policy measures*

(a) stronger social cohesion will be achieved through better access to health care and long-term care. Problem areas and regions with higher rates of morbidity and mortality, social and economic problems and lower development level will come closer to the national average. Particular attention will be paid to the level of primary out-patient health care followed by development of primary healthcare infrastructure, especially in rural areas. Efforts will be undertaken to diversify the scope and forms of out-patient rehabilitation for the disabled. The new procedure for provision of care and social services as well as improved methods for establishing the need for social care will lead to more rational solutions as regards quality assurance, municipal-wide accessibility and funding of long-term social care. Uniform development of long-term social care services provided by the municipalities will be promoted. Municipalities will develop day social care services seeking to ensure that individuals are referred to long-term care institution only where social services provided at home are inefficient and fail to ensure the required degree of independence and adequate care.

(b) employment and performance will increase as a result of public health improvement, especially among children and young people, higher quality of healthcare services, disease prevention and early disease detection. To this end, preventive healthcare programmes will intensify. Development of immunisation of children will ensure that the society will be healthier in the future. Improvements in the quality of healthcare and social services are inseparable from regular training of medical professionals and social workers as well as higher remuneration.

(c) ongoing restructuring of healthcare institutions and use of information technologies (introduction of an electronic personal health card) should ensure better governance. This will ensure continuity of healthcare and exchange of medical information through cooperation of healthcare and social elements at all levels. Family doctors will have to play an increasingly important role in healthcare service provision. With the view of improving health strengthening, prevention and education activities, cooperation with patient and other non-governmental

organisations will be promoted to increase public awareness of a healthy and physically active lifestyle. The strategy for reorganisation of state-run care institutions is aimed at integrating care institutions into the overall social services system, assessment of services offered by these care institutions and improvement of their quality, facilitation of establishment and maintenance of private care institutions.

## **PART 2 - NATIONAL ACTION PLAN FOR INCLUSION**

### **INTRODUCTION**

Lithuania has already built up a certain experience in combating poverty and social exclusion. In 2000 the Poverty Reduction Strategy has been developed, which served as the basis for the elaboration of the Implementation Programme of the Poverty Reduction Strategy.

Lithuania joined the Community poverty and social exclusion reduction process in 2002 by signing the Memorandum Agreement with the European Commission. Following this document and the provisions of the Accession Partnership, the Government of the Republic of Lithuania in joint efforts with the EC DG Employment, Social Affairs and Equal Opportunities worked out the Joint Inclusion Memorandum, which outlined the essential challenges in combating poverty and social exclusion introducing main policy measures. By signing the Joint Inclusion Memorandum Lithuania committed to develop the National Action Plan against Poverty and Social Exclusion (hereinafter – NAP), which was accomplished in 2005. Lithuania outlined its obligations in the National Action Plan to take overall actions in various spheres of life (employment, education, health care, social protection, etc.) including measures targeted to improve the situation of the most vulnerable population groups by increasing their possibilities and reducing poverty and social exclusion, taking into consideration the different status of men and women, their problems and needs.

In 2005 the NAP was revised and streamlined defining responsible administrators and managers, implementation terms and conditions, and allocated means for the implementation of measures. Lithuania committed itself to take measures for coordinating policies and actions in combating poverty and reducing social exclusion. For this purpose the goals of social inclusion shall be taken into account implementing the Government policy in various spheres of activities seeking that national funds allocated by the Government of the Republic of Lithuania and the EC Structural Funds were efficiently used in supporting the achievement of such goals. Lithuania will make every effort to involve the entire society in these processes. Special attention will be given to cooperation with social partners and non-government organizations in all stages of activities.

For the improvement of the NAP implementation efficiency the Monitoring Group has been established. The Monitoring Group shall regularly held meetings and discuss the progress of the implementation of the plan, getting ready for drafting the final report on the implementation of the 2004–2006 National Action Plan against Poverty and Social Exclusion (NAP 2004–2006).

As the final report on the implementation of the 2004–2006 NAP is not yet available, the interim reports and profound analysis in the assessment of the implementation progress leads to conclusions that certain structural and implementation gaps of the NAP were noted and further analyzed for the improvement of the final document.

One of the major limitations of the NAP 2004–2006 is its insufficient strategic expedience. Since the development of this document was aimed at making it universal as much as possible and cover all essential aspects determining the origin of poverty, the document became rather bulky, open and multidimensional, but difficult to span and not enough oriented towards the essential targets.

Account was taken of the most important priorities defined in the Joint Report on Social Protection and Social Inclusion (2005) in developing the National Report on Strategies of Lithuania for Social Protection and Social Inclusion (NR SSPSI), namely, to enhance participation of the population in the labour market; streamline social protection systems; eliminate limitations in the system of education and training; eradicate poverty of children and expand assistance to families; ensure

decent living conditions (housing) and address the problems of homeless people; improve possibilities to receive quality services (in health care, life-long learning possibilities, financial services, legal assistance, transportation, etc.) and eliminate discrimination enhancing integration of the disabled, ethnic minorities and immigrants (of the first and second generation). (The selected priorities – see next chapter). As in the previous document gender equality remains among horizontal priorities and application of special measures for one or the other gender is targeted towards the most unfavourable situation.

## **2.1. KEY CHALLENGES**

Following the assessment of the poverty and social exclusion situation in Lithuania under various aspects, the National Monitoring Group for the implementation of the plan against poverty and social exclusion, constituted of more than 30 representatives from governmental and non-governmental institutions selected four priorities out of seven indicated in the Joint Report on Social Protection and Social Inclusion (2005).

### *1. Increase labour market participation.*

Better participation in the labour market has been noted in the Joint Report on Social Protection and Social Inclusion as one of the essential challenges for Lithuania in combating poverty. Survey carried out in Lithuania on poverty issues revealed that major reason for poverty is lack of income from employment. Lithuania will endeavour at increasing the level of employment up to 68.8% until the year of 2010, and reduce unemployment to 6.0%, including the reduction of long-term unemployment to 3.5%. Integration of inactive population into the labour market and keeping of the employed in jobs is a very important measure for the enhancement of employment and combating social exclusion and poverty. Employment of separate age groups of population in Lithuania could be higher, in particular among young persons and people in pre-retirement age, especially among elderly women.

Employment rate is increasing and unemployment rate is decreasing in Lithuania, though a substantial proportion of long-term unemployed still remains. Within the recent couple of years the proportion of long-term unemployed in the total number of the unemployed population increased by 5 percent points, as the reduction rate for the long-term unemployed lacked behind the total unemployment reduction rate. Admittedly, families of long-term unemployed individuals find themselves in the increased poverty risk group. Such people are often in need of special activation measures and assistance not only in the involvement into the labour market, but also in more active participation in the activities of the society, which may be successfully activated by social workers and their services thereof. This is particularly important for women, who have fewer possibilities for re-integration into the labour market as a result of taking care of dependent persons, and less opportunities for full and quality participation in the labour market activities.

### *2. Improve access to quality services.*

Restoration of independence of Lithuania and transfer to the market economy confronted the social protection system of Lithuania with high challenges to mitigate negative consequences of such changes. To keep at least minimal income of population was among major tasks of the system. Rapid development of the economy provided for more possibilities to the social protection system as well. Pensions, minimal wage and social benefits were correspondingly increased to keep up with inflation. However, the society felt an increasing need in services. On the other side, it became evident for the Government that, taking into account future perspectives, all problems cannot be solved with the help of social benefits – it is necessary to develop the sector of services and the

accessibility of them in providing quality support and assistance to families who find themselves in critical situation or risk of exclusion, help the unemployed to acquire appropriate profession.

National Monitoring Group for the implementation of the plan against poverty and social exclusion discussed the priorities of the next action plan and noted the development of better services streamlined for avoiding social exclusion as the key priorities in the development of the future plan. The improvement of the accessibility and quality of services could help to address many issues leading to social exclusion (possibilities for men and women reconcile family obligations and employment duties, unemployment, in particular among women, various dependencies, violence in the family, full integration of the disabled, etc.). Meantime services, especially social services, intended for the most vulnerable population groups, are underdeveloped in Lithuania so far. The proportion of the national budget allocated for the funding of social services is significantly lower than in other EU member states, and social services in Lithuania may only be provided to 50 persons per 10 thousand inhabitants.

### *3. Eliminate child poverty and enhance assistance to families.*

Lithuania, as many other European countries, understands that it is important to eliminate poverty among children, which imposes long-term and irreversible consequences on the children and the society, and to achieve that children growing in poor families were not 'trapped' into poverty and were provided with as much as possible accessible opportunities to step out of the poverty 'trap' to a higher social level. The poverty level among families with small children, single-parent families and large families is significantly higher in comparison to other families.

In the light of decreasing birth rate and population, increasing number of neglected children, which increased by 24% during the previous period of five years, is of special concern. Since 2002 over 3 thousand of children per year were deprived of parental care. The assessment of the current situation with such negative tendencies, though the number of neglected children slightly decreased in 2005 by 58 children, urged to choose actions against children poverty and support to families as the third priority in the plan.

### *4. Tackle disadvantages in education and training.*

Lithuania is not rich in natural resources; therefore its economy was always oriented towards production of high technologies, which requires skilled labour force. Labour force in Lithuania is noted by significantly high educational level; moreover, women with high (university) education outrun the number of men. However, aiming at keeping and upgrading this potential under current conditions, it is important to enhance the system of education. This should in particular refer to vocational training, high (university, college) education and further upgrading of skills. Over 39,3 thousand of specialists with university education were trained in 2005. Though big numbers of specialists with university education are trained in the country, employers are not always satisfied with the level and quality of training. Life-long learning indicator in 2005 accounted for 6.3% in Lithuania and is much lower than the EU average of 11.0%. Without the enhancement of the activities in this particular field and corresponding reforms, the development of human resources in Lithuania will not be sufficiently adequate.

## **2.2. PRIORITY GOALS, TASKS AND MEASURES. PRIORITY 1 – INCREASE LABOUR MARKET PARTICIPATION**

**Lithuanian labour market: present situation.** According to the data of population employment survey, 1 million and 474 thousand inhabitants were employed in Lithuania in 2005, or by 38

thousand more than in 2004. The employment rate among population of 15–64 years of age increased by 1.5 percent point per year: from 61.1% in 2004 to 62.6% in 2005.

Employment among women in 2005 accounted for 59.4% (among men – 66.0%), and increased therefore in comparison to 2004 to 57.8% among women, and 64.6% among men. Employment among women in Lithuania exceeded the level of 57%, as defined in the EU Employment Strategy for 2005, already in 2003 and accounted for 58.4% (among men – 63.7%). The difference of employment rate among men and women (as calculated according to the equivalent of a full time working day) accounted for 7.4 percent point, i.e. was among the lowest in the European Union. The difference of employment among men and women is higher in rural areas than in urban – correspondingly 9.4 percent point in rural areas, and 5.7 percent point in urban.

Employment of older workers is continuously increasing: 46.9% of individuals in the age group of 55–64 were employed in 2004, and 49.2% – in 2005. The difference of employment among older men and women (in the age group 55–64) made 17.4 percent point, i.e. lower than average in the EU – 18.1 percent point. The level reached in the employment among this age group of population exceeds the national goal set for 2005 in this age group of 47.2%, and is only slightly behind the indicator set for 2010 – 50.0%. Such changes were partly influenced by the reduction of the labour force (labour force decreased by 14 thousand per year).

Lack of labour force in the country is currently becoming one of the major limitations in the development of the national economy of Lithuania. However, a significant part of labour force is not yet fully used. A rather high unemployment level remains on the labour market: in 2005 the level of unemployment reached 8.3%, among women – 8.3%, and among men – 8.2%; the level of economic activity is insignificantly fluctuating within the recent years and accounted for 68.3% in 2005. As in many other EU member states men are economically more active. In 2004 activeness of women in the age group of 15–64 was 65.6%, and of men – 72.7% (in 2001 correspondingly activeness of women reached 65.8%, and of men – 65.7%). Especially complicated situation has developed among certain population groups on the labour market: long-term unemployed comprise a large (and continuously increasing) proportion in the total number of jobless people, and the youth unemployment is much higher than the total unemployment rate in the country (youth unemployment rate, though decreasing, significantly exceeds the total unemployment level and reaches 15.7%, in 2004 this rate was 22.5%). Only a small proportion of the disabled is employed.

Long-term unemployment remains a serious problem. Long-term unemployed lose not only the source of income, but also their occupational skills, self-confidence and often motivation to work. Long-term unemployment and the related social problems create particular danger to certain population groups – unskilled workers, released from imprisonment, immigrants, etc.

The number of inactive population is constantly increasing. According to the data of population employment survey in 2005 this number reached 1233,4 thousand of individuals, or by 16 thousand more than in 2004.

It becomes difficult to return to the labour market for the drop-outs as a result of lack of working skills and lost occupational capacities, in particular for women bringing up preteen children, and older persons, who lost their jobs.

The disabled persons make one of the society groups, the skills and capacities of which are not sufficiently and adequately applied. Rather high unemployment level (especially in the rural areas) stimulates people to acquire disability as the source of income and does not encourage them to rehabilitation and aspiration for returning to the labour market. Motivation of the disabled and economic activeness is currently rather low. According to the data of population census only every tenth person with disabilities was employed. The larger part of the disabled (86%) was registered as inactive inhabitants.

Taking into account the fact that the disabled persons in the working age (138 822) accounted for 51% of the total number of individuals with disabilities, the level of unemployment among the disabled is very high. Such situation shall change, moreover that labour market is in demand of labour force.

Another vulnerable group of the society – ex-prisoners – also meet with serious problems of integration into the labour market. It is difficult for them to return to the labour market. Such situation is conditioned first of all by the fact that such persons have usually lost their working skills and occupational capacities (quite a large number have no profession at all). Besides, the society and the employers do not trust in the motivation of such persons and their capabilities on the labour market.

Immigrants and ethnic minorities could in fact contribute to the improvement of the situation on the labour market in Lithuania in addressing the issue of labour force deficit. However, the above individuals also encounter with certain difficulties due to lack of qualification and language barriers.

One third of the Lithuanian population lives in the rural areas of the country and approximately one half of them (42%) are involved in agriculture. In 2005, 14% of all inhabitants of the country were involved in the activities of agriculture, hunting, forestry and fisheries. Small scale uncompetitive farms prevail. Insufficient development of economic activities in rural areas of the country and slow introduction of new jobs determines lingering increase of employment among rural population. In 2005 the level of employment in rural areas of the country was 59.3%, and the level of unemployment reached 7.6%. In comparison to urban areas of the country, the level of unemployment was lower in the rural areas, however the level of labour force activeness was also lower (in 2005 – 64.2% in the rural areas, and 70.2% in the urban areas).

**Key tasks set for increasing labour market participation.** From the given analysis, it is evident that employment shall be encouraged in the following related directions:

1.1 Increasing employment and labour market participation shall cover measures aimed at stimulating quality and safe employment, leading to the general increase of labour force activeness, including the level of activeness among women.

1.2 Strengthening of social inclusion. To apply such measures which would help to increase employment of jobless people, individuals willing to reconcile family responsibilities and working duties, the disabled, senior persons, and other individuals, who find it difficult to integrate into the labour market.

### **Measures stimulating the labour market participation:**

1.1.1. Elaborate actions aimed at matching labour supply and demand in support to jobseekers (long-term unemployed, employees, and inactive persons on the labour market) to choose an appropriate profession and a job suitable to the needs.

1.1.2. Develop entrepreneurship among population by improving the environment favourable for the establishment of small and medium businesses, increase possibilities for women, in particular in rural areas, to start business and develop it.

1.1.3. Pay additional attention to the encouragement of business among young persons, providing for appropriate measures aimed at assisting specified target groups.

1.1.4. Pursue for sustainable development of agriculture and rural areas, expanding alternative activities to agriculture. Improve occupational skills of farmers and other rural population involved in the activities related to agriculture, forestry or alternative businesses by increasing their



capacities to participate in the processes of rural development.

1.1.5. Combine labour market flexibility with the safety of employment with the view to ensure the growth of employment and the increase of the quality of life.

1.1.6. Encourage social partnership, develop social dialogue and change traditional stereotypes concerning the role of men and women in the economic activities of the country with the view to ensure gender equality on the labour market.

1.2.1. Support the participation in the labour market of the most socially vulnerable groups of individuals: the disabled with the recognised level of working capacity of 20–40%, or the moderate disability level; the disabled with the recognised level of working capacity of 45–55% or light disability level; victims of trafficking in human beings; participants, who finished courses of occupational or social rehabilitation programmes; long-term unemployed; individuals over 50 years of age capable of work; pregnant women, mothers, fathers or a guardians of a child actually bringing up a child under 8 or a disabled child under 18; ex-prisoners in the case of imprisonment exceeding the period of 6 months; jobless persons, who were unemployed for longer than 2 years before the registration with the local labour exchange and are recognised as additionally supported individuals on the labour market.

1.2.2. Expand introduction of active labour market policy measures aimed at encouraging economic activeness of the disabled and better use of the capacities of the disabled on the labour market by helping them to ensure better quality of life.

1.2.3. Enhance integration into the labour market and the society of immigrants and persons addicted to psychotropic substances, as well as individuals from social risk groups or suffering from social exclusion by providing possibilities and social services in joining the labour market and thus combating their discrimination on the labour market.

## **2.3. PRIORITY GOALS, TASKS AND MEASURES. PRIORITY 2 – IMPROVING ACCESS TO QUALITY SERVICES**

### **Social, legal and cultural services: present situation and problems**

All public services may significantly contribute to the reduction of poverty – as health care services, as legal advice, as transport or employment. This chapter provides detailed description of the situation in providing social, legal and cultural services and the arising problems thereof. Health care services will be described in detail in the 4<sup>th</sup> part of the Report, and the employment and training will be mentioned in describing other related priorities, in particular, participation in the labour market and the improvement of education.

*Social services.* A considerable progress has been reached in Lithuania in the sphere of providing social services and improving the quality of them, however, it is not yet sufficiently developed. Only 50 persons per 10 thousand population of the country can be provided with social services in the average. Consequently, it is necessary to increase the scope of social services, improve the structure of social services and target the services more specifically towards corresponding groups of persons in need of them.

A progressive tendency is recently observed – to provide more day care services and reduce the proportion of social services recipients at institutional establishments. Non-institutional social services are the instruments, which provide with the possibility to live in dignity and to a maximum independent in the community or at home. The demand for such services is constantly increasing. If social services provided by social institutional establishments in 2002 were used by the majority of

the social services recipients (57%), following the expansion of day care services in 2004-2005, the number of social services recipients at social institutional establishments dropped to 20%. However, the proportion of non-institutional social services is too small and it is necessary to develop further the system of social services. Lack of sufficient facilities for non-institutional social services does not create favourable conditions for addressing the needs of separate social groups and family members taking care of dependent persons, who cannot fully participate in the activities of the labour market. Various progressive forms of providing social services within the community remain undeveloped; little attention is given to preventive and rehabilitation services directed towards the most vulnerable society groups. Social day care services for persons in need of constant attendance are not fully available. Only a few municipalities started introducing complex day care social services for individuals at their home (*long-term care at home*). NGOs, volunteers and the private sector are not sufficiently involved in the provision of social services to the population.

A significant drawback of the current system of social services is the markedly different accessibility of services in rural areas and other regions of the country.

It is of great importance to streamline the provision of social services towards the groups of recipients by adjusting the nature of services to the needs of such groups.

*Individuals with disabilities* are among the most vulnerable social groups of persons and the largest group of social services recipients. Approximately 7% of people in Lithuania are recognised disabled. The increasing numbers of individuals with disabilities lead to the increased demand in social services for such persons, therefore social integration of the disabled is given due attention in recent years in the country and this process should be further continued. The delivery of non-institutional services is of great importance for the disabled as for any other group of recipients, and this type of services shall be further prioritised and developed. Over 70 000 individuals in the country suffer from mobility functions disorders. Similar number stands for persons over 80, the majority of them also have mobility disorders and need help in self-service. Adjustment of physical public environment is an urgent precondition to ensure equal opportunities for the disabled as well senior persons or any other social groups. Housing and the environment are yet not adequately adapted to the needs of the disabled.

The aging society brings about the urgent need for the development of social adaptation of *the elderly population*. Little attention so far is given to training possibilities for such persons, use of their occupational skills and formation of their image in the society. Old and single people lack attention of the society and the state.

Current social and economic situation in Lithuania determine the rise of another social problem of concern – trafficking in human beings. *Victims of trafficking in human beings* require specific and qualified social assistance, therefore it is necessary to take into account the specific gal geriau needs of this group in developing the structure of social services. There is still lack of services for women and children - victims of domestic violence.

Another group of social services recipients in social exclusion is of *ex-prisoners*. Social adaptation of sentenced persons and ex-prisoners is extremely acute. Aiming at assisting ex-prisoners to start a new life out of prison and adapt themselves in the society, it is necessary to ensure effective functioning of the social assistance system at the places of their residence.

**Legal services.** Every inhabitant of the country, irrespective of his/her social status and income, is entitled to receive legal and social information, counselling and advice, on various issues of their life for further development of their skills and knowledge leading to the encouragement of full integration in professional activities and civic society. In particular it is important that legal services were provided to those, who cannot afford them as a result of low income or lack of skills. Appropriate and continuous information of population on legal assistance provided by the state is

very important to ensure the above possibility. However, such services are not yet sufficiently accessible. Moreover, the nature of implementation is different in various municipalities. In 2005 only 9 municipalities allocated funds for the information of local population.

**Cultural services.** Cultural services play a significant role in the sustainable development of the society encouraging intercultural dialogue in forming tolerance and promoting to enshrine cultural traditions of ethnic minorities and immigrants. To ensure the accessibility of cultural services, libraries, museums and centres of culture – is a very important measure of informal training and self-education. Therefore the development of such services is an integral part of social policy in reducing social exclusion. Cultural establishments are already introducing various privileges, organise actions for specific groups of people (senior persons, the disabled, children, ethnic minorities, etc.). Libraries provide specific information services adapted to the needs of individuals with disabilities, ethnic minorities and immigrants. Such activities shall be further developed to improve the accessibility thereof.

### **Key tasks for improving access to quality services**

Summarizing the above given analysis, the following key tasks in this sphere could be identified:

- 2.1. Improve the quality of social services by prioritizing the development of progressive forms of social services and increasing the accessibility thereof. Reduce regional disparities in providing social services.
- 2.2. Improve and adapt the provision of social services to the following groups of recipients: the disabled, elderly persons, victims of trafficking in human beings, victims of domestic violence, ex-prisoners, foreigners, who were granted asylum in the Republic of Lithuania.
- 2.3. Enhance efficiency in providing legal services to the population guaranteed by the state and improve the provision of information in the communities thus reducing social tension rising as a result of lack of legal or other information or ignorance of own rights.
- 2.4. Activate participation of all inhabitants, irrespective of their social status, income or nationality, in cultural activities, sports and self-education.

### **Measures for improving the quality of social services and the development of their progressive forms:**

- 2.1.1. Develop general mechanism of social care standards (norms), quality assessment and control applicable for all providers of social services, irrespective of their subordination or jurisdiction (municipality, NGOs, etc.).
- 2.1.2. Activate and support social work with social risk and destitute families by increasing the number of social workers at municipalities for dealing with social risk families, encouraging introduction of new work forms and improving skills and capacities of such workers.
- 2.1.3. Develop progressive forms of social services in the communities by establishing the network of social services at municipalities and in the regions. Ensure the provision of social services to the most vulnerable groups of persons by implementing the 2007–2009 Social Services Infrastructure Development Programme.
- 2.1.4. Support the services of psychological assistance offering quality services by phone.
- 2.1.5. Develop social day care services for individuals in constant need of care at home; encourage the activities of NGOs providing this type of services.
- 2.1.6. Improve information system of social services: accumulate and analyze information on

socially vulnerable families, composition of the family, income, social benefits granted by the state and services.

2.1.7. Develop and stimulate the activities of volunteers by motivating them and providing training, elaborate methodical aids for attracting volunteers and training, create an internet page covering the activities of volunteers and the data base.

**Measures for adapting social services to the needs of specific groups of recipients:**

2.2.1. Implement and develop the rehabilitation of the disabled; adapt social services to their needs; adapt public physical environment, housing, the living surroundings and information environment; enhance education and employment of the disabled, educate the society for better understanding of the needs of the disabled; to ensure the accessibility to cultural facilities, sports and leisure (within the framework of the National 2003–2012 Programme on Social Integration of persons with disabilities).

2.2.2. Endeavour for independence and social integration of the disabled by meeting the special needs of the disabled and adapting the housing facilities and the environment to their convenience (within the framework of the 2007–2011 Programme on Adapting Housing Facilities to the needs of the disabled).

2.2.3. Develop the facilities of non-institutional social services targeted towards the disabled with heavy impairments or with mental (psychic) disorders and social risk children, supporting family members of such persons in returning to the labour market.

2.2.4. Improve the system of the assessment of special needs and better satisfaction of such needs.

2.2.5. Elaborate a special rehabilitation programme for under-aged individuals, who suffered from trafficking in human beings. Train and retrain social workers and social teachers employed at municipalities and NGOs for dealing with victims of trafficking in human beings. Support projects of public institutions and NGOs targeted to provide social assistance to victims of trafficking in human beings, as well as their protection and reintegration into the society. (within the framework of the 2005–2008 Programme on Prevention and Control of trafficking in human beings).

2.2.6. Support projects of organisations targeted to social rehabilitation and integration into the society of sentenced persons and ex-prisoners. Accumulate data at municipalities on the number of ex-prisoners, investigate their needs for further support and assistance. Upgrade skills and qualifications of social workers employed at municipalities, retrain them in dealing with the sentenced persons and ex-prisoners (within the framework of the 2004–2007 Programme on social adaptation of the sentenced persons and ex-prisoners).

2.2.7. Support projects of non-governmental organisations for providing social services to the victims of domestic violence in the family and for working with violators.

**Measures for improving the efficiency of providing legal services to the population granted by the state:**

2.3.1. Ensure appropriate public information on legal services granted by the state in all municipalities.

2.3.2. Expand the circle of individuals entitled to the secondary legal service by elaborating corresponding draft legal acts.

2.3.3. Ensure the entitlement to free of charge information and counselling services to individuals in social exclusion, in particular to the unemployed and asylum seekers. Improve the accessibility of information sources and ensure better protection of their rights.

2.3.4. Support the activities of non-governmental organisations in providing free information on

social issues and legal advice to individuals in social exclusion.

2.3.5. Continue further development of the activities of the Lithuanian Union of Population Advisers and update periodically information system for better counselling of people.

#### **Measures for activating the participation in cultural life:**

2.4.1. Support projects of ethnic and regional culture through the implementation of the Programme on Cherishing Cultural Traditions and Amateur Art Activities.

2.4.2. Increase the accessibility of services provided by libraries, theatres and other centres of culture to persons with disabilities.

2.4.3. Organize as much as possible sport events for the disabled encouraging them to participate in the events for healthy persons.

2.4.4. Support projects of NGO on creating a comprehensive and non-stereotypic image of women and men in the mass media.

### **2.4. PRIORITY GOALS, TASKS AND MEASURES. PRIORITY 3 – ELIMINATE CHILD POVERTY AND ENHANCE ASSISTANCE TO FAMILIES**

**Child poverty in Lithuania: present situation.** The situation of poverty among children in Lithuania may be judged by the data on destitute households.

According to the data of the Statistics Department of Lithuania at-risk-of-poverty rate among households with children under 18 years of age in 2005 accounted for 16.4% and was not much different from the average indicator in the country of 15.9%. However, at-risk-of-poverty rate is much higher in one-parent families, where one single adult maintains children (31.4%), and in families where two adult persons maintain three or more children (21.2%).

The assessment of at-risk-of-poverty rate among children according to their age revealed that the largest number of children in poverty were found in the age group from 3 to 5 years of age. It can be explained by the fact that state support to families is bigger for the children from birth until three years of age.. Later, families with children from 3 to 6 years of age, are granted the universal lump-sum benefit (child benefit of 50 Litas per month) which was introduced in 2004, as well as social benefit to ensure minimal family income and receives reimbursement of part of the heating and water costs.

It may be said, that poverty and social exclusion is mostly experienced by children from families with the following characteristic features: families with a big number of children; families with disabled children; single-parent families (especially if it is a rural family); parents are disabled themselves, unemployed or of low educational level, personal relations among parents unstable; parents are hardly socially motivated to change their way of living, have neither skills or motivation of parenting, are addicted to alcohol or other drugs.

The capacities of children in such families are less developed, and they have fewer possibilities to develop their capabilities and talents or receive additional training or health care services necessary to facilitate their skills. Therefore some of them have problems at school (learning motivation, behavioural problems, and schooling).

Some families with the above said characteristics fall within the numbers of families in social risk group. In 2005 there were 16,4 thousand such families in Lithuania (in 2004 –16,9 thousand).

Almost 37 thousand children were raised in such families (i.e. 4.4% of all children residing in Lithuania).

Social benefits are paid and other measures of support applied to such families in order to mitigate the situation.

Social benefits contribute strongly to the income of such families, in particular families with many children. Social benefits paid for families with many children account for 26% of their income, family benefits and child grants forms 16% out of these income (in all families with children – correspondingly it makes 12% and 5%). Endeavouring to improve the situation of children and to encourage families to have more children it is expedient to increase such benefits and create more favourable conditions to receive them.

The provision of the European Youth Pact ‘taking into consideration national policy on social inclusion, priority shall be given to the improvement of the situation for the most vulnerable young persons, in particular suffering from poverty, and to the initiatives aimed at addressing training failures’ is introduced in the programmes targeted at addressing the issues of young persons through the funding of projects and defining the category of young persons as the priority target group.

The application of other measures is also could be efficient, however it may be limited by uneven regional distribution of social centres, children developmental and occupational establishments, health care services for children and the possibility to reach such establishments by public transport, including the costs of transport services, could be limited too.

The utmost measure in such situation is the transfer of a child into a care institution. Most of children from so called families at social risk due to improper child care, poverty, abuse or unused of parental power (in most cases children from 0 to 3 years of age and from 10 to 17) are taken into children care institutions. According to the data of municipal Children Rights Protection Offices (CRPO) in 2005 for 3209 children guardianship was recognised. In 21% of cases it were children in the age group of 0 to 3 years, 76% of which were accommodated in child care institutions (nursing homes). In the age group of 10 to 17 years the number of children under recognised guardianship accounted for 47%, 43% of them were accommodated in child care institutions.

**Key tasks in surmounting poverty among children.** The given analysis reveals that actions shall be taken in two mutually related directions:

3.1. Surmount poverty among children and social exclusion by introducing measures directly targeted to children experiencing poverty and social exclusion, as well as preventive measures directly oriented towards children.

3.2. Support to families by implementing preventive measures in order to prevent them in getting into the group of social risk families, as well as to provide support for families to get out of this risk group.

#### **Measures for surmounting poverty and social exclusion among children:**

3.1.1. Ensure accessibility of complex services (pre-school education, day care, health and social services, family counselling, etc.) to all children in the place of residence of the family, giving particular attention families in rural areas and pre-school children. Draft the National Programme for Complex Assistance to Parents Before and After Child Birth until the Start of School. The Programme shall be elaborated following the national Strategy on Child Welfare Policy.

3.1.2. Implement the National Programme on Children Day Care Centres (started in 2002) aimed at encouraging the establishment of community based child day care centres where favourable

conditions could be created for children from social risk families in order to provide them with additional educational services and possibility to develop their social skills, as well as creating possibilities for parents to visit such centres for informal education. Special attention is given to the establishment and development of such centres in rural areas.

3.1.3. Priority in allocating funding for the implementation of the initiatives of young persons or youth organisations shall be given to the initiatives coming from socially vulnerable young people or projects aimed at dealing with their problems.

3.1.4. Implement the National 2005–2008 Programme on Support to Orphaned and Abandoned Children and Their Integration into the Society, where major attention is given to preparing children, who are living at child care institutions for independent life thereafter, and creating living conditions for these children with regards to their needs.

3.1.5. Elaborate the Strategy for Restructurization of Institutional Child Care and Plan of actions to implementation this, giving a priority of child care in the families of guardians and introducing measures for the restructuring of the institutional child care system aimed at decentralisation of services for children. It is related to the revision of the state institutional child care system and development of social services to families and children at municipal level, targeted towards better work with social risk families bringing up children.

3.1.6. Provide children from low income families with school kits before the start of school year.

3.1.7. Provide children from low income families with free meals at school. Increase the amount allocated from the state budget for free meals at school per student. Organise free meals at schools for children from low income families during summer holidays in day camps at schools.

3.1.8. Gradually step forward to introduce child benefits to each child under 18 years of age or older until they study at full day time comprehensive schools.

### **Family Support Measures:**

3.2.1. Ensure that all individuals who haven't got enough means for subsistence and as a result of objective reasons cannot raise income on their own efforts were entitled to receive assistance for meeting their minimal needs avoiding the encouragement of sidestepping from work by such assistance; increase remuneration for heating costs; grant entitlement to receive social assistance in cash for a larger number of persons in need.

3.2.2. Empower municipalities to use up to 2% of the allocated state budget means for social assistance to support the needy inhabitants on its own decision.

3.2.3. Ensure that state benefits granted to support children from social risk families were used to meet their needs. Regulate legally the forms and methods of disbursement of the benefits in kind to social risk families receiving social assistance in cash.

3.2.4. Prepare and approve amendments to the by-laws of the Republic of Lithuania Law on Social assistance in cash to low income families (single persons).

3.2.5. Draft and submit to the Government of the Republic of Lithuania the three-year Programme on the Development of the Social Housing Fund

3.2.6. Prepare the Draft Law concerning the revision and amendments of the Law of the Republic of Lithuania on the State Support in the acquisition of accommodation or renting a lodging, and renovating multi-storied dwelling houses, introducing compensation of a certain part of rent to low income individuals (families), who are renting lodging in the private sector and are entitled to social housing privileges.

3.2.7. Reduce domestic violence against women in a systematic and complex way. Elaborate the National Strategy on the reduction of domestic violence against women and the plan for the implementation of measures thereof, and initiate the implementation of the plan from the beginning of 2007.

3.2.8. Increase social insurance benefits which could increase income or social guarantees of parents bringing up children and also the state support to surviving children:

3.2.8.1. increase the amounts of benefits to parents bringing up children under one year of age (percentage applied for calculating such amounts). The increase of benefits would encourage men to take paternity leave and look after their children at home, creating opportunities for women, who became mothers, continue their working career reconciling in the appropriate way work and children raising duties;

3.2.8.2. increase the percentage applied in calculating state social insurance orphanage pensions;

3.2.8.3. increase guarantees to pensions of parents out of jobs for bringing up children under three years of age by providing insurance on the state budget means to one of the parents or guardians and paying social insurance contributions on pensions calculated from the minimal monthly wage;

3.2.8.4. support families by expanding the scope of recipients entitled to social insurance benefits in the case of the death of the insured person as a result of an accident at work or an occupational disease.

3.2.9. Support the most needy families and individuals by providing food from intervention recourses.

## **2.5. PRIORITY GOALS, TASKS AND MEASURES. PRIORITY 4 – TACKLING DISADVANTAGES IN EDUCATION AND TRAINING**

**Education and training: present situation and limitations.** One of the key areas for improving education and training and tackling disadvantages thereof is the development of human resources, which is highly stressed in the conclusions of the EU Council 23–14 March 2000 meeting in Lisbon, directly relating the EU economic and social progress with the investments in people and their education. The Pact on gender equality states, that the development of human resources is concurrent with the overall and full-fledged participation of men and women in the labour market, and vertical and horizontal reduction of labour market segregation. More girls study at high educational establishments, but they choose professions that are not very perspective with regards to career and income. Gender segregation within the spheres of science leads to further segregation on the labour market.

Following the EU Council Report of 2004 concerning the implementation of Lisbon strategy in the sphere of education (“Education and Training, 2010”) the necessity of reforms is highly underlined. For the achievement of the Lisbon strategy goals, the following three priority spheres in the policy of education are defined: investment in human resources, implementation of the strategy on education and life-long learning in practice, and further development and improvement of the European legal basis regulating qualifications and professional knowledge (Europass). The development of human resources and introduction of the knowledge based economy defined in the Lisbon strategy and its implementation documents is based on such measures as occupational and informal education, vocational guidance, implementation of the life-long learning principle by applying as many as possible of various forms and methods of training targeted towards separate population groups.

In this respect topical issues in Lithuania remain the matters of recognition of competences acquired



through the informal education, and strengthening of links among educational institutions.

Aiming at addressing the indicated problems, priority attention in 2004–2006 was given to ensure the accessibility of education and vocational training to all and entire groups of population. In the sphere of occupational guidance and vocational training the Strategy on Occupational Guidance and the Plan for its implementation were approved in 2004; 22 projects of adult education were funded in 2005, the value of which totalled to 1,5 million Litas; in the first quarter of 2006 the draft of the new edition of the revised Law on Vocational Training was in the main finalized. Following the implementation of the goal to open education and vocational training systems to people from other countries of the world, the description of the order, concerning education of Aliens and Citizens of Lithuania, arriving or returning to Lithuania for work and residence in the Republic of Lithuania, including children and adults at equalization classes and equalization mobile groups, was approved. This document provides for possibilities to nationals from other countries, including other EU member states, who arrived in Lithuania for work and residence, to study the national language and in the national language, regulating among other things, the order for studies of children and adults, who don't know the Lithuanian language, but are willing to learn it and continue their studies at general comprehensive schools.

Reduction of regional disparities was and remains among topical issues in Lithuania, including the development of educational services (first of all in pre-school and pre-primary education) for children from families in social exclusion and social risk groups.

In the Recommendation adopted on 18 September 2002 by the European Council Committee of Ministers Rec(2002)8, Member States were invited to take actions to ensure accessible, inexpensive, flexible and high quality services in pre-school education. However such provisions are not yet introduced in Lithuania.

The overall analysis of the situation in the implementation of the universal pre-primary education revealed the problems of pre-primary education providers. Though in 2004 the number of groups in pre-primary education increased almost by two times in comparison to 2000, such groups are being intensively established only within pre-school educational establishments (in 2005 there were 1186 of such groups), and in secondary schools (999 groups in 2005). The network of private providers of pre-primary education is practically not developed at all. Forms of pre-primary education oriented towards the specific needs of a child and the family are not available. Pre-primary education groups are not available also in some rural areas as well, or the accessibility of such services is reduced by absence of transportation services. Pre-primary education groups in rural areas are attended by approximately 63% of children. About 3–4% of children join such pre-primary education groups too late at reaching 7 years of age.

The Ministry of Education and Science endeavouring in 2004–2006 to reach that all children attended school and finished education, organised special actions, during which information provided by the inhabitants on children who do not attend school was collected and registered; over 800 staff was introduced at schools for social teachers and funding for informal education and training was increased, including programmes in preventing crime among children and drug addiction, organising summer camps, etc. (each year over 10 million Litas are allocated for the funding of specific programmes).

Aiming at creating appropriate conditions for training and studies to all students of the country, measures were taken in 2004–2006 to optimize and renovate schools, to supply schools with teaching aids, etc. by using the means from the World Bank Programme on the Improvement of Schools. Accordingly, municipalities were supplied with transport means for delivering children to schools, and free of charge meals ensured for children from the families in need.

In the future the necessity to further support students remains, in particular with regards to children

from poor families. It is especially important to implement the reform of scholarships and loans for studies, renovate students' hostels by improving living conditions there.

**Key tasks in education and training.** The assessment of the current situation leads to the conclusion for developing activities in the following directions:

**4.1. Ensure the efficiency of further development of human recourses.** This task is raised following the open coordination method and aiming at the adaptation of the best EU practice in coordinating national policy with the provisions of Lisbon strategy, and the development of the system of education until 2010 ("Education and Training, 2010").

**4.2. Develop further pre-school and pre-primary education, giving special attention to ensure the provision of such services for children from families in social exclusion and social risk groups.** This sphere of activities corresponds to the goals and aspirations in the Education Policy of the European Union as formulated in the Lisbon strategy of 2000 and raised in 2001 at the European Council meeting in Stockholm, and targeted to ensure first of all the accessibility of education and vocational training to all groups of the population.

**4.3. Successfully and efficiently implement preventive measures against non-attendance of school.** This sphere of the state role in reducing poverty and strategic provisions for the implementation thereof are in the main defined in the provisions of the 2003–2012 Strategy of Public Education, approved by the Seimas of the Republic of Lithuania and in the Programme of the Government of the Republic of Lithuania.

**4.4. Ensure social assistance to the needy schoolchildren and students suffering from social exclusion.** This particular sphere of activities is closely related to the goals raised in the Lisbon strategy of 2000 and the European Council meeting of 2001 in Stockholm to ensure the accessibility of the system of education to all and entire population.

**4.5. Form and educate civic society by training and involving its participants into active actions in combating poverty and social exclusion.** This sphere of activities is related to educational information actions carried out with the view to change the attitude of the society towards individuals from social risk groups and encourage the society itself to take initiative in addressing the issues of social nature.

#### **Measures aimed at securing the effective development of human recourses:**

4.1.1. Work out the new edition of the Draft Law on Vocational Training, and projects for the Reform of the Vocational training system and the strategy for its further development, including action plans for the implementation thereof, creating thus preconditions for better development and improvement of human resources.

4.1.2. Carry out the strategy of life-long learning and the implementation plan in rationalizing the network of vocational training programmes, with the view to ensure the accessibility to state supported successive studies for each adult member of the society.

4.1.3. Improve the level of occupational guidance at secondary schools of general training and gymnasiums: develop and implement the single system in the country for vocational information, occupational guidance and counselling.

4.1.4. Increase the accessibility to occupational guidance and training by improving the Lithuanian Labour market training system.

4.1.5. Carry out surveys on the need for specialists in at least six economic sectors and prepare over 100 new standards on vocational training.

4.1.6. Create the solid, common to all and transparent national system of qualifications.

4.1.7. Involve the issues of gender equality into the programmes of formal and informal education and organise training for teachers on the issues of gender equality.

**Measures to ensure pre-school and pre-primary services for children from families in social exclusion and social risk groups:**

4.2.1. Elaborate and introduce the Programme on the development of pre-school and pre-primary education.

4.2.2. Elaborate the model on the improvement of living and educational conditions for children from birth until the start of the compulsory education and implement it.

**Implementation of preventive measures against non-attendance of school:**

4.3.1. To elaborate a complex Programme on returning non-attending children to schools covering a wide scope of measures to ensure that the proportion of persons who acquired at least secondary education accounted for 90% leastwise among the total number of young persons in this age.

4.3.2. Implement the Programme on socialization of children and young persons.

**Measures to ensure social assistance to schoolchildren and students in need and suffering from social exclusion or living in social risk families:**

4.4.1. Work out and implement the 2006–2010 Plan for the Development of the System in High Education.

4.4.2. Revise legal acts regulating the funding of studies – work out drafts for corresponding Resolutions of the Government of the Republic of Lithuania.

4.4.3. Work out and implement the Programme on the Renovation of students' hostels at High Educational Establishments (Universities, etc.).

4.4.4. Carry out the 2006–2008 Investment Programme on the provision of yellow buses to schools, and the 2005–2008 Programme “The Yellow Bus” on transportation of schoolchildren with special needs.

**Measures aimed at the development of civil society:**

4.5.1. Aiming at involving non-governmental sector and the society at large into the processes of reducing poverty and social exclusion, organise information seminars and trainings in the regions on social policy issues in joint cooperation between the governmental and non-governmental sectors on the national level.

4.5.2. Encourage the activities and employment of elderly people in the community, stressing the life-long learning process and forming a positive image of senior persons in the society.

4.5.3. Approve and implement the National 2006 – 2008 Anti-discriminatory Programme to ensure the implementation of provisions set by law and defining the principle of non-discrimination and equal possibilities irrespective of the age, sexual orientation, disability, race or ethnic origin, religion or beliefs; raise tolerance of the society; inform the society on the issues of equality and non-discrimination, and measures for defending equal rights.

4.5.4. Enhance possibilities of women to take leading duties and participate in the processes of taking decisions in political and economic matters. Encourage motivation of women to take an active part in the political life and the activities of the society.

4.5.5. Encourage cooperation among the state, municipal establishments and non-governmental organisations to ensure gender equality and strengthen the capacities of employees, civil servants, lawyers and law-enforcement institutions, and specialists of the environment on gender equality in order to make them able to apply gender mainstreaming.

4.5.6. With the view to draw attention to poverty, social exclusion and other urgent social issues organise and action of “Christian Social Week” involving representatives of churches, other public authorities and social institutions providing social services to the society.

## **2.6. BETTER GOVERNANCE**

Aiming at the improvement of management of the implementation of strategies defined in the National Report on Strategies for Social Protection and Social Inclusion (NP SASAS), it is the first utmost priority to ensure the involvement of all interested parties into this process.

The principal structure of participants in combating poverty and social exclusion consists of three elements: the state, the market and the civil society. Each of them has their own roles in the governance of the policy on reducing poverty and social exclusion. To achieve structurally efficient social dialogue in the implementation of the National 2004–2006 Action Plan against poverty and social exclusion (NAP), the Ministry of Social Security and Labour decided to involve the Secretariat of NGOs network against poverty (NGOs network) for more active participation and cooperation. It was agreed that this network will organise meetings of the NGOs Network members and discussions with the society, encourage community initiatives and play the role of mediators between the state, local authorities and the society. However, organisational activities of the establishment of such networking were to some extent delayed, but now it started to work actively. This NGOs network and the Ministry of Social Security and Labour will work as social partners in the future for the exchange of information, dissemination of good practice, cooperation in making independent and accurate analysis on the current situation in Lithuania, effective social dialogues between the state, municipal establishments and non-governmental organisations in the sphere of policy forming.

For better involvement of the society in the political discussions and implementation of the plan in reducing poverty, it has to be better informed on the NAPs, challenges, goals and targets to be achieved. However, there are still rather many gaps in such activities, which have to be smoothed over in developing, discussing and implementing the National Report on Strategies for Social Protection and Social Inclusion (SR SSPSI). Consultations have to be included into the processes of information in order to achieve that the SR SSPSI stopped in the future being only the governmental project and became actually the real national issue. Regional seminars, publicity of processes and the encouragement of volunteer movements should become efficient instruments. At the same time it is necessary to avoid that such processes do not become one-sided and directed from the top seminars organised just for the staff of county and municipality administration. People have to be actively involved in the participation of all processes. In elaborating strategic documents it is important to allocate enough time for the interested parties to analyse projects and submit remarks. Accordingly, it is necessary to endeavour that consultation processes do not become just simple provision of information, but be based on partnership starting the introduction of the best forms in mobilizing partners.

A very important stage in developing and implementing strategic documents in combating poverty and social exclusion is the introduction of measures against poverty and social exclusion into the general and overall policy.

One of the first and most significant strategic steps that encouraged the involvement of poverty

issues into the general policy was the elaboration of the Strategy on reducing poverty in Lithuania. The Strategy raised, elaborated and reasoned the initiative that poverty shall and may be reduced only with the help of complex and coordinated measures covering various spheres of life (education, vocational training, labour market, social protection, fiscal policy, etc.). Therefore specific work groups were initiated with participation of representatives from respective authorities in various spheres and levels for the drafting of the following strategic documents: “The 2002–2004 Programme for the Implementation of the Strategy on Reducing Poverty”, “The Joint Inclusion Memorandum”, “The National 2004–2006 Action Plan against Poverty and Social Exclusion”. Independent experts (scientists) were also involved in this process, as well as NGO representatives and social partners. A Coordinating institution was appointed to be responsible for the organisation of the working process. Meetings of work group members were organised to discuss actual issues in the process of developing the documents/programmes, to submit proposals and the like. In many of the documents there is a separate chapter allocated to describe the specific issues related to certain spheres, as the environment, health care, etc., indicating measures to improve the situation of the most vulnerable population groups and enhance their integration.

NR SSPSI is a strategic document defining actions to be coordinated with the provisions of the national programme on the implementation of the Lisbon strategy, National Strategy for Sustainable Development, National Strategy on addressing the consequences of the aging population, etc.

For example, one of the most important documents of Lithuania – the Single Programming Document for 2004–2006, where the priority spheres are identified for directing the funding of Lithuania and the European Union, Priority 1 “The development of social and economic infrastructure” defines under Measure 5 “The development of the facilities in the spheres of labour market, education, vocational training, science and studies and social services”. Through the implementation of this measure the following actions will be taken: the development and renovation of the facilities at social care institutions for the disabled, the improvement of the occupational rehabilitation system for the disabled, adaptation of physical and information environment to the needs of the disabled, the development of non-institutional communal social services, increasing the number and the variety of social services for separate population groups (e.g. elderly people, socially neglected children, etc.) improving the quality alongside.

Under priority 2 “The Development of Human Recourses” the following measures are identified for further development and application of active labour market policy measures aimed at increasing participation in such measures of unemployed persons (in particular long-term unemployed or those facing the danger of becoming long-term unemployed, young and unskilled individuals), and employees facing possible unemployment; the enhancement of social partnership; the enhancement of integration into the labour market of individuals from social risk groups (the disabled, addicts, prisoners and ex-prisoners, ethnic minorities, etc.); the creation of favourable conditions for re-integration of women into the labour market, etc.

Lithuania intends to endeavour that all measures defined in the documents and programmes on the national and local level were assessed from the point of view of reducing poverty and social exclusion. One of the three strategic priorities in the 2007–2013 EU Structural support programme is productive human recourses for the society of knowledge and information.

EU Initiative EQUAL is currently in the process of implementation. The third stage planned until 30 June 2008 is devoted for the development of thematic networking, dissemination of good practices, and the impact on national policy and practice. The aim of the initiative is to complement the activities supported by the European Social Fund by encouraging the development of new methods, piloting and adaptation on the labour market, combating all forms of discrimination and inequality experienced as by employees as by jobseekers. Methods which were successfully piloted and checked, including the accumulated good practices will influence the existing policies and

practices as on the national as on the EU level. Addressing the above problems EQUAL is applying the new approach based on such essential principles as thematic priorities, innovations, partnership, provision of opportunities, international cooperation, gender equality, and impact on policy and practice. International cooperation is an important part of the activities encouraging to share good practice on the European level. Development partnerships in Lithuania in joint efforts with partners from other EU member states participate in the activities of international development partnerships, where they get valuable lessons and may apply the acquired experience in addressing the issues as on the national as on the European level. The main task of the programme is to support the development partnerships established on the principle of social partnership and aimed at social innovation. The principle of partnership encourages organisations and institutions, which had no previous practice for implementing joint projects, to address problems together in joint efforts. Therefore, versatile approach and efficiency is ensured in dealing with problems and gaining experience from other spheres. This task will be achieved in supporting groups of persons meeting with specific discrimination on the labour market, and seeking for increasing their employment; in developing reconciliation possibilities for family and professional life; in supporting the employment opportunities for asylum seekers; enhancing administrative capacities of the institutions managing the programme. EQUAL projects should involve in the activities about 3000 members of target groups: the disabled, people in pre-retirement age, young persons, long-term unemployed, ex-prisoners, addicts, ethnic minorities, women, victims of trafficking in human beings, sexual minorities and asylum seekers. The anticipated outcomes of the programme shall be the good practice and possibilities for further cooperation; the piloted methods of addressing problems having impact on the future policies of employment, science and education; the enhancement of capacities and possibilities of individuals from groups in social exclusion to integrate into the labour market.

***Coordination of the development and the implementation of the plan.*** In order to achieve better results in combating poverty and social exclusion, efforts are made to strengthen the development process of the plan, and the coordination and management of the implementation of the defined measures. The development process of the National Report on Strategies for Social Protection and Social Inclusion 2006–2008 (NR SSPSI) was carried out by using the acquired experience. For the development of the NR SSPSI a joint task group of representatives from governmental institutions, NGOs, trade unions and employers was instituted. Most of the defined measures in reducing poverty and social exclusion are implemented on the municipal level according to the delegated functions to municipalities. For this reason a representative from the Lithuanian Association of Municipalities, which coordinates the activities of municipalities and represents their interests before state authorities and administrative institutions, was included in the joint task group for the development of the plan.

The joint task group started its activities from information-thematic meetings, where they discussed and interpreted the revised Lisbon strategy and its social dimensions, Communications of the Commission related to social inclusion, and other documents. The Guidelines for the development of the National Report on Strategies for Social Protection and Social Inclusion were thoroughly studied.

The Ministry of Social Security and Labour is responsible for the development of the NR SSPSI, and is also at present in charge for the coordination of activities in reducing poverty. This Ministry is also nominated to supervise the implementation of the NR SSPSI. For this purpose the Supervisory Commission for the implementation of the National Action Plan against poverty and social exclusion, functioning at the Ministry of Social Security and Labour, will be substituted by the Monitoring Group for monitoring the implementation of the National Report on Strategies of Lithuania for Social Protection and Social Inclusion (NR SSPSI). Monitoring Group will be represented by the government, municipalities, Ombudsman of equal opportunities office, social

partners and NGOs. Independent experts and scientists will be also invited to participate in the work of this Monitoring Group. The main task of this group will be to carry out on a continuous basis the control over the implementation progress of the defined measures in the NR SSPSI, to discuss running issues and tasks, update measures and other related matters, involving wider the activities on the municipal and regional level. At the same time the Plan of Measures is being elaborated as the Annex to the NR SSPSI, defining the responsible administrators, necessary means, implementation terms and conditions and short descriptions of the expected outcomes, and will serve as the main working document for the activities of the Monitoring Group in 2006–2008.

***The Role of Non-governmental Organisations (NGOs) in reducing poverty and social exclusion.***

The development of voluntary activities is among the primary actions in reducing poverty and social exclusion in Lithuania. The main task of this activity is to develop purposefully the public spirit and initiative among population in various towns and cities of Lithuania, and encourage active participation of the society in public life and decision taking processes on the municipal level and thus contribute actively to the improvement of the living environment.

In 2005 on the initiative of one of the NGOs, namely the NGOs Information and Support Centre (NIPC), a National Network of NGOs against poverty and social exclusion was established in Lithuania. It was a significant step for the improvement of cooperation among public authorities and non-governmental organisations in dealing with poverty and social exclusion issues. It is planned to initiate a programme funded by the state budget for supporting the activities of the NGOs in dealing with poverty and social exclusion by organised tenders.

The development of voluntary activities through the implementation of defined measures will help to create preconditions for the population to join the activities carried out by NGOs and thus develop or improve their capacities contributing to the strengthening of such non-profit organisations and promote the implementation of initiatives in reducing poverty around the country.

Fund raising policy of non-governmental organisations in Lithuania, 67% of which contribute to the reduction of poverty, is in the main based on financial support from the state and municipal institutions so far, therefore in aiming at achieving the defined tasks, NGOs will be encouraged to look for new forms and sources of support providing for the possibilities to become more independent in promoting the development of the principles of voluntarism, the growth of socially responsible business and philanthropy, leading to cherishing sociality in the community.

Employment among people of various ages, in particular among young persons, is the primary preventive measure in dealing with criminality and other harmful dependencies, as well as poverty. Besides, voluntarism gives for young specialists a priceless practice in their professional activities and the possibility for the middle-aged or senior persons to find a favourite activity as a hobby and be active in helping others and contributing in finding decisions to address urgent social issues.

Non-governmental organisations and other organisations in Lithuania carrying out social or cultural activities, sports or other attractive activities for the society shall be encouraged under this measure to involve as many as possible volunteers in the performance of their routine activities.

***Monitoring of social assistance.*** The need for dynamic social policy rises out of the dynamic economy in the society. Statistical data of Lithuania indicate that deep regional disparities and dynamic development of economic conditions in the regions influenced accordingly the alternating need for social assistance - as in the amounts, as in types.

Aiming at quick reaction to such changes Lithuania developed and introduced in 2005 the social assistance information system (SPIS – thereof) for accounting and monitoring purposes. The central data base records social assistance provided to the population – social benefits and social services, events on child care, violations of children’s rights, and measures aimed at the protection of children’s rights. A very important element in the structure of SPIS is that the system registers data

not only of beneficiaries, but also of their family members.

At the initial stage of the SPIS development, due to limited financial resources, a simplified structure of the information system was introduced – the stem of the system. By the middle of 2007 SPIS will be supplemented with links to other information systems of the country and state registers. Connection of such information resources will enable respective institutions to exchange information more efficiently, and ‘one-window’ principle could be introduced for the benefit of the recipients of social assistance, social insurance and other payments. Introduction of ‘one-window’ principle will lead to further development and improvement of social assistance e-services.

Individuals residing in rural areas often live far away from municipality offices and it is rather difficult for them to reach the municipality with an application or a request concerning social services or benefits. This issue shall be addressed by expanding the SPIS with the possibility for the smaller communities to join the system as a client. The Ministry of Social Security and Labour in joint efforts with municipalities is working on a project to raise means from the EU Structural Funds for the establishment of computerised work places within the SPIS system in all communities (neighbourhoods) of the country.



## **PART 3. NATIONAL STRATEGY REPORT FOR PENSIONS**

The time since the 2005 National Report on Pensions does not demonstrate the implementation of significant political measures.

It is anticipated to take certain actions in the nearest future for the implementation of tasks under g, h and i points.

### **3.1. ENSURE SUFFICIENT INCOME AND SATISFACTORY LIVING LEVEL TO ALL RETIRED INDIVIDUALS**

Principal role in social protection of the elderly in Lithuania is given at present to the State social insurance old age pensions (in 2005 about 97% of individuals who reached the retirement age received the social insurance old age pensions). Old age pensions are the main and in most cases the only source of subsistence for persons, who left labour market. At-risk-of-poverty rate among individuals who reached the retirement age (65 years and over) in 2005 accounted for 15.5% (among men – 9.8%, and among women – 18.4%). However, at-risk-of-poverty rate in the age group 0-64 in 2005 was 15.9%. Such data indicate that the total at-risk-of-poverty rate among older people is to some extent lower than among the population in the working age, but a big difference is noted between men and women. Indicator reflecting the intensiveness of poverty – the risk of poverty gap – shows that pensioners aged 65 years and over, as men as women, who fall below the poverty line have income 10% lower than 60% threshold, whereas the same group of general population (aged 0- 64) have income 24% below the threshold. Living standards of pensioners in Lithuania are relatively close to the standards of other inhabitants – the median equivalised income of people aged 65+ as a ratio of income of people aged 0-64 is 0,8 (0,9 for men and 0,8 for women). Analysis of the composition of income by source among the people aged 65 and over revealed that pension entitlements provide only 62% of household income, 31% - work incomes, 6% – other social benefits, and 1% – other sources. This indicates that pension is not a sufficient source for subsistence. Accordingly, the priority task for the Government is to increase the amount of social insurance pensions. In 2004 and 2005 pensions were indexed at a higher rate than the wage growth , e.g. the average old age pension in 2005 increased by 13.1%, and the average wage increased by 12.2%. Of course, it might impend over the sustainability of pension system, but the ratio of the average pension with the average wage is too small to avoid the increase of social insurance pensions. The average pension in 2005 was 32.6% of the gross wage (net – 45.4%), and as from 2003 increased by 2 percentage points.

The best indicator for measuring the adequacy of future pensions is the theoretical replacement rate per hypothetic employee (receiving the average wage at the age of 65 and having a 40 years social insurance record). If pensions were further indexed at the rate of wage growth , the anticipated theoretical replacement rate (gross) per the above employee within the period of 2004–2050 would increase by 2 percent points. Such growth is conditioned firstly by the increased proportion of the funded part of the social insurance pensions. Accordingly, only those who participate in the new system of pension accumulation might expect such growth of the pension (in 2006 the coverage of the system was already 63% of the insured).

By the recent AWG projections according to the demographic (the projected old age dependency rate

will increase from 22.3% in 2004 to 44.9% in 2050) and economic assumptions <sup>2</sup>, public spending on pensions in 2004–2050 as the proportion of GDP will increase by 1.9%. Such growth is not significant due to transition of a certain part of state pension system into funded part of social insurance pension system (since 2007 the amount equal to 5.5 percent points from the individual's insured income will be transferred into private pension funds). Total expenditures on pensions (including annuities paid from private pension funds) will increase by 3.7 percent points.

The state pension system ensures lower inequality of income among individuals who reached the retirement age (65 years and over) than among general population under 64. The indicator of income inequality (S80/S20) for the above groups is correspondingly 2.9 and 5. Such indicator shall not increase, as the system of minimum income guarantees is constantly expanded.

The number of individuals, who did not acquire the minimal social insurance record and are not eligible for the social insurance old age and disability pension entitlement, is gradually increasing every year. At present the issue concerning individuals without the entitlement to the social insurance old age or disability pension is not very urgent. However, in some 10–15 years Lithuania might face serious problems, when quite a large number of persons in retirement age or with disabilities, who did not pay social insurance contributions or paid contributions only for a very short period, will address the Government for social assistance. Aiming at providing such persons with at least minimal income, the system of social assistance pensions, disbursed from the state budget, was introduced in 1995. The range of individuals entitled to such benefits is gradually expanded. From July 2005 such entitlement was granted to the disabled with 60% or more of lost working capacity, and from January 2006 retirees who are not entitled to larger or the same size social insurance pension, state pension or other pension are entitled to social assistance pension.. Persons entitled to social insurance pension or other pensions, the size (total sum) of which is smaller than social assistance pension, are entitled to the difference between the social assistance pension and the other pension (pensions). Accordingly, Lithuania ensures the minimal pension provision.

Apart from the minimal pension provisions, efforts are made to ensure pension insurance records during such periods, when persons are not capable of paying contributions themselves, in particular, when bringing up minor children. For this purpose pension insurance of mothers or fathers out of jobs will be expanded as from 2008. They will be insured by the state for the full pension from the minimal monthly wage during the period of bringing up a child until 3 years of age (currently such persons are insured only for the basic pension). This measure will not only help to ensure higher income in the old age, but will also reduce differences in the amounts of pensions among men and women. As a rule, maternity leave is in most cases taken by women.

### **3.2. MEASURES TO ENSURE FINANCING SUSTAINABILITY (OBJECTIVE H)**

An important measure leading to the reduction of the deficit in the system of social insurance pensions in the future is the extension of the retirement age combined with employment measures for elderly. The level of employment in the age group of elderly people (55–64) increased from 44.7% in 2003 to 49.2% in 2005, and is almost reaching the set goal in the Lisbon strategy for 2010 (50%), well exceeding the EU25 average of 42.5%. Significant impact on this was made by the extension of the retirement age. Employment rate among men (59.1%) is well ahead of women (41.7%). Deciding impact on such difference is made by the low employment level (only 22.5%) among women in the age group of 60–64 due to earlier retirement age of women (60 years).

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<sup>2</sup> "The 2005 EPC projections of age-related expenditure (2004-2050) for the EU-25 Member States: underlying assumptions and projection methodologies"

Support of elderly persons on the labour market is provided for in the Law on Employment Support. A negative approach of employers is noted in hiring individuals in the age of 50 and senior. Such approach in most cases is subjective: lower efficiency of work performed by persons in this age group, probability in more often cases of sickness, more difficult for adapting to changes at work, not perspective, etc. For this purpose, aiming at encouraging employers to hire senior persons, the Law on Employment Support provides for supporting employers, who hire capable of work individuals in the age of 50 and senior facing difficulties in finding jobs. In such cases employers are entitled to receive monthly a subsidy amounting to a minimal monthly wage per each employed individual on the recommendation of the labour exchange for up to 12 months.

The current legal regulation of pensions, as well as the other factor, perhaps the most important one – insufficiency of pensions – encourage persons in the age of retirement to continue employment. Old age pension is paid in the full amount irrespective of the beneficiary's employment and earnings. Moreover, if a person was employed for 2 years more after he/she was granted the old age pension, the amount of the calculated pension may be recalculated according to the new data on income and insurance record thereof.

An important factor encouraging employment and assisting to avoid abuse in recognising disability aimed at receiving disability pension is the new order introduced recently in Lithuania for the assessment of disability and working capacity level. Starting from 1 July 2005 the level of working capacity is assessed for individuals in the working age instead of previously recognisable disability group, i.e. capability to perform the earlier acquired vocational competence or capability to acquire another occupational competence, or capability to perform work which requires occupational competence of a lower level, is assessed. Accordingly, the assessment of working capacity instead of the recognition of the disability group will create better conditions for more objective assessment of individuals' capacities of work. At the same time the entitlement of persons with disabilities to occupational rehabilitation is legally defined, creating preconditions for the development of the system of occupational rehabilitation aimed at securing quality services to assist individuals, who as a result of trauma or sickness lost their jobs, to return to the labour market.

Incentives to remain longer on the labour market is determined by the closer link between contributions and benefits in the pension system which was strengthened with the introduction of the new pension accumulation system (funded part of old age social insurance system), based on investments of a certain part of social insurance contributions, leading to the reduced redistribution. The number of participants in the system increased to 63% of the insured within the period of three years.

### **3.3. SECURITY OF BETTER ADAPTATION OF PENSION SYSTEMS TO THE NEEDS OF MEN AND WOMEN, TRANSPARENCY AND INFORMATION SUPPLY (OBJECTIVE I)**

Within the framework of the EU PHARE project Lithuania created the central database on persons insured by the state social insurance at the State social insurance fund before joining the EU. Such database considerably improved the administration of processes and secured transparency. Follow up of long-term objectives of the above project in streamlining the tasks of the administration system and aiming to strengthen the efficiency of the activities of the state social insurance system, further changes are introduced to ensure client friendly administrative system. The implementation of the central management information system started to allow the assessment of the activities of territorial social insurance offices according to the set criteria.

With the view to ensure fair and proper procedure in granting social insurance survivors' pensions to senior individuals, it is planned to revise in 2007–2008 the principles of granting such pensions.

Taking into consideration the possibilities of the State social insurance fund budget, the lowest survivors' pensions will be increased. Terms and conditions for granting survivors' pensions will be modified providing possibilities for granting such pensions to persons who were not entitled before, i.e. for individuals in the retirement age later than within 5 years after the death of the spouse.

Efforts will be taken to increase transparency of the pension accumulation system (accumulation of the part of social insurance contributions) and possibilities to compare the efficiency of market shares. For this purpose it is necessary to impose the requirement on each pension fund manager to have a comparative index of each pension fund – a chosen indicator for compulsory comparison of the outcomes of the activities of the pension fund based on variations of the meaning of such indicator (return on investments).

The comparative index of a pension fund should be chosen by taking into account the investment strategy of such pension fund, and described in the rules. Pension fund manager in providing report on the activity results should compare them with the comparative index of this pension fund. It could help the society to assess better the outcomes of pension fund and increase the responsibility of pension fund manager in forming pension investment strategies.

Analysis of the structure of participants in the funded system of old age social insurance indicates that quite a considerable proportion of its participants receive rather low wages and are in pre-retirement age. It suggests the idea that such participants may not be able to take important investment decisions at their own discretion, namely concerning when to keep the savings in more risky or in more conservative investment pension funds. Taking into consideration social significance of the pension accumulation system, it is foreseen to obligate pension fund managers to inform regularly individuals in pre-retirement age on the risks of participation in pension funds with larger proportion of investments in stock markets, or suggest remising the decision taking on the investment of means to the pension fund manager.

In July 2006 the Law on Accumulation of occupational pensions was adopted creating legal preconditions for the development of the occupational pension accumulation system (in old European states such pension system is called the second pillar system). This Law implements several EU directives, including the 2003/41/EC directive, and defines several types of institutions, where additional pensions may be accumulated for the benefit of workers' collectives. It will ensure the variety of services in this particular sphere and encourage competition among the providers of services. The development of such system will not only create preconditions for raising additional income for the old age, but will also encourage the improvement of social dialogue between social partners on the level of companies and within the industrial branch.

## **4. NATIONAL STRATEGIES FOR HEALTH AND LONG-TERM CARE**

### **INTRODUCTION**

Health protection, demographic processes, economy, social protection, environment protection and lifestyle are closely interrelated, interdependent and affecting each other and other fields of human activities.

With the strengthening national economy, there arise more opportunities enabling to ensure the right of people for a healthy and purposeful living, to improve their quality of life and the level of public health promotion. Such a tendency would increase the productivity of the society and contribute to further rapid growth of the economy. The programmes aimed at retaining the people in the labour market as long as possible and at prolonging the old age pension age that have been implemented (and also those which are only planned to be implemented) in recent years are based on the presumption that progress in the field of medicine ensures (or at least has to ensure) high capacity to work of the elderly people and this is one of the main ways of solving the problem of the lack of employees. All this determines the necessity for the development of the health sector services which is recognised as one of the priorities of the Government activities.

Currently, the share of the GDP of the expenditure for health care in Lithuania is one of the smallest among the EU countries (in 2005 it amounted only to 5.9 %). Moreover, these funds were not always used expediently. High number of hospitalisations (over 40 % exceeds the EU average), the highest number of doctors per 1 000 residents and one of the highest number of hospital beds per 1 000 residents indicate that the functioning of the Lithuanian health system is largely oriented towards in-patient services and less attention is paid to out-patient treatment, to home care and preventive measures.

The Government, when shaping health policy, acts pursuant to the presumption that the health of the Lithuanian people and the conditions for retaining good health determine the stability of the economic development and social security of the society. The state of public health is directly related to the quality of life, the volume of labour resources and their productivity whereas morbidity and mortality of middle-aged people means the loss of the human capital. Improvement of health of the Lithuanian people and ensuring of appropriate health care are an important condition for economic growth and one of the priorities of the Government policy.

During the recent years, the social services system moves from expensive institutional social care to non-institutional social services provided at community level or at home. Although the number of persons receiving institutional social services has not been decreasing, the number of beneficiaries of social services at day social care establishments has increased significantly. In 2002, the major share of recipients of social services were using the services provided by institutional social services establishments (57 %), whereas in 2005, with the increase of recipients of day care services up to 71 000 (in 2002 – only approximately 5 000 recipients), the share of recipients of social services were using the services provided by institutional social services establishments has decreased and now it amounts only to 20 %. Currently, more social care services for persons who need constant care are offered.

Therefore, one of the most important goals is to guarantee affordable, high quality and uninterrupted health care and long-term care by ensuring:

1. access to appropriate health care and long-term care services to all residents; the need for such services would not cause poverty and financial dependency; the problems related to unequal opportunities to receive health care and long-term care services have to be solved;
2. quality of health care and long-term care services and the adjustment of these services to the changing needs and requests of the society and its individual members by creating and developing the network of preventive measures and drafting the service quality standards and a system for their supervision;
3. that appropriate and high quality health care and long-term care services remained affordable and would be financially sound to promote rational utilisation of the resources especially encouraging the consumers and providers as well as good management and coordination of activities between supervisory systems and public and private institutions.

Lasting and quality require promoting healthy and active lifestyle and proper human resources to service the health care system.

#### **4.1. ABSTRACT ABOUT HEALTH CARE AND LONG-TERM CARE**

The state of health of residents has direct impact on the growth of the NATIONAL economy, the supply of the labour force and its productivity; whereas high morbidity and mortality rates negatively affect the supply of the labour force and the quality of life. Therefore it is very important to ensure modern and efficient health protection infrastructure which would create preconditions for healthy and capable to work labour force. Improvement of health of residents is one of the main political goals of the Government.

Integration into the EU changes the health related needs of the Lithuanian residents as well as the conditions for their fulfilment, economic, social and health promotion requirements become more stringent. This forces to speed up the reforms in the health protection sector. The essence of these changes is to increase public financing and change the structure of financing. Carrying out and developing the reforms, educating the society about health related issues and prevention of diseases will become priority areas of the health system. Lithuanian residents will have access to available, timely, safe and efficient health care based on real health insurance and equity.

The *mission* of the Ministry of Health is to shape and implement the health policy ensuring public health, high quality of health promoting activities and rational utilisation of resources. When formulating the health policy for 2006, the provisions of the programme of the Government of the Republic of Lithuania for 2004-2008 and the action plan for their implementation, as well as the undertakings of the Republic of Lithuania to the European Union concerning the implementation of the Lisbon strategy, to the World Health Organisation, NATO and other international organisations were taken into consideration.

The analysis of the situation in Lithuania has revealed that one of the weaknesses is the increased social-regional differentiation and the health and health care inequalities between separate social and economic resident groups. The ageing of the population in the Western world, rapid growth in the number of people in the third world countries and uneven development of countries and entire regions will further encourage the migration processes. This will pose additional problems related to equality and availability of health care services and spread of dangerous contagious diseases and drug addiction.

The assessment of demographic indicators shows that the tendencies of ageing of the Lithuanian population still persist, i.e. the share of people older than 60 years is increasing and in the beginning of 2006 it reached one fifth of the population. This phenomenon can be partially explained by

systematically decreasing birth rates (in 2005, only 8.9 per 1 000 population), and increasing emigration of young people to other countries.

*Average life expectancy* is an integrated indicator of health. Its changes are related to mortality of people of certain age. In 2005, the average life expectancy was 72.1 years (for men – 65.4 years, for women – 77.4 years). In the countries where the population is rather old, a more sensitive indicator used for health evaluation is an average healthy life expectancy (AHLE). This is an indicator integrating the data on mortality and self-evaluation of the state of health. In Lithuania this figure was calculated in 1997 and in 2001. During the period from 1997 to 2001, the average life expectancy for men remained the same whereas the average healthy life expectancy has increased from 52.7 to 53.7 years. The average life expectancy for women during the respective period has increased from 76.6 to 77.4 years of age, and the average healthy life expectancy – from 52.6 to 55.3 years. Thus, with the increasing age the average healthy life expectancy was decreasing, but in 2001, if compared with 1997, positive changes were observed in all age groups.

*The main goal of health promoting activities* is to educate the society about healthy lifestyle and provide high quality health care services; to prolong average life expectancy; to reduce mortality rates; to improve the system of health care institutions by ensuring equity of health related relations and the patient's right to choose; to carry out active prevention of contagious and non-contagious diseases; to prevent the spread of substance abuse diseases; to ensure that only safe, high quality and efficacious medications and medical equipment corresponding with the requirements applied in the European Union Member States appear in the Lithuanian market; to develop the system of educating the society on health related issues, its strengthening and supervision; to improve the quality of health care services by implementing the latest technologies in medicine, upgrading the qualification of the employees seeking to ensure that the health care institutions satisfy the set requirements.

The main *trends* in the long-term development strategy of the health care system:

- the reform of the health system corresponding with the requirements of the European Union law;
- the development of the public health strengthening, education and information systems;
- the prevention of the diseases and the implementation of its control;
- the encouragement of professional development.

The goal of this strategy is to create a modern health care system based on strategic planning, analysis of the changes occurring during the reform and management ensuring accessibility, efficiency of the health care as well as rational utilisation of resources and propagation of a healthy lifestyle.

The state ensures efficient functioning of health care system by involving all the social and economic structures in the process of attaining the set goals and creating preconditions for the society and each individual member to be healthy.

Therefore, a strategic precondition for ensuring optimal state of health is a consistent development of the health system covering health retention and strengthening, prevention of diseases, timely diagnosis of diseases, treatment and rehabilitation.

The main causes of death still remain the diseases related to blood circulation system, malignant tumours, accidents and traumas. These causes account for approximately 86 % of the total number of deaths. In 2005, death from *malignant tumours* accounted for 18.4 % of all the deaths. Mortality from cancer is slightly increasing. Positive changes are observed in the mortality among men from pulmonary cancer, but still the mortality among men from prostate cancer and the mortality among women from cervical cancer or breast malignant tumours – the diseases which could be avoided if preventive measures are applied timely - are growing.

*Infant mortality* has been declining for several years already. During the recent years, this figure fluctuated from 6.8 to 6.9 per 1 000 born alive, whereas in 1993 this figure was 15.4 per 1 000 born alive.

Seeking to make the work of health care institutions more efficient, their functioning and management is decentralised. The Lithuanian health care system is based on three basic documents: the Lithuanian National Health Concept (approved by the Seimas in 1991), the Lithuanian Health Programme (approved by the Seimas in 1998) and the National Long-term Development Strategy (approved by the Seimas in 2002).

In all the basic documents the same goals and objectives are set, they differ only in the degree of specification and the scope of problems under consideration (Annexes 4.2, 4.3).

The priority of the health reform is strengthening of primary health care. The establishment of private institutions in the primary chain is encouraged.

Specialised medical assistance is provided in respective clinics and centres. The profile and number of such institutions is set in close co-operation with the Lithuanian Medical Association, the Ministry of Health and representatives from local authorities.

To generalise, the essence of the health care reform - to protect and strengthen human health from his birth till his death – is related to the problems arising in the transition period of the health system reform: the lack of resources allocated for health care and orientation of the health care services provision towards hospitals and specialised chain.

## **4.2. HEALTH CARE**

### **4.2.1. Brief description of the health care system**

Institutions of the Lithuanian National Health System (hereinafter – the LNHS) provide individual health care and public health care services and are engaged in pharmaceutical activities. They can be public, budgetary and private. The levels of the LNHS activities organisation and health care levels are:

- 1) municipal (in total in Lithuania – 60);
- 2) county (in total in Lithuania - 10);
- 3) national.

2. The health care levels are:

- 1) primary (primary health care);
- 2) secondary (secondary health care);
- 3) tertiary (tertiary health care).

Local authority executive institutions organise primary individual and public health care. The procedure for organising primary health care is laid down by the Government or the institution authorised by it. Local authority executive institutions also fulfil the function of the state delegated by law - organise secondary health care the scope and profiles whereof is determined by the Ministry of Health.

County governors organise secondary individual and public health care the scope and profiles whereof shall be determined by the Ministry of Health.

The Ministry of Health and state institutions subordinate to it organise, within their respective competence, individual and public health care of the prescribed scope within the LNHS institutions subordinate to it.



In recent years, the number of private primary individual health care institutions where several family doctors (general practitioners) are working has been increasing. These private institutions sign contracts with patient funds and therefore the patients do not have to pay for services provided by family doctors. Secondary and tertiary individual health care services, which are further subdivided into out-patient and in-patient services, are provided by health care institutions subordinate to municipalities, counties and the Ministry of Health.

The patient has a right to choose the primary, secondary or tertiary health care institution and a particular doctor. If patients entitled to free individual health care services choose more expensive services, materials, or forms of treatment on their own initiative, they have to pay the difference between the actual prices of said services, materials and forms of treatment and the basic prices of free services, materials and forms of treatment.

The competence of a municipality in the field of health care and long-term care:

- financing of the health care of the residents of that municipality from the municipal budget;
- drafting and implementation of health programmes;
- primary individual and public health care.

The competence of a county in the field of health care and long-term care:

- organise and analyse the implementation of the national health strategies approved by the Government and the health care reform in the county;
- submit to the Government and the Ministry of Health the proposals co-ordinated with the municipalities within the county on retention, recovery and strengthening of health of the residents of that county.

A mixed health care financing system is currently functioning in Lithuania. Four main sources of financing can be distinguished:

- Revenues from general taxes (state or municipal budgets);
- contributions to the compulsory health insurance system (the CHIF budget);
- contributions to the voluntary insurance system (almost not functioning in Lithuania);
- direct payments by the patients to service providers.

The basis for compulsory health insurance finances is the independent public Compulsory Health Insurance Fund budget not included into the state and municipal budgets.

The functioning health care system financing mechanism creates preconditions for just and even distribution of the economic burden among separate groups of residents and households.

The created system of patient funds (the State Patient Fund and 5 territorial patient funds) has taken the function of compensating for the expenses for medications and sanatorium treatment from the State Social Insurance Fund Board (SODRA). Moreover, the patient funds ensure financing of the ordinary expenses of the in-patient and out-patient health care on the basis of contracts between territorial patient funds and health care institutions considering the volume of services provided by the institutions. The funds from the Compulsory Health Insurance Fund are allocated to the territorial patient funds in proportion to the number of people residing in respective county also taking into consideration demographic, morbidity and other indicators and are used to cover the expenses of both public and private health care institutions.

On 27 July 2001, the Lithuanian National Public Health Care Strategy for 2006-2013 (hereinafter – the Strategy) and the Action Plan for the Implementation of the Strategy for 2006-2008 were

approved by Resolution No 941 of the Government of the Republic of Lithuania. This Strategy sets trends for further development of the public health care with the view to improving the health of the residents and the quality of life.

#### **4.2.2. Priority areas of policy according to general objective (j)**

In the Action Plan for the Implementation of the Strategy for 2006-2008 of the Government of the Republic of Lithuania, special attention is paid to solving problems related to health care and long-term care, namely:

- to the development of out-patient care services provided at home as well;
- to the legalisation of tariffs for long-term care and also providing a higher tariff for care of seriously ill patients;
- to the development of nursing and follow-up treatment services;
- to the encouragement of co-operation with the social security and other sectors.

Adhering to the principle of turning to family and community and seeking to improve health care of older people and the quality of life, the Description of the Procedure for Joint Provision of Nursing Care and Social Services is currently being drafted. Under this description, integrated services will be available to patients. This description is based on co-operation and team work between the institutions providing individual health care and social services.

Implementing the restructuring of health care institutions, the structure of the population by age groups and the ageing society were taken into consideration. Over the recent years, the number of hospital beds for those ill with internal, obstetrical, gynaecological and other diseases has decreased whereas the number of beds for long-term care has grown. Follow-up treatment and nursing services are provided in accordance with the medical standard MN 80:2000 "Follow-up treatment and long term care hospital". On the basis of the Action Plan for the Implementation of the Strategy for 2006-2008 of the Government of the Republic of Lithuania, draft legal acts are being prepared to regulate the provision of palliative services.

Seeking to improve the availability of services and intending to provide more care giving and palliative services at home, health care services for the disabled and nursing services at the patient's home which are additionally covered from the Compulsory Health Insurance Fund budget at basic prices were included into the approved *List of promoted primary out-patient individual health care services*.

Moreover, a *differentiated* procedure for payment for long-term care and follow-up *treatment* was adopted. Under this procedure, a bigger basic price for a day at hospital is paid for patients who received treatment with injections of narcotic analgesic or epidural anaesthetic.

It is intended to expand the system of exchanging information between the family doctors, nurses, other individual health care specialists, social workers and public health care specialists.

The Ministry of Health, as an intermediary institution, administers measure 1.4 "Restructuring and modernisation of health care institutions" of the Lithuanian Single Programming Document for 2004-2006 (hereinafter – the SPD), which aim is to modernise the national infrastructure of health care system: to rationalise the volume of the provided health care services and the structure, to improve the quality of health care services and ensure availability of services taking into consideration the needs of the patients (consumers). This measure is closely related with the Strategy for the Restructuring of Health Care Institutions adopted by Resolution No 335 of the Government of 18 March 2003 and the goals stipulated therein. Under measure 1.4 of the SPD, the following spheres of activities are supported (Annex 4.5):

a) *Strengthening and development of cardiologic health care services through modernisation of health care institutions.*

b) *Development and modernisation of general practise services infrastructure (hereinafter referred to as family doctors).*

Seeking to more efficiently solve the problems related to *health of the disabled*, the Amendments to Order No V-94 of the Minister of Health of the Republic of Lithuania of 3 March 2004 "Concerning the Amendments to Order No 444 of the Minister of Health of the Republic of Lithuania of 11 July 2003 "On the Organisation of medical rehabilitation and sanatorium anti-relapse) treatment" have been drafted providing for the increase in volume and the development of forms of an out-patient rehabilitation.

Promoting the participation of *non-governmental organisations* in health promoting activities, Order No V-206 of the Minister of Health of the Republic of Lithuania of 23 March 2006 concerning the "Incentive programme for non-governmental organisations participating in health promoting activities" was approved.

Health policy issues should be solved following the principles of inter-sectoral policy. Equal opportunities to people from various social groups to retain and strengthen their health have to be ensured and special attention has to be paid to educating the society about healthy lifestyle and promoting personal responsibility for one's health.

The use of *information technologies* and introduction of an electronic medical card will help to ensure continuity of health care and exchange in medical information in the course of co-operation between health care and social chain specialists of all the levels.

After reorganisation of the network of health care institutions in Lithuania, the number of hospitals has decreased by 22 legal entities.

The reduction of in-patient services did not hinder their accessibility neither for young nor for older patients.

The main goals of the second stage of restructuring of health care institutions (2006-2008):

- To further develop primary health care and bring it closer to the residents;
- To treat the most common diseases in health care institutions that are closer to the residents and to concentrate the latest technologies in university hospitals and hospitals receiving the highest number of patients.
- To develop the system of nursing and long-term follow-up treatment services;
- To improve the quality and expedition of ambulance services by reorganising the system of ambulance service provision;
- To develop out-patient rehabilitation seeking that health care institutions in each municipality had out-patient rehabilitation departments, and in-patient rehabilitation has to be made more optimal;
- to improve the health care services pricing system;
- to improve the management of assets of health care institutions;
- to develop and make more popular the supplementary (voluntary) health insurance.

Seeking to attain the goals and objectives set in the Strategy until 2008, it is planned to strengthen health care in municipalities, to establish public health offices; to set more stringent requirements for alcohol advertising; to transpose the provisions of the WHO Framework Convention on

Tobacco Control into the legal acts of the Republic of Lithuania and implement them; to draft and submit to the Government of the Republic of Lithuania the Programme of the Republic of Lithuania On the Development of Physical Culture and Sports for 2006–2008; to draft and submit to the Government of the Republic of Lithuania the National Public Health Monitoring Programme for 2007–2009 and its implementation measures; to carry out laboratory diagnostics of rare, dangerous and especially dangerous viral contagious diseases; to set up a laboratory enabling to investigate microorganisms belonging to class three according to hazardousness; to make a survey about eating habits of Lithuanian school students, identify the factors determining such habits and improve the legal base seeking to ensure adequate nutrition of children at schools; to draft and approve by order of the Minister of Health the description of the procedure for financing public health care implemented by municipalities from the Compulsory Health Insurance Fund and the funds from the state budget of the Republic of Lithuania; to draft amendments to legal acts with the view to add public health care services into the list of primary out-patient individual health care services and etc.

#### **4.2.3. Priority areas of policy according to general objective (k)**

For the year 2006 the Ministry of Health has envisaged four priority areas of activity:

- to strengthen the health status of the population, particularly as regards children and youth, , apply preventive measure;
- to improve the quality of health care services and early diagnostics of illnesses;
- to restructure the national health care system;
- to increase the wages of medical employees.

The Ministry of Health seeks to achieve the following strategic objectives: to ensure health care of the population with a view to strengthening its health status, prevention and control of illnesses; to ensure availability and quality of personal health care by improving the activities carried out by health care institutions; to ensure that in the Lithuanian market medicinal preparations are only high quality, safe, effectual and affordable; to ensure efficient health care by improving administration and financing of the national health care system as well as by restructuring it.

To improve the activities related with public health care consistent with the requirements of the EU legislation. To aim at embedding a healthy pattern of life as a social standard in provision of both personal and public health care services at the primary health care level.

To implement preventive health care programmes with a view to ensure effectual prevention of illnesses.

Psychiatric health services are also being developed improving the system of early diagnostics of addiction illnesses, treatment, rehabilitation and reintegration into the society, gathering non-governmental organisations from various sectors, and strengthening their cooperation in the sphere of prevention of HIV and AIDS (acquired immune deficiency syndrome) as well as addiction illnesses, promoting creation of individual-oriented social environment.

It is essential to ensure continual upbringing of intolerance towards constraint and violence in families, effective and active protection of children's rights ensuring the right of a child to grow in a family or within the surroundings of a family. It is necessary to ensure constant processes of *destigmatization*, training on crises resistance.

In Lithuania modern public health care development is being implemented. The latter is focused on strengthening municipal health care of the population.

Smoking, excessive drinking of alcohol tend to be more frequent within broken families. To ensure the environment safe from passive smoking, the Seimas of the Republic of Lithuania has assented to

the Law supplementing the amendment of Articles 19 and 26 of the Law on Tobacco Control of the Republic of Lithuania by which it has been envisaged to forbid smoking in public catering establishments starting from 1 January 2007.

To envisage that the statistical indicators related with the national health system are coordinated with the indicators commonly agreed upon by other EU countries.

During the European Commission indicators working group meeting dated 19 May 2006 the indicators of health care accessibility were examined. Indicators shall be calculated on the basis of an investigation carried out on population income and living conditions (thereinafter referred to as SILK investigation). In Lithuania this investigation is conducted by the Department of Statistics. For the first time such an investigation was carried out in 2005. The main data will be available only in December 2006.

It has been tentatively envisaged to include the following indicators: percentage of the population not satisfied with health care accessibility, according to the age groups, percentage of the population not satisfied with *odontological* aid accessibility, according to the age groups.

There have been discussions going on concerning a subjective indicator of health status assessment. It has been tentatively suggested to leave only health status assessment based on SILK data. No final decision was adopted yet regarding an indicator of healthy life duration. The latter shall be calculated by the Department of Statistics. The other two indicators are already available in Lithuania: percentage of the population insured by a compulsory health insurance and short term (active) care beds (two indicators are used in the EU, namely acute care beds and long-term care beds). We also have an indicator of mortality of infants aged up to one year, as well as the average life expectancy.

It has been decided to consider indicators reflecting the scope of immunization as qualitative health care indicators, whereas indicators of screening for cervical and breast cancer and prostate cancer have to be age adjusted.

To ensure introduction of new and modern methods of treatment and improvement of treatment process. To improve administrative capabilities of employees working in the health system. To ensure training of employees and in-service training, development of social benefits for medics.

In 2005 International Health Regulations of the World Health Organisation (WHO) were approved. The purpose of this international legal document is to suspend, control and take relevant measures in favour of public health against international spread of diseases, to reduce the level of hazard to health status of the population, and to avoid unnecessary restrictions of transport and trade. The regulations shall come into force on 15 June 2007 in all WHO countries. At present Lithuania, like other countries, is preparing for implementation of the regulations ensuring that there is cooperation among different state institutions.

In order to eliminate certain communicable diseases, long-term scheduled preventive vaccination is organised. For instance, in 2002 the European region, including Lithuania, was certified as „free“ from a poliomyelitis virus. By 2010 the European region aims at eliminating measles and warning about contraction of an inborn rubella syndrome. While implementing the national *immunopreventive* programme, Lithuania is witnessing large scopes of vaccination and a decreasing morbidity with communicable diseases controllable by vaccines.

The state registers of communicable diseases and their causes are being constantly administered, data collection, data analysis and retention are being conducted, newsletters about morbidity with communicable diseases are being prepared, cooperation is being ensured and information is being provided to the concerned institutions in Lithuania, EU and neighbouring countries, including international organisations. It has been envisaged that the national computerised system of

collecting data about communicable diseases and their causes will be introduced.

While implementing the HIV/AIDS prevention and control state programme for 2003-2008 concerning and other related programmes, not only general public preventive measures are being carried out, but also work with riskgroup persons (prostitutes, drug addicts, etc.) is being organised. In addition health care of persons infected with HIV and persons with AIDS, their psychological and social rehabilitation, reintegration into the society are being ensured, prevention of transfer from mother to child is being conducted.

#### **4.2.4 Priority areas of policy according to general objective (I)**

It has been envisaged in the general programme of the World Health Organisation approved in 2006 that planning of health care human resources until 2015 shall be designated as a priority area.

This year the Ministry of Health, taking into account future decrease in the number of medical employees, recommended the universities preparing medical professionals in Lithuania to adjust the number of medical residents within certain study programmes. Nearly all recommendations have been taken into consideration. Such corrections are necessary for further purposeful planning of health care human resources.

The Lithuanian health care system sustained heavy losses soon after 1993 when, following recommendations of foreign experts, a decision to reduce the number of students accepted for medical studies was adopted. In 2005 scarcely one hundred and a half of doctors finished their resident study programmes and were able to integrate into the health care system and expand the family of the Lithuanian medics.

After examining the forecasts of 2002 regarding the number of available medics by 2015, the rate of acceptance of students to medical studies has been increased from 250 to 400 students.

It is expected that the number of graduates finishing their integrated medical studies will increase. In the next year it will be possible to plan the number of resident places within certain specialisations and according to particular needs.

*Organisation and payment of provision of personal health care services is being improved.* It is important to create attractive working and vocational training conditions for the Lithuanian health care specialists in order to stimulate them in applying their gained knowledge and experience in their native country.

Safe and qualitative health care services are being provided by properly trained specialists whose qualifications meet the EU requirements. Health care specialists are constantly improving their professional qualifications. More attention is being paid towards preparation of specialists in social protection, their in-service training and retraining.

Information technologies are being developed, allowing to examine patients faster and to expedite assessment of the results. Preconditions are being formulated with a view to implement an electronic prescription system. Medical practice, science and business structures are being involved in the introduction of health care and pharmacy related information systems.

While assessing the conclusions made after evaluation of the implementation of the basic national health policy documents, and selecting health policy priorities for the nearest stage, a special attention should be paid towards the following problems:

- further upbringing of children and adolescents and strengthening of their health status, the spreading drug addiction, smoking and other extremely harmful problems related with a youth lifestyle;

- reduction of women morbidity due to cervical cancer and death-rate caused by breast cancer and men death-rate caused by lung cancer;
- reduction of the number of injuries and accidents;
- more intense disease prevention and introduction of preventive measures as well as development of primary health care by promoting private activities, adequate implementation of functions carried out by general practitioners and their crew, particularly considering the scope and quality of the services provided;
- improvement of early diagnostics of cancers, paying special attention towards early diagnosis of cervical, breast, large guts and prostate cancer;
- improvement of accessibility to services provided on all levels of health care and ensuring patients' rights;
- improvement of the quality of services;
- improvement of health care resource planning taking into consideration the intensifying mobility across different countries;
- more active participation of other sectors in solving health care related problems;
- improvement of management of the health care system, coordinated development of health care services structure and networks of institutions optimizing the process on all levels of governance by implementing a strategy for restructuring health care institutions approved by the Government of the Republic of Lithuania in 2003;
- improvement of health insurance and financing aiming at approximating the state fees for persons insured from the state funds to actual expenses of their health care;
- promotion of active participation of the population in adopting health policy solutions;

It is essential to constantly observe and analyse possibilities of balancing health needs of the population and potentialities to satisfy them, requirements of the EU legislation, to timely amend such legal standards which begin to impede development of the health care system.

While controlling the factors forming economic environment and market, it is essential to observe their impact on access to health care services, quality and other indicators, to constantly encourage the involvement of material, financial and human resources from other sectors in solving health related problems of the Lithuanian residents. It is important that management of information technology ensures possibilities of carrying out thorough observation of health care indicators as well as the health care reform process and changes, comparisons of indicators, management of processes and assessment of their progress.

Health education of the society members, development of skills of a healthy lifestyle have to be adequate with regard to the aims each member of the society raises as being responsible for his/her health status.

An actual element of management is improvement of selection and administration of health care programmes, priority setting, coupling of priorities into condensed units for the purpose of complex solving of allied and closely related problems.

While increasing the scope and accessibility to primary health care services, it has been envisaged to develop health education of patients in personal and public health care institutions providing primary health care services.

For the purpose of promotion of a healthy and active lifestyle and development of after school activities for children and the youth, the use of modern information technology is being increased

(the number of publications available on the Internet as well as interest in them is increasing), physical activity of people is being stimulated by opening sports halls in schools, building bicycle routes, supporting health and „Sports for everyone“ related events organised by non-governmental organisations (NGOs).

### **4.3. LONG-TERM CARE**

#### **4.3.1. A short overview of long-term care system**

In Lithuania there is no unanimous definition of a concept „Long-term care“ yet.

Long-term care in Lithuania are being organised by provision of social services and through the health care system.

In Lithuania long-term care are being provided by institutions of various type and subordination.

Administrative institutions of self-government organise *primary personal* and *public health care*. The order of organisation of primary health care is set by the Government or its authorised institution. Administrative institutions of self-government also carry out a state function delegated to it by the law, i.e. they organise secondary personal health care the scope and profiles of which are determined by the Ministry of Health.

Municipalities are responsible for organising primary health care. County governor's administrations organise secondary personal and public health care.

Sustainable treatment services are being provided in in-patient institutions, whereas nursing services are being provided both in in-patient or out-patient form.

Expenses related with health care development and services are being financed from the budget of a Compulsory Health Insurance Fund (thereinafter referred to as CHIF), following the order set by the Law on Health Insurance of the Republic of Lithuania, the state and municipal budgets, the EU structural funds, private financial resources, charity and other legitimate sources.

While implementing the Law on Health Insurance of the Republic of Lithuania, medical care and accommodation ascribed to personal health care are being disbursed from the budget of a compulsory health insurance fund, i.e. nursing care and accommodation, sustainable treatment services provided in care and sustainable treatment hospitals following the order and terms set by the Ministry of Health, but no longer than 120 days during a calendar year (see annex 4.6 for base prices applicable for care and sustainable treatment).

Sheltered housing for infants with disturbed development has been endorsed by the Law on Health Care and has been included in a nomenclature of personal health care institutions where infants aged up to three years are being provided with long-term nursing services.

The main responsibility for organising long-term *care* lies within counties and municipalities. Long-term care in social system are being provided in social care institutions for elderly people, in social care institutions for adults with mental illness, in social care institutions for children and youth with mental illness and in sheltered housing for children when these persons are not able to take care of themselves and they require continual social care and nursing.

Generally, according to their subordination, institutions are divided into county institutions, municipal institutions and non-governmental institutions. At the end of 2005 in Lithuania there were 194 long-term social care institutions of various types and subordination, out of which: 66 county subordinate social care institutions (22 social care institutions for persons with mental illness, 9 social care institutions for elderly people, 3 social care institutions for children and youth



with mental illness and 32 sheltered housings for children) and 128 social care institutions of other subordination (88 social care institutions for elderly people, 5 social care institutions for persons with mental illness and 35 sheltered housings for children).

From 1998 to 2000 decentralisation of social care institutions has been taking place. All institutions which were subordinate to ministries have been passed over to county governors.

Social care institutions of the three subordination levels mentioned above are being financed differently: state (county subordinate) social care institutions are being financed from the state budget, municipal social care institutions are being financed from municipal budgets, non-governmental social care institutions are being financed from private or municipal funds, welfare fund and other sources.

At present the market of social care does not exist as such because there is no competition. Long-term care in social sectors is being mainly provided by county subordinate and municipal social care institutions which do not compete for their clients – on the contrary, queues of people willing to gain entrance to social care institutions are still being traced (particularly as regards social care institutions for elderly people and people with mental illness).

After enactment of the Law on Social Services that took place on 1 July 2006, from 1 January 2007 on social services (including long-term care in social field) shall be financed from municipal budgets and target subsidies of the state budget assigned to municipal budgets. In this respect municipalities directing persons to social care institutions (irrespective of their subordination) for social care shall have to cover part of the expenses related with provision of social services. From 1 January 2007 on social care of persons with severe disability shall be financed from target subsidies of the state budget assigned to municipal budgets.

#### **4.3.2. Priority areas of policy according to general objective (j)**

An emphasis can be found within the implementation measures of the Lithuanian governmental programme of 2006-2008 regarding the need to **solve health care and long-term nursing related problems:**

- for development of out-patient nursing services also provided in patients' homes;
- for validation of valuations of nursing services foreseeing higher payment for care of demanding patients;
- for development of nursing and sustainable treatment services;
- for promotion of cooperation with a social services sector in solving social and health related problems.

Following the principle of orientation towards a family and a community, while improving health care of the elderly people and the quality of living conditions, a description of the order regulating general provision of nursing and social services is being prepared according to which access to integrated services for patients, residents of Lithuania, will be ensured. This description shall be based on the principles of cooperation and team work among personal health care institutions and institutions providing social services.

Certain requirements for provision of nursing services at home and in out-patient health care institutions are being prepared. The main provisions of these requirements shall validate valuations of caring services. They shall foresee higher payment for care of difficult patients, shall stimulate voluntary support of these services and cooperation with a social sector, development of nursing services at home.

According to the data of 2004 provided by the Lithuanian Health Information Centre, in the health care system nurses constitute 32 per cent of all health care service providers. The total number of nurses providing nursing services in all departments amounts to 24 523 persons.

According to the valid legislation, all residents of Lithuania, irrespective of their gender, age, place of residence or social status, are entitled to be provided with social care services. However, sometimes due to uneven location of institutions and different distribution of alternative social services network people may have different possibilities of being accommodated in social care institutions. Not all municipalities have social care institutions or they have an insufficient number of them, as well as county subordinate institutions are located unevenly (there are relatively a large number of caring institutions in some counties, whereas within the territories of other counties there is a significant lack of them). Those municipalities which have a state social care institution in their territory have bigger possibilities of accommodating members of its community in that institution than those municipalities which do not have such institutions in their territory. According to the data provided by the Ministry of Social Security and Labour, in some state social care institutions more than 70 per cent of persons reside from that municipality which has a state social care institution within its territory. Due to a weakly developed structure of alternative services stationary social care institutions are fully accommodated, thus forming long queues of persons willing to gain entrance to them.

Within the new Law on Social Services there is a provision stating that persons shall be provided with social care in stationary institution only after assessment of a person's need for social services has been conducted in accordance with the approved principles and order of assessment of a person's need for social services. The Law on Social Services also validates new types of social services, namely daily social care in a person's housing or within a day care centre. In future daily social care shall involve complex continual care which shall be provided by social workers and other specialists. In this respect having assessed a person's need for social services, municipalities will be able to provide service forms as an alternative to stationary care (daily social care in personal housing or daily social care within institutions).

#### **4.3.3. Priority areas of policy according to general objective (k)**

It has been envisaged within the implementation measures of the Lithuanian governmental programme of 2004-2008 (*Žin.*, 2005, No. 98-3707) to prepare „a description of the order regulating general provision of nursing and care services“. It has also been foreseen to promote creation of community nursing homes, to validate the valuations of nursing services: to foresee higher payment for care of difficult patients, to stimulate voluntary support of these services, to cooperate with the social sector, to develop nursing services at home. In order to implement this provision it has been envisaged to prepare „requirements of nursing service provision at home and within out-patient health care institutions and their base prices“.

In 2002 the strategy for reorganisation of state social care institutions was approved by the Ministry of Social Security and Labour. The strategy aimed at ensuring more expedient use of state budget funds, integrating social care institutions into the general system of provision of social services, assessing the quality of services provided within social care institutions, and improving them. In order to achieve these goals, it has been envisaged to reduce the number of places in social care institutions, thus improving living conditions and quality of the provided services, and to seek that by 2008 one social care institution accommodates not more than 300 persons, and in one room there are not more than 4 persons, thus creating the environment close to homely conditions.

In future the market of providers of social services is likely to expand. After enactment of the new Law on Social Services and other related legal acts more favourable conditions are being created for establishment of private social care institutions and their maintenance. Meanwhile up to now private

social care institutions could exist only after having concluded service purchase contracts with municipalities, since the number of these service providers who are able to fully cover expenses of the provided services is still rather small.

The new Law on Social Services has also legalized licensing of social care institutions which is expected to commence from 2010. Starting from 1 January 2007 unanimous social care standards shall be entrenched which shall be obligatory to all social care institutions irrespective of their subordination. In this respect the quality of social services shall be controlled and qualitative differences of the provided social services among separate regions and institutions shall be eliminated.

#### **4.3.4. Priority areas of policy according to general objective (I)**

Up to now persons resident in stationary social care institution paid 80 per cent from the income they receive (mostly pensions). After enactment of the Law on Social Services, since 1 July 2006 personal payment for long time social care in social care institution shall be calculated not only from personal income, but also from the property one possesses. Persons shall partially contribute to covering sustenance expenses, whereas another part of persons' sustenance in stationary social care institution shall be covered by the respective municipality.

After enactment of the above mentioned law, depending on their residents' needs, municipalities shall be entitled to receive subsidies for social care of the disabled people, which will enable them to purchase services from institutions of different subordination and to ensure provision of the necessary social services for residents living within their territory. Thus even development of social care will be promoted within municipalities, since in some municipalities there is still meagre municipal, non-governmental and parochial social care institution.

As a state subsidy is granted for social care of the severe disabled people (daily, short term or long-term), a diversity of services will expand within municipalities. Daily social care services shall be developed in municipalities to ensure that a person is directed towards social care institution only if social services provided at his/her home are inefficient and cannot secure a proper level of self-sufficiency and upkeep required.

## GOOD PRACTICE

### *Window to the Future Alliance*

In 2002, Lithuanian businesses announced that they formed the *Window to the Future* alliance, which started a unique project in Lithuania aimed at businesses supporting the development of the information society. The aim of the alliance is to promote the use of Internet in Lithuania and hereby stimulate the growth of living standard of the population.

The co-operation agreement signed with the Ministry of the Interior of the Republic of Lithuania became the fundamental turning point in the state and business co-operation in the development of knowledge society. Over the two years, 175 public Internet access points have been established in co-operation with the Ministry of the Interior all over Lithuania. From now on this process is promoted by joint efforts of the national government and private business. EU financial assistance has been successfully used in continuing the process, as the establishment of public Internet access points continued under the Phare project implemented by the Ministry of the Interior, and additional 300 Internet points have been established in rural areas. Thus, the Lithuania of today has a wide network of public Internet access points providing free Internet access for the Lithuanian population.

Aside from public Internet access points providing free Internet access, the alliance emphasised the importance of the abilities of the population to use Internet. This activity would promote the growth of the number of people visiting public Internet access points and at the same time – the number of Internet users.

In 2003, the *Window to the Future* alliance launched a major teaching project to enhance the development of the Internet use among the Lithuanian population; some 20,000 people were trained. The teaching project, the value of which was as high as 1.3 million, was financed by the incorporators and partners of the *Window to the Future* alliance, such as *Vilniaus bankas*, TEO (*Lietuvos telekomas*), *Omnitel*, *Alna*, etc. – the total of 11 business companies.

This teaching project generated attention from the population; therefore, the alliance decided to develop a project for the EU Structural Funds.

In 2006, the *Window to the Future* alliance received EU financing for providing training to the population on the Internet use. The project will provide Internet fundamentals to 50,000 more citizens of Lithuania in 2006–2008.

The successful implementation of project activities should substantially increase the computer literacy rate in Lithuania, as 50,000 trained people are expected to share their knowledge in their private circles and to promote the benefits of computer literacy in the social groups that are relatively computer illiterate and encourage their desire to learn.

### *Mano Guru Bar*

The Social Aid Division of Vilnius City Municipality and Vilnius Centre for Addictive Disorders are implementing the *Programme on Professional Skills Training for Individuals Addicted to Drugs*.

The objective of the programme is to motivate persons addicted to narcotic substances to take an active role in the labour market and to receive legal income, and to provide them with professional

training in the field of public catering services. For that purpose, Vilnius City Municipal Government initiated the incorporation of the public body *Socialiniai paramos projektai*, which runs *Mano Guru* salad bar.

Since 19 August 2004, some 29 persons addicted to drugs from six rehabilitation centres from all over Lithuania have participated in the programme. Eleven participants have successfully completed the programme and got a new job. Currently, 13 persons participate in the programme. Five participants had to withdraw due to relapse (abuse of narcotic substances). The structure of social partners where social responsibility is shared by local authorities, NGO's, education and business sector, the target group and employers is innovative, and it guarantees the continuity of provided services and the joint planning and implementation of activities to ensure more efficient rehabilitation of people with addictive disorders and better opportunities for them during their integration into the labour market. This innovative practice has received a positive evaluation of *EQUAL* Community Initiative Programme, which assigned financing for further development of activities.

### **Activities of Elderly Woman's Activity Centre NGO**

The Elderly Woman's Activity Centre (EWAC) is a non-governmental organisation established in 1994. The objective of the organisation is to provide elderly women with opportunities of lifelong education, communication, improvement, voluntary social assistance and assistance in critical situations, to create conditions allowing them to express and implement their individual abilities, to encourage them to be active, to facilitate their socialisation into the community, to include them in community work, to keep them informed about laws and processes of the society, and to facilitate their integration into the ever-changing society with the help of educational instruments.

As part of the implementation of the U.S. Embassy project *Solving and Liquidating Employment Problems of Elderly Women as Compared to Other Population Groups*, unemployed women aged 45+ and registered with Kaunas Labour Exchange attended the following courses designed for the improvement of professional skills at the initiative of the Elderly Woman's Activity Centre: *Nursing of Patients* (36 hrs.), *How to Present Myself to the Employer* (30 hrs.), *How to Develop a Business Plan if I Wish to Start My Own Business* (60 hrs.), and *Computer Literacy* (80 hrs.). The following publications were issued: *Computer Literacy Lessons for Elderly People* (methodological material) and *I Became Unemployed Today. What's Tomorrow?* (research material).

EWAC became the successful tenderer in the invitation to tender *Solving Unemployment Problems of Elderly Women with the Help of Educational Programmes* issued by the Informal Centre for Adult Education under the Lithuanian Ministry of Social Security and Labour.

During the implementation of the project a group was formed, which consisted of elderly unemployed women who were not satisfied with the unemployment benefits and who wanted to find a job. Women were invited to attend a training course. The implementation of the project also included the employer survey regarding what can employers offer to elderly women who completed training to improve their professional skills and who have fundamental computer literacy. The results of the project are presented in two publications, viz. *Computer Literacy Lessons for People Aged 50+* (methodological material) and *Unemployment of Elderly People and Ways to Tackle It* (questionnaire material).

The Department of Business Administration of Kaunas University of Technology and the Elderly Woman's Activity Centre will implement the project *Integration of Socially Vulnerable Elderly Women into the Labour Market* (180 socially vulnerable elderly women will undergo retraining and integration into the labour market of today) and carry out related scientific research in 2006–2008 according to Measure 2.3 *Prevention of Social Exclusion and Social Integration* of the Single Programming Document of Lithuania for 2006–2008.

## STATISTICAL TABLES

**Table 1 – Changes of gross domestic product (GDP), %**

	1998	1999	2000	2001	2002	2003	2004**	2005**
Lithuania*	7.3	-1.7	3.9	6.4	6.8	10.5	7.0	7.5
EU15	2.9	3.0	3.9	1.9	1.1	1.1	2.3	1.5
EU25	3.0	3.0	3.9	1.9	1.2	1.2	2.4	1.6

Note: \*At constant prices 2000.

\*\* Provisional data.

Sources: Main national socio-economic indicators, <http://www.std.lt/web/main.php?parent=379>; Eurostat NewCronos database, 15 May 2006.

**Table 2 – Vital statistics**

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005*
Live births	39,066	37,812	37,019	36,415	34,149	31,546	30,014	30,598	30,419	30,541
Deaths	42,896	41,143	40,757	40,003	38,919	40,399	41,072	40,990	41,340	43,799
<i>of which infant deaths under 1 year</i>	395	391	343	315	294	250	238	206	240	209
Natural increase	-3,830	-3,331	-3,738	-3,588	-4,770	-8,853	-11,058	-10,392	-10,921	-13,258
<b>Per 1,000 population:</b>										
Live births	10.8	10.6	10.4	10.3	9.8	9.1	8.6	8.9	8.8	8.9
Deaths	11.9	11.5	11.5	11.3	11.1	11.6	11.8	11.9	12.0	12.8
Natural increase	-1.1	-0.9	-1.1	-1	-1.3	-2.5	-3.2	-3.0	-3.2	-3.9
Deaths under 1 year per 1,000 live births	10	10.3	9.2	8.6	8.5	7.8	7.9	6.8	7.9	6.8

Note: \* Provisional data.

Source: Data provided by the Department of Statistics under the Government of the Republic of Lithuania (Statistics Lithuania)

**Table 3 – Population in rural and urban areas**

	Population, '000.			Percentage		Population density, population per sq km
	TOTAL	URBAN AREAS	RURAL AREAS	URBAN AREAS	RURAL AREAS	
<b>1989*</b>	3,674.8	2,486.8	1,188.0	67.7	32.3	56.3
<b>2001**</b>	3,481.3	2,330.2	1,151.1	66.9	33.1	53.4
<b>2003**</b>	3,454.2	2,307.3	1,146.9	66.8	33.2	53.0
<b>2004**</b>	3,435.6	2,289.4	1,146.2	66.6	33.4	52.5
<b>2005**</b>	3,414.3	2,275.1	1,139.2	66.6	33.4	52.1

Note: \* Population Censuses data.

\*\* Average annual figure.

Source: Data provided by the Department of Statistics under the Government of the Republic of Lithuania (Statistics Lithuania)

**Table 4 – Number of non-official emigrants from Lithuania,'000.**

	2001–2005	2004	2005
<b>Total</b>	<b>69.8</b>	<b>24.7</b>	<b>24.4</b>
of which:			
aged 15+	61.8	20.6	22.9
Men	39.0	11.4	16.8
Women	30.8	13.3	7.6

Source: Data provided by the Department of Statistics under the Government of the Republic of Lithuania (Statistics Lithuania)

**Table 5 – Employment, activity and unemployment rates, %**

	Employment rate, 15–64			Activity rate, 15–64			Total unemployment rate			Youth unemployment rate	Long-term unemployment rate
	Total	Men	Women	Total	Men	Women	Total	Men	Women	Total	Total
<b>2004</b>											
<i>LT</i>	61.1	64.6	57.8	69.0	72.7	65.6	11.4	11.0	11.8	22.5	6.1
<b>EU25</b>	63.3	70.9	55.7	69.7	77.5	62.0	9.1	8.1	10.3	8.3	4.1
<b>2005</b>											
<i>LT</i>	62.5	66.0	59.4	68.3	72.0	65.9	8.3	8.2	8.3	15.7	4.3
<b>EU25</b>	63.8	71.9	56.3	70.2	77.8	62.5	8.7	7.9	9.8	8.4	3.9

Source: Data provided by the Department of Statistics under the Government of the Republic of Lithuania (Statistics Lithuania)

**Table 6 – Average household monthly disposable income and consumption expenditure per capita, LTL**

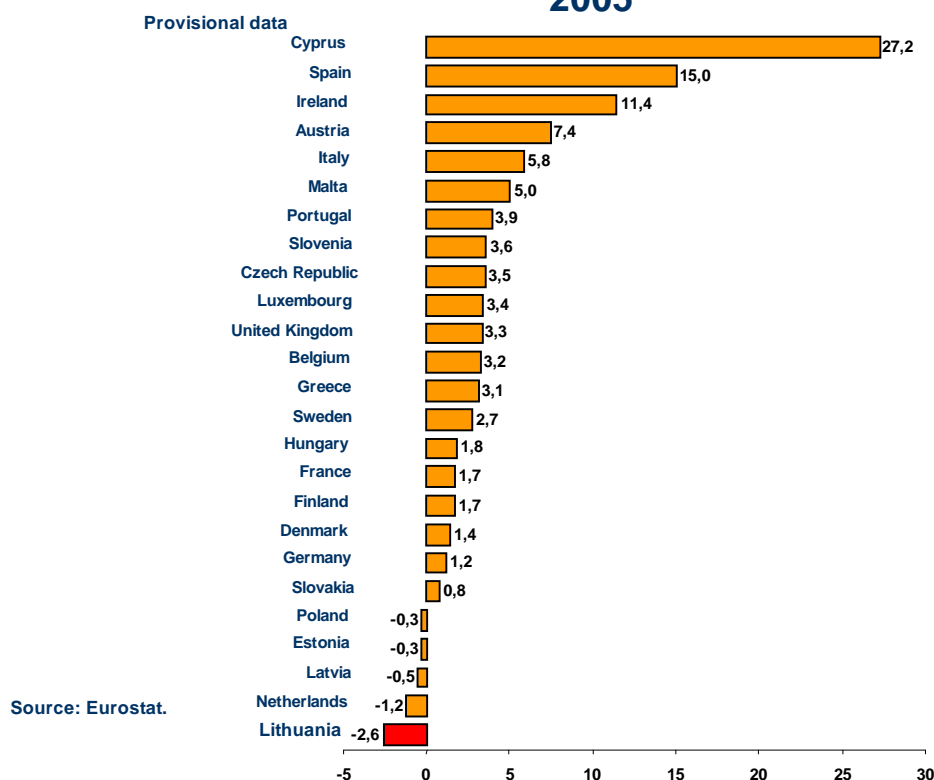
	2001	2002	2003	2004	2005
<b>Disposable income</b>					
<b>Total</b>	409.9	422.0	457.6	495.8	579.7
<i>in urban areas</i>	457.2	472.2	507.6	540.2	636.3
<i>in rural areas</i>	314.1	320.4	356.4	407.0	467.0
<b>Consumption expenditure</b>					
<b>Total</b>	411.0	416.1	487.2*	512.3	578.1
<i>in urban areas</i>	451.8	461.1	538.4*	559.3	644.3
<i>in rural areas</i>	328.3	324.9	383.6*	418.4	446.3

Note: \*Since 2003, consumption expenditure is not being compared with consumption expenditure of previous years.

Source: Data provided by the Department of Statistics under the Government of the Republic of Lithuania (Statistics Lithuania)

Figure 1

## NET MIGRATION IN EU MEMBER STATES PER 1,000 POPULATION 2005



Source: Data provided by the Department of Statistics under the Government of the Republic of Lithuania (Statistics Lithuania)

Table 7 – Average household monthly disposable income by the socio-economic group of the household head (per capita, LTL)

	All households	Farmers	Hired employees	Self-employed; employers	Pensioners	Other*
<b>Total disposable income</b>	<b>579.7</b>	<b>530.7</b>	<b>618.6</b>	<b>729.7</b>	<b>488.7</b>	<b>349.4</b>
Income from employment	328.1	44.8	485.9	91.9	23.4	22.3
Income from self-employment	79.4	381.1	38.5	554.7	53.5	25.5
Income from self-employment (non-agricultural economic activity)	28.7	5.9	8.8	539.2	4.0	6.2
Income from agriculture	50.8	375.2	29.6	15.5	49.6	19.3
Income from rent	0.9	0.1	0.9	2.6	0.9	0.4
Income from property	0.4	0.8	0.2	3.9	0.6	0.0
Social transfers made for the following:	130.8	95.7	55.1	44.6	382.9	102.6
in the old age	87.5	55.1	23.9	14.4	310.5	2.7
in cases of sickness	8.2	4.6	5.0	3.2	20.6	1.4
disabled persons	16.0	16.2	9.3	7.2	39.4	4.3



survivors	2.6	2.5	2.1	2.3	3.9	4.4
family and children	13.6	14.2	13.3	17.0	5.1	63.3
unemployed	1.2	0.5	0.9	0.1	1.1	10.0
in cases of social exclusion	1.6	2.5	0.5	0.4	2.4	16.5
Other income	40.0	8.2	38.1	32.0	27.3	198.5

Note: Households surviving on benefits, stipends, etc.

Source: Data provided by the Department of Statistics under the Government of the Republic of Lithuania (Statistics Lithuania)

**Table 8 – Inequality of income and at-risk-of-poverty indicators calculated according to Eurostat methods with at-risk-of-poverty threshold being 60% of equivalised median disposable income\***

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Ratio of the top to the bottom income quintiles (quintile coefficient)	5.2	4.6	4.8	5.0	5.0	4.9	4.7	4.5	4.6	4.7
At-risk-of-poverty rate before social transfers (old age-related pensions are not classified as social transfers), %	22	21	21	22	23	24	24	23	24	23
At-risk-of-poverty ratio after social transfers	18	15	17	17	17	17	17	15	16	16
The Gini coefficient	0.31	0.30	0.30	0.31	0.31	0.31	0.30	0.29	0.30	0.30

Note: \* For the calculation of equivalised income the OECD-modified scale is applied, which assigns a value of 1 to the first adult household member, of 0.5 to each additional adult member and of 0.3 to each child under 14.

Source: Data provided by the Department of Statistics under the Government of the Republic of Lithuania (Statistics Lithuania)

**Table 9 – At-risk-of-poverty rate in different households in 2005 (using 60% of equivalised median disposable income)**

Household type	Total
All households	15.9
Households without dependent children	15.2
Single-person household	25.8
Single persons under 65	24.8
Single persons, aged 65+	27.1
Two adults without dependent children; both are under 65	11.4
Two adults without dependent children; at least one is aged 65+	6.4
Other households without dependent children	9.9
Households with dependent children	16.4
Single-adult with dependent children	31.4
Two adults with one dependent child	12.8
Two adults with two dependent children	14.9
Two adults with three or more dependent children	21.2
Other households with dependent children	13.4
Employed	10.4
of which hired employees	8.7
of which self-employed, employers or farmers	19.7
Unemployed	22.1

Source: Data provided by the Department of Statistics under the Government of the Republic of Lithuania (Statistics Lithuania)

**DIRECTIONS OF DEVELOPMENT OF THE HEALTH CARE SYSTEM**

1. *To form the attitudes of healthy lifestyle, health care and health protection in the society and make them in conformity to the requirements of EU legislation. This should be done in order to reduce population morbidity and mortality caused by negative impact on population's living and working conditions, to secure effective functioning of the system of prevention and control of diseases, the development of health education and information systems, assessment of the influence of risk factors on health, to promote professional development of the employees in the public health system, to invoke other sectors with the view of solving health related problems.*
2. *To develop the abilities of adapting to the environment of social risk and health risk groups of the patients by encouraging them to join the aid groups, teaching to independently cope with individual and public health problems and supporting non-governmental organizations, which take care of public health. This should be done in order to form active society responsible for its own health. With the view of developing the attitudes of healthy lifestyle the very health education system shall be developed. Incorporating healthy lifestyle education into the programmes of vocational training and qualification upgrading of the employees of the health care system and other sectors would strengthen personal responsibility of an individual for his own health.*
3. *To reduce population mortality rates and extend the average life expectancy. This should be done in order to create equal conditions for all citizens of the state to receive necessary health services, monitor and assess causes of population mortality, to ensure for the entire population accessible qualitative outpatient and inpatient aid. The demographic structure of Lithuanian population that changes [due](#) to decreasing mortality rates and longer average life expectancy (in particular, the number of people over 65 years of age will increase) will influence the change of the demand for health care services – the demand for preventive medical examinations and very specialized services that efficiently improve life quality will increase. Therefore, it is necessary to develop services, the demand whereof is not met at present. This should be done in order to improve the quality of rendered health care services through introducing new medical technologies, upgrading employees' qualification, securing conformity of the requirements of institutions and the EU.*
4. *Through implementation of prevention of chronic non-infectious diseases and traumas to develop the system of control and early diagnostics of non-infectious diseases and their risk factors, implement complex programmes of preventing these diseases, also implement prevention and control of infectious diseases through relevant programmes.*
5. *To improve management and funding of the system of individual health care institutions. This should be done in order to develop a properly functioning system of the [state](#), district and municipal health care institutions. Allocation of resources should be improved and expenditure for health care should be optimized. With the view of greater effectiveness of the health care system, through searching and introducing more effective forms of using the funds, improving the quality of health care services, developing primary health care, and improving the population health indicators in the future, the aim to provide more and better services for the funds allocated to health care shall be reached. This should be done in order direct expenditure of the population for health care does not increase.*
6. *To implement active prevention of addictive diseases, improve health care of drug addicts and other persons ill with addictive diseases. Also to draft programmes of prevention of drug addiction at schools, develop long-term social and medical rehabilitation of drug addicts and*

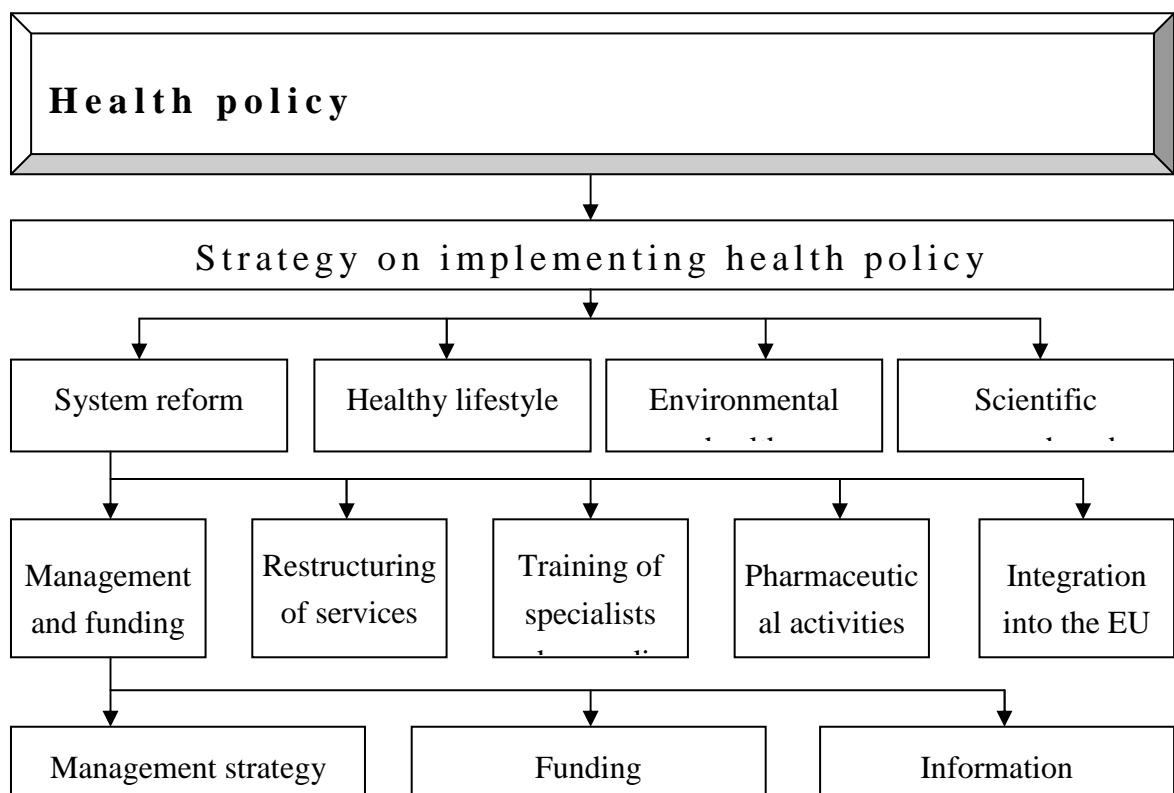
persons infected with HIV. The Republic of Lithuania shall implement and seek for joining the European Union and other international programmes of preventing drug addiction.

7. *The provisions of the programme of the Government of the Republic of Lithuania establish promotion of investment into health and prevention of diseases, guarantee of accessible health care of good quality, also guarantee of early diagnostics and effective treatment of most common diseases (cardiovascular diseases, cancer, diabetes mellitus), promotion of drafting the programmes of educating the patients in the field of primary health care. Particular notice shall be taken of the health care of pregnant women and infants, strengthening of mental health through promotion of individual-friendly social environment.*

**MAIN PROVISIONS OF THE HEALTH CARE SYSTEM  
STIPULATED IN THE BASIC DOCUMENTS OF THE HEALTH CARE SYSTEM**

1. Health policy is shaped and its priorities are established having regard to the fact that 70 per cent of public health depends on the environment and lifestyle, 20 per cent – on genetic heredity, and 10 percent – on activity results of medical services;
2. The key principle of health policy is justice (equity) in health relations;
3. All country's social-economic structures are included into problem solving of the health care system on the basis of interdepartmental cooperation;
4. An extensive model of health protection shall be replaced by active health policy, which highlights the priorities of health preservation, its consolidation and prevention of diseases;
5. The priority in practical health protection shall be given to the development of primary health care with a view to solving therein up to 75–80 per cent of health care problems.

**SCHEME OF PROBLEMS CONSIDERED IN THE BASIC DOCUMENTS OF THE HEALTH CARE SYSTEM**



### LIST OF PERSONS COVERED BY COMPULSORY HEALTH INSURANCE

- persons for whom compulsory health insurance contributions are paid by employers;
- persons who themselves pay compulsory health insurance contributions;
- persons who are insured with public funds.

The main share of the insured is persons insured with public funds. This category of the insured persons includes:

- persons entitled to any type of pension;
- persons under the age of 18 years;
- full-time students of schools of general education, vocational training, post-secondary and higher educational institutions;
- persons supported by the state who are entitled to social benefit;
- disabled persons;
- persons of working age who are registered with the labour exchange;
- unemployed persons of working age who have the compulsory period of state social pension insurance provided by legislation to be entitled to the old-age pension;
- expectant mothers on maternity leave;
- one of the parents who raises a child until 8 years of age or who raises 2 or more children until they become of age;
- persons ill with infectious diseases dangerous to the society;
- participants of the resistance, former inmates of the ghetto and juvenile prisoners of the fascist forced confinement institutions, participants of the Afghanistan war, persons who contributed to the mitigation of consequences of nuclear accidents at the Chernobyl nuclear power plant;
- clergymen, students of clergymen training schools;
- persons without citizenship who do not have means of subsistence and who have submitted an application for obtaining a residence permit in the Republic of Lithuania.

**ACTIVITY FIELDS OF MEASURE 1.4 OF THE SINGLE PROGRAMMING DOCUMENT*****a) Strengthening and development of cardiologic health care services through modernisation of health care institutions.***

With the view of implementing one of the strategic aims of developing the Lithuanian health care system – to reduce morbidity and mortality of the Lithuanian population from cardiovascular diseases – on 31 December 2003, Minister of Health approved by Order No V-805 of The Strategy for Reducing Morbidity and Mortality of the Lithuanian Population from Cardiovascular Diseases, the implementation whereof is to be funded from the support of the European Union Structural Funds and assignments from the state budget provided for implementation of the measure of the Ministry of Health “Restructuring and modernisation of health care institutions”. The Health Programme of Lithuania for 1997–2010 approved by the Seimas of the Republic of Lithuania provides reducing, by 2010, the mortality rates of persons under 65 years of age from cardiovascular diseases by 15 per cent, and persons of 65–74 years of age – by 10 per cent. The project on “Reducing morbidity and mortality of the population of the Eastern and South-eastern Lithuania from cardiovascular diseases through modernisation and optimisation of infrastructure of the health care system and provided services” is being implemented.

***b) Development and modernisation of general practise services infrastructure (hereinafter referred to as family physicians).*** With the view of implementing one of the strategic aims of developing the Lithuanian health care system – to improve quality and accessibility of primary health care services – on 31 December 2003, Minister of Health approved by Order No V-805 of The Strategy on Development and Modernisation of General Practise Services Infrastructure, the implementation whereof is to be funded from the support of the European Union Structural Funds and assignments from the state budget provided for implementation of the measure of the Ministry of Health “Restructuring and modernisation of health care institutions”. This Strategy highlights the qualitative and effective functioning of the field of primary health care, in particular in rural areas, as an essential condition in order to ensure thorough development of the primary health care system able to properly solve the main problems concerning health preservation, disease prevention, timely disease diagnostics, treatment, as well as social problems. Support is granted for renewal and computerisation of the infrastructure of family physicians’ services of primary health care institutions, introduction of new technologies and medical equipment, establishment of new primary health care institutions that provide services of family physicians.

## ANNEX 4.6.

### SERVICES OF NURSING CARE AND FOLLOW-UP TREATMENT AND BASIC PRICES

(Order of the Minister of Health of the Republic of Lithuania (Valstybės Žinios (*Official Gazette*), 1998, No 57-1611, 2005, No 128-4639, 2006, No 48-1740) “On the Approval of Basic Prices”)

No.	Title of the service paid from the Compulsory Health Insurance Fund	Description of the service	Length of treatment (days)	Price of one day in hospital (score)*
1.	Nursing care and follow-up treatment	Nursing care and follow-up treatment	up to 120	61.1
2.	Follow-up long-term treatment of vegetative patients	Nursing care and follow-up treatment of vegetative patients (not more than 10 scores according to the <i>Glasgow</i> Coma Scale)	up to 120	73.2
3.	Follow-up long-term treatment of oncological patients I	Nursing care and follow-up treatment of oncological patients by using injected narcotic analgesics	up to 120	76.8
4.	Follow-up long-term treatment of oncological patients II	Nursing care and follow-up treatment of oncological patients by using epidural anaesthesia	up to 120	92.9
5.	Follow-up long-term treatment of patients who are not able to take care of themselves	Nursing care and follow-up treatment of patients whose Bartel index is up to 40	up to 120	65.1