THE SOCIAL REPORT
2011–2012
MINISTRY OF SOCIAL SECURITY AND LABOUR

THE SOCIAL REPORT

2011–2012

Vilnius
2012
Dear Readers of the Social Report,

Like every year, this report presents the most important statistical data, analysis and overview of the areas falling within the competence of the ministry.

Referring to collected statistical information, we can firmly state that timely and right decisions passed at the beginning of the crisis allowed us to control public finances. Benefits have been paid in time, the revenues of The State Social Insurance Fund Board under the Ministry of Social Security and Labour (“Sodra”) and the number of the insured have been growing, the unemployment rate has been falling due to recovering economy and promotion of employment. “Sodra” has a deficit budget so far; however, the fact that the budget revenue of the first half of 2012 surpassed the figure of the previous year by one-third of a billion is really positive.

Regrettably, the unemployment rate has not been falling that rapidly as we would like it to fall. The ministry has been promoting employment through time tested measures and introduction of new measures. Provision of state support for young people who start working and application of tax reliefs to employers who employ young people without any working experience have been continued. The efforts of specialists from many institutions led to the creation of more favourable conditions for those starting up their business. Thus, there is potential, and the state can really help to make the first steps in terms of business or employment through the Entrepreneurship Promotion Fund, the project “Increase of Youth Employment”, the measure “Support for the First Job”, etc. Furthermore, the system of motivating the staff of local labour exchange offices has been introduced: employee incentives will depend on the number of employed jobseekers.

It is worth noting that the promises made with respect to elderly people have been kept. Larger pensions have been paid as of 2012; payments in arrears to pensioners who worked in the period from 1995 to 2002 were finally compensated in June; and pensions of employed state pension recipients will be increased in September.

Many tasks have been accomplished in another important area, i.e. the social assistance system. Reorganisation of the system has been started; its purpose is to encourage people of working age to
work, rather than live on allowances. Thus, the necessary state support and assistance might be better targeted at the most deprived social layer. Admittedly, the number of recipients of social assistance is still large and not always rational... Abuse of state assistance must be eliminated; people should want to work and assume responsibility for their life; and employers should be created more favourable conditions for employment. It is a tough challenge; in order to respond to it, we need integrated decisions not only in the area of social security, but also in the areas of economy and education.

System reorganisation is related to a new project "Social Assistance Service" by the Ministry of Social Security and Labour, launched in the summer of 2012, which is aimed at a greater extent of social justice in the country. Therefore, a mobile team of specialists has been visiting municipalities, elderships and residents with a view to realistically evaluating how social assistance is distributed in accordance with a new stricter procedure in specific municipalities and helping municipalities to solve relevant issues. Visits to all municipalities have been scheduled.

Reference to Lithuania is often associated with a solid unit or, even worse, merely Vilnius. However, every city and village have their own problems, delights and concerns and in all them well-being is created by specific persons and enterprises as well as local communities. It is always a welcome fact that the community does not evade responsibility and takes care of their living environment, dissemination of culture and mutual assistance. A lot more has to be done in this area, and I am pleased with the good start this year. 2012 is the year of the beginning of an exceptional programme targeted at the promotion of community activities. Local Community Councils in all municipalities in Lithuania decide what public interests of residents should be focused on when allocating budget funds. There have been many doubts that people will disagree and dispute; however, we already see the first results: the improving appearance of cities and towns, organised cultural and health promotion events, and published regional study publications, which are funded within the framework of this programme. Focus on the communities and every single person is where a strong state starts. Let's create it together!

Minister of Social Security and Labour

Donatas Jankauskas
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Contents

1. INTRODUCTION .................................................................................. 7
  1.1. PUBIC RELATIONS ACTIVITIES ......................................................... 8
  1.2. COUNCELLING OF CITIZENS ........................................................ 11

2. LABOUR MARKET, LABOUR RELATIONS, SAFETY AND HEALTH AT WORK ........................................... 12
  2.1. LABOUR MARKET: GOALS .............................................................. 12
  2.2. LABOUR RELATIONS AND WORK REMUNERATION ...................... 27
  2.3. TOPICALITIES OF SAFETY AND HEALTH AT WORK ....................... 34

3. SOCIAL INSURANCE AND PENSIONS ..................................................... 39
  3.1. SOCIAL INSURANCE: GOALS AND REFORMS .................................. 39
  3.2. RESULTS OF THE STRUCTURAL REFORMS OF THE STATE SOCIAL INSURANCE FUND BOARD ........ 41
  3.3. IMPROVING COLLECTION OF THE STATE SOCIAL INSURANCE FUND BUDGET .............................. 45
  3.4. THE PENSION REFORM – GOALS AND EXPECTED RESULTS ......................... 53
  3.5. AMENDMENTS TO LAWS ON PENSIONS AND IMPLEMENTATION THEREOF ..................... 57
  3.6. OUTLINE AND GOALS OF THE STATE PENSION REFORM .................... 60
  3.7. TOPICALITIES IN THE FIELDS OF SOCIAL ASSISTANCE BENEFITS, STATE PENSIONS AND SUPPORT TO PARTICIPANTS AND VICTIMS OF THE RESISTANCE AGAINST OCCUPATION OF 1940–1990 ....................... 62

4. CASH SOCIAL ASSISTANCE AND SOCIAL SCOPE ............................................. 68
  4.1. CASH SOCIAL ASSISTANCE .............................................................. 68
  4.2. SOCIAL WORK AND ITS IMPORTANCE ............................................ 84
  4.3. RELEVANT ISSUES OF EQUAL OPPORTUNITIES ............................... 87

5. COMMUNITY, CHILD, YOUTH AND FAMILY AFFAIRS ........................................... 104
  5.1. ENHANCEMENT OF THE ROLE OF COMMUNITIES: UNIQUE PROGRAMME FOR THE PROMOTION OF SELF-GOVERNMENT OF COMMUNITIES 2012 ................................................................. 104
  5.2. POTENTIAL OF VOLUNTARY ACTIVITIES AND DIRECTIONS OF DEVELOPMENT ......................... 106
  5.3. RELEVANT ISSUES OF CHILD GUARDIANSHIP (FOSTER CARE) AND ADOPTION .............................. 108
  5.4. REORGANISATION OF THE CHILD RIGHTS PROTECTION SYSTEM .................................................. 113
  5.5. YOUTH POLICY ............................................................................ 114
  5.6. FAMILY POLICY AS PREVENTION OF SOCIAL PROBLEMS ................... 120

6. GENDER EQUALITY ........................................................................ 127
  6.2. LITHUANIA’S CANDIDACY FOR THE UNITED NATIONS COMMITTEE ON THE ELIMINATION OF DISCRIMINATION AGAINST WOMEN .................................................. 128
  6.3. FULFILMENT OF EU AND INTERNATIONAL COMMITMENTS .......................... 129

7. USAGE OF EU SUPPORT ........................................................................ 131
  7.1. SUPPORT FROM THE EUROPEAN UNION STRUCTURAL FUNDS ......................... 131
  7.2. OTHER EU SUPPORT .................................................................. 151

8. MEMBERSHIP IN THE EUROPEAN UNION .................................................. 155
  8.1. ACTIVITIES RELATED WITH LITHUANIA’S MEMBERSHIP IN THE EUROPEAN UNION .................. 155
  8.2. INTERNATIONAL COOPERATION ....................................................... 178

9. ANNEX ......................................................................................... 196
The Social Report (hereinafter referred to as the Report) gives an overview of activities of the Ministry of Social Security and Labour (hereinafter referred to as the ministry) in 2011–2012. The Report has been drafted in the context of challenges posed by the economic situation of the country to the Lithuanian social security system, rather high unemployment rate, and financial difficulties experienced by various social layers. Dependency of the social security system on the economic condition of the state has been observed and vulnerability of the system has been revealed. The necessity to further improve the current social security system has emerged.

The first chapter of the Report describes public relations initiatives of the ministry and discusses the issues of counselling and information of residents.

The second chapter thoroughly explores the issues of the labour market policy. It gives the statistical data and tendencies of employment and unemployment, and enumerates the measures of increase of employment as well as activation of the labour market. The problem of youth unemployment is discussed and ways to tackle it are presented. Efficiency of the activities of the Lithuanian Labour Exchange and the activities of social enterprises are overviewed. Legal regulation of collective and individual labour relations and enforcement of labour laws are explored. The relevant issues of safety and health at work are overviewed.

The third chapter of the Report analyses the issues of social insurance and pensions. The chapter describes the challenges to the social insurance system in 2011 and solved current financial issues – timely and uninterrupted payment of all state social insurance benefits. The Report dwells upon tasks to be accomplished while preparing for the reform of the state social insurance and pension system, which largely focuses on the improvement of financing and administration of the State Social Insurance Fund. The chapter gives an overview of the changes in the social insurance and state pension system as well as describes the preventive measures undertaken.
The fourth chapter of the Report describes the measures of cash social assistance for families and children, seeking that assistance is as targeted as possible and able to perform its main function, i.e. help families to bring up children and guarantee certain income for low-income residents. The chapter discusses social services and social work as a profession. Further, focus is shifted to the issue of equal opportunities: social integration of the disabled, the return of political prisoners and exiles as well as their family members to Lithuania, social integration of foreign nationals who have been granted asylum, and implementation of migration policy. These are sensitive issues relevant to all members of society. The chapter is also concerned with the issues of support for the acquisition or rental of housing, as well as subsidised housing.

The fifth chapter of the Report describes the activities of communities and non-governmental organisations as well as participation in social policy, and deals with voluntary activities and development directions. Considerable attention is paid to child and youth rights and the current situation. The chapter discusses how, with regard to emerging challenges, family policy is shaped and implemented, and legal and organisational measures targeted at the creation of a family-friendly environment, the application whereof should promote positive demographic trends, are created.

The sixth chapter is concerned with gender equality issues.

The seventh chapter of the Report presents information about the usage of support from the European Union Structural Funds, gives an overview of implemented measures and achieved results.

The eighth chapter of the Social Report thoroughly explores activities related to Lithuania’s membership in the European Union, discusses international cooperation, participation in the activities of international organisations, and defines the country’s social security system in the international context. It is obvious that membership in the European Union and active international cooperation lay down new guidelines over and over again, set new requirements and open new opportunities in the area of social policy.

For the readers who are more interested in social security issues the Report provides references to different resources. Every reader can also use the websites of the ministry (www.socmin.lt; www.socialiniszemelapis.lt, and other websites), which provide them with information on various relevant issues.

1.1. PUBLIC RELATIONS ACTIVITIES

The publicising activities of 2011 have been smoothly continued in 2012. The launched information campaigns have been enhanced, and new programmes have been developed. In 2011, a lot of attention was paid to the publicising of the Year of Volunteering, especially to the election of capitals of volunteering and discussions about volunteering. Over 2011, the awareness of volunteering increased, and positive public attitude towards this field formed. Many people were courageous enough to try themselves. The interest of volunteers in various fields and communities prevailed in five cities – capitals of volunteering: Alytus, Kėdainiai, Biržai, Palanga and Šiauliai. Different initiatives had a common aspect – the goal to rally the community, to encourage its independent decision making
processes regarding its city, whether it is a sport event for students, area cleaning or animal welfare activities.

The Ministry of Social Security and Labour has signed a cooperation agreement with the European Male Basketball Championship 2011 Organising Committee and the Lithuanian Basketball Federation. In the course of the cooperation, a quiz on significant aspects of basketball was organised. People with severe movement disabilities participating in the quiz won tickets to matches of the European Male Basketball Championship in all cities where these matches were organised. Moreover, more than 900 children from care homes, social service centres, day centres and other institutions were invited by the European Male Basketball Championship 2001 Organising Committee to watch U-11 All Star Game in Kaunas.

In order to provide the possibility of watching discussions on significant issues to a bigger number of people attending various events, two discussions (“A Social Worker in the Community” and “Which Political Decisions are Required for the Disabled of Lithuania?”) were organised and broadcast live on the Internet.

In order to inform as many people as possible about the replacement of disability certificates with regard to the prolongation of the old-age pension, a publicising campaign on the matter was organised.

On 19 November 2011, the International Day for the Prevention of Child Abuse, children from Vilnius child day care centres and kindergartens gave their musical and improvisational performances before the guests of the ministry and coloured the inscription “No to Violence!” Whereas the performance of one of the participants named “The Little Theatre Academy” impressed the viewers very much, this theatre study was invited to participate in the opening of the Year of Active Ageing and Intergenerational Solidarity, which took place on March 2012.

During this event, which took place in Vilnius City Hall, meritorious academic, sport, and culture representatives were honoured. The following thematic exhibitions were organised: Adas Vasiliauskas’ “Susimastęs Vilnius” (The Reflecting Vilnius), posters by students of Vilnius Academy of Arts, exhibition “Tyliosios herojės” (Silent Heroines) by the public institution “Global Initiative on Psychiatry”.

The official opening ceremony was followed by debates, in the course of which representatives of the social field, nongovernmental organisations and the academic community discussed about solidarity and the activity of elderly people.

On 13 June a cooperation agreement defining the guidelines for further cooperation with Vilnius Academy of Arts was signed.

The reformation of the social assistance system was launched in 2012, and a great deal of attention has been paid to the publicising and information dissemination seeking to clarify the aims of the reformation of the system. It could be noted that the good practice of reducing the possibilities of abuse has been gradually disseminated on the initiative of the mass media itself, and the public attitude towards a more transparent and severe assistance provision system has become more favourable despite the fact that all novelties are initially opposed.

In 2012, the Public Relations Division has actively publicised the implementation of the Self-Governance Programme of Local Communities, which is aimed at encouraging communities across Lithuania to take active participation in the decision making process with regard to the appropriation of LTL 8 million for the public needs of local communities. The information about signed tripartite agreements between the Ministry of Social Security and Labour, the Department of Supervision of
Social Services and 60 municipalities has been also publicised. Saplings of apple trees representing the unity of a community and the enhancement of its development and resources were given to mayors.

A great contribution to the organisational and publicising activities of “Family Holiday 2012” scheduled for 26 May was made. The holiday uniting all Lithuanian families took place in the Harmony Park located in Prienai district.

A new publicising accent – a column “SociumasLT” in the major news portal www.delfi.lt, was introduced. Its articles publicised under several headings aimed at encouraging volunteering, socially responsible business, social integration and entrepreneurship have attracted a great deal of readers’ attention. This project has been implemented by the Ministry of Social Security and Labour together with the news portal and it is aimed at introducing the structural support of the European Union through stories of people who have used it and at clarifying the process of the implementation of projects, granting of loans and achievement of results. “SociumasLT” has also become a portal for articles and discussions of representatives of communities and volunteer movements thus encouraging the development of a civil society.

At the National Responsible Business Awards 2011 AB “Achema” became the “Employer of the Year” in the category of large enterprises. This company was honoured for its concern about its employees, their families and the community even in the times of production suspension and in the course of the reorganisation. This year’s awards, which are organised for the fifth year in a row, have attracted a great deal of attention. A total of 91 applications were received from 51 companies. The majority of companies submitting applications for the awards of 2011 operate in the production sector (14); the second place went to IT and telecommunications service providers (10). At the award ceremony of May 2012, a new nomination was introduced – the “Partnership between Business and the Nongovernmental Sector of the Year” aimed at fostering social responsibility. In this nomination, the winner was selected not by the assessment commission, but by the public, i.e. readers of www.delfi.lt elected the most valuable social partnership.

**Winners of the “Employer of the Year”:**
Large Lithuanian companies – AB “Achema”
Small and medium companies – UAB “Alna Software”;
Foreign companies – “Thermo Fisher Scientific” Vilnius branch (UAB “Fermentas”)
Special award for AB “Ūkio bankas”.
Special award for the employees of UAB “Tvirta” Aušra Bikelytė.

**Winners of the “Partner of the Year”:**
Large Lithuanian companies – AB LESTO.
Small and medium enterprises – UAB “PakMarkas”
Foreign companies – UAB “Omnitel”:

**Winners of the “Environmental Enterprise of the Year”:**
Large Lithuanian companies – AB “Eugesta”.
Small and medium enterprises – UAB “Autrolis”
Foreign companies – AB “Swedbank”
Special award for the public institution “Pilnų namų bendruomenė”
Winners of the “Socially Responsible Enterprise 2011”:
Large Lithuanian companies – Teo LT, AB.
Small and medium enterprises – micro company UAB “Servico”
Foreign companies – UAB “Mars Lietuva”:

The following companies were also awarded:
Lithuanian branch of “Siemens Osakeyhtio” – for the most advanced in the world and unique in Lithuania system of transparency encouragement.
SEB bankas – for novelties, original ideas and coherent advance over all 5 years of the existence of the award.
The award in the nomination of the “Partnership of the year” went to: UAB “Omittel” and the initiative of the Lithuanian Union of People with Disabilities “Disability is not an Obstacle for Being with us”. The winner was chosen by readers of “SociumasLT”.
The ministry’s attention to the field of social security, provision of information to the public and appreciation of initiative and responsible employers, encourages the introduction of these principles in other companies.

Internal communication and noble campaigns, which are not only beneficial, but also uniting employees for joint activities, have not been forgotten either. The Public Relations Divisions initiated the participation of the ministry’s team “Bitute” in campaign “Darom Global 2012”, which took place on 12 April 2012 and during which Vingis park – one of the most favoured places among Vilnius residents, was cleaned. Like every year, employees of the ministry participated in the blood donation campaign, donated painting and educational measures and toys to child day care centres, and on the International Day of Children's Book, children residing in child care homes and large families received the donated books.

1.2. COUNCELLING OF CITIZENS

In May 2011, a “Mobile Reception of the Ministry of Social Security and Labour” was launched. Visits of the Reception Office of the ministry across Lithuania have been continued in order to provide Lithuanian citizens residing in Vilnius or small towns with equal possibilities of addressing specialists and having all problems and difficulties clarified for them. Specialists of structural support have been visiting regions since 2012. Residents show interest in possibilities of using ES support, i.e. in measures related to the development of human resources, integration into the labour market, provision of institutional and non-institutional social services and other measures. The questions people address the Mobile Reception with are similar to the questions the reception operating in Vilnius receives. These are questions on pensions and social insurance, working capacity levels, the fairness of the assessment of the lost working capacity, severance pay, dismissal from work and social support. This issue has particularly prevailed in 2012 after the Law on Cash Social Assistance was amended.

All visits are announced in advance in the local press and on websites of local municipalities, and press releases on them are published. This issue has attracted an exceptional mass media attention and has been more than once discussed in national and regional radio shows.
2.1. LABOUR MARKET: GOALS

In 2011, the support for jobseekers and persons seeking to remain in the labour market was increased and activities of territorial labour exchanges were further improved. The Lithuanian Labour Exchange is a state institution, which harmonises the labour supply and demand seeking to balance the labour market, implements bilateral and trilateral cooperation among social and labour market partners seeking to promote employment, contributes to the reduction of social exclusion, elaborates and implements measures of unemployment prevention and mitigation of consequences of dismissal from work in order to reduce structural unemployment, monitors the labour market, evaluates the situation in the labour market and forecasts its changes, develops public services and improves the efficiency of employment support measures under implementation, uses the financial support provided by the European Union structural funds, the European Globalisation Adjustment Fund and other funds, and actively participates in the network of European Employment Services seeking to develop a single and transparent labour market of the European Union.

The following activity indicators were implemented in 2011 in the course of the implementation of the goals of the Lithuanian Labour Exchange, i.e. to ensure the supply of quality and easily assessable labour market services, encourage employment of the unemployed by offering active labour market policy measures, strengthening employment intermediation activities aimed at the harmonisation of labour supply and demand:

- The number of the unemployed decreased by 25.9 percent (initial goal – 20 percent);
- 56.6 percent of the unemployed were employed within 6 months after the end of the vocational training (initial goal – 25 percent);
• 52.3 percent of the long-term unemployed participated in active labour market policy measures (initial goal – 35 percent);
• 35.2 percent of the long-term unemployed were employed (initial goal – 20 percent);
• 98 percent of registered job vacancies were occupied (initial goal – 94 percent);
• 97.2 percent of adult unemployed persons (above 25 years of age) were offered a “new start” within 12 months of unemployment (initial goal – 95 percent);
• 86 percent of unemployed youngsters were employed after the end of support for working skills acquisition (initial goal – 50 percent);
• 96.1 percent of unemployed youngsters (under 25 years of age) were offered a “new start” within 4 months of unemployment (initial goal – 88 percent);
• 26.6 percent of beneficiaries of unemployment insurance benefits participated in employment support measures (initial goal – 25 percent).

In 2012, the main aim in the labour market is to reduce the unemployment rate by applying active labour market policy measures more actively. Seeking to ensure quality provision of labour market services, promote employment of the unemployed, strengthen employment intermediation activities, implement the plan for decrease of the youth unemployment and improve activities of territorial labour exchanges, the following activity objectives are under the implementation in the labour market:

- introduction of a new profiled model of provision of services to the unemployed;
- implementation of active labour market policy measures, including a new system of vocational training, when training coupons-vouchers are issued;
- improvement of the administration system of social enterprises by ensuring control and development of their awareness;
- development of easily accessible and comprehensive information on the provision of labour market services by transferring the provision of electronic public services online using system Edbirža;
- contribution to the development of a model of quality activities of employees of territorial labour exchanges, including the dependence of reimbursement on work results;
- application of a new measure of monitoring assessment criteria;
- elaboration of proposals regarding the improvement of the vocational rehabilitation system and its relation to employment results;
- implementation of measures approved in operational plans of territorial labour exchanges and the plan of measures aimed at the decrease in the youth unemployment.

2.1.1. IMPROVEMENT OF THE EFFICIENCY OF ACTIVITIES OF TERRITORIAL LABOUR EXCHANGES

After the implementation of the structural reorganisation of the Lithuanian Labour Exchange on 1 October 2010, 10 of the former territorial labour exchanges currently operate in Lithuania (in Vilnius, Kaunas, Klaipėda, Panevėžys, Šiauliai, Alytus, Marijampolė, Tauragė, Plungė and Utena). These labour exchanges administer 49 client service divisions in municipalities, which are directly subject to the Lithuanian Labour Exchange.
In 2012, in the course of the further reorganisation of the Lithuanian Labour Exchange as an institution implementing the labour market and employment support policy, a number of novelties, which will help the Lithuanian Labour Exchange become more flexible and open as well as more oriented at the satisfaction of jobseekers and employers’ needs, have been introduced:

1. **Introduction of a new model of provision of services to the unemployed** seeking to encourage the integration of the unemployed into the labour market and to reduce the unemployment rate. The aim of this novelty is grouping of services provided to the unemployed. When applying this model it is very important to identify skills of the unemployed, their abilities for work and motivation. This model will help identify the most problematic groups of the unemployed in terms of integration. Measures aimed at a more rapid return into the labour market will be applied for these groups. A demand for face to face and remote services of each jobseeker will be established and balanced.

2. A great deal of attention will be paid to the efficiency improvement of individual employment operational plans. An unemployed person will be engaged in the career planning process, and his or her individual employment operational plan will be developed seeking the main aim of the integration into the labour market. The labour market expects to decrease the number of the unemployed by 30 thousand persons in 2012 by effectively implementing the measures of active labour market policy and other employment measures, encouraging services of employment intermediation and other labour market services and introducing new forms of service provision to the unemployed.

3. **Transfer electronic public services to the cyberspace thus improving the accessibility of services for labour market participants.** The innovative electronic services for labour market participants developed by the Lithuanian Labour Exchange create an opportunity to use modern information technologies while searching for appropriate job and employees. The introduced advance information system provide a wider range of possibilities for jobseekers, such as a possibility of completing a simplified form of advanced registration with the labour exchange and choosing convenient time for arriving at the labour exchange, developing a preliminary operational plan, reviewing recommendations for employment and descriptions of vacancies, communicating directly with an appointed specialist of the labour exchange, asking questions and receiving answers, etc. Seeking to enhance the expeditiousness of its activities, the labour market is developing its cooperation with self-governance institutions and libraries thus allowing possibilities for providing labour market services not only in remote centres but also by using electronic services.

4. Seeking to enhance the participation of the unemployed in the labour market, in 2012, the Lithuanian Labour Exchange has been implementing five projects financed by the European Social Fund, which will help about 50 thousand unemployed persons find a job. The major project “Promotion of Integration into the Labour Market” is aimed at providing 19.3 thousand unemployed persons with job through subsidies, supported employment measures, territorial mobility, job rotation and vocational training. The implementation of the project “Integration of the Disabled” was launched in February 2012. This project is aimed at supporting social enterprises and helping 3.1 thousand disabled persons remain or integrate into the labour market. Other projects are “Temporary Employment” (organisation of public works for temporary employment of 24 thousand persons), “Support for the Disabled” (integration of 600 disabled persons into the labour market after the accomplishment of vocational rehabilitation programmes) and “Support for Employment and Mobility” (possibility of acquiring professional qualification for 3.5 thousand unemployed persons or persons who were given redundancy notices).
5. Development of cooperation with administrations of municipalities regarding the integration of beneficiaries of social benefits into the labour market. By contributing to the new independent function of administrations of municipalities to provide monetary social support, the Lithuanian Labour Exchange has been participating in a pilot project for 2012-2014 implemented by the administrations of the municipalities of districts of Akmenė, Panevėžys, Raseiniai, Radviliškis and Šilalė. The aim of this project is to return as many long-term unemployed persons, i.e. beneficiaries of social benefits, into the labour market as possible.

6. Improvement of the operational efficiency of territorial labour markets, i.e. application of new methods of motivating employees and linking their activities with personal employment results. To that end, a plan of measures for introduction of an assessment model of result oriented activities of public servants of territorial labour exchanges of the Lithuanian Labour Exchange under the Ministry of Social Security and Labour and employees working as per employment contracts and performing client servicing functions was approved. Three implementation plans were approved in this plan: Preparation stage – until 1 July 2012; 2) pilot stage – from 1 July 2012 until 31 December 2012; 3) dissemination stage – from 1 January 2013. The pilot stage is implemented in territorial labour exchanges of Alytus, Kaunas and Marijampolė.

2.1.2. CHANGES IN THE LABOUR MARKET – INCREASING EMPLOYMENT, GRADUAL DECREASES IN THE UNEMPLOYMENT RATE

Employment. According to the data of statistical survey of the population employment performed by the Statistics Lithuania, a total of 1,371,000 people were employed in the country. Compared to 2010, the number of employed people increased by 27,200. In 2011, the national economy employed 92.5 thousand youngsters aged 15-24. The number of such employees decreased by 4.9 thousand compared with 2010.

In 2011, the transport and storage sectors saw the highest average employment growth (9.9 thousand or 10.9 percent growth) in comparison with 2010, the sector of manufacturing industry – 4.5 thousand or a 2.1 percent growth, and the number of people employed in information and communications sector, other fields of services and sectors of retail and wholesale trade and repair of motor vehicles and motorcycles experienced similar growth rates – on average, 3.8 thousand per each (16.4 percent, 14.2 percent and 1.5 percent growth respectively). The highest decrease in employment rates was observed in agricultural sector, forestry and fishery, which decreased by 4.7 thousand (a 3.9 percent decrease), financial and insurance activities (2.5 thousand or an 11.3 percent decrease).

In 2011, nine out of ten employed residents (91.3 percent) were full-time workers or worked full-time per week. 119.8 thousand (8.7 percent) of employed people were part-time workers or did not work the full time per week, out of whom 40.6 thousand (a third) wanted and could work more. 87.2 percent of residents aged 15-24 worked for the whole working day or week.

1 Order No. V-164 of 3 April 2012 of the Director of the Lithuanian Labour Exchange
As Figure 2.1.2-1 shows, in 2011, the employment rate of residents aged 15-64 reached 60.7 percent, and it increased by 2.9 percentage point over the year. In 2011, the employment rate among men aged 15-64 made up 60.9 percent, and among women – 60.5 percent, and, over the year, it increased by 4.1 and 1.8 percentage points respectively. The employment rate among elderly residents aged 55-64 increased by 1.9 percentage point over 2011 and reached 50.5 percent. The employment rate among youngsters aged 15-24 reached 19.7 percent in 2011. Over the year it increased by 0.5 percentage points. In 2011, like in 2010, every fifth resident aged 15-24 was employed.

The growth of the employment rate was also determined by an increase in vacancies. According to the data of the Statistics Lithuania, in 2011, the country had 9.8 thousand vacancies for wage earners (see Figure 2.1.2-1).

<table>
<thead>
<tr>
<th>Vacancies in 2010-2011 (thousand)</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>9.8</td>
<td>6.7</td>
</tr>
<tr>
<td>Agriculture, forestry and fishery</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Industry</td>
<td>2.2</td>
<td>1.7</td>
</tr>
<tr>
<td>Construction</td>
<td>1.0</td>
<td>0.4</td>
</tr>
<tr>
<td>Wholesale and retail trade; repairs of motor vehicles and motorcycles</td>
<td>1.3</td>
<td>0.8</td>
</tr>
<tr>
<td>Transport and security</td>
<td>1.3</td>
<td>0.7</td>
</tr>
<tr>
<td>Accommodation and catering services</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Information and communications</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Financing and insurance activities</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Real estate operations</td>
<td>0.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Professional, scientific and technical activities</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Administrative and service activities</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Public administration and defence; compulsory social insurance</td>
<td>1.0</td>
<td>0.7</td>
</tr>
<tr>
<td>Education</td>
<td>0.4</td>
<td>0.3</td>
</tr>
<tr>
<td>Health care and social work</td>
<td>0.6</td>
<td>0.5</td>
</tr>
<tr>
<td>Artistic, entertainment and recreational activities</td>
<td>0.2</td>
<td>0.1</td>
</tr>
<tr>
<td>Other service activities</td>
<td>0.1</td>
<td>0.1</td>
</tr>
</tbody>
</table>
Over the year the number of vacancies increased by 3.1 thousand. The number of job vacancies increased in almost all sectors of economic activities, and especially in the sectors of transport, trade and storage (by 0.6 thousand each), the industry sector – by 0.5 thousand. The majority of job vacancies were observed in the following fields of economy: industry – 2.2 thousand (22.5 percent of all job vacancies), trade – 1.3 thousand (13.9 percent), transport and storage – 1.3 thousand (13.6 percent). In 2011, the least number of vacancies was offered by companies operating in the field of real estate – 0.5 percent of all job vacancies. In 2011, the majority of vacancies were available for specialists, i.e. 2,700 representing 27.1 percent of all vacancies, qualified workers and craftsmen (2,000 or 20.6 percent), operators and assemblers of equipment and machinery (1,800 or 17.9 percent). The least wanted were skilled workers in the agriculture and fishing sector, accounting for as little as 0.2 percent of all the job vacancies.

Unemployment. According to the data of the survey of the population employment performed by the Department of Statistics Lithuania in 2011, the national unemployment rate reached 15.4 percent and was lower by 2.4 percentage point on average than the same indicator of the previous year (see Figure 2.1.2-2). The decrease in the unemployment rate was one of the most rapid in the European Union. It was determined by a 2 percent increase in the number of employed residents, and a 14.5 percent decrease in the number of the unemployed residents. The decrease in the labour force in 2011 was one of the reasons of the decrease in the number of the unemployed. In 2011, the male unemployment rate amounted to 17.8 percent, and the female unemployment rate – to 13 percent. Over the year, the male unemployment rate decreased by 3.4 percentage point and female unemployment rate – by 1.4 percentage point. In 2011, the rate of long-term unemployment reached 8 percent, and was higher than the rate of 2010 by 0.6 percentage points. According to the statistical date of the population employment, the unemployment rate among youngsters aged 15-24 was decreasing slower and, in comparison with 2010, decreased by 2.2 percentage points and reached 32.9 percent.
Labour Market. In 2011 positive labour market tendencies were observed – the unemployment rate was gradually decreasing throughout the year (see Figures 2.1.2-3 and 2.1.2-4). According to the data of the Lithuanian Labour Exchange, over 2011, a total of 256.7 thousand unemployed persons were registered, i.e. 15.3 percent less than in 2010. The amount of men unemployed in 2011 reached 56.4 percent, and women – 43.6 percent. About 40 percent of the unemployed addressing the labour exchange did not have professional preparation (41 percent in 2010). Persons with no previous working experience comprised 23.3 percent in 2011 (in 2010 – 23.4 percent), and persons with a 2 years’ or more break – 22.8 percent (in 2010 – 22.0 percent). Almost every fifth person in the labour market was older than 50 years of age (18.7 percent), and almost every third unemployed person lived in rural areas (31.4 percent).

The number of the unemployed registered with the Lithuanian Labour Exchange in 2011
(at the end of each month)

Over 2011, a total of 64.1 thousand of youngsters below 25 years of age were registered with the labour exchange, i.e. 13.3 percent less than in 2010. Youngsters made 25 percent of all registered unemployed persons, i.e. 0.6 percentage point more than in 2010 (24.4 percent). Half of these youngsters were first time jobseekers (32.5 thousand), every second young unemployed person (31.8 percent) did not have any professional qualification and therefore could not compete in the labour market. In 2011, a total of 19.9 thousand graduates were registered (31 percent of young unemployed persons), i.e. 7.2 percent less than in 2011.
In 2011, the share of the unemployed among active residents was decreasing in all national municipalities. Comparing the beginning of 2011 with the end of the same year, the highest decrease in the registered unemployment rate was observed in territories administered by the labour exchange of Klaipėda. The highest decrease was recorded in the districts of Šilalė (6.5 percentage points), Šalčininkai (5.8 percentage points), Švenčionys (5.6 percentage points). 2011 was marked with a positive trend – the difference between territories with the highest and the lowest unemployment rates was decreasing: at the outset of 2011 it comprised 14.5 percentage points, and at the end of 2010 it reached 15.6 percentage points.

**Dismissals of groups of workers.** In 2011, 77 notices on planned collective redundancies of 4.4 thousand employees were received. Over 2010, 107 notices on planned redundancies were received and 6.2 thousand employees were warned. If compared to 2010, the number of notices and warned about redundancies employees decreased by 1.4 times. In order to mitigate social consequences of collective redundancies and provide employees to be dismissed with actual support for their more rapid return to the labour market, territorial labour exchanges organised meetings with representatives of companies, which notified about planned redundancies, the employees facing these redundancies, and the application of employment support measures was discussed. The majority of employees (1,362 employees) warned about planned redundancies were employed by the bank “Snoras”. Notices about collective redundancies were received from companies operating in the following sectors: public administration and defence (131 employees were warned as the result of structural reorganisations and liquidations), public transport services (70 employees were warned as the result of structural reorganisations), metal processing (30 employees were warned as the result of reorganisation) and accommodation and rent (43 employees were warned due to economic reasons).
Unemployment Social Insurance Benefit. In 2011, an amount of LTL 276.9 million was used from the Employment Fund for unemployment social insurance benefits. As Figure 2.1.2-2 shows, expenses on unemployment social insurance benefit decreased by 29.9 percent in 2011 if compared with 2010. It was predetermined by the number of beneficiaries of unemployment social insurance benefits and the decrease of the average benefit amount from LTL 556 in 2010 to LTL 547 in 2011.

### Unemployment social insurance benefits (NSDI) in 2010–2011

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>The amount of unemployment social insurance benefits paid (LTL, million)</td>
<td>394.8</td>
<td>276.9</td>
</tr>
<tr>
<td>Average annual number of beneficiaries of unemployment social insurance benefits (thousand)</td>
<td>56.4</td>
<td>35.7</td>
</tr>
<tr>
<td>Average annual number of the unemployed (thousand)</td>
<td>312.1</td>
<td>247.2</td>
</tr>
<tr>
<td>Beneficiaries of unemployment social insurance benefits (percent)</td>
<td>18.1</td>
<td>14.4</td>
</tr>
<tr>
<td>Average unemployment social insurance benefit</td>
<td>556</td>
<td>547</td>
</tr>
</tbody>
</table>

Data of the Lithuanian Labour Exchange  

Employment and labour demand. In 2011, specialists of labour exchanges helped 218.8 thousand jobseekers find employment. An average number of monthly employed persons reached 18.2 thousand persons. About 73 percent found permanent employment (2010 – 70 percent). Almost every fifth of the employed was below 25 years of age (18.8 percent). 17.3 percent of the employed were above 50 years of age. Employed men outnumbered employed women (43.7 percent of the employed). Almost every third employed person had been a long-term unemployed person (32.2 percent of all the employed persons). The demand for qualified workers and craftsmen was the highest. Every fourth vacancy out of the vacancies offered by specialists of labour exchanges in 2011 was for qualified workers and craftsmen. The highest growth in the labour demand was observed in the sector of services and trade, where the number of job vacancies increased by 15.9 percent if compared with 2010. In 2011, 54.7 thousand unemployed persons commenced business activities under business certificates (about 4.6 thousand unemployed persons per month), i.e. by 64 percent more than in 2010 (33.4).

With a view to meeting the demand for qualified labour force in separate economic sectors and with production necessity of companies, the Lithuanian Labour Exchange issued 3,300 work permits to foreigners for work in the Republic of Lithuania in 2011, out of which: 2.4 thousand work permits to foreigners for work in the Republic of Lithuania as per work agreement, and 205 work permits for posted workers. Over this period 763 work permits to foreigners for work in Lithuania were prolonged. If compared to 2010, the number of issued work permits increased by 1.9 times. In 2011, the majority of work permits were issued in the sectors of services (83 percent) and industry (15 percent). The majority of work permits were issued/prolonged for: drivers of international cargo carrying vehicles – 68 percent, assemblers of metal bodies of ships – 11 percent, welders – 5 percent, restaurant cooks – 3 percent.

Active labour market policy measures. 72.4 thousand jobseekers participated in active labour market policy measures, out of which 59.7 thousand persons participated in 2011. An amount of LTL 152 million from the Employment Fund, the European Social Fund and the European Globalisation Adjustment Fund were used for the implementation of these measures.
Vocational training. Over 2011, a total of 7.5 thousand persons participated in vocational training. Youngsters under 25 years of age made up 27 percent of this number. 52 percent of those who completed the training were employed within 6 months after completion of training. Average training expenses per person amounted to LTL 3.2 thousand.

Supported employment. Over 2011, 49.6 thousand persons were sent to participate in supported employment measures. Public works and employment through subsidies occupied the major shares of supported employment measures, i.e. 72 percent and 19 percent respectively. Averagely LTL 1.8 thousand were used to support one person.

Employment through subsidies. A total of 16.6 thousand persons participated in employment through subsidies. 9.5 thousand these participants were employed through subsidies in 2011. Averagely LTL 2.2 thousand were used to support one person (to employ through subsidies). 78.8 percent of the measure participants were successfully employed within 6 months after the end of the measure implementation.

Support for the acquisition of professional skills. Support for the acquisition of professional skills was provided for 7.1 thousand persons. Every second person was employed in the field of services in order to acquire professional skills; every sixth person was employed in the field of industry, and every eleventh person – in the construction field. More than 2.9 thousand employers used opportunities provided by the financing of the measure of support for the acquisition of professional skills. The majority of them were small enterprises, out of which 98 percent are representatives of small and medium-sized businesses. A total of LTL 20.2 million were used to finance the measure. Average expenses to support one person amounted to LTL 2.8 thousand.

Public works. In 2011, these works were aimed at the implementation of public works programmes of the country’s municipalities and projects drafted by territorial labour exchanges for territories with high unemployment rates. These works were also aimed at the preservation of jobs in enterprises undergoing economic difficulties. A total of 36.3 thousand persons participated in the measure. The average duration of public works amounted to 1.8 months, and the duration of works aimed at preserving jobs lasted for 4.7 months. 23.7 percent of the unemployed were employed within 6 months after their participation in public works; jobs were preserved for 78 percent of workers of enterprises undergoing economic difficulties within 6 months after the implementation of public works in these enterprises. An amount of LTL 51.1 million was allocated to finance the measure. Average expenses to support one person participating in public works reached LTL 1.4 thousand. The following works socially beneficial for local communities or maintaining the social structure were performed: 1,336.9 ha of forests were planted / cleaned, 23,919.6 ha of parks, cemeteries, beaches and water reservoirs were cleaned, minor repairs and reconstruction works were performed on 1,320 social and public objects, 1,377 objects of historical and cultural heritage and museums were left in orderly condition.

Job rotation. 992 persons participated in the measure. Every second person was employed for job rotation in the field of services, every forth – in the field of industry. This measure was implemented by 448 employers, out of whom 95 percent are representatives of small and medium-sized business. A total of LTL 2.4 million were used to finance the measure. Average expenses to support one person amounted to LTL 2.4 thousand.

Support for job creation. During 2011, a total of 402 jobs were created and expenses of 7.9 thousand persons on the acquisition of business certificates were compensated. The total amount of the appropriated funds reached LTL 16.7 million. During the implementation of measures of support for job creation, 2 thousand jobseekers occupied new vacancies.
**Subsidies for job creation.** 71 jobs were created for the disabled with up to 55 percent of their capacity for work. An analysis of the maintenance of jobs the monitoring of which had ended showed that 74 percent of 570 new vacancies created in 2006-2008 were retained.

**Implementation of projects of local initiatives for employment.** In 2011, projects of local initiatives for employment were implemented in territories of 26 municipalities. LTL 6.3 million was allocated from the Employment Fund, 49 projects were implemented and 288 new vacancies were created. 9 projects were implemented by women. 49 percent (24 projects) were implemented in rural areas, 120 new jobs were created. The average cost of creation of one job reached LTL 21.9 thousand or by LTL 1.8 thousand less than in 2010. The majority of projects (37) were implemented in the manufacturing industry (wood, metal processing and wood and metal manufacturing, gliders, concrete, plastic windows, ecological biofuel, fuel granules, furniture, industrial filters, food products, production of heating boilers, manufacture of apparel, etc), 249 new jobs were created. 8 projects were implemented and 20 new jobs were created in the sector of services (social field, trade, car repairs, catering, and services of organisation of recreation). 4 projects were implemented and 19 new jobs were created in the construction field.

**Support for self-employment.** In the course of the implementation of these measures, 40 disabled persons with up to 40 percent of the ability for work created jobs for themselves, and former unemployed persons created 3 jobs for unemployed persons sent by the labour exchange. Having used the state support, the disabled created the following jobs: rabbit breeders (18), hairdressers, administrators, shop assistants (2 jobs per each category), wood processing specialist, driver, cook, carpenter, household worker, saloon worker, operator, tractor-driver, massage specialist, specialist of physical welfare, designer, bee keeper, event organiser, jeweller, metal equipment machinist, forestry worker (1 job per each category). Employers (former unemployed persons) established 3 jobs for a tailor, driver and operator. These jobs were offered to unemployed persons sent by the labour exchange.

Over 2011, applications for reimbursement of expenses on the acquisition of business certificates submitted by 7.9 thousand persons were granted. A total of LTL 8.5 million were appropriated.

**Administration of social enterprises.** In 2011, 41 applications by legal persons for the status of a social enterprise were considered. The status of a social enterprise was granted to 12 companies, out of which 8 were granted the status of a social enterprise, and 4 – the status of a social enterprise of the disabled. The majority of companies were established in Vilnius, Kaunas and Klaipėda. At the end of 2011, 137 social enterprises were operating, out of which 101 enterprises were established for the disabled. In 2011, social enterprises employed 5,081 employees, out of which 68.9 percent belonged to target groups. Social enterprises subsidised wages of 148 assistants, who assisted 827 disabled persons in performing their job functions. The total amount of the support granted to social enterprises in 2011 reached LTL 32.5 million.

In I Quarter 2012, the labour supply was growing, especially for men. The growth of persons additionally supported in the labour market, persons with no vocational training and young unemployed persons was lower than in other groups of the unemployed. The share of rural residents and persons with over a two-years’ break in employment increased. In I Quarter 2012, a total of 93.1 thousand unemployed persons were registered with territorial labour exchanges. The labour supply, compared to the same period of 2011, increased by 53.4 percent (60.7 thousand unemployed persons were registered in I Quarter 2011). By balancing the labour demand and supply, specialists of the labour exchange helped 39.8 thousand jobseekers find a job in I Quarter 2012.
2.1.3. Solution of Problems of Unemployment among Youngsters – Relief for Employers Who Employ Young People

The youth labour market is exceptional, because it is more vulnerable. Youngsters may lose their job very easily, and it is difficult for them to find a job, especially during a crisis. Employers may not be interested in hiring youngsters with no previous experience or qualification, since the latter may leave for another job or will not be able to devote all their time for the job. However, the youth unemployment, if compared to the general unemployment, is not frightening: although the youth unemployment rate is high, i.e. one of the highest in Europe, the share of unemployed youngsters is not very big if compared with the total number of the unemployed. This is due to a very high difference between the youth labour force and the common labour force. Only up to 30 percent of youngsters enter the labour market, whereas the total participation in the market exceeds 70 percent.

After the amendments to the Law on Support for Employment came into effect on 1 July 2010, persons below 29 years of age and eligible for work were included into the group of additionally supported persons in the labour market. When subsidising unemployed persons below 29 years of age, wage subsidies are paid for a period of up to 6 months, and persons taking up their first employment according to the obtained qualification and participating in measures for working skills acquisition receive these compensations for a period of up to 12 months.

A tax relief for youngsters, which came into force in November 2010, is applied for persons commencing their work activities and not longer than one year of work. It is valid until 31 July 2012. It should be noted that every third young unemployed person registered with the labour exchange had short-term or seasonal labour relations, therefore could not use the tax relief.

The labour demand having decreased, and the labour supply having increased, employers have a number of candidates to chose from and impose higher requirements on candidates for their practical preparation. The lack of professional preparation and work experience or incompliance of professional knowledge with the needs of the labour market is a very usual reason of unemployment among youngsters. By participating in the measure of support for the acquisition of professional skills, youngsters commencing their work activities according to the acquired qualification may acquire missing skills of improve their skills directly at their work place by properly performing various tasks or by acquiring experience, and they also may prolong the job agreement with the employer after the support period is over. Employers organising measures for working skills acquisition and employing persons commencing work activities according to the acquired qualifications receive a 50 percent subsidy to partially compensate for wages and compulsory state social insurance contributions. Youngsters with no qualification or with a qualification, which does not correspond to the needs of the labour market, are offered by the labour exchange to participate in vocational trainings, which are organised in order to provide youngsters with a qualification or acquire competences necessary for further employment.

Over 2011, a total of 37.9 thousand unemployed youngsters below 25 years of age were employed. It made up 59.1 percent of all registered young unemployed persons (11.4 percent more than in 2010, when 34.1 thousand youths were employed (or 46.1 percent). Over 2011, 9.7 thousand young unemployed persons below 25 years of age were sent to participate in active labour market policy measures, out of which: 1.7 thousand participated in vocational trainings, and 2.5 thousand – in the measure for working skills acquisition. Seeking to increase the youth employment, an ESF-funded project "Be Active in the
Labour Market” was implemented within the period from July 2010 to February 2012. The cost of the project reached LTL 22.0 million. During the implementation of the project, 3.2 thousand persons participated in the measure of employment through subsidies, and 2.9 thousand persons participated in the measure for working skills acquisition.

In 2011, 490 motivation seminars aimed at unmotivated and unqualified youngsters were organised. 4 thousand youngsters participated in these seminars. 200 of these youngsters were not registered with the labour exchange, but they belonged to the group of persons at social risk, therefore, in cooperation with governmental and non-governmental organisations and social partners they were included into the programme in order to provide as many youngsters with effective support as possible. 75.2 percent of participants of the motivation seminars found employment and participated in active labour market policy measures (62 percent in 2010).

In 2011, eleven national youth work centres (in Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys, Alytus, Akmenė, Marijampolė, Tauragė, Telšiai and Utena) provided information and counselling to 196 thousand jobseekers. 36.7 thousand youngsters used the service of independent job seeking provided in open information zones. Information on job seeking, vacancies, professions, study programmes and other issues was individually provided to 79.2 thousand persons. In 2011, about 52 thousand persons participated in various events and trainings organised by youth work centres.

2.1.4. INTRODUCTION OF VOCATIONAL TRAINING OF THE UNEMPLOYED AS PER COUPONS (VOUCHERS), FIRST SUCCESSFUL PILOT PROJECTS

In 2012 the Law of the Republic of Lithuania Amending Article 23 of the Law on Support for Employment (Official Gazette, Valstybės žinios, No. 138-6530) regulating the new procedure of vocational trainings of the unemployed as per coupons took effect. A training coupon is a document issued to an unemployed person or an active employee warned about planned dismissal, according to which the territorial labour exchange is obliged to pay the cost of vocational training services, which does not exceed the amount indicated in the coupon, to a selected provider of vocational training services for the training services provided to this unemployed person or the employee warned about planned dismissal according to the indicated vocational training programme. The following persons are eligible for training according to formal or informal vocational training programmes:

- the unemployed, who have not received any proper work offers within a 3 months’ period, or the unemployed, who have concluded a Tripartite vocational training and employment agreement, Vocational training and individual work agreement, and Vocational training agreement, and whose individual employment plan provides for vocational training;

- active employees (of working age) warned about dismissal, who have submitted a notice about the planned dismissal from work and have registered with the labour exchange in line with the established procedure, and with regard to whom a Tripartite vocational training and employment agreement has been concluded.

Before a training coupon is issued to finance vocational training, an unemployed person's demands specified in the individual employment operational plan are evaluated. A person, having received a training coupon, within 15 days from the date on which the coupon is issued, must choose a provider
of vocational training services from the list of providers of vocational training and return to the labour exchange the completed part of the training coupon. In the event the training coupon is not returned within the indicated period, it is considered to be void. The amount of financing of vocational training for an unemployed person or an active employee warned about dismissal to acquire a qualification equals to 6 minimum monthly wages approved by the Government (or LTL 4,800), and the amount aimed at improvement or acquisition of a qualification equals to 3 minimum monthly wages approved by the Government (or LTL 2,400).

On 11 November 2011, the company “Ryanair” and the Ministry of Economy of the Republic of Lithuania signed a Letter of Intent regarding investments into the territory of the airport of Kaunas. In 2012, the company “Ryanair” established its representation in Lithuania, which is planning to employ about 150 persons. According to the vocational training agreement concluded between Kaunas Labour Exchange and Kaunas University of Technology, the former had implemented the training programme for civil aviation mechanics since 17 October 2011. 20 unemployed persons registered with Kaunas Labour Exchange participated in these trainings. The trainings were accomplished on 17 February 2012 and 9 March. The group of persons who completed the training in February did their traineeships in Scotland. The traineeship was not financed by the labour exchange, but from other sources. At present, 10 persons were selected out of 18 persons participating in the trainings for further implementation of practical training.

Within the period from March to April 2012, 308 (190 unemployed persons and 118 employees warned about dismissal) persons were sent to participate in vocational training. 48 various informal vocational training programmes were chosen. The majority of people (97 persons) chose to be trained as drivers of vehicles of C and CE categories, 23 persons – CE categories, 8 persons – CE and D categories and 5 persons – C category, 19 persons decided to be trained in the field of wood processing, 31 persons decided to become wood processing machinists, 18 persons chose to acquire the profession of a welder, 10 persons – a repair specialist of metal constructions, 8 persons – a high profile hairdresser, and 8 persons chose trainings on ship body assemblers. Professional trainings are implemented in line with tripartite vocational training and employment agreements (293 agreements) and Vocational training and individual job agreements (15 agreements).

### 2.1.5. SOCIAL ENTERPRISES

The Law of the Republic of Lithuania Amending the Law on Social Enterprises harmonised the provisions of the Law on Social Enterprises with the Commission Regulation and stipulated equal requirements for enterprises seeking the status of social enterprises or social enterprises for the disabled. In order to receive the status of a social enterprise for the disabled, the number of persons belonging to the target group of the disabled must not be less than four. Employees belonging to the target group of the disabled must comprise 50 percent of the annual average number of employees in the list, and 40 percent of these employees must have the highest level of disability, i.e. disabled persons whose capacity for work is rated between 0-40 percent, and who have a high or medium level of disability needs or

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a high or medium level of special needs. The average annual number of employees includes disabled employees working not less than 80 work hours per month.

Taking into consideration the maximum percentage ceiling of compensations for wages and state social insurance contributions, the payment of compensations for wages and state social insurance contributions has been revised. The compensation awarded for every disabled employer with high level of incapacity for work or a disabled employee, whose capacity for work is rated below 25 percent, or who has a high level of special needs, amounts to 75 percent of the sum of all types of wages estimated that month, but not exceeding the amount of two minimum monthly wages valid that month and the sum of the insurer’s compulsory state social insurance contributions estimated from the wages.

The amendment to the law enhances the target groups of persons employed in social enterprises. It is specified that a person taking care of a diseased person or a disable family member for whom the Disability and Working Capacity Assessment Office under the Ministry of Labour and Social Security has established the need of permanent care (aid) and maintenance is included into the target group of persons employed by social enterprises, where this person has been unemployed for more than six months since his/her registration with a local labour exchange office.

Taking into consideration the growth of the number of emerging social enterprises, which encourages the growth of the number of target group persons employed in social enterprises and the growth of the demand for funds necessary to support social enterprises, and seeking to create a legal situation, which would ensure the funds necessary for the implementation of the law, the amendment to the law specifies September 30 as the deadline for submission of applications for the status of a social enterprise.

Companies applying for the status of a social enterprise submit documents certifying the ownership of the property related to the creation and adjustment of work places. It also specifies that this property can be acquired by ownership rights as well as by other rights of managing a property for three years. Companies seeking the status of a social company must submit these documents if they are planning to establish/adjust work places.

The amount of the subsidy for the creation or adjustment of a work place for a disabled employee totals:

- 80 percent of all the funds allocated for this purpose, where a severe disability has been established or where a person's capacity for work is rated below 25 percent or where he/she has a high level of special needs;
- 70 percent of all the funds allocated for this purpose, where a medium disability level has been established or where a person's capacity for work is rated between 30-40 percent or where he/she has a medium level of special needs;
- 65 percent of all the funds allocated for this purpose, where a mild disability level has been established or where a person's capacity for work is rated between 45–55 percent or where he/she has a low level of special needs;

The amount of subsidies for the creation (adjustment) of work places for disabled persons was unified with the amount of the subsidy for the creation (adjustment) of a work place established in the Law on Support for Unemployment. A work place, the creation of which was subsidised, must be occupied for a period of at least three years. Within 30 working days from the dismissal of an employee, the employer must employ another person belonging to the target group of the disabled.
2.2. LABOUR RELATIONS AND WORK REMUNERATION

2.2.1. LABOUR RELATIONS

2.2.1.1. Collective Labour Relations

In 2011, the implementation of the Programme for Strengthening Social Dialogue in Lithuania for 2007-2011 \(^4\) was accomplished. In the course of the implementation of the programme measures, 18 coordination training and education centres in Kėdainiai, Mažeikiai, Marijampolė, Alytus, Utena, Šiauliai, Druskininkai, Varėna, Anykščiai, Panevėžys, Naujoji Akmenė, Elektrėnai, Klaipėda, Kaunas, etc. were established. Social partners in districts and municipalities were encouraged to establish bilateral and trilateral councils, commissions and conclude collective agreements. In the course of the programme implementation, the Lithuanian Confederation of Trade Unions, the Lithuanian Labour Federation and the Lithuanian Trade Union “Solidarumas” established 24 trilateral and bilateral councils and commissions in Ukmergė, Šiauliai, Plungė, Utena, Alytus, Mažeikiai, Radviliškys, Akmenė, Varėna, Anykščiai and other Lithuanian cities.

The Lithuanian Trade Union “Solidarumas”, the Lithuanian Labour Federation, and the Lithuanian Confederation of Trade Unions organised seminars, conferences and trainings across Lithuania on the level of counties and municipalities. 697 events were organised. In the course of these events 18,291 persons were trained, methodological material on safety and health at work was developed and issued, 85 committees on safety and health at work were established.

Seeking to encourage social dialogue, educational activities regarding the conclusion of sectoral collective agreements were organised. The Lithuanian Trade Union “Solidarumas” and the Lithuanian Labour Federation concluded 81 collective agreements on enterprises’ level.

Having implemented this programme, social dialogue in counties and municipalities was enhanced, and the cooperation between trade unions and employers’ organisations as well as abilities to participate in the social dialogue were improved. The public was constantly informed about the importance and benefits of social partnership as well as about decisions made in Lithuania with regard to issues significant for employees.

In 2011, the Ministry of Social Security and Labour did not register any national, territorial or sectoral collective agreement. At present, only one collective agreement registered and signed in 2007 is in force in Lithuania. It is the collective agreement between the Lithuanian Journalist Union and the National Regional and Local Newspaper Publishers Association. In 2012 the Ministry of Social Security and Labour registered first territorial collective agreement between West Lithuanian builders and architects national association of Trade Unions and Association of Western Lithuania construction and design group.

According to the existing provisions of the Labour Code, collective agreements of an undertaking need not be registered. In 2011, officials of the State Labour Inspectorate inspected 12,325 companies and their structural divisions (a total of 15,935 companies were inspected in 2009, and 12,411 – in 2010), and established that trade unions were registered in 305 companies (347 trade unions were registered in 2009,

and 298 trade unions – in 2010), 89 companies delegated representation and protection of employees to sectoral trade unions. In 2009, 124 companies delegated these functions to sectoral trade unions, and in 2010 this number reached a total of 83 companies. A total of 153 companies formed labour councils or delegated the functions of labour councils to employees’ representatives. In 2009, 207 companies formed labour councils or delegated their functions to employees’ representatives, and in 2010 this amount reached a total of 166 companies. In 2011, a total of 273 collective agreements were signed (290 corporate collective agreements were signed in 2009, 248 corporate collective agreements were signed in 2010)\(^5\). As the above data shows, social partnership and the scope of collective negotiations developed equally in 2011, if compared to 2009-2010. However, the impact of the long-term economic crises is still visible and the growth of social partnership, observed in 2006 – 2008, is still a goal. One of the most significant legal acts regarding collective labour agreements adopted in 2011 was the Law Amending the Law on European Work Council of the Republic of Lithuania\(^6\) implementing Directive 2009/38/EC of the European Parliament and of the Council of 6 May 2009 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees\(^7\). The aim of the Law is to ensure that counselling and information provision possibilities in companies or groups of companies of the European Union are enhanced and the role and security of representatives of employees are strengthened. The Law enhances the notions of counselling and information provision, establishes the provision including intergovernmental issues related only to a European Union company or a group of companies or to at least two companies of a European Union group of companies or subdivisions of a European Union company or a group of companies situated in different Member States into the competence of the European Works Council and the procedure for provision of information and counselling services to employees. In addition, it specifies the top management or another management responsible for the submission and transmission to concerned parties of information necessary for the establishment of the European Works Council, and enhances the list of issues to be provided for in the agreement regarding the establishment of the European Works Council. The procedure for calculation of member places of the special negotiating committee, the European Works Council and the European Works Council Committee is simplified in the law. The law defines the notions of the “European Works Council”, “the European Works Council Committee”, “the special negotiating committee”, “intergovernmental issues” and “European trade unions and employers’ organisations recognised to be competent authorities”\(^8\).

The Implementation Measures Plan for 2009-2011 of 2009-2013 National Programme for the Development of Corporate Social Responsibility was approved by a resolution of the Government of the Republic of Lithuania\(^9\). The strategic goal of the plan is to create necessary conditions for the development of corporate social responsibility and encourage companies to adhere to the principles of corporate social responsibility in their activities. In October 2010, the implementation of an almost LTL 5,000 (thousands) worth project “GATES: Social and Environmental Business Innovations” aimed at promotion of development of corporate social responsibility in Lithuania was launched. As the

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\(^5\) Data from the State Labour Inspectorate.


\(^7\) (OJ 2009 L 122, p. 28–44).

data of 15 April 2012 indicates, the training on corporate social responsibility issues of 2,466 persons was financed from the funds of this project. 31 enterprises drafted and announced their corporate social responsibility reports, 5 methodological issues were drafted, 2 surveys were performed (a primary survey of economic benefit; an analysis of national situation in the field of corporate social responsibility), 264 events were organised (trainings, events aimed at dissemination of good practice, conferences, presentations), 38 enterprises joined the initiative of the United Nations Global Compact. 3 enterprises accomplished the introduction of corporate social responsibility standards and 4 joint business initiatives of non-governmental organisations when introducing corporate social responsibility standards were accomplished. In 2011, the National Responsible Business Awards were organised for the fifth time. This annual initiative of governmental authorities in Lithuania is aimed at enhancing people’s awareness about the benefit of corporate social responsibility for business, the state and every individual and at encouraging the country's enterprises to introduce corporate social responsibility principles in their activities. There are three nominations of corporate social responsibility – “Employer of the Year”, “Communal Sociability of the Year” and “Environmental Enterprise of the Year”. Each nomination is further divided into three categories when small and medium sized enterprises, large companies of the country and foreign capital companies operating in Lithuania are awarded. The most distinguished companies are awarded in the main nomination – “Socially Responsible Enterprise”.

2.2.1.2. Individual Labour Relations

In 2011-2012, during the implementation of provisions of the Government Programme of the Republic of Lithuania, which provide for immediate action in the context of the crisis and allow more flexible regulation of labour relations, and taking into consideration the situation in the labour market when seeking to retain jobs it is essential to apply a more flexible regulation of legal labour relations, a Draft Law Amending and Supplementing the Labour Code was drafted. The draft law is aimed at enhancing the flexibility of labour relations, encouraging creation of new jobs, decreasing unemployment, employment of the youth, decreasing the administrative burden, modernisation of the labour market, and balancing the regulation of labour relations with safety at work assurance. When seeking flexibility in labour relations, it is important to ensure the balance between interests of employees and employers, increase their mutual confidence and enhance social responsibility. The Draft Law is also aimed at enabling a more prompt reaction of people to market changes by enhancing the possibility for concluding fixed-terms employment contracts; establishing the term for notifying about the termination of a employment contracts according to the length of service of an employee of a relative company; repealing provisions regarding the dismissal of employees of certain categories only in special cases; refusing severance pay exceeding four months’ average monthly wages; providing a possibility for establishing a longer working day; providing possibilities for a more flexible regulation of a working week; calculating annual leave in working days; providing a possibility for parties to agree on unpaid leave; providing a possibility for creating a list of specific works and duties regarding contracts of full material liability in work, and etc.

Provisions of the Labour Code regulating termination of the employment contract when the location of the employer (or his representative) is not known and the employment contract with

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employees cannot be terminated were revised and Resolution of the Government of the Republic of Lithuania\textsuperscript{11} establishing that employees’ requests regarding the termination of labour relations shall be accepted, publicly announced by the State Labour Inspectorate, which will also provide information on the termination of labour relations. Up to the present moment, such workers could not address the Labour Exchange without identifying the location of the employer or his representative, and such contracts were left unterminated.

The provisions of the Labour Code\textsuperscript{12} providing for better labour conditions for employees bringing up children are revised by establishing that employees working in shifts and bringing up children have the right to use one free day within a period longer than one month.

The Law on Temporary Agency Work\textsuperscript{13} as well as legal acts necessary for the implementation of the above Law and transposing provisions of Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency\textsuperscript{14} work were produced. Pursuant to the Law, a temporary work agency is an employer who, in compliance with the Law on Temporary Employment of the Republic of Lithuania, has the right to implement temporary employment, whereas, a temporary employee is defined as an employee with a temporary employment contract with a temporary work agency. The Law specifies the user of temporary work, i.e. a natural or legal person or another organisational structure which may act as an employer. The Law also defines mutual rights and obligations of the temporary employee and the temporary employer as well as establishes legal relations between a temporary work agency and a user of temporary work.

While implementing Directive 2009/52/EC of the European Parliament and of the Council of 18 June 2009 providing for minimum standards on sanctions and measures against employers of illegally staying third-country nationals\textsuperscript{15}, a Draft Law on Prohibition of Illegal Work of the Republic of Lithuania was drafted and submitted to the Government of the Republic of Lithuania. During the Plenary Meeting of the Seimas of the Republic of Lithuania on 13 March 2012, the submitted Draft Law on Prohibition of Illegal Work and its draft secondary legislation were not approved and were sent to the initiator for further improvement. The mains reason for disapproval is explained by the fact that Directive 2009/52/EC should be transposed only in line with the requirements of the Directive, i.e. European Union legislation should be transposed separately from other legal initiatives by amending only valid acts, first of all, the Labour Code.


\textsuperscript{11} Resolution No. 220 of 23 February 2011 of the Government of the Republic of Lithuania on the Approval of the Description of the Procedure for Termination of Labour Relations when it is Impossible to Establish the Location of the Employer (if the Employer is a Natural Person) or Representatives of the Employer (Official Gazette \textit{Valstybės žinios}, 2011, No. 24-1170).


\textsuperscript{13} The Law on Temporary Agency Work of the Republic of Lithuania (Official Gazette, \textit{Valstybės žinios}, 2011, No. 69-3287)

\textsuperscript{14} (OJ 2008 L 327, p. 9).

\textsuperscript{15} (OJ 2009 L 168, p. 24).
2.2. REMUNERATION FOR WORK

2.2.1. Remuneration for work in 2011-2012

Seeking to reduce state budgetary appropriations for work pay, to stabilise the state system of finance and to use state funds more rationally, and considering the difficult situation in the European and world economies and financial markets, the amounts of remuneration of state politicians, state officials, judges, civil servants and employees of budgetary institutions, which were cut down in 2009, were valid in 2011. In 2011, the Seimas and the Government adopted amendments to legal acts specifying that the above mentioned cut downs would be valid in 2012. The Republic of Lithuania Law on the Rate of Basic Salary (Remuneration) of State Politicians, Judges, Public Officials and Civil Servants Applicable in the Year 2012\(^\text{16}\), which establishes the same rate of the basic salary as the rate applicable in 2011\(^\text{17}\) (LTL 450), was adopted. Laws prolonging decreased salary coefficients of state politicians, civil servants, judges and other state officials until 31 December 2012\(^\text{18}\) were also adopted. The maximum coefficients of official wages and bonuses of heads of budgetary institutions and organisations, heads of structural divisions and their deputies were also reduced in a similar way\(^\text{19}\).

The issues of remuneration for work of prosecutors and social workers were also put under consideration. In the course of the implementation of the structural reorganisation of the prosecutor's office of the Republic of Lithuania, the basic salary coefficients of senior prosecutors of county prosecutor's, their deputies and prosecutors of specialised divisions were increased from the general state budget appropriations for the General Prosecutor\(^\text{20}\). Seeking to increase the official remuneration of social workers, the Government established a 30 percent higher maximum amount of official remuneration of social workers for a period of one year\(^\text{21}\).

As the data of the Department of Statistics of the Republic of Lithuanian indicates, in 2011, the average monthly gross earnings of the national economy (with individual enterprises) amounted to

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\(^\text{16}\) Republic of Lithuania Law on the Rate of Basic Salary of State Politicians, Judges, Public Officials and Civil Servants, Applicable in the Year 2012 (Official Gazette \textit{Valstybės žinios} 2011, No. 150-7048).

\(^\text{17}\) Republic of Lithuania Law on the Rate of Basic Salary (Remuneration) of State Politicians, Judges, Public Officials and Civil Servants, Applicable in the Year 2011 (Official Gazette \textit{Valstybės žinios} 2010, No. 86-4514).


LTL 2,042 and were 2.7 percent higher than in 2010. In the public sector, the average monthly gross earnings amounted to LTL 2,238 and were 2.5 percent higher than in 2010. The private sector (with individual enterprises) had the average monthly gross earnings reaching LTL 1,927 and exceeding the same indicator of 2010 by 3.3 percent. The growth of work remuneration was greatly determined by the growth of production and labour productivity.

2.2.3 COMPLIANCE WITH LABOUR LAWS

Over 2011, the State Labour Inspectorate under the Ministry of Social Security and Labour (hereinafter referred to as the State Labour Inspectorate) performed 12,325 inspections out for compliance with labour laws (11,981 inspections in 2009, 9, 387 inspections in 2010). A total of 4,920 cases of discovered infringements of labour legal acts and requests to eliminate these infringements were registered in 2011 (7,039 – in 2009 and 5,266 in 2010). The requests submitted in 2011 indicated 18,259 infringements of labour laws (18,788 – in 2009, and 13,931 in 2010).

A total of 4,482 infringements of labour laws were identified in 2011. This amount included the following infringements: 2,582 infringements of employment contract conclusion, implementation and termination, 4,195 infringements of regulation of working time and rest time. 1,340 remuneration infringements were also established. Data on labour law violations in 2010-2011 are provided in Figure 2.2.3-1.

Violations of labour laws identified during the inspection of enterprises and their structural divisions in 2010 and 2011 (percentage of all identified violations)

Since 2006, a decreasing tendency in the number of work and rest infringements has been observed. In 2006, the State Labour Inspectorate discovered a total of 12,417 of such infringements, whereas, in 2010, this number dropped down to 4,848, and in 2011– to 3,091. Since 2007, the State
Labour Inspectorate defined more violations of employment contract conclusion, implementation and termination, however, in 2010, the number of such violations dropped down and became even lower than that registered in 2007: 2007 – 5,857 violations, 2008 – 6,545 violations, 2009 – 6,994 violations, 2010 – 5,036 violations, 2011 – 2,582 violations. And respectively, in 2011 the number of work remuneration violations dropped down to – 2,020, in 2009 – to 4,798, and in 2010 – to 3,351.

**Illegal Work**

The summarized data for 2011 from all institutions exercising control over and implementing prevention of illegal work (the Police Department under the Ministry of the Interior, the State Tax Inspectorate under the Ministry of Finance, the Financial Crime Investigation Service under the Ministry of the Interior, and the State Labour Inspectorate under the Ministry of Social Security and Labour), by type of illegal activity falling within the competence of each institution (illegal work, activities conducted without a business certificate, activities without having registered a company, without a licence or other illegal activities) shows that the Police Department discovered the major share of illegally employed persons (4392). In 2011, the State Labour Inspectorate discovered 928 illegally employed persons. In 2011, within the framework of prevention and control over illegal work, the State Labour Inspectorate carried out 3,644 inspections for illegal work. The inspections revealed 1,823 illegal workers, including 26 persons below 18 years of age and 7 foreigners. Over 12 month of this year, the Inspectorate drew up 455 records of administrative offences in respect of 763 illegal workers under Article 41-3 (Illegal Work) of the Code of Administrative Offences. The number of illegally employed workers discovered in 2009-2011 is presented in Figure 2.2.3-3.

**Illegally employed persons discovered in 2009-2010**

![Data of the State Labour Inspectorate](image)

*Fig. 2.2.3-2*
The analysis of the data of the State Labour Inspectorate on the number of illegal workers identified in 2011 according to economy sectors reveals that the largest number of cases of illegal work was identified in the following economic activity sectors: construction – 32.04 percent, agriculture – 7.90 percent, wholesale/retail trade – 10.20 percent, forestry – 6.86 percent. The following economy sectors have remained the sectors of the highest risk of identifying illegally employed persons: construction, agriculture, wholesale and retail trade, hotels and restaurants.

It should be noted that in comparison with 2010, the number of identified illegally working persons decreased in the following sectors: apparel production (2010 – 4.68 percent, 2011 – 2.58 percent), transport, warehousing, communications (2010 – 5.04 percent, 2011 – 2.52 percent). However, the number of illegally employed persons in the construction sector increased considerably – from 30.33 percent in 2010 to 32.04 percent in the construction sector, from 8.78 percent to 10.20 percent in the sectors of wholesale and retail trade. In other sectors there was a slight change in the relative indicators of the cases of illegal work.

The majority of illegally employed persons are identified in enterprises – 49.15 percent (inspections – 66.05 percent), employed by natural persons – 43.77 percent (inspections – 27.22 percent) and employed by farmers – 7.08 percent (inspections – 6.72 percent). It was observed that the number of illegally employed persons identified by the State Labour Inspectorate working for natural persons has increased considerably (70 percent more than in 2010).

2.3. TOPICALITIES OF SAFETY AND HEALTH AT WORK

Safety and health at work involves all preventive measures aimed at the retention of working capacity, health, and life of employees. These measures are used or planned in all operational stages of a company in order to protect employees from the occupational risk or reduce this risk to the lowest possible extent. The national status of safety and health at work for 2011 and the topicalities of legal acts in the field of labour policy in 2011-2012 are described below.

2.3.1. SAFETY AND HEALTH AT WORK IN ENTERPRISES IN 2011

According to the data of the State Labour Inspectorate of the Republic of Lithuania (hereinafter referred to as the State Labour Inspectorate), in 2011, labour inspectors performed almost 8,000 inspections of safety and health at work. 18,000 violations of regulatory acts governing safety and health at work were identified, out of which 43 percent – violations of requirements for protection of workers from hazardous conditions of working environment.

22 The Republic of Lithuania Law on Safety and Health at Work (Official Gazette, Valstybės žinios, 2003, No. 70-3170).
Accidents at Work

In 2011, Lithuanian enterprises experienced 2,696 accidents at work directly related to work activities (hereinafter – accidents at work), out of which:
- 53 fatal accidents at work;
- 126 serious accidents at work;
- 2,517 minor accidents at work.

237.8 accidents at work fell per 100,000 workers, out of which 4.7 accidents at work were fatal and 11.1 were serious.

In 2011, the total number of accidents at work per 100,000 workers was higher than in 2010 and 2009; however, it was lower than the number of accidents recorded in 2008 and 2007. The number of serious accidents at work per 100,000 workers in 2011 was higher than the number of such accidents recorded in 2008-2010, but lower than such number observed in 2007. In 2011, the total number of fatal accidents at work per 100,000 workers was higher than in 2010 and 2009; however, it was lower than the number of such accidents recorded in 2008 and 2007.

The number of fatal and serious accidents at work per 100,000 workers in 2007-2011

Data of the State Labour Inspectorate

Occupational diseases

In 2011, the State Register of Occupational Diseases registered 402 cases of occupational diseases among 250 persons. 328 (82 percent) of occupational diseases were diagnosed to men, and 74 (18 percent) of occupational diseases were diagnosed to women.
The comparison of the cases of occupational diseases and the number of diseased people in 2006-2010 indicates that the number of occupational diseases in 2006-2011 decreased from 1,447 to 402. The number of people diagnosed with occupational diseases was decreasing respectively.

In 2011, like in 2010, the following occupational diseases prevailed in the register:

- diseases pertaining to connective tissue and skeletal-muscular system (211 cases or 53 percent)
- Ear diseases (94 cases or 24 percent);
- Nervous system diseases (76 cases or 19 percent).

The number of occupational diseases and the number of persons diagnosed with these occupational diseases in 2006-2011

![Graph showing the number of occupational diseases and diagnosed persons from 2006 to 2011]

**Data of the State Register of Occupational Diseases**  
*Figure 2.3.1.2-2*

### 2.3.2. Amendment of the Legal Framework in 2011–2012

In the course of implementation of the provision of Articles 8 of the Law on Safety and Health at Work stipulating that specialists competent in safety and health at work shall be trained pursuant to special study programmes for the fields of economic activity by higher education institutions and educational establishments of the Republic of Lithuania possessing the licences issued by the Ministry of Social Security and Labour of the Republic of Lithuania to train pursuant to such programmes, and having regard to the practice of application of the General Provisions of Training and Certifying
Workers on Safety and Health at Work Issues, the General Provisions of Training and assessment of Workers on Health and Safety at Work have been approved. After these provisions came into force on 1 January 2012, the certification procedure of specialists of safety and health at work, employers and their representatives, who perform the functions of the safety and health at work service, or persons authorised by employers to be in charge of safety and health at work, was changed. Theoretical knowledge is tested in line with the procedure specified by the State Labour Inspector. The test contains up to 60 questions from each training programme. The duration of the qualification improvement training for specialists of safety and health at work, persons authorised by employers to be in charge of safety and health at work shall last for at least 60 hours per 5 years.

In order to ensure the implementation of provisions of Council Directive 2010/32/EU of 10 May 2010 implementing the framework Agreement on prevention from sharp injuries in the hospital and healthcare sector concluded by HOSPEEM and EPSU, the Provisions on the Prevention of Sharp Injuries in the Hospital and Healthcare Sector, which will come into force on 1 May 2013, have been approved. The provisions specify requirements for assessment of risk of sharp injuries, information and training of employees, submission of notifications on accidents or incidents related to sharp instruments, response and further actions. According to these provisions, free of charge immunologic prophylaxis with effective vaccine should be offered no only to employers, but also to students who perform activities related to health care.

The deadline for the implementation of requirements of Directive 2004/10/EC of the European Parliament and of the Council of 29 April 2004 on the minimum health and safety requirements regarding the exposure of workers to the risk arising from physical agents (electromagnetic fields) (Eighteenth individual Directive within the meaning of Article 16(1) of Directive 89/391/EEC) was postponed until 30 October 2013. With regard to the above it was established that the Regulations on Protection of Workers from the Risks Arising from Electromagnetic Fields will come into force on 31 October 2013, instead of 30 April 2012. The European Commission seeking to ensure high level of health and safety at work and to develop opportunities for further use of electromagnetic fields in medicine and other fields and develop these activities has drafted a proposal regarding the new directive.

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25 OJ 2010 L 134, p. 66
which would amend Directive 2004/40/EC. This proposal is under consideration in the Council of the European Union.

In the course of the implementation of Paragraph 2 of Article 5 of the Law on Monitoring Potentially Hazardous Equipment stipulating that state institutions in charge of the organization of maintenance of potentially hazardous equipment of certain categories approve regulatory acts of maintenance of equipment the maintenance of which they organise, the Rules for Use and Maintenance of Suspended Access Equipment and Platforms Positioned on Ground, the Rules for Use of Recreational Equipment and the Rules for Use and Maintenance of Mobile Elevating Work Platforms were approved. All these rules took effect on 1 May 2012.

In the course of implementation of Commission Decision 2012/32/EU of 19 January 2012 requiring Member States to prohibit the placing on the market of flail-type cutting attachments for portable hand-held brush cutters, Order No. 28 of 6 March 2000 of the Minister of Social Security and Labour of the Republic of Lithuania “On the Approval of the Technical Regulation “Machinery Safety” was supplemented with a provision that flail-type cutting attachments for portable hand-held brush cutters comprised from several joint metal parts shall not be placed on the Lithuanian market, since they do not meet safety requirements stipulated in paragraphs 1.3.2 and 1.3.3 of Annex 1 of the above regulation.

31 Official Gazette, Valstybės žinios, 1996, No.46-1116; No. 89-2742; 2003, No. 119-5404.
35 OJ 2012 L 18, p. 5
36 Official Gazette, Valstybės žinios, No. 23-601; 2004, No. 7-149.
3.1. SOCIAL INSURANCE: GOALS AND REFORMS

Social insurance is the major part of the social security system and its key aim is to guarantee revenues for the insured in the event of the loss of working capacity in the result of a disease, maternity, old age, disability and in other cases specified by the Law on the State Social Insurance. The creation of the social security system was aimed at providing persons incapable to work and persons without permanent revenues with the right to paid benefits on the basis of their contributions in line with the law instead of providing them with the “state maintenance”.

The Law on State Social Insurance of the Republic of Lithuania stipulates an obligation to pay state social insurance contributions for all working persons and persons receiving revenues. By paying state social insurance benefits these persons ensure themselves with social guarantees, and, in case of an insured event, with the right to receive benefits. All persons employed under a chosen and performed type of activity or activities pay state social insurance contributions on all of the revenues received from the types of activities they perform, which in turn increases the amount of their state social insurance benefits (for example, old age pensions). In addition, social insurance contributions paid by persons participating in the social insurance system and receiving income are used to ensure the payment of state social insurance benefits to old-age pensioners, the disabled and persons of other groups.

In the year of 2011, as well as the preceding year, may be called a period of regular savings and new challenges, since the country is still facing the economic and financial effects of the financial crisis, which led to the reduction of income in the State Social Insurance Fund budget, subsequently resulting in the deficit of the budget. Notwithstanding the aforementioned difficulties, insured persons received state social insurance benefits in a timely manner, since the issues of the financial assurance of the current period have been continuously addressed.
3.1.1. THE COMPLETED WORKS WHILE REFORMING THE SYSTEM OF STATE SOCIAL INSURANCE

Over the last several years in a row the budget of the State Social Insurance Fund Budget has not been balanced (deficit), therefore, the social insurance system remains the field with the highest demand for reforms and concrete actions. To that end, on 24 May 2011, the Seimas of the Republic of Lithuania approved the Guidelines for the Reform of the System of Social Insurance and Pensions. The long-term goal of which is to create a safer, more sustainable and transparent system guaranteeing adequate benefits, as well as to reform the current model of the state social insurance and pension system and ensure decent life of the elderly people and adequate reward for the life-long work. The guidelines for the reform of the system of the state social insurance and pensions specify the main principles of the pension system reform, which are used to establish clearer and more solid types of contributions and benefits by linking the amounts of benefits to the amounts of the mentioned contributions and the period for which social insurance contributions were calculated and paid, thus, encouraging people's participation in the system of social insurance. Moreover, in order to achieve the aim of the reform, the guidelines propose to make benefits more dependent on paid contributions, so that the procedure for granting basic pensions changes to replace currently paid social insurance pensions, survivor's social insurance pensions and social assistance pensions with one non-contributory pension from the state budget of the Republic of Lithuania. Pursuant to the above guidelines, on 8 June 2011, the Government of the Republic of Lithuania approved the Plan of Implementation Measures of the Guidelines for the reform of the System of Social Insurance and Pensions.

Works performed in the field of social insurance:

- starting from 2012, the old-age pension has been gradually extended, i.e. every year adding 4 months for women and every year 2 months for men, so that the pensionable age reaches 65 years by 2026;
- On 1 July 2011, a new system of maternity (paternity) social insurance allowances came into force. It provides a person with a possibility of choosing the time for receiving benefits, i.e. for the period of one or two years, in order to balance family and career opportunities;
- The structure of administration institutions of the State Social Insurance Fund has been improved since 1 January 2012 (the annual effect of the reform – LTL 10.5 million);
- Draft laws on pension accumulation in private pension funds (2nd pillar pension accumulation) were submitted to the Seimas of the Republic of Lithuania at the outset of 2012);
- In June 2012 it was resolved to pay unpaid amounts to pensioners employed in 1995-2002;
- In the beginning of 2012, draft laws on a more efficient management of the property of the State Social Insurance Fund were submitted to the Seimas of the Republic of Lithuania. The draft laws propose stipulating that the property of the Fund, which is owned by the state, should be managed, used and disposed in line with the procedure established in the Republic of Lithuania Law on Possession, Use and Disposal of State-Owned and Municipal Property.

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38 Resolution No. XI-1410 of 24 May 2011 of the Seimas of the Republic of Lithuania (Official Gazette, Valstybės žinios, No. 66-3103)
39 Resolution No. 684 of 8 June 2011 of the Government of the Republic of Lithuania (Official Gazette, Valstybės žinios, No. 73-3509)
however, funds received through privatisation for the sold property should go to the Fund budget, instead of the state's budget, in order to enhance it with revenues from privatisation.

- On 1 January 2012, the 2009 level of state social insurance to the old-age and incapacitated from work pensions were restored.
- State pensions and other pension-like benefits, which are paid from the state budget, will not be reduced since 1 September 2012 for persons, who have revenues related to labour relations or other independent activities.

In the period from 1 August 2010 to 31 July 2012, privileges for employers employing persons with no previous working experience were applied. The privilege is aimed at providing more favourable conditions for these persons to be able to acquire work experience, and for the employer to pay lower state social insurance contributions. Persons, who are first time employed under a work contract and whose salary does not exceed the amount of three minimum monthly salaries in a period that does not exceed one year of their employment (365 calendar days calculating from the first day of employment and the total work period), must not be insured with social insurance pensions. It is planned to create a new measure aimed at encouraging youth employment and at the same time ensuring a person’s pension guarantees for him or her not to lose the state social insurance pension period and receive guarantees in the future.

### 3.2. RESULTS OF THE STRUCTURAL REFORMS OF THE STATE SOCIAL INSURANCE FUND BOARD

On 13 July 2011, the Government of the Republic of Lithuania approved to the draft resolution of the Ministry of Social Security and Labour “On the Consent to Reorganise Territorial Divisions of the State Social Insurance Fund Board”\(^{41}\). By 1 January 2012, the allowed maximum amount of positions in these institutions was cut down (by 435 positions) to 3,232 positions from the reorganisation process.

The other reason for the decision to reduce the number of employees was preconditioned by the fact that the majority of the services provided by the Fund Board were transferred to an electronic form. The reorganisation of territorial divisions of the Fund Board and optimisation of the structure of institutions administering the State Social Insurance Fund in 2012 is expected to save LTL 8 million in salaries and LTL 2.5 million in state social insurance contributions.

While reforming institutions administering the Fund Board, only 10 institutions with the status of a legal person were left out of 47 territorial divisions of the Fund Board. Figure 3.3-1 presents information about institutions administering the State Social Insurance Fund Board before and after the reform. It should be noted that the availability of services provided to clients of these territorial divisions did not deteriorate, since persons still may address the nearest division, i.e. the nearest division to their place of residence. The reorganisation improved the structure of institutions administering the State Social Insurance Fund Board, i.e. the management of general functions was centralised, a more efficient use of the funds of the State Social Insurance Fund and human resources was ensured and the quality of services was improved.

Institutions Administering the State Social Insurance Fund Board Before and After the Reform

The following divisions were reorganised by merging:

- Division of the Fund Board in Druskininkai, Lazdijai, Prienai and Varėna were merged with Alytus Division of the Fund Board;
- Division of the Fund Board in Jonava, Kaišiadorys, Kėdainiai were merged with Kaunas Division of the Fund Board;
- Division of the Fund Board in Kretinga, Palanga, Šilutė were merged with Klaipėda Division of the Fund Board;
- Division of the Fund Board in Šakiai, Vilkaviškis were merged with Marijampolė Division of the Fund Board;
- Division of the Fund Board in Biržai, Kupiškis, Pasvalys and Rokiškis were merged with Panevėžys Division of the Fund Board;
- Division of the Fund Board in Joniškis, Kelmė, Pakruojis and Radviliškis were merged with Šiauliai Division of the Fund Board;
- Division of the Fund Board in Jurbarkas, Raseiniai, Tauragė were merged with Šilalė Division of the Fund Board;
- Division of the Fund Board in Akmenė, Plungė, Skuodas, Telšiai were merged with Mažeikiai Division of the Fund Board;
- Division of the Fund Board in Anykščiai, Ignalina, Molėtai, Švenčionys, Ukmergė, Visaginas and Zarasai were merged with Utena Division of the Fund Board;
- Division of the Fund Board in Šalčininkai, Širvintos, Trakai were merged with Vilnius Division of the Fund Board.

The operating budgetary institutions perform the following functions after the reorganisation:

- control of the payment of calculated social insurance contributions, fines, penalties and recovery of unpaid social insurance contributions, fines and penalties on a compulsory basis;
- reception of applications for pensions, benefits or other benefits and granting of these pensions and benefits;
- management of the register of insured persons and control of the justification of amendments in the data of insured persons;
issue of state social insurance certificates of an established form; analysis of social insurance indicators and implementation of measures to improve these indicators; provision or relevant suggestions to the Fund Board; implementation of social insurance fund accounting in line with the procedure established by the Fund Board; calculation of penalties; compulsory recovery of funds from insurers paid from the State Social Insurance Fund in violation of the established procedure; recovery of pensions, benefits and other benefits overpaid to beneficiaries through the fault of the latter implemented in line with the legal regulation; execution of files of beneficiaries of nursery pensions, benefits and other benefits and issue of certificates of an established form to these beneficiaries; payment of pensions, benefits and other benefits and management of the register thereof; consideration of applications and claims on social insurance issues; granting and payment of benefits from the state budget of the Republic of Lithuania in line with the procedures established by laws; payment of social benefits from municipal budgets as per prior agreements with municipalities; control of the validity and lawfulness of the issue or extension of work incapacity certificates, vocational rehabilitation certificates, pregnancy and childbirth certificates (validity and lawfulness of the assessment of temporary incapacity for work); verification and challenge of the validity and lawfulness of the assessment of the level of the capacity for work (loss of capacity for work), its reason, occurrence time and term in line with the procedure established by the Government of the Republic of Lithuania or its authorised institution; pursuant to the procedure established by the Fund Board, collection of the data about the social insurance record or an equivalent record acquired by persons below the social insurance pensionable age and their acquired insured income or equivalent income; extension of recovery term of fines (except for the fines imposed by the Code of Administrative Offences) for the period of one year, the payment of unpaid social insurance contributions of self-employed persons for the period of one year, and the payment of penalties calculated from delayed social insurance contributions for self-employed persons; provision of data about the insurer, the insured person or the beneficiary of social insurance benefits in line with the procedure established by laws; implementation of social insurance and record keeping of persons insured with state funds; support of insurer’s financial requirements with prior approval of the Fund Board; implementation of other functions established in provisions of territorial divisions of the Fund Board and other legal acts.

It is expected that these reorganisations will help reduce the amount of funds allocated for administration as well as encourage higher quality services provided to clients, more efficient organisation of work of territorial divisions of the Fund Board. In order to ensure a more efficient use of the funds of the State Social Insurance Fund and human resources, the necessity of buildings owned by the fund is reviewed, which will help improve the availability of services and facilitate the accessibility of these services to clients. It is proposed to place territorial divisions subject to the State Social Insurance Fund and the Lithuanian Labour Exchange “under one roof”, so that the premises of the subject institutions are used more rationally. At the same time the management of assets is being optimised (territorial divisions of the Lithuanian Labour Exchange are transferred into unused premises, and the property unnecessary to perform social insurance functions is sold). In order to achieve a more efficient administration of unemployment benefits, it is planned to delegate the function of granting and payment of unemployment benefits to territorial divisions of the Fund Board in 2013, and in the future, all state pensions, compensation benefits and annuities will be paid by territorial divisions of the Fund Board, thus optimizing the administration of benefits and saving state funds.
3.2.1. SERVICES IN THE ELECTRONIC ENVIRONMENT – NO MORE VISITS TO THE TERRITORIAL DIVISIONS OF STATE SOCIAL INSURANCE FUND BOARD ARE NECESSARY

Starting from February 2012, owners of smart phones can use electronic services of the State Social Insurance Fund Board under the Ministry of Social Security and Labour. It is particularly relevant bearing in mind the rapid growth of the popularity of smart devices.

During the European Public Sector Awards ceremony, which took place in Maastricht on 15 November 2011, the management system of electronic incapacity for work certificates, electronic pregnancy and childbirth leave certificates (EPTS) of the State Social Insurance Fund Board was highly evaluated on the international level (was included into the list of top 15 public administration projects of the European Union) and received the nomination of the Best Practice. It should be noted that personal health care institutions started issuing incapacity for work certificates and pregnancy and childbirth leave certificates only through the EPTS from 1 July 2010. The State Social Insurance Fund Board under the Ministry of Social Security and Labour compensated personal health care institutions actual expenses on the acquisition of the signature-generating software not exceeding LTL 100 for one issued secure signature-generating software.

Personal health care institutions having introduced the above system, doctors spend less time on issuing electronic certificates, since they do not need to complete forms by hand, but to enter certain data about a patient's temporary incapacity for work or pregnancy and childbirth leave, and there is no need to certify certificates with the institution's seal. The electronic certificate is issued for one temporary incapacity for work period, which is confirmed by a doctor (electronic seal) only once and does not need to be completed. Thus, an ill person may apply for payment of the sickness allowance to an indicated account even before he or she gets well. Territorial divisions of the State Social Insurance Fund Board immediately receive notifications from personal health care institutions on incapacity for work and pregnancy and child leave certificates issued to insured persons and the latter have only to apply for the payment of the sickness allowance. In addition to reducing the amount of paper reports (registers) to be concluded in personal health care institutions, the EPTS system allows doctors forming various reports on electronic certificates issued in their institution. The system also allows providing employers with operative data on diseased employees. All these measures created conditions for improving the control of temporary incapacity for work.

The majority of services provided to residents by the State Social Insurance Fund Board were transferred into the electronic environment. The Electronic Resident Service System (EGAS) provides information on calculated and paid benefits, acquired state social insurance pension record. It can be used to submit electronic applications for benefits and issue of paper certificates. The system also allows submitting an inquiry regarding the conclusion of an agreement on state volunteer social insurance, allow third persons read personal information, for example, credit and insurance companies.

The Electronic Resident Service System provides six services, which require qualified electronic signature, and the rest of the eleven require only banking details. For example, the electronic signature is required when applying for maternity (paternity) and other benefits; however, to receive sickness allowance electronic banking data is enough. Residents may use this system, which is available at https://gyventojai.sodra.lt and it is free of charge. The introduction of this system is financed from the European Fund.
The State Social Insurance Fund Board is also developing an information centre. It will be reached through one short number 1883, which will operate across Lithuania. Through this number clients will be able to obtain all the information they need on state social insurance issues. Currently, the management of client calls is not centralised. The centralised provision of services of the State Social Insurance Fund Board is aimed at ensuring quality provision of phone services to clients as well as at improving the number of responses to calls and the time clients have to wait until their call is responded.

The network of collection of social insurance contributions has also been expanded, since insurers can pay these contributions not only through banks, but also through credit institutions, although, a unified account of the State Social Insurance Fund Board to improve the quality of service provided to clients has been developed.

3.3. IMPROVING COLLECTION OF THE STATE SOCIAL INSURANCE FUND BUDGET

In 2011 – 2012, a stable growth of state social insurance contributions was observed. Over the first four months of 2012, the amount of collected contributions exceeded the amount collected in the same period in 2008. Thus, the amount of collected social insurance contributions is equal to the amount collected in the period of economic growth. This was determined by the increasing number of the employed and their saved revenues.

As the preliminary data says, in the first quarter of 2012 the number of insured (employed) persons reached 1 and 191.8 thousand, which is 50 thousand more than in the same period of 2011. In the first quarter of 2012, the average monthly insured income of employed persons amounted to LTL 1,731; however, in the same period of 2011, this amount reached LTL 1,698, i.e. in 2012 it increased by LTL 32.

Over the first quarter of 2012, the budget of the State Social Insurance Fund received LTL 2,581.9 million, 7.4 percent or LTL 178.6 million more than the amount received in the same period of 2011. In the first quarter of 2012, social insurance contributions by insurers and insured persons amounted to 94.2 percent of the revenues received by the State Social Insurance Fund budget and reached LTL 2,430.8 million. Compared with the same period in the preceding year, the amount of these contributions increased by 8 percent or LTL 180.8 million. Over the first three months of 2012, social insurance contributions by self-employed persons reached LTL 36 million and compared to the same period of the preceding year, they increased by 1.1 percent or LTL 0.4 million.

Over the first quarter of 2012, the expenditure incurred by the State Social Insurance Fund amounted to LTL 3,326.8 million, i.e. 3.3 percent or LTL 107.6 million increase as compared with the same period of 2011. Expenditure on social insurance pensions made the major share of this budgetary expenditure. An amount of LTL 2,049.8 million was used to cover the expenditure on this type of insurance over the first three months of 2012, which is 6.9 percent or LTL 131.9 million more than in the same period of 2011. At the same time, social insurance contributions of this type of insurance amounted to LTL 1,627.2 million over the first three months of 2012, i.e. 422.6 million less than the amount of the calculated benefits. The increase in the expenditure of the social insurance pensions in the first quarter of 2012, if compared to the respective period in the preceding year, was preconditioned
by the amount paid of social insurance pensions being fully restored as of 1 January 2012, which state were reduced in 2010-2011. Therefore, the expenditure increased when compared to the period of the Temporary Law on Recalculation and Payment of Social Benefits application. Notwithstanding the increasing expenditure on social insurance pensions, sickness and maternity social insurance remains at the highest deficit level. Insurance contributions of this type of the beginning of 2012 cover only slightly more than a half of all the expenditure. However, decisions made over the last several years have proved to be effective, and expenditure on sickness and maternity social insurance has been gradually decreasing, since, if compared to the respective period of 2010, contributions of this type of insurance covered 5 percent of sickness and maternity social allowances.

In the first quarter of 2012, the expenditure on sickness and maternity social insurance amounted to LTL 356.4 million. Compared to the same period of 2011, they decreased by up to 13.3 percent or LTL 54.7 million. Contributions of this type of insurance reached LTL 199 million in the first quarter of 2012, i.e. LTL 157.4 million less than the expenditure of this type of insurance. Such a significant decrease in the amount of benefits of this type of insurance was influenced by the amended procedure for payment of benefits as of 1 July 2011. Pursuant to the new procedure, if person choses to receive maternity allowances for the period of one year, 100 percent of the reimbursed salary are paid, and if the period of two years is chosen, 70 percent is paid during the first year, and 40 percent of the reimbursed salary is paid during the second year. Pursuant to the previously valid procedure, 90 percent of the compensated salary was paid during the first year, and 75 percent – during the second year.

It should be noted that the expenditure on social unemployment insurance has been further decreasing. Over the first quarter of 2012, a total of LTL 68.2 million (25.5 percent) of this type of insurance was calculated, or LTL 23.4 million less than in the same period of 2011.

In the first quarter of 2012, the deficit of the State Social Insurance Fund budget reached LTL 744.9 million, i.e. by LTL 147 million less than planned. In the same period of 2011, the deficit of the State Social Insurance Fund budget was bigger by LTL 71 million and amounted to LTL 815.9.

It should be noted that according to the preliminary data, in March 2012, the income of the State Social Insurance Fund budget reached LTL 930.1 million, i.e. 6.3 percent or LTL 54.7 million more than the amount recorded in the same period of 2011. In March 2012, the incurred expenditure of the State Social Insurance Fund budget reached LTL 1,134.4 million, i.e. 5.1 percent or LTL 55.5 million more than in March 2011, when it reached LTL 1,078.9 million.

### 3.3.1. Indicators Describing the Implementation of the State Social Insurance Fund Budget in 2011

In 2011, the income of the State Social Insurance Fund budget exceeded the planned amount of income by LTL 109.6 million, i.e. by 1.5 percent. In 2011, income was planned with regard to forecasts announced by the Ministry of Finance by planning a 1.8 percent decrease in the average salary. Compared to 2010, the calculated income increased by LTL 623.0 million or 5.9 percent.

State social insurance contributions by insurers and insured employees, i.e. LTL 10,466.7 million or 94.2 percent, made the major share of the income of the State Social Insurance Fund budget, and, increased by 6.6 percent if compared to 2010. The accomplishment of the plan of social insurance contributions by insurers and insured employees was preconditioned with the fact that the number
of insured with all types of social insurance was 45.9 thousand (4.1 percent) higher than in 2010, and
the average monthly salaries of insured with all types of social insurance, on the basis of which social
insurance contributions are calculated, increased by LTL 30.2 more than planned. However, due to the
fact that insurers did not pay social insurance pension contributions for first time employed persons,
the State Social Insurance Fund budget did not receive LTL 57.8 million.

A total amount of LTL 358.9 million (LTL 30.6 million more than in 2010) was calculated
to reimburse appropriations from the State Reserve (Stabilisation) Fund for state social insurance
contributions transferred to pension accumulation funds.

The expenditure of the State Social Insurance Fund budget incurred in 2011 amounted to LTL
13,129.6 million, i.e. 3.3 percent, or LTL 446.8 million less that the planned expenditure and 1 percent
or LTL 137.9 million, if compared to 2010. In 2011, the expenditure of the State Social Insurance Fund
budget exceeded the planned amount of income by LTL 20.1 million, i.e. by LTL 612.9 million less
than planned. The deficit of the State Social Insurance Fund in 2010 reached LTL 2,738.5 million, LTL
2,827.1 million – in 2009, LTL 1,190.4 million in 2008.

The major share of the expenditure of the State Social Insurance Fund budget (LTL 7,668.0
million) in 2011 was used to pay pensions. The expenditure for pensions was LTL 46.3 million less than
planned, however, LTL 8.1 million more than in 2010. Due to the application of the provisions of the
Temporary Law on Recalculation and Payment of Social Benefits, the amount of expenditure in 2011,
if compared to 2009, was less by LTL 547.3 million, and due to the decrease in pensions – by LTL 327.3
million, and by LTL 220.0 million less – due to the decrease in pensions of employed persons.

In 2011, the expenditure on sickness and maternity allowances amounted to LTL 1,448.2 million,
i.e. 18.7 percent or LTL 333.2 million less than planned, and 15.9 percent or LTL 274 million less than
the expenditure of the same period in 2010. The decrease in the expenditure of this type of insurance
was preconditioned by changes in provisions of the Law on Sickness and Maternity Social Insurance and
the legal regulation of the Temporary Law on Recalculation and Payment of Social Benefits, according to
which, starting from 1 July 2010, maternity (paternity) allowances were reduced by 10 percent, i.e. maternity
(paternity) allowances, paid until the child is one year old, amounted to 90 percent of the reimbursed
salary, and, benefits paid until the child is two years old – to 75 percent of the reimbursed salary.

The employment social insurance calculated as per the rate of contributions for this type of
insurance (1.1 percent) approved in 2011 amounted to LTL 291.3 million, whereas the actual demand
for funds of the Employment Fund reached LTL 347.6 million, i.e. LTL 99.9 million or 22.3 percent less
than planned, and LTL 144.2 million or 29.3 percent less than in 2010.

The expenditure for social insurance of accidents at work and occupational diseases amounted
to LTL 44.1 million. 83.3 percent of the planned funds were used for this type of insurance, i.e. LTL 0.9
million or 2.1 percent more than in 2010. The majority of accident at work in 2011 is currently under
investigation, and the benefits related to these cases will be calculated and paid only in 2012.

The amount of funds transferred into the Compulsory Health Insurance Fund reached LTL
2,467.9 million, i.e. 61.3 million or 2.5 percent more than planned, and LTL 172.1 million or 7.5 percent
more than in 2010.

The amount of the funds transferred into pension funds reached LTL 358.9 million, i.e. 7.3
million or 2.1 percent more than planned, and 30.7 million or 9.3 percent more than in 2010. That
amounts to 2.7 percent of all the expenditure of the Fund. In 2011, accumulative pension contributions
were transferred into Pension funds for 1,032.7 thousand persons or 79.2 percent of insured persons,
however, 337.5 thousand or 32.7 percent of these persons did not have any insured income. The rate of accumulative pension contributions amounted to 2.0 percent in 2011.

As on 31 December 2011, the amount of unrepaid loans by the State Social Insurance Fund amounted to LTL 7,610.0 million.

The key social insurance expenditure incurred in 2011 is presented in Table 3.3.1-1

### The Key Social Insurance Expenditure Incurred in 2011 and Comparison with the Result of 2010

<table>
<thead>
<tr>
<th>Type of expenses</th>
<th>The calculated amount, LTL million</th>
<th>Percent of all expenses</th>
<th>Difference with the plan for 2011</th>
<th>Comparison with 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses on pensions</td>
<td>7,667.3</td>
<td>58.4</td>
<td>0.6 percent or LTL 46.3 million less than planned</td>
<td>0.1 percent or LTL 8.1 million more than in 201042</td>
</tr>
<tr>
<td>Expenses on sickness and maternity benefits</td>
<td>1,434.2</td>
<td>11.0</td>
<td>18.7 percent or LTL 333.2 million less than planned</td>
<td>15.9 percent or LTL 274 million less than in 2010</td>
</tr>
<tr>
<td>Expenses on unemployment social insurance benefit</td>
<td>A total of LTL 291.3 million were calculated according the contribution rate The total amount of expenses reached LTL 347.6 million43</td>
<td>2.6</td>
<td>22.3 percent or LTL 99.9 million less than planned</td>
<td>29.3 percent or LTL 144.2 million less than in 2010</td>
</tr>
<tr>
<td>Expenses on accidents at work and occupational diseases</td>
<td>44.1</td>
<td>0.3</td>
<td>83.3 percent of the plants were appropriated</td>
<td>2.1 percent or LTL 0.9 million more than in 2010</td>
</tr>
<tr>
<td>Funds transferred into the Compulsory Health Insurance Fund</td>
<td>2,467.9</td>
<td>18.8</td>
<td>2.5 percent or LTL 61.3 million more than planned</td>
<td>7.5 percent or LTL 172.1 million more than in 201044</td>
</tr>
<tr>
<td>Funds transferred into pension funds</td>
<td>358.9</td>
<td>2.7</td>
<td>7.3 percent or LTL 2.1 million more than planned</td>
<td>9.3 percent or LTL 30.7 million more than in 201045</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour

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42 Starting from 1 January 2011, certain provisions of the Temporary Law on Recalculation and Payment of Social Benefits of the Republic of Lithuania, which repealed certain restrictions for pension beneficiaries, became no longer effective (Official Gazette, Valstybės žinios, 2009, No. 152-6820)

43 Due to a more rapid growth of the national unemployment rate, the whole demand for funds of the Employment was additionally transferred.

44 Health insurance contributions calculated from the state social insurance benefit, the administration of which was launched in 2010 in the State Social Insurance Fund Board

45 In 2011, the rate of accumulative contributions amounted to 2 percent, like in 2010. Starting from 1 January 2009, this rate reached 3 percent, and starting from 1 July 2009 until 31 December 2009, it was 2 percent.
3.3.2. STATE SOCIAL INSURANCE LOANS

Over the last several years in a row, the budget of the State Social Insurance Fund was not balanced (deficit), therefore, the Government of the Republic of Lithuania had and still has to adopt decisions aimed at reducing the budget deficit and thus ensuring the implementation of obligations of the state in order to preserve the possibility of paying monthly state social insurance pensions to persons entitled to these pensions and other benefits of this insurance.

It should be noted that in 2009, an excessive deficit procedure was launched with regard to the Republic of Lithuania, and the recommendations submitted to the Republic of Lithuania by the European Union Council of Ministers require correcting the excessive deficit situation before the end of 2012 and reducing the deficit down to the amounts established in the Treaty Establishing the European Union.

It should be noted that in 2011, the State Social Insurance Fund Board under the state social insurance benefits to insured persons (Table 3.3.2-1), although, in 2009, the Government granted such loans to the State Social Insurance Fund Board for six times.

**Loans granted to the State Social Insurance Fund under the Ministry of Social Security and Labour in 2011-2012**

<table>
<thead>
<tr>
<th>Date and number of the Government Resolution</th>
<th>The amount of funds borrowed on behalf of the state for the State Social Insurance Fund Board, interest rate and purpose.</th>
<th>Repayment of the loan</th>
</tr>
</thead>
<tbody>
<tr>
<td>25 January 2012 and No. 79 (Official Gazette, <em>Valstybės žinios</em>, 2010, No. 152-7744)</td>
<td>Up to LTL 1,402 million loan until 20 December 2021 with 5.564 percent of interest rate to balance the cash flows of the budget of the State Social Insurance Fund.</td>
<td>The repayment of the loan starts on 20 January 2012 in equal pars each month.</td>
</tr>
<tr>
<td>17 August 2011 and No. 904 (Official Gazette, <em>Valstybės žinios</em>, No. 104-4873)</td>
<td>Up to LTL 720 million loan until 20 December 2016 with 4.401 percent of interest rate to balance the cash flows of the budget of the State Social Insurance Fund.</td>
<td>The repayment of the loan starts on 20 January 2014 in equal pars each month.</td>
</tr>
</tbody>
</table>

*Data of the Ministry of Social Security and Labour Table 3.3.2-1*

The budget of the State Social Insurance Fund, the rates and amounts of state social insurance contributions for different types of social insurance for 2011 were approved on 9 December 2010 by the Republic of Lithuania Law on the Approval of Indicators of the State Social Insurance Budget for 2011, according to which, the result of 2011, i.e. the expenses exceeded the income by LTL 2 billion 632.9 million. However, according to the available actual data, the result of the current year of 2001 of the State Social Insurance Fund was slightly lower, i.e. expenses exceeded the income by LTL 2 billion 020.1 million. The difference between the income and expenses of the State Social Insurance Fund budget for 2007-2014 is presented in Figure 3.3.2-1.

Although before 2008 the budget of the State Social Insurance Fund was not only balanced, but excessive, and the reserves of this budget were accumulated due to the rapid growth of the Lithuanian economy and the gross domestic product, which lasted for 5 years, the global economic crisis, which shattered all economies across the globe, negatively influenced the Lithuanian economy, and, therefore, the State Social Insurance Fund of the Republic of Lithuania became deficit in 2008. This deficit of 2008 was covered by the reserve accumulated by the State Social Insurance Fund, which was fully appropriated in 2008.

Over the last years, apart from state social insurance contributions, other sources of finance were sought for to ensure financing of the system of the state social insurance and to pay state social insurance benefits in a proper and timely manner. To that end, a total of LTL 500.0 million of short-term and LTL 1 billion 440 million long-term loans were taken in order to ensure the financing, administration and management of state social insurance pensions, sickness and maternity, unemployment, health and accidents at work social insurance. The structure of the deficit of State Social Insurance Fund budget for 2007-2014 is presented in percent in Figure 3.3.2-2.
Also in 2011, the State Social Insurance Fund budget received LTL 358.9 million of appropriations from the reserve (stabilisation) fund to compensate the funds for the state social insurance contributions transferred to accumulative funds. This amount was by LTL 30.7 million more than in 2010.

The state has to create a social insurance to help maintain living conditions to ensure personal dignity, and if necessity occurs, to ensure the provision of necessary social support. It should be noted that paternity allowances, paid during the paternity leave, but no longer until a child is one month old, were not reduced during the crisis and remained 100 percent of the personal reimbursed salary. The amount of the maternity allowance was not reduced either during the crisis and remained 100 percent of the personal reimbursed salary. The difference between the expenses and revenues on sickness and maternity insurance for 2006-2014 is presented in Figure 3.3.2-3.
Starting from 1 January 2012, the average monthly reimbursed salary of the beneficiary used to calculate benefits cannot exceed the sum total of 3.2 amounts of the insured income of the current year approved by the Government of the Republic of Lithuania, valid in the month of the establishment of temporary incapacity for work \((1,488*3.2= \text{ LTL 4,761.60})\), i.e. LTL 81.60 higher reimbursed salary than the salary valid before 2012. Whereas, before 2012 the average monthly reimbursed salary to calculate benefits could not exceed 4 amounts of the insured income of the current year approved by the Government of the Republic of Lithuania, i.e. LTL 4,680, since the insured income of the current year approved by the Government of the Republic of Lithuania reached LTL 1,170.

Starting from 1 July 2011, provisions of the Law on Sickness and Maternity Social Insurance are applied for new cases. The provisions increase the amounts of maternity (paternity) allowances by providing the possibility for a person for choosing or receiving a benefit in the amount of 100 percent of the reimbursed salary until the child is one year old, or receiving maternity (paternity) benefits for a period of two years: 70 percent of the reimbursed salary until the child is 1 year old, and 40 percent – until the child is two years old. Beneficiaries have also been provided with a possibility of working during the second year of their maternity (paternity) leave. The payment of maternity (paternity), when the second child is born, has also been improved: the amount of the benefit is increased with regard to the number of children born at the same time. However, the sum total of the paid benefits cannot exceed 100 percent of the amount of the beneficiary’s reimbursed salary. It should be noted, that benefits granted before 1 July are further paid in the same amount.

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Data of the Ministry of Social Security and Labour

Figure 3.3.2-3

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Starting from 1 May 2009, amendments to the Law on Sickness and Maternity Social Insurance, providing for a decrease in sickness allowances, which should stay effective until 31 December 2010, were effective. Taking into consideration the rate of the deficit of the State Social Insurance Fund, this reduction stays effective for an indefinite period of time by a resolution of the Republic of Lithuania.

3.4. THE PENSION REFORM – GOALS AND EXPECTED RESULTS

3.4.1. WHY THE REFORM IS NECESSARY?

While searching for a way to balance revenues and expenses of the State Social Insurance Fund within a short period, questions regarding further existence of the whole system of pensions, financial stability, and adequacy of benefits and transparency of the whole system emerged. With regard to the above questions, a conceptual framework of the reform of the State Social Insurance and Pensions system was drafted. It presented the main problems of the social insurance system and proposals to reform the system of pensions.

In order to launch the planned pension reform with the approval of all political forces, the Committee on Social Affairs and Labour initiated a draft Resolution of the Seimas “On the Approval of the Guidelines for the Reform of the System of Social Insurance and Pensions” (hereinafter referred to as the Guidelines). Since autumn 2010, when first version of this resolution was registered, thematic hearings, discussions in Seimas fractions were organised. In spring 2011, the Guidelines were deliberated in the Seimas of the Republic of Lithuania. These guidelines, adopted on 24 May 2011, specify the main directions of the reform of social insurance and pensions, which would create a possibility for the financial system to become financially sustainable, ensure the implementation of the principle of solidarity, encourage private pension accumulation and improve the work efficiency of authorities administering the system. The draft resolution is also aimed at ensuring adequacy and sustainability of present and future revenues of pensioners avoiding decreases in the ratio between the average pension and the average work remuneration.

The EU Commission Semester Recommendations suggest adopting legal acts regarding a comprehensive reform of the pension system, i.e. to use legal acts to harmonise the established retirement age with the average life expectancy, define clear pension indexing rules and improve systems of supplementary accumulation. The Recommendations also suggest justifying the pension reform with active ageing measures.

3.4.2. RETIREMENT AGE AND PROPOSALS TO AMEND THE PROCEDURE FOR CALCULATION OF PENSIONS

Lithuania, as well as other EU states, having evaluated its demographical situation where the number of payers of state social insurance contributions is decreasing, whereas the number of beneficiaries of social benefits is increasing, has gradually been postponing the retirement age. Thus, in the long time run, it is expected to ensure the financial stability of the financial system and the balance of the whole social insurance system.

Taking into consideration long-term forecasts, the reluctance to postpone the retirement age and the demographic pressure would leave Lithuania's state social insurance pension budget with a 1.5 percent GDP deficit by 2036, and almost 3 percent GDP deficit by 2060.

The data of the Department of Statistics indicates that the average life expectancy of people aged 65 in 2009 in Lithuania will reach: 13.38 years for men, and 18.25 years for women. According to Eurostat 2008 demographic forecasts, in Lithuania, the average life expectancy among men aged 65 will lengthen and by 2020 it will reach 14.9 year, by 2050 – 19 years, whereas, the average life expectancy among women aged 65 will reach 19 years by 2020, and 22.6 years by 2050.

Amendments to the Law on State Social Insurance Pensions took effect as of 1 January 2012. These amendments are aimed at gradually postponing the retirement age. Every calendar year, the retirement age will be increased by 4 months per year for women and 2 months per year for men, until it reaches 65 years in 2026. Therefore, in 2012, the retirement age for women is 60 years and 4 months, and 62 years and 8 months for men. With the increasing retirement age, every calendar year, the old age pension will be granted to those persons, who have reached the established age for the old age pension in the respective year.

Another important measure on the path to the transparency of the pension system established in the guidelines is the amendment of pension calculation and indexing. The guidelines provide for the following amendments in the calculation of pensions: either according to the notional defined contribution system or according to accounting units (points). The decision of which system should be used will be adopted by the Government of the Republic of Lithuania and submitted for deliberation in the Seimas of the Republic of Lithuania. The Guidelines specify that several social insurance benefits shall not be paid with respect to the same insured event. The Guidelines seek to establish that all benefits would be more dependent on residents’ contributions. The document also suggests paying the basic pension granted instead of the main social insurance pension, social insurance survivors’ pensions and social assistance pensions from the state budget. After the pension calculation and indexing procedure is changed, it will become clearer and more understandable, and the amounts of pensions will be clearly related to the future life expectancy and economic indicators of the country. The envisaged option to postpone the pension will enable accumulating units of accounting (“points”). This will be a strong incentive to stay in the labour market, pay contributions for as long as possible as well as to accumulate higher rights to pensions.

3.4.3. PENSION ACCUMULATION IN PRIVATE PENSION FUNDS

In 2011, a total of 1,054,457 persons (data as of 31 December 2011) were participating in the pension accumulation system, which was launched in 2004. In 2011, additional 24,198 persons signed pension accumulation agreements, and 9,329 persons – in 2012 (data as of 31 March 2012). They can accumulate funds for future pensions in 30 2nd pillar pension funds, which are managed by 9 enterprises (7 investment management enterprises and 2 life insurance companies). Like every year, new pension accumulation agreements will be signed before July 1, and persons newly entering the labour market will have the opportunity to conclude such agreements before October 1. Pursuant to the procedure established in legal acts, these agreements will come into effect on 1 January of the forthcoming year.

Although the pension accumulation system has been operating only for 8 years, according to the data of 1 April 2012, up to 8,957 pensioners received benefits from pension funds. Whereas the accumulation period was rather short to accumulate significant amounts, only 20 annuity agreements have been signed this year – the majority of the funds accumulated by beneficiaries were paid to them in the form of lump sums or regular payments.

Three years having passed after the pension accumulation agreement effect date, a pension accumulation participant obtains the right to change the manager of the pension fund. In 2011, a total of 31,106 persons changed their pension accumulation company, and 8,473 persons – their pension accumulation fund. At present, persons changing their pension accumulation company are entitled to settlements with respect to the closing of the pension account and transferring the funds. This amount cannot exceed 0.2 percent of the accumulated amount where the manager is changed once per calendar year. When changing a pension fund manager more frequently, the payment may reach up to 4 percent of the transferred amount.

When implementing the Government Programme of the Republic of Lithuania and seeking to ensure the sufficient amount of funds necessary to fulfil current obligations of the State Social Insurance Fund budgetary, the rate of the share of the state social insurance contributions transferred to pension funds remained 2 percent of employees remuneration in 2011, and the Seimas of the Republic of Lithuania, when approving the budget of the State Social Insurance Fund for 2012, approved new rates of the accumulation contribution transferred to pension funds. In 2012, an accumulative contribution amounting to 1.5 percent of personal income, which is used as the basis to calculate social insurance contributions, will be transferred to the pension fund accounts of pension accumulation participants. In 2013, the amount of this contribution will reach 2.5 percent of participants’ income. The Constitutional Court is deliberating the request to investigate whether the reduction of the amount of pension contribution in 2009 and 2010 down to 3 and 5 percent of participants’ income, which is used as the basis to calculate the amount of state social insurance contributions, does not contradict to the Constitution.

Pursuant to the legal regulation currently in force, having confirmed the end of the crisis, the Government of the Republic of Lithuania will have to submit to the Seimas proposals regarding the increase of the rate of cumulative contributions and gradual return to the previous level, i.e. 5.5 percent of personal insured income. Having evaluated current obligations of the State Social Insurance Fund

52 Law on the Accumulation of Pensions (Official Gazette, Valstybės žinios, 2003, No. 75-3472)
53 Republic of Lithuania Law on Approval of Financial Indicators of the State Budget for 2012 (Official Gazette, Valstybės žinios, 2011, No. 161-7620)
budget to current beneficiaries, the decrease in the number of insured persons during the crisis and the level of insured income to cover the budget demand for funds necessary to manage and cover debts, the possibility of refusing further increases in the rate of pension accumulation is under consideration. Such a decision would allow using social insurance contributions for the needs of current pensioners, however, it would be unfavourable for pension accumulation participants, especially older participants with lower income, since a low contribution rate means that pensions funds will not have enough funds to ensure future pensions. Therefore, deliberations of future directions in the pension reform include deliberation of possibilities for changing the current financing procedure of the cumulative pension system. One of the submitted proposals currently under consideration specifies that starting from 1 January 2014, pension accumulation participants should transfer a pension contribution in the amount of one additional percent of personal income, used as the base to calculate state social insurance contributions, and the state budget should transfer a pension contribution in the amount of one percent of the average monthly wages of the national economy to pension funds. Starting from 1 January 2016, the amount of the additional contribution paid by participants should reach 2 percent of participants' income, which is used to calculate state social insurance contributions, and the amount of the additional contribution paid from the state budget should reach 2 percent of the average monthly wages in the national economy. Starting from 1 January 2002, the amount of the pension contribution would reach 3.5 percent of personal income, the amount of the additional contribution paid by participants would reach 2 percent of participants' income, which is used to calculate state social insurance contributions and the amount of the contribution paid for participants from the state budget.

Another proposal is that starting from 1 January 2014, one of parents receiving maternity (paternity) social insurance benefit or insured with state social insurance, would choose a pension fund, to which 2 percent of the average monthly gross wages would be transferred from the state budget. Whereas one of the parents taking care of a child below 3 years of age and receiving a maternity (paternity) social insurance benefit or insured with state social insurance does not have contributions transferred to his or her social funds, and therefore, this parent loses additional pension guarantees.

Discussions regarding the reduction of deductions from pension assets in favour of a pension accumulation company are also currently under process. It is proposed that by 1 January 2013 annual deductions from pension assets according to every pension accumulation agreement with a pension accumulation company would not exceed 1 percent of the average annual amount of the funds calculated in a participant's pension account, and by starting from 1 January 2013, would not exceed 0.5 percent of the average annual amount of the funds calculated in a participant's pension account. Deductions from the contributions paid on behalf of a participant before 2013 would amount to not more than 10 percent, would not exceed 2 percent in 2013 and would be reduced by 0.5 percentage point each year until it reaches 0 percent.

Seeking the right decision regarding a pension accumulation company, a person may use the information provided on the Internet site www.pensijusistema.lt and compare the results of activities of pension funds operating in Lithuania and the amounts of administration charges imposed by these funds. The website contains addresses and contact telephone numbers of all supervision authorities and all companies rendering pension accumulation services, as well as detailed information on the pension accumulation system.
3.5. AMENDMENTS TO LAWS ON PENSIONS AND IMPLEMENTATION THEREOF

3.5.1. PENSION AMOUNTS RETURNED TO PRE-CRISIS LEVEL

As of 1 January 2012, pre-crisis amounts of state social insurance old age pensions, work incapacity (disability) pensions, survivors and orphans’ pensions, which in 2010-2011 were temporarily reduced in line with the Temporary Law on recalculation and Payment of Social Benefits of the Republic of Lithuania54 (hereinafter referred to as the Temporary Law), were restored. Pursuant to this law, as of 1 January 2010 state social insurance pensions were recalculated by increasing the main pension share up to 120 percent of the basic state social insurance pension and applying a lower amount of the insured income of the current year. The approved amount of the insured income, i.e. LTL 1,170 of the current year was used to recalculate pensions for the period of the temporary law in force. When recalculating pensions the amount of the bonus for the length of service did not change. If the amount of the pension recalculated in line with the temporary law was lower than the established minimum amount, a person received a compensatory supplement equal to the difference between the minimum state social insurance pension and the recalculated amount of the state social insurance pension.

As of 1 January 2010, provisions of the temporary law were not applied to state social insurance old-age pensions, early old-age pensions, retirement pensions, work incapacity pensions as a result of the loss of 60-70 percent of work capacity, pensions, which are lower than the legally established minimum amount (LTL 650), state social insurance orphans’ (loss of breadwinner) pensions and work incapacity pensions as a result of the loss of 45-55 percent of work capacity (3rd disability group), which are lower than half of the minimum amount (LTL 325).

The temporary law also provided for additional reductions of state social insurance old-age pensions, retirements pensions and compensations for extraordinary work conditions for persons, who had had insured income. These persons had their pensions recalculated and compensations reduced with regard to their insured income of the preceding calendar month. These persons had their pensions and compensations progressively reduced with regard to the amount of their personal insured income. Persons, whose insured income did not reach LTL 100, did not have their pension reduced additionally. Persons with insured income reaching or exceeding the amount of LTL 4,200 per month have their pensions recalculated by 30 percent.

During the period of the temporary law in force, survivors’ state social insurance pensions, as additional pensions, were recalculated by applying a respective coefficient calculated according to the formula indicated in Annex 1 to the temporary law. If a person received an orphan’s pension in the amount of LTL 70, a coefficient equal to 0.95 is used, i.e. he receives 95 percent of his or her former pension. If the orphan's pension is higher than LTL 70 and lower or equal to LTL 200, a lower coefficient calculated according to the formula was applied. If a person receiving an orphan’s pension was at the same time entitled to a state pension (pensions), this coefficient was calculated on the basis of the total amount of these pensions.

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54 Temporary Law on Recalculation and Payment of Social Benefits of the Republic of Lithuania (Official Gazette, Valstybės žinios, 2009, No. 152-6820)
State social insurance pensions, which were reduced according to the temporary law, were fully restored to the level of December 2009. Pensions were fully restored for unemployed as well as for employed beneficiaries of state social insurance old-age pensions. A total of 447 thousand old-age pensioners, about 86 thousand work incapacity (disability) pensioners and about 239.3 thousand orphans and survivors had their pensions restored to the pre-crisis level.

3.5.2. COMPENSATION OF REDUCED PENSIONS

The temporary law specified an assignment to the Government of the Republic of Lithuania to approve the procedure for compensation of reduced state social insurance old-age pensions and work incapacity pensions by 1 July 2010. The Constitutional Court in the Ruling of 29 June 2010 has stated that the abovementioned law is against the Constitution of the Republic of Lithuania in the extent that there is no provisions on compensation of significantly reduced state pensions as well. The Ruling of the Constitutional Court also stipulated that this legal regulation implies that the Government of the Republic of Lithuania is proposed to draft and approve the procedure for compensation of reduced pensions, which would not include key element of pension compensation (justifications, amounts, etc.), since these elements of reduced pension compensation should be provided for by legislative authorities.

Taking into consideration the ruling of 20 April 2010 of the Constitutional Court of the Republic of Lithuania, which specifies that the legislative authority must develop a mechanism of compensation of losses incurred due to the application of the temporary law and, within a reasonable period of time since the end of the extraordinary situation (economic crisis), compensate incurred losses to persons, who had been paid pensions in line with the temporary law, the Government of the Republic of Lithuania decided on a mechanism of compensation of losses and approved the Conception of Compensation of Reduced State Social Insurance Old-Age and Work Incapacity Pensions (hereinafter referred to as the Conception) by Resolution No. 968 of 1 July 2010 of the Government of the Republic of Lithuania. The Conception present the terms for the launch of compensation and the key principles of compensation. The launch of compensation is related with the a respective situation of the State Social Insurance Fund and the state budget, since the key requirement is that compensation cannot create a situation when the compensation itself causes a regress to the situation meeting the requirements for an extraordinary situation, or it cannot create an unsustainable obligation, which cannot be implemented within an actual period of time, and the beginning of the implementation of which would later be continuously amended or prolonged for an indefinite period of time. The conception specifies a period of 5-7 years from the launch of the compensation to increase reduced old-age and work incapacity pensions.

Pursuant to the provisions stipulated in the conception, the Ministry of Social Security and Labour has produced a draft law of compensation of reduced state social insurance old-age and work incapacity pensions and state pensions reduced on a large scale (hereinafter referred to as the draft law) and submitted this law for deliberation to the Government of the Republic of Lithuania.

56 Resolution No.968 of 1 July 2010 of the Government of the Republic of Lithuania “Regarding the Approval of the Conception of the Procedure for Compensation of Reduced State Social Insurance Old-Age and Work Incapacity Pensions” (Official Gazette, Valstybės žinios, No. 82-4333).
57 http://www.lrs.lt/pls/proj/dokpaieska.showdoc?P_id=108403&P_org=&P_fix=n&P_gov=n
3.5.3. PAYMENT OF THE UNPAID PART OF PENSIONS

In November 2007, when the Law on Payment of a Part of the State Social Insurance Old-Age and Work Incapacity Pensions of the Republic of Lithuania\(^{58}\) (hereinafter referred to as the law on payment of a part of pensions) was adopted, the legal basis for the payment of a part of pensions for limited insured income to pensioners working in 1995-2002 was created. The procedure for payment of a part of unpaid pensions was established by the Description of the procedure for payment of a Part of the State Social Insurance Old-Age and Disability Pensions\(^{59}\) approved by a resolution of 26 February 2008 Government of the Republic of Lithuania. Persons, who, according to this description\(^{60}\), are entitled to unpaid amount of pensions, had their payment term amended in line with an amendment to the Law on Payment of a Part of State Social Insurance Old-Age and Disability Pensions of the Republic of Lithuania\(^{61}\).

In June 2012 the remaining part of unpaid pensions was paid to persons, who were below 70 years of age on 1 January 2008 (the effective date of the Law on payment of a Part of State Social Insurance Old-Age and Disability Pensions). Older pensioners received unpaid parts earlier. These unpaid parts were paid to over 87 thousand persons. A total of LTL 254 million were used to pay unpaid parts of old-age and disability pensions. Unpaid pension parts were also paid to heirs of deceased beneficiaries of these pensions.

3.5.4. ANTICIPATED PENSIONS

On 1 January 2012, amendments to the Law on the Early Payment of State Social Insurance Old-Age Pensions\(^{62}\), specifying that the granting of anticipated old-age pensions will not require a person to be registered with the Lithuanian Labour Exchange for a period of at least 12 months before applying for anticipated old-age pensions. Therefore, starting from 1 January 2012, anticipated old-age pensions will be granted to permanent residents of Lithuania, who, on the date of the submission of the application of anticipated pension, meet the following requirements:

- a person had five years left before the old-age pension;
- a person has not less than 30 years of the state social insurance record;
- a person does not receive any other pensions or benefits;

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– a person does not work as per job agreement, on the basis of membership or service, independently; a person is not a farmer as per the Law on The Farmer’s Farm and does not receive any income in foreign states related to labour relations;

The average annual number of granted anticipated pensions reaches 5-6 thousand. In January 2012, the number of beneficiaries of anticipated old-age pensions reached 12.5 thousand and the average anticipated old-age pension reached LTL 627, whereas, in December 2011, the number of beneficiaries of anticipated old-age pensions was 12 thousand, and the average pension totalled LTL 608.97.

3.6. OUTLINE AND GOALS OF THE STATE PENSION REFORM

The system of state social insurance pensions operates in Lithuania alongside with the system of additional pensions financed from the budget. These are state pensions and annuities (hereinafter referred to as benefits). At present, the following benefits are granted and paid from the state budget:

- First and second degree state pensions of the Republic of Lithuania;
- State pensions for victims;
- Scientists’ pensions;
- Officers and servicemen’s state pensions;
- Judges’ state pensions;
- State annuities of the President of the Republic;
- Signatories’ state annuities;
- Former sport professionals’ annuities;
- Compensation payment for creative workers of theatres and concert organisations.

The purpose of these benefits is very different. Some of them are paid as compensations to victims (state pensions for victims) or to persons incapable to work according to their profession due to professional reasons (compensations to artists). Other pensions are paid as acknowledgement for honourably performed service (officers and servicemen’s, judges’ state pensions) or merits (scientists’ state pensions, sportsmen’s annuities) to the state of Lithuania. Some benefits are paid for the status (President’s and state signatories’ state annuities). First and second degree pensions of the Republic of Lithuania are granted for the legal status of a participant of the resistance against the occupation – voluntary servicemen and freedom fighters. These pensions are also granted as a high award of the state, an honour for women raising many children or honour donors, and for the status of the highest rank state official. As of 1 January 2011⁶³, first and second degree state pensions of the Republic of Lithuania are not granted to persons for merits, especially to those persons honoured to the state while creating and developing its statehood, economy, culture, science, art and sport, while defending its state independence, territorial integrity and constitutional order, however, those pensions, which had been granted before that date, are further paid to beneficiaries.

In 1995-2009, state financial obligations in this field were gradually increasing by enhancing the number of groups of persons entitled to these benefits, with basic pensions increasing. The demand for state budget funds was increasing respectively. Only in 2010-2011 expenses on these benefits decreased significantly (Figure 3.6-1), however, this decrease was determined by the application of provisions of the Temporary Law on Recalculation and Payment of Social Benefits.

The existing system preconditions the duplication of benefits (when two benefits are paid for the same length of service), which in turn conditions an obscure division between the social insurance system and its guaranteed benefits upon occurrence of an insured event and benefits from the state budget.

The system of benefits is not uniform, since different basic amounts (basic state pension, average wages, basic social benefits, length of service, received wages) and maximum amounts (unrestricted/restricted up to 1.3 of the average national salary), different conditions of granting and paying benefits (unpaid/paid for persons with insured income; applied/not applied age restrictions; applied/not applied requirement to be a permanent resident or citizen of the Republic of Lithuania) exist. Survivors and orphans’ pensions are granted for deceased beneficiaries of first and second degree pensions, officers and servicemen’s, victims’ state pensions of the Republic of Lithuania, signatories’ annuities, the President’s annuity, however, spouses or orphans of such pension beneficiaries as scientists and judges or artists are not entitled to such benefits.

However, the current system of benefits from the state budget arouses dissatisfaction of groups of persons who are not entitled to additional benefits and who receive only state social insurance pensions as well as beneficiaries of such benefits (different amounts and granting conditions, payment conditions).

Taking into consideration the aforementioned facts, it is essential to name positive and negative aspects of the current system of payment of pension benefits from the state budget, assess the possibilities for integrating these benefits into the system of state social insurance pensions and, by using the good practice of other state, to elaborate a concept of reorganisation of this system, which would serve as a
base for adoption of respective legal acts allowing to improve (or fundamentally reform) the system of additional pensions in Lithuania.

On 24 May 2011 the Seimas of the Republic of Lithuania approved the Guidelines for the Reform of the System of Social Insurance and Pensions⁶⁴, which provide for a reform of special pension schemes. The Guidelines propose the following directions in the implementation of this scheme: to breakdown state pensions and annuities according to professions and status; to include benefits paid to persons of different professions as additional guarantees into the common system of social insurance pensions; to provide a possibility of receiving benefits until an established pension age (for example, to officers and servicemen) by paying higher contributions for social insurance pensions from the state budget; to change the procedure of payment of state pensions and annuities to persons with insured income.

On 8 June 2011 the Government approved the implementation plan⁶⁵ of these guidelines, which provides for drafting the Concept of State Pension Reform in 2012, and for drafting respective legal acts in 2013. Therefore, after the decision on the reform concept is adopted, it is planned to launch a complex reform of the whole system of state pensions, annuities, other pension benefits paid from the state budget in order to reform special pension schemes applied to separate groups of persons.

3.7. TOPICALITIES IN THE FIELDS OF SOCIAL ASSISTANCE BENEFITS, STATE PENSIONS AND SUPPORT TO PARTICIPANTS AND VICTIMS OF THE RESISTANCE AGAINST OCCUPATION OF 1940–1990

3.7.1. STATE SOCIAL ASSISTANCE BENEFITS

State social assistance benefits are paid in line with the Law on State Social Assistance Benefits⁶⁶. In 2011, this law was amended twice. On 30 December 2011, the amendment to the Law on State Social Assistance Benefits⁶⁷ came into force. It harmonised the law provisions governing the right of students to receive orphans’ social assistance pensions with the Law on Science and Studies⁶⁸ (since 2009-2010 students are accepted to continuous studies instead of full-time and extramural studies). Persons, who before 1 July 2005 were recognised as disabled from childhood after they reached 18 years of age but not later than they reached 24 years of age, were also entitled to social assistance pensions. Before that, orphans’ social assistance pensions to disabled orphans were granted only if they had been recognised

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⁶⁸ Law on Science and Studies of the Republic of Lithuania (Official Gazette, Valstybės žinios, 2009, No. 54-2140)
as disabled before reaching 18 years of age. In addition, the distribution procedure of administration of state budget funds for social assistance benefits for 2012 was amended. 1 percent of the funds for payment of social assistance benefits were allocated to social workers in order to increase their salaries. This provision will stay in force until 31 December 2012.

The provisions of the Temporary Law on Recalculation and payment of Social Benefits further govern target compensations for nursing and attendance (assistance) expenses until 31 December 2012, i.e. compensations reduced by 15 percent are further paid.

In 2011, slightly over LTL 824 million were used to pay social assistance benefits, i.e. 7 percent less than in 2010 (Figure 3.7.1-1). The decrease in the demand for funds was determined by the number of beneficiaries of target compensations for nursing or attendance (assistance) expenses, which has been gradually decreasing since the function of establishing special needs for persons who have attained the age entitling them to old-age pensions was delegated to the Disability and Working Capacity Assessment Office under the Ministry of Social Security and Labour (85,684 beneficiaries in 2009, 81,067 beneficiaries in 2010 and 68,582 beneficiaries in 2011).

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3.7.2. STATE PENSIONS

In September 2011, draft laws\(^7\) proposing to establish a more accurate, rational and compliant with public interests procedure for payment of state pensions, were registered in the Seimas of the Republic of Lithuania. These draft laws offer to pay these pensions after having evaluated a person's insured income and other his or her additional sources of income, i.e. income from selling real property, securities, interests for deposits, granted loans and securities. These draft laws also propose establishing the same procedure for beneficiaries of annuities for former sportsmen, signatories’ annuities, Presidential orphans' annuities and compensation benefits to creative workers of theatres and concert organisations.

On 20 December 2011, the Seimas of the Republic of Lithuania adopted an amendment to the Temporary Law on Recalculation and Payment of Social Benefits of the Republic of Lithuania\(^7\), which prolonged the established temporary recalculation of state pensions due to the economic crisis. Pursuant to the provisions of this law, state pensions are recalculated by applying a coefficient calculated depending on the amount of the received pension. Pensions paid to working beneficiaries of state pensions (first and second degree pensions to officers and servicemen, judges, victims, volunteer soldiers, mothers with many children and honour donors) are additionally reduced depending on the amount of salary they receive.

On 6 February 2012, the Constitutional Court of Lithuania ruled out that the provisions of the Temporary Law on Recalculation and Payment of Social Benefits, which considerably reduce state pensions paid to working old-age pension beneficiaries or old-pension beneficiaries occupied with other businesses only because they work or are engaged in certain business activities, contradict the Constitution of the Republic of Lithuania. The same ruling of the Constitutional Court stipulates that reductions in the maximum total amount of state pensions and state social insurance pensions granted to the same person (from 1.5 to 1.3 of the average salary) introduced on 1 January 2010 because of the crisis contradicted to the key national law. Taking into consideration this ruling of the Constitutional Court of the Republic of Lithuania, the Ministry of Social Security and Labour has drafted amendments to laws aimed at repealing the provisions of laws contradicting to the Constitution. Draft amendments suggest restoring the maximum total amount of state pensions and state social insurance pensions valid before 1 January 2010 and granted to the same person. The maximum amount should reach 1.5 of the average salary. Amendments also propose repealing provisions of the Temporary Law on Recalculation and Payment of Social Benefits regarding reductions in additional pensions for working beneficiaries of these pensions. The Government of the Republic of Lithuania approved these proposals on 23 May 2012 and submitted these draft laws to the Seimas of the Republic of Lithuania. The Seimas having approved these draft laws, amendments to the Law on State Pensions and the Temporary Law on Recalculation and Payment of Social Benefits will enter into force on 1 September 2012.

\(^{70}\) Draft Law No. XIP-3582 Amending Article 3 of the Temporary Law on State Researchers’ Pensions of the Republic of Lithuania; Draft Law No. XIP-3584 Amending Articles 3, 5 of the Law on State Pensions of the Republic of Lithuania

\(^{71}\) Law Amending Article 15 of the Temporary Law on Recalculation and Payment of Social Benefits of the Republic of Lithuania (Official Gazette, Valstybės žinios, 2011, No. 160-7573)
3.7.3. SUPPORT TO PARTICIPANTS AND VICTIMS OF THE RESISTANCE AGAINST OCCUPATION IN 1940–1990

On 8 June 2011 the Government of the Republic of Lithuania adopted an amendment to the Resolution of the Government of the Republic of Lithuania\(^2\), which specifies that persons of old-age pension age, who participated in the liquidation of outcomes of the Chernobyl Power Plant accident, could apply for a lump-sum compensation, if, before achieving this age, their working capacity was related to their participation in the liquidation of outcomes of the Chernobyl Power Plant accident. Before the adoption of this resolution the abovementioned compensations were granted only to persons holding a valid certificate of the level of capacity for work. Since 1 July 2005, working capacity has been assessed only to active workers, and working capacity level certificates have been valid until a person reaches the age of old-age pension. Therefore, a participant of the liquidation of outcomes of the Chernobyl Nuclear Power Plant Accident reaching the age of old-age pension would lose his or her right to the compensation.

On 7 September 2011, the resolution of the Government of the Republic of Lithuania governing support to persons who suffered damages when liquidating the outcomes of the Chernobyl Nuclear Power Plant accident was once again amended\(^3\). Pursuant to this amendment, starting from 1 January 2012, the Ministry of Social Security and Labour plans and specifies the funds for lump-sum compensations from its budget, whereas local divisions of the State Social Insurance Fund grant and pay these sums (before 1 January 2012, lump-sum compensations were paid by administrations of municipalities from their own funds, whereas, the Ministry of Finance compensated the amount of the paid lump-sum compensations to the above administrations from the state budget of the Republic of Lithuania as per applications submitted by these administrations). The mentioned above amendment is also related to the reduction of the administrative burden for residents, i.e. it repeals the requirement for a person applying for a lump-sum compensation to a municipality administration to submit certificates from the register of acts of civil status (marriage, birth certificate, and other certificates), if the necessary data is present in the register of residents of the Republic of Lithuania.

In order to reduce the administrative burden, Order No. 26 of 29 March 2000 of the Minister of Social Security and Labour of the Republic of Lithuania “On the Approval of the Recognition of the Legal Status of a Independence Defenders aggrieved due to the events of 11-13 January 1991 and During the Following aggression of the USSR and Persons Aggrieved Due to the Event of 11-13 January 1991 and During the Following Aggression of the USSR, Issue of Certificates and Provisions for Registration of Certificates”\(^4\) was amended. The amendment to the order specifies that persons applying to

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\(^4\) Amendment to Order No. 36 of 29 March 2000 of the Minister of Social Security and Labour of the Republic of Lithuania “On the Approval of the Recognition of the Legal Status of a Defender of Independence Aggrieved Due to the Events of 11-13 January 1991 and During the Following aggression of the USSR and a Person Aggrieved Due to the Events on 11-13 January 1991 and During the Following USSR Aggression, Issue of Certificates and Provisions for Registration of Certificates” (Official Gazette, Valstybės žinios, 2012, No. 59-2975)
administrations of municipalities for recognition of their legal status, are not obliged to submit certificates of their civil status from the register of civil status acts (marriage, birth certificates, etc.) or their copies, if the required data is available in the register of residents of the Republic of Lithuania. Where original copies of the mentioned documents are submitted, officials of administrations of municipalities are authorised to certify these documents.

While simplifying the procedure for submitting documents to administrations of municipalities, the Government of the Republic of Lithuania came up with a draft amendment to the Resolution of the Government of the Republic of Lithuania “On the Approval of Resolution No. 1004 of 19 August 2004 of the Government of the Republic of Lithuania “On the Description of the Procedure for Lump-Sum Compensations to Persons Disabled while in Mandatory Military Service in the Soviet Army and to Families of Persons Killed in the Soviet Army”, which introduces provisions regarding the procedure for the submission of acts of civil status to administrations of municipalities analogous to the mentioned above provisions.

In 2011, the payment of compensations to independence defenders aggrieved due to the events of 11-13 January 1991 and during the following aggression of the USSR and their families for heating, hot water, cold water and waste water, gas, solid and liquid fuel, electricity, wired telephone charges and other services was further continued. The beneficiaries of the compensations are families of killed independence defenders, the independence defenders who have been recognised with full or partial incapacity for work (until 1 July 2005 – the disabled persons) due to the USSR aggression carried out on 11-13 January 1991 and during the following events, as well as independence defenders, aggrieved in the events of 11–13 January 1991 and during the following aggression of the USSR and who were severely or seriously injured.

As the data submitted by municipality administrations says, each year the state budget allocates LTL 0.5 million to cover expenses related to the mentioned above charge benefits. In 2011, the average monthly number of persons (families), who had aggrieved due to the events on 11-13 January 1991 and during the following aggression of the USSR, and who used the state support, amounted to 615. Each aggrieved families have LTL 1.3-2 thousand compensated to cover heating expenses.
It should be noted that lump-sum benefits are granted not only to aggrieved persons, but also to families of participants of the occupation resistance, killed in the fight for Lithuania's freedom and independence or during the exile years following the imprisonment. Volunteer soldiers are buried by using state funds (a benefit in the amount of 20 basic social benefits (LTL 2 600) is allocated). Over 2011, administrations of municipalities allocated 48 benefits for killed soldiers volunteers. The allocation of this support is governed by the Law on the State Support for Families of Resistance Participants Killed during Occupation of 1940-1990. The law specifies persons entitled to the lump-sum support and the requirements for allocation of this support. The amount of the support is related to the circumstance of the death of the resistance participant. This legal act also stipulates that the amounts of lump-sum benefits are indexed each year in line with the procedure established by the Government of the Republic of Lithuania according to the inflation of the current year. In 2008, the average annual inflation rate amounted to 10.9 percent, 2009 – 4.5 percent, 2010 – 1.3 percent, and the amounts of these benefits increased respectively. The amounts of these benefits increased by 38 percent from the effective date of the law, i.e. from 1998 to 2012. State budget expenditure on these lump-sum compensations has been annually decreasing.

4.1. CASH SOCIAL ASSISTANCE

Cash social assistance is one of the measures which affects the reduction of poverty and social exclusion as well as strengthens the family institution. Having regard to the financial and economic resources of the state, provision of state guaranteed cash social assistance has been consistently implemented. Currently, state support has been targeted at poor families.

Changes in the economic and social life determine changes in the legal regulation of social assistance; therefore, while the economic situation in the country stabilises, efficient measures are searched in order to ensure payment of social benefits, there are efforts to improve the system of provision of cash social assistance, reduce social exclusion of poor residents and the risk of poverty trap while ensuring motivation of residents to work and realise their social purpose.

This chapter covers changes in the system of cash social assistance provided for families with children and poor residents, which occurred in 2011 and the first half of 2012, and initial outcomes – the tendencies emerging as of 1 January 2012 while implementing the reform of cash social assistance for poor families. It presents statistics on benefits for children, social assistance for pupils and cash social assistance for poor residents.

4.1.1. BENEFITS FOR FAMILIES AND CHILDREN

A complicated situation of economic and financial markets in Europe and Lithuania creates special financial circumstances that have to be taken into consideration so that the economic and financial condition of the state stabilises and begins to improve. With regard to the financial resources
of the state, the conditions of provision of state benefits for children and benefit amounts remained the same in 2011.

In 2011, pursuant to the Law on Benefits for Children\(^{76}\), the following benefits were granted to persons raising children or guardians of children from the state budget: *a lump sum child benefit paid at birth or having adopted a child, a benefit for a child of a serviceman in mandatory service, a guardianship (curatorship) benefit, a lump sum settlement benefit, a lump sum benefit for a pregnant woman.*

The payment of a child benefit has been continued with regard to family income in accordance with the conditions established in the Republic of Lithuania Temporary Law on Recalculation and Payment of Social Benefits\(^{77}\): a monthly benefit in the amount of 0.75 base social benefit (BSB) (LTL 97.5) is granted and paid to children from birth to 2 years of age, provided that the child's parents are not paid a respective social insurance maternity (paternity) benefit or are paid the benefit yet it does not exceed LTL 525; a child benefit in the amount of 0.4 BSB (LTL 52) is paid to children from 2 to 7 years of age, and until 18 years of age in large families, if the average family's or cohabitants' income per person per month of the previous calendar year does not exceed 1.5 amounts of state supported income (SSI), i.e. LTL 525. A benefit is paid to children of large families until every child attains 18 years of age; however, elder children of the majority age should study for no longer than until they attain 24 years of age.

Payment of a child benefit subject to family income and the age of the child is a measure that ensures state assistance for poor families raising children.

The provisions of Council Directive 2009/50/EC of 25 May 2009 on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment have been transposed by the Amendment to the Republic of Lithuania Law on Benefits for Children as of 9 June 2011\(^{78}\). Pursuant to these provisions, foreign nationals who have been issued a temporary residence permit as intending to perform a job requiring high professional skills in the Republic of Lithuania (EU Blue Card holders) shall be subject to the same conditions in the field of social security as the nationals of the member state that issued the Blue Card. Thus, a child benefit is paid to the above third-country nationals legally residing in the Republic of Lithuania.

Adopted on 1 December 2011\(^{79}\) and effective as of 1 January 2012, payment of a child benefit corresponding to the financial resources of the state ensures continuity of payment of a child benefit after the provisions of the Temporary Law on Recalculation and Payment of Social Benefits lose effect, by guaranteeing financial state support for a family subject to income, if it does not exceed the amount of 1.5 SSI (LTL 525) per person per month, and taking into account the age of the child and the number of children.

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\(^{79}\) Republic of Lithuania Law Amending and Supplementing Articles 2, 3, 4, 6, 8, 9, 12, 13, 14, 15, 17, 18, Amending and Supplementing the Titles of Sections III and VI and Repealing Article 21 of the Law on Benefits for Children (Official Gazette *Valstybės žinios*, 2011, No. 155-7350).
**Payment of benefits for children under guardianship (curatorship).** In 2011, regardless of implemented measures of balancing public finances of the state, the amount of state assistance for children under guardianship (curatorship) was not reduced. A child whose guardian is a natural or legal person is paid a monthly guardianship (curatorship) benefit in the amount of 4 BSB (LTL 520) during the period of guardianship, and a child who is placed under guardianship in a social family is paid a monthly guardianship (curatorship) benefit in the amount of 8 BSB (LTL 1,040). Upon the expiration of child’s guardianship (curatorship), the child continues receiving a guardianship (curatorship) benefit in the amount of 4 BSB, if the child or orphan continues to study, but no longer than until the age of 24 years.

Upon expiration of guardianship (curatorship), a lump sum settlement benefit is paid to persons who have been under guardianship (curatorship) until the age of majority. This lump sum benefit in the amount of 75 BSB (LTL 9,750) is not paid in cash; however, it may be used for the following purposes: to purchase a dwelling; to pay part of a loan for the building or purchasing of a dwelling; to pay utility charges of a dwelling; to repair a dwelling; to purchase furniture and domestic appliances; to pay tuition fees or the fee for non-formal education; to purchase a PC, video and audio equipment, etc.

Seeking to secure the interests of persons placed under guardianship (curatorship) until the age of majority and their possibilities to establish in society, to create the conditions for them to acquire necessary learning aids (e.g. musical instruments, dictionaries, etc.) and, with regard to health, to choose necessary qualitative health care services, the provisions have become effective as of 1 January 2012 stipulating that this benefit may be used for covering the expenses of learning aids and charged health care services (dentistry, surgery, ophthalmology and other specialists’ services) or the expenses of health care products (hearing aids, visual function related products or orthopaedic items, etc.).

While implementing the recommendation regarding payment of a common guardianship (curatorship) benefit for all children under guardianship (curatorship) presented in the National Audit Report by the National Audit Office as of 1 January 2012, a guardianship (curatorship) benefit in the amount of 4 BSB (LTL 520) is paid to a child under guardianship (curatorship), regardless of the established form of guardianship. In order to ensure the functioning of a social family, a guardian (curatorship) is paid a targeted guardian (curatorship) benefit supplement in the amount of 4 BSB (LTL 520) for a child who has been established guardianship (curatorship) in a social family. Implemented regulation of a guardianship (curatorship) benefit guarantees the same amount of state granted benefit for children under guardianship (curatorship) and meeting their needs in a social family, a family or an institution.

### 4.1.2. CASH SOCIAL ASSISTANCE FOR POOR RESIDENTS

The state supports and grants cash social assistance to poor residents whose income from employment, social insurance and other income is insufficient due to objective reasons beyond their control. It is evident that the need for cash social assistance has not been falling during the period of economic stabilisation. Therefore, efficient provision of assistance to socially vulnerable groups of residents is the most important measure for reducing social exclusion and avoiding poverty.

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4.1.2.1. Cash social assistance in 2011

Implementation of the provisions of the Law on Cash Social Assistance for Poor Families and Single Residents of the Republic of Lithuania\(^{81}\) involves the application of the common scheme of social assistance in cash on the basis of income and property evaluation in Lithuania. The disadvantaged layer of the population receive \textit{social benefits} in order to ensure minimum funds to meet their basic physiological needs (food and clothing expenses) as well as \textit{compensations for heating and hot and cold water expenses} (hereinafter referred to as compensations) as partial reimbursement for dwelling maintenance. The right to cash social assistance is granted to families and single residents who cannot earn a living due to objective reasons and have used all other possibilities of receiving income. Cash social assistance is provided taking into consideration not only the received income, but also owned property. Social benefits and compensations are granted to families and single residents, if the value of their property does not exceed the average property value set for their residential area\(^{82}\).

Municipalities have the right to replace cash social assistance provided to social risk families or single residents who fail to perform their obligations with another type of social assistance, to inspect living conditions, owned property and employment, to draw up a living conditions inspection report and use it as the basis for making a decision on the entitlement to cash social assistance.

Furthermore, municipalities may, in accordance with their own procedure, allocate cash social assistance from the municipal budgetary resources in other cases not provided for by Law.

Moreover, the Law grants the right to municipalities to decide to use up to 2\% of their funds allocated for cash social assistance from the state budget to support disadvantaged residents.

Seeking to intensify the processes of renovation (modernisation) of multi-apartment buildings and ensuring the participation of poor residents as well as their concern with thermal insulation of houses and reduction of heating costs, the Law stipulates state support for poor residents with regard to credit and interest.

In order to secure the interests of poor families and single residents and ensure their needs as well as to improve the social and material conditions of families applying for cash social assistance, which have students receiving scholarships or other material support, the Law\(^{83}\) specifies the provisions related to calculation of income. As of 13 July 2011, when granting cash social assistance, charity in cash is not included in the income of a family or a single resident. Thus, the charity received, which is often onetime, has a targeted purpose and does not ensure the daily needs of poor residents, will not be considered a reason not to grant or discontinue the provision of cash social assistance, thus significantly aggravating the material situation of recipients. As of 1 January 2012, family income does not include scholarships and other material support granted to higher school students of the first and second cycle, integrated and non-degree studies, studying according to day, full-time or part-time study programmes, as well as scholarships and other material support granted to students of vocational training institutions,

\footnotesize{\(^{81}\) Republic of Lithuania Law on Cash Social Assistance for Poor Families and Single Residents (Official Gazette \textit{Valstybės žinios}, 2003, No. 73-3352; 2006, No. 130-4889).}
\footnotesize{\(^{82}\) The order on the Setting of Average Property Market Values of the Director of the State Enterprise Centre of Registers is published quarterly in the Official Gazette \textit{Valstybės žinios}.}
\footnotesize{\(^{83}\) Republic of Lithuania Law Amending and Supplementing Articles 15 and 22 of the Law on Cash Social Assistance for Poor Families and Single Residents (Official Gazette \textit{Valstybės žinios}, 2011, No. 86-4144).}
studying according to the vocational training programme for the acquisition of the first qualification. Therefore, the social and material situation of families which apply for cash social assistance and which have students receiving scholarships or other material support will not be worse than that of families which have students (single residents) not receiving scholarships or other material support.

4.1.2.2. Reorganisation of the cash social assistance system as of 1 January 2012

Having evaluated the social and economic changes in the country and seeking accurateness and efficiency of provided cash social assistance as well as a more rational use of the state budget funds, reorganisation of the cash social assistance system commenced on 1 January 2012.

On 1 December 2011, the Law on Cash Social Assistance for Poor Residents⁸⁴ was adopted. Its purpose is to boost motivation of people of working age to integrate in the labour market, reduce long-term dependency on social assistance, the risk of poverty trap, possibilities of abuse of cash social assistance as well as to ensure cash social assistance for persons who are most in need of it.

The Law establishes a legal basis to provide cash social assistance to poor residents through two models: as a state function (assigned by the state to municipalities) and as an independent municipal function in five pilot municipalities. With a view to enhancing the powers of municipalities and involving communities in the process of provision of cash social assistance, more rights and responsibility has been assigned to municipalities with regard to granting cash social assistance. In the period from 2012 until 2014, five pilot municipalities (Akmenė District, Panevėžys District, Radviliškis District, Raseiniai District and Šilalė District) will provide cash social assistance while fulfilling the independent municipal function to be financed from municipal budget funds. The Law enables pilot municipalities, in cooperation with communities, non-governmental organisations, sub-elders and other stakeholders, to provide cash social assistance more efficiently: more accurately and justly grant it to those in need, apply efficient measures to prevent potential abuse, retain incentives to work and more rationally use the appropriate funds.

It is worth noting that one of the most important aims of reorganisation of the cash social assistance system is to enhance motivation of recipients of social benefit to work. The Law establishes promotion of employment of recipients of social benefit upon employment of a long-term unemployed person raising a child (children), additionally a social benefit the amount of 50% of a social benefit paid within the previous 12 months before employment shall be paid for every month related to employment or service for a period of 6 months. Thus, such provisions aim at ensuring motivation of people of working age to integrate in the labour market, actively search for a job and reduce long-term dependency on the social assistance system.

However, in order to reduce possibilities of abuse of cash social assistance, the Law sets forth a proportionate reduction of the amount of a social benefit for families in cases when at least one of the family members is a capable person of working age yet unemployed (except cases of unemployment due to objective reasons, e.g. raising a child, disabled, etc.), i.e. recipients of social benefit for a period from 36 to 48 months shall be reduced the amount of social benefit by 20%; recipients of social benefit for a period from 48 to 60 months shall be reduced the amount of social benefit by 30%; recipients of social

benefit for a period longer than 60 months shall be reduced the amount of social benefit by 40% in case of families raising a child (children) and shall not be granted social benefit in case of single residents and childless families. In this way, active job search will be promoted as well as participation in active labour market policy measures and activities useful to society, rather than living on long-term social assistance.

Seeking effectiveness and efficiency of cash social assistance as well as reduction of abuse of assistance, a model of granting cash social assistance based on the principle of economies of scale has been established. Subject to the evaluation of distribution of general expenses of the family, cash social assistance (social benefit and compensations for heating, drinking and hot water expenses) is granted with regard to the number of family members, i.e. the amount of a social benefit for the first family member, also in cases when social benefits are granted only for children, is the difference of 100% between SSI and family income, for the second family member – the difference of 80% between SSI and family income, for the third and subsequent family members – the difference of 70% between SSI and family income. The amounts of compensated norms of useful floor space, hot and drinking water have been also adjusted accordingly. The compensated norm of useful floor space for a single resident has been increased from 38 to 50 square metres; differentiated amounts of compensated norms of useful floor space, hot and drinking water have been set for every subsequent family member or a cohabitant.

More flexible conditions for awarding cash social assistance have been set forth with regard to those in need: the requirement for poor residents to be registered with the labour exchange for half a year in order to be eligible for cash social assistance has been repealed. Furthermore, poor residents who rent a dwelling have been made eligible for the compensations for heating, hot and drinking water expenses. It is quite a large state support for young families which do not yet have their own housing.

Moreover, with the view of reducing possibilities of abuse of cash social assistance, cooperation with bodies carrying out the control and prevention of illegal employment, i.e. the State Labour Inspectorate, the State Tax Inspectorate, „SODRA“, the Financial Crime Investigation Service and other institutions, has been strengthened. Communities, representatives from non-governmental organisations, elders and sub-elders are involved in the consideration of questions related to awarding assistance. These people best know the living conditions of families residing in their territories, their material situation and who is actually in need of this assistance.

It should be noted that the results of the new procedure which is aimed at promoting people to work, rather than live on social benefits, and awarding assistance to those in need reveal positive tendencies. In the first quarter of 2012, as compared to the same period in 2011, the number of recipients of social benefit fell by 6.1% in Lithuania, and the expenditure on this type of benefit decreased by 11.5%.

According to the data presented in Figures 4.1.4-1 and 4.1.4-2, the number of recipients of social benefit and the expenditure decreased in four out of five pilot municipalities (Akmene District, Panevėžys District, Raseiniai District and Šilalė District), if comparing the first quarter of 2012 and the first quarter of 2011.
Number of recipients of social benefit in pilot municipalities

Data from the Ministry of Social Security and Labour

Expenditure on social benefit in pilot municipalities

Data from the Ministry of Social Security and Labour
In the first quarter of 2012, as compared to the same period in 2011, the number of recipients of social benefit fell by 6.8% and the expenditure on social benefit dropped by 9.5% in pilot municipalities. Municipalities which fulfil the independent function will be able to use the funds, which have not been used for cash social assistance, for meeting the public needs of local communities at their owned prescribed procedure.

Publicity is the most important achievement of the new reorganisation. Residents of municipalities are informed about the new procedure – possibilities to receive cash social assistance and intolerance to abuse – through mass media, meetings of municipality leaders and specialists with residents in elderships, consideration of problem cases in Social Assistance Provision Commissions (Councils) formed in elderships, etc.

Positively changing public attitude is particularly important: awareness and intolerance to abuse of assistance are growing, as well as the concern with ways and purposes of using state budget funds; the responsibility of recipients of assistance for the presentation of correct information as the basis for granting assistance has been increasing.

4.1.3. Social assistance for pupils

Due to a difficult financial situation in the country the decision was made not to return to free meals of all primary school and pre-primary pupils and to grant social assistance only to pupils from low-income families as of 1 January 2011.85

Pursuant to the Law on Social Assistance for Pupils86, pupils from low-income families are entitled to free meals and assistance for the acquisition of school supplies before the start of a new school year.

The founders of the school have the right to decide on the type(s) of free meals – lunch, meals in summer day camps organised in schools, breakfast or afternoon meals – to be provided to pupils in their founded schools.87

Seeking to ensure that all pupils from low-income families are provided with free lunch, free breakfast or free afternoon meal are granted only in exceptional cases, having evaluated the living conditions of a family. Up to 2% of the funds allocated for cash social assistance from the state budget may be used for this purpose.

In order to ensure efficient use of funds from the state and municipal budgets and seeking that child nutrition complies with physiological standards, minimum and maximum daily amounts of funds allocated per pupil for the acquisition of products have been established.

Pupils are provided with free meals at school that they attend, irrespective of their place of residence.

Assistance for the acquisition of school supplies is provided in cash, except cases where a pupil is raised in a family at social risk. LTL 156 of this type of assistance are allocated per pupil. It is subject to the place of residence, irrespective of the school a pupil attends.

85 Republic of Lithuania Law Amending Article 9 of the Law Amending Articles 1, 5, 6, 7, 8, 10, 11 and 14 of the Law on Social Assistance for Pupils (Official Gazette Valstybės žinios, 2009, No. 149-6027).
4.1.4. OTHER TYPES OF CASH SOCIAL ASSISTANCE

Regardless of the family income and owned property, a funeral grant in the amount of 8 BSB (LTL 1,040) is paid to the person taking care of the funeral in case of death of a person permanently residing in Lithuania; a foreign national residing in Lithuania who has been issued a temporary residence permit as intending to perform a job requiring high professional skills in the Republic of Lithuania; a person residing in Lithuania with the refugee status granted at the procedure prescribed by legislation; a person subject to the European Union regulations on coordination of social security systems; and in case of birth of a stillborn baby of the above persons.

Compensations for heating, hot and cold water and wastewater, gas, solid and liquid fuel, electricity, subscription to the fixed-line telephone, and other services have been paid to independence defenders aggrieved during the events of 11–13 January 1991 and the following aggression of the USSR, and their families.

4.1.5. CHANGES IN THE SCOPE OF FINANCING CASH SOCIAL ASSISTANCE AND THE NUMBER OF ITS RECIPIENTS

The overall amount of social benefits and cash social assistance established by legislation accounted for LTL 1,148.9 million in 2011 and, as compared to 2010, increased by 8.25% (from LTL 1,061.3 million to LTL 1,148.9 million).

According to the data presented in Figure 4.1.4-3, the major share of expenditure on social assistance (66.1%) in 2011 consisted of expenditure from the state budget on social benefits, compensations for heating and water expenses, reimbursement for a credit, taken out for the renovation (modernisation) of a multi-apartment building, and interest for persons entitled to the compensation for heating expenses, which are granted on the basis of family income and property. Benefits to persons raising and/or fostering children accounted for 19.5% of all funds allocated for social assistance.

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The data given in Table 4.1.4-1 show that the expenditure for persons raising and/or fostering children decreased by 14.3% to LTL 223.6 million in 2011, as compared to 2010. On average 117,300 children (19.2% of all children in Lithuania) received a child benefit per month in 2011, whereas the number of recipients in 2010 was 152,000 (24.9% of all children in Lithuania).

On average 91,100 children (14.9% of all children in Lithuania) received a child benefit per month during the first quarter of 2012. During the first quarter of 2012, as compared to the first quarter of 2011, the number of recipients of a child benefit decreased by about 15.1% per month (from 107,300 to 91,100 children), and the expenditure on this type of benefit fell by about 10.4% (from LTL 21.8 million to LTL 19.6 million).

The decrease in the number of recipients of a child benefit and the expenditure on this type of benefit was caused by the legal regulation of payment of a child benefit effective as of 1 January 2012 stipulating that a child benefit is paid on the basis of family income, including the income of a family raising children under 2 years of age, as well as by the statistical tendency of decreasing number of children under 7 years of age.

The number of recipients of a guardianship (curatorship) benefit fell from 12,500 to 12,400 (0.8%) on average per month in 2011, as compared to 2010, whereas the expenditure on this type of benefit remained the same and accounted for LTL 69 million.

In the first quarter of 2012, LTL 16.8 million were spent for the payment of guardianship (curatorship) benefits; the average number of recipients per month amounted to 12,500 persons.
In order to ensure guardianship (curatorship) of a child by a social family, a targeted guardian (curatorship) benefit supplement in the amount of 4 BSB (LTL 520) has been paid as of 1 January 2012 for a child who has been established guardianship (curatorship) in a social family. During the first quarter of 2012, this benefit was paid to 290 persons, and LTL 0.3 million were allocated for this type of benefit during the given period.

**Recipients of cash social assistance and expenditure in 2010 and 2011**

<table>
<thead>
<tr>
<th>No.</th>
<th>Benefits</th>
<th>Number of recipients (thousand)</th>
<th>Expenditure (LTL million)</th>
<th>Number of recipients (thousand)</th>
<th>Expenditure (LTL million)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Total</strong> (1+2+3+4)</td>
<td>x</td>
<td>1,061.3</td>
<td>x</td>
<td>1,148.9</td>
</tr>
<tr>
<td>1.</td>
<td>Benefits to persons raising and/or fostering children, of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>A lump sum child benefit</td>
<td>34.0</td>
<td>48.7</td>
<td>32.9</td>
<td>46.9</td>
</tr>
<tr>
<td>1.2</td>
<td>A lump sum benefit for a pregnant woman</td>
<td>8.2</td>
<td>2.1</td>
<td>8.6</td>
<td>2.2</td>
</tr>
<tr>
<td>1.3</td>
<td>A child benefit</td>
<td>152.0</td>
<td>127.3</td>
<td>117.3</td>
<td>92.8</td>
</tr>
<tr>
<td>1.4</td>
<td>A benefit for a child of a serviceman in mandatory service</td>
<td>0.006</td>
<td>0.0036</td>
<td>0.004</td>
<td>0.0023</td>
</tr>
<tr>
<td>1.5</td>
<td>A guardianship (curatorship) benefit</td>
<td>12.5</td>
<td>69.0</td>
<td>12.4</td>
<td>69.0</td>
</tr>
<tr>
<td>1.6</td>
<td>A lump sum settlement benefit</td>
<td>2.6</td>
<td>13.8</td>
<td>2.8</td>
<td>12.7</td>
</tr>
<tr>
<td>2.</td>
<td>Allowances and other forms of assistance for poor residents, of which</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>A social benefit</td>
<td>181.3</td>
<td>510.6</td>
<td>221.1</td>
<td>612.3</td>
</tr>
<tr>
<td>2.2</td>
<td>Compensations for heating and cold and hot water expenses</td>
<td>166.5</td>
<td>116.5</td>
<td>220.9</td>
<td>138.7</td>
</tr>
<tr>
<td>2.3</td>
<td>Cash social assistance upon the decision of municipalities</td>
<td>x</td>
<td>4.3</td>
<td>x</td>
<td>6.6</td>
</tr>
<tr>
<td>2.4</td>
<td>Reimbursement for a credit, taken out for the renovation (modernisation) of a multi-apartment building, and interest for persons entitled to heating compensations</td>
<td>0.7</td>
<td>1.2</td>
<td>1.2</td>
<td>1.8</td>
</tr>
<tr>
<td>2.5</td>
<td>Cash social assistance from municipal budgets</td>
<td>x</td>
<td>9.8</td>
<td>x</td>
<td>9.1</td>
</tr>
<tr>
<td>2.6</td>
<td>Free meals to pupils</td>
<td>144.4</td>
<td>91.1</td>
<td>142.4</td>
<td>92.8</td>
</tr>
<tr>
<td>2.7</td>
<td>Assistance for the acquisition of school supplies</td>
<td>147.5</td>
<td>23</td>
<td>137.4</td>
<td>21.4</td>
</tr>
<tr>
<td>3.</td>
<td>Assistance for independence defenders aggrieved during the events of 11–13 January 1991 and the following aggression of the USSR, and their families</td>
<td>0.5</td>
<td>0.5</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>4.</td>
<td>A funeral grant</td>
<td>41.7</td>
<td>43.4</td>
<td>40.6</td>
<td>42.20</td>
</tr>
</tbody>
</table>

*Data from the Ministry of Social Security and Labour*
In 2011, 2,800 persons received a *lump sum settlement benefit*, and the expenditure on this type of benefit accounted for LTL 12.7 million.

In the first quarter of 2012, a *lump sum settlement benefit* was paid to 1,000 persons, and the expenditure on the payment thereof amounted to LTL 2.6 million.

The expenditure on cash social assistance for poor residents increased by 1.2 times in 2011, as compared to 2010. In 2011, LTL 759.4 million were allocated for social benefit; compensations for heating and water expenses; reimbursement for a credit, taken out for the renovation (modernisation) of a multi-apartment building, and interest for persons entitled to the compensation for heating expenses. The amount was distributed as follows: LTL 612.3 million for social benefit, LTL 138.7 million for compensations for heating and water expenses, LTL 6.6 million for cash social assistance granted upon decision of a municipality, LTL 1.8 million for reimbursement for a credit, taken out for the renovation (modernisation) of a multi-apartment building, and interest for persons entitled to the compensation for heating expenses. LTL 9.1 million were allocated for assistance for residents from municipal budgets.

The increase in the expenditure on cash social assistance for poor residents has been caused by the increased number of recipients of social benefit and compensations for heating and water expenses, which has been determined by still rather high unemployment rate (according to the data of a statistical survey, the unemployment rate was 13.9% in the fourth quarter of 2011) and the growth in housing maintenance costs.

According to Table 4.1.4-2, on average 221,100 persons (6.9% of residents of Lithuania) received social benefit per month in 2011. As compared to 2010, the number of persons increased by 1.2 times.

In 2011, the average amount of a monthly social benefit per capita decreased by 1.7%, as compared to 2010, i.e. from LTL 234.7 to LTL 230.8.
During the first quarter of 2012, on average 221,500 persons (6.9% of residents of Lithuania) per month received social benefit. As compared to the first quarter of 2011, the number of persons decreased by 6.1% (from 235,800 to 221,500 persons). The expenditure on social benefits fell by 11.5% (from LTL 166.5 million to LTL 147.3 million).

The reform of cash social assistance for poor residents, started on 1 January 2012, determined the decrease in the number of recipients of social benefit and expenditure on this type of assistance.

During the first quarter of 2012, the average amount of a monthly social benefit per capita decreased by 5.8%, as compared to the first quarter of 2011, i.e. from LTL 235.3 to LTL 221.7.

### Recipients of social benefit and expenditure in 2000–2012*

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of recipients (thousand)</th>
<th>Percentage of recipients of the country’s population</th>
<th>Expenditure (LTL million)</th>
<th>Expenditure on social benefit per resident (LTL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>115</td>
<td>3.3</td>
<td>89</td>
<td>25.3</td>
</tr>
<tr>
<td>2001</td>
<td>117</td>
<td>3.4</td>
<td>88</td>
<td>25.2</td>
</tr>
<tr>
<td>2002</td>
<td>117</td>
<td>3.4</td>
<td>90</td>
<td>25.9</td>
</tr>
<tr>
<td>2003</td>
<td>119.5</td>
<td>3.5</td>
<td>94.3</td>
<td>27.2</td>
</tr>
<tr>
<td>2004</td>
<td>83.5</td>
<td>2.4</td>
<td>69.4</td>
<td>20.1</td>
</tr>
<tr>
<td>2005</td>
<td>54.1</td>
<td>1.6</td>
<td>52.8</td>
<td>15.4</td>
</tr>
<tr>
<td>2006</td>
<td>37.8</td>
<td>1.1</td>
<td>43.8</td>
<td>12.9</td>
</tr>
<tr>
<td>2007</td>
<td>36.6</td>
<td>1.1</td>
<td>52.4</td>
<td>15.5</td>
</tr>
<tr>
<td>2008</td>
<td>37.3</td>
<td>1.1</td>
<td>78.9</td>
<td>23.4</td>
</tr>
<tr>
<td>2009</td>
<td>73.5</td>
<td>2.2</td>
<td>190.7</td>
<td>56.9</td>
</tr>
<tr>
<td>2010</td>
<td>181.3</td>
<td>5.4</td>
<td>510.6</td>
<td>153.4</td>
</tr>
<tr>
<td>2011</td>
<td>221.1</td>
<td>6.9</td>
<td>612.3</td>
<td>190.3</td>
</tr>
<tr>
<td>2012*</td>
<td>221.5</td>
<td>6.9</td>
<td>589.3</td>
<td>184.7</td>
</tr>
</tbody>
</table>

* Forecasted figures according to the information of QI 2012

Data from the Ministry of Social Security and Labour Table 4.1.4-2

In 2011, 19.1% more funds were spent on compensations for heating and water expenses than in 2010; the expenditure increased from LTL 116.5 million to LTL 138.7 million.

Within one month of 2011, on average 220,900 persons (6.9% of the Lithuanian population) received compensations for heating expenses. In 2011, as compared to 2010, the average number of persons who received compensations for heating expenses per month increased by 32.7% (from 166,500 to 220,900 persons). The average amount of compensation for heating expenses per capita per month in 2011 was approximately LTL 77 with the centralised heating system, and LTL 125 when heating with other types of energy and fuel.
During the first quarter of 2012, 13.1% more funds were spent on compensations for heating and water expenses than in the same period of 2011; the expenditure increased from LTL 71.6 million to LTL 81 million.

Within one month of the first quarter of 2012, on average 198,800 persons (6.2% of the Lithuanian population) received compensations for heating expenses. During the first quarter of 2012, as compared to the same period of 2011, the average number of persons who received compensations for heating expenses per month fell by 9.3% (from 219,200 to 198,800 persons). The average amount of compensation for heating expenses per capita per month in the first quarter of 2012 was approximately LTL 121.1 with the centralised heating system, and LTL 127.8 when heating with other types of energy and fuel.

Within one month of 2011, on average 56,400 persons received compensations for drinking water expenses. As compared to 2010, the number of recipients of compensations for drinking water expenses increased by 22.9% (from 45,900 to 56,400 persons). The average amount of the compensation for drinking water expenses per capita per month was LTL 4.4.

Within one month of the first quarter of 2012, on average 46,100 persons received compensations for drinking water expenses. As compared to the first quarter of 2011, the number of recipients of compensations for drinking water expenses decreased by 15.7% (from 54,700 to 46,100 persons). The average amount of the compensation for drinking water expenses per capita per month was approximately LTL 4.5.

Within one month of 2011, on average 113,300 persons received compensations for hot water expenses. As compared to 2010, the number of recipients of compensations for hot water expenses increased by 27.7% (from 88,700 to 113,300 persons). The average amount of the compensation for hot water expenses per capita per month was approximately LTL 17.1.

Within one month of the first quarter of 2012, on average 123,400 persons received compensations for hot water expenses. As compared to the first quarter of 2011, the number of recipients of compensations for hot water expenses decreased by 10.1% (from 112,100 to 123,400 persons). The figures were determined by the growth of fuel prices. The average amount of the compensation for hot water expenses per capita per month was approximately LTL 20.6.

In 2011, expenditure on funeral grants paid in case of death amounted to LTL 42.2 million, the grant was paid to 40,600 persons; in the first quarter of 2012, expenditure accounted for LTL 10.9 million, the grant was paid to 10,600 persons.

In 2011, as compared to 2010, expenditure on social assistance for pupils (free meals, assistance for the acquisition of school supplies, administration of social assistance for pupils) increased from LTL 117.8 million to LTL 118.5 million (0.6%).
According to the data from Figure 4.1.4-5, in 2011, about 142,400 pupils from low-income families (approx. 35% of all pupils) received free lunch at school, of which 2,500 pupils (0.6% of all pupils) received free breakfast or afternoon meal. Approximately 12,000 pupils (3% of all pupils) received free meals at the summer day camps organised by schools during summer holidays.

In 2011, as compared to 2010, the number of pupils who received free lunch fell insignificantly from 144,400 to 142,400 (1.4%); and the number of pupils who received free breakfast fell from 8,300 to 2,500 pupils (70%). The decrease in the number of children who received free breakfast was determined by the provision enabling municipalities to independently decide which type of free meals (only lunch or together with breakfast/afternoon meal) to provide in their founded schools. Pupils were provided with free lunch in all schools, whereas free breakfast was organised in 31 municipalities and the Ministry of Education and Science. However, in 2011, as compared to 2010, the amount of funds allocated for lunch per pupil per day increased by 3.5% due to growing foodstuff prices. With regard to the above and irrespective of the smaller number of pupils receiving free meals, the data presented in Figure 4.1.4-6 show that in 2011, as compared to 2010, the expenditure on free meals increased from LTL 91.1 million to LTL 92.8 million (1.9%).

In 2011, LTL 21.4 million from the state budget were spent on assistance for the acquisition of school supplies at the beginning of a new school year, which is 7% (LTL 1.6 million) less than in 2010. In 2011, assistance for the acquisition of school supplies was provided to more than 137,400 pupils (about 34% of all pupils) studying according to pre-school or general education curricula. In 2011, as compared to 2010, the number of recipients of assistance for the acquisition of school supplies fell by 6.8% from 147,500 to 137,400.
Due to still complicated economic situation in the country and high unemployment rate, the number of children from low-income families, who receive free meals, decreased slightly (1.4%) in 2011, as compared to 2010, and remained rather high, as compared to the pre-crisis period: the number of children from low-income families, who received free meals in 2011 (142,400), was 53% bigger than in 2008 (93,000).

In 2011, as compared to the previous year, expenditure on administration of social assistance for pupils grew from LTL 3.7 million to LTL 4.3 million (16.2%).

During the first quarter of 2012, as compared to the same period in 2011, the number of pupils who received free meals decreased from 149,000 to 138,300 (7.2%) per month; however, due to instable economic situation and high unemployment rate (13.9% in the fourth quarter of 2011) in the country, it remained pretty large, as compared to the pre-crisis period (74,000 pupils in the first quarter of 2008). In the first quarter of 2012, as compared to the same period in 2011, the amount of funds allocated for lunch per pupil per day increased by 3.4% due to growing foodstuff prices. However, with regard to the decreased number of children who receive free meals and irrespective of increased foodstuff prices, the expenditure on social assistance for pupils fell from LTL 30.6 million to LTL 29 million (5.2%) in the first quarter of 2012, as compared to the same period in 2011.
4.1.6. FORECASTED CHANGES RELATED TO CASH SOCIAL ASSISTANCE

In the near future, the most important task remains the protection of residents, in particular socially vulnerable groups, from the negative factors of economic changes seeking to avoid, eliminate or mitigate deprivation.

The conditions of payment and amounts of benefits are established with regard to economic changes and the financial resources of the state. The complicated situation of the European and global economies and financial markets creates special conditions in Lithuania as well. Currently, the fulfilment of commitments undertaken by the state and timely payment of social benefits are highly important.

The cash social assistance provision system has been reorganised as of 1 January 2012; it strengthens municipal and community authority with regard to the provision of social assistance, by assigning the provision of cash social assistance to the independent municipal function in five pilot municipalities, and it will be further improved. Seeking to ensure continuity of reorganisation, having regard to the results of the provision of cash social assistance and the best practice of municipalities taking part in the pilot project during the first half of 2012, as well as the prospects of the provision of cash social assistance as an independent municipal function in all municipalities, legislative amendments are due to be drafted in the third quarter of 2012, by involving more municipalities in the provision of cash social assistance while fulfilling the independent municipal function.

4.2. SOCIAL WORK AND ITS IMPORTANCE

4.2.1. IMPORTANCE OF SOCIAL WORK IN MODERN SOCIETY

An increasingly larger part of society is aware of a social worker and his work. Not only employed social workers or people studying or teaching social work as well as various events, conferences and seminars, but also an objective to promote the participation of social work community in shaping social work policy contribute to this awareness.

At the end of 2011, the Ministry of Social Security and Labour took an initiative to establish the Lithuanian Council of Social Work90. The Council is an advisory body functioning on a voluntary basis, carrying out the functions of an expert and consulting on the strategic issues of social work. It consists of representatives from the Lithuanian Association of Social Workers, NGOs working in the area of social work, higher education institutions offering social work study programmes and ministries.

The idea to establish the aforesaid council emerged after the Socionoms’ Forum, a movement of social work theoreticians and practitioners, expressed their concern to the Ministry of Social Security and Labour regarding low appreciation of the profession of a social worker in the country, regulation of the practical activities of social work, salaries of social workers and training of social workers in higher education institutions.

The key objectives of the Council are: analysis and monitoring of the implementation of social work policy; consulting and submission of conclusions and proposals on the strategic issues of the profession of social work and activity improvement to the Ministry of Social Security and Labour, other ministries, municipal institutions, founders of social services agencies, training institutions which prepare social workers, social worker assistants, and organisations conducting professional development courses for social workers; public awareness raising of the profession of a social worker, its mission, significance and importance for social development.

One of the primary goals of the Council is to submit proposals for a potential national agreement concerning the development of social work (the current situation of social work in our country, what situation should or could be, how social work should be changed, etc.).

With regard to the fact that the aim of the activity of a social worker is to help an individual to solve social problems by empowering an individual to change and consolidate his/her powers to independently overcome difficulties in life as well as to use the support offered by society, it is evident that social work is a particularly specific speciality which requires not only professionalism, psychological knowledge, communication skills, but also the ability to feel empathy for an individual, understand his/her problems and, most importantly, help society to understand that not only material values form the foundation for social well-being. Values, humanity and sincerity are highly important in social work. A social worker must be tolerant, good-natured, responsible, creative and initiative.

Success in social work depends on at least two things: professional and adequate human resources and flexible as well as accessible social services infrastructure. Therefore, the requirement for professional competence of social workers has been set as of 1 July 2011 by the Law on Social Services, focused on an increasingly better quality of provided social services.

While working with families and children, adults from various risk and disability groups as well as other groups of persons, it is particularly important to pay adequate attention to the development of specialist competences. Thus, the Ministry of Social Security and Labour together with the Authority for Administration of Social Care Institutions under the Ministry of Social Security and Labour have been drafting a new programme for the development of competences of workers of social services institutions, within the framework whereof support from the European Union Structural Funds will be used for the organisation of professional development for more than 4,500 workers: from heads of institutions to social worker assistants in 2012–2015. Particular attention is planned to be paid to the formation of skills of personal empowerment, teamwork and cooperation. The purpose of the programme is to raise the level of knowledge and competences of workers of social services institutions with a view to improving the quality of social services.

In 2011, seeking to enhance the social services infrastructure, the Ministry of Social Security and Labour launched the Programme for the Modernisation of Infrastructure of Institutional Social Care Establishments91 (hereinafter referred to as the Programme). The purpose of the Programme is to ensure high quality of social services provided to elderly persons, disabled persons and children deprived of parental care through the modernisation of existing and setting up of new modern institutional social care establishments.

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The List of Projects of Stage I was approved together with the Programme, followed by the approval of the List of Projects of Stage II. Establishments, which have their projects listed, may submit applications for the EU support under Measure VP3-2.4-SADM-03-V “Development of Infrastructure of Institutional Social Services” of Priority II “Quality and Availability of Public Services: Health Care, Education and Social Infrastructure” within the framework of the Operational Programme for Promotion of Cohesion. In the period of 2011–2015, LTL 148 million are planned to be allocated for the modernisation of institutional social care establishments, the major share whereof, i.e. LTL 126 million, comes from the EU Structural Funds.

After the functioning institutional care establishments of municipalities, NGOs and religious communities (societies) are modernised, both the living conditions of persons at care and the working conditions of specialists will be improved, which will result in higher quality of services. As an alternative to large care homes for persons with mental or psychic disability, group homes, i.e. small cosy social care establishments, will be established, where the disabled will live, develop and improve their competences in groups of up to 10 persons, supervised by a team of qualified specialists. Seeking that children deprived of parental care have family-like living conditions, the existing child care homes reminding of hostels will be reorganised or new homes will be constructed, by creating cosy and comfortable spaces for small families of children, adapted to children’s recreation, education and communication.

After the Programme projects are successfully implemented, over 70 institutional social care establishments will be able to ensure the provision of quality social services meeting individual needs and interests.

4.2.2. INCREASE IN THE SALARIES OF SOCIAL WORKERS

At the beginning of 2012 (according to the data from municipal and state institutions), about 7,600 persons were employed in positions related to social work in municipal and state budgetary institutions and townships (according to the data from the Lithuanian Department of Statistics, in 2010, overall about 9,900 persons worked in positions related to social work in Lithuania).

As the unemployment rate and the number of recipients of social services are increasing, the workload of social workers has been constantly increasing as well. The salaries of social workers, which do not correspond to the workload and complexity of activities, determine a low prestige of the profession of a social worker.

Seeking to make the salary of a social worker closer to the average wage in the country’s economy (except individual companies), it is increased by averagely 10% in 2012 (the last increase in salaries of social workers was observed in 2009 – averagely 12%; LTL 17 million were allocated for this purpose).

In 2012, LTL 19.21 million have been allocated from the state budget for increasing salaries of social workers, of which LTL 12.45 million have been allocated to municipalities, LTL 6.76 million – to state appropriation managers (Ministries of Education and Science, Health, Social Security and Labour). The funds for municipalities and state budgetary institutions have been calculated and distributed according to the actual number of positions of social workers therein as well as the number of these positions in townships.

Salaries of social workers increased in 2012 for a period of one year shall apply to subsequent years as well.

4.3. RELEVANT ISSUES OF EQUAL OPPORTUNITIES

4.3.1. NON-DISCRIMINATION

Equal opportunities are one of the most important values and principles of modern society. The Constitution and many laws of the Republic of Lithuania governing various social relations stipulate the constitutional principle of equality before the law. Every member of society must have equal opportunities to seek education, career, personal development, act in all areas of political and social activities, as well as freely move in the EU.

Lithuanian residents have been actively enjoying the rights of movement of persons and free movement of workers in the EU and using the opportunity to practically without constraint become employed in any European Union Member State.


The purpose of this Programme is to nurture respect for a human being, to ensure the implementation of provisions of the legislation laying down the principle of non-discrimination and equal opportunities, to raise legal consciousness, to increase mutual understanding and tolerance on the grounds of gender, race, nationality, language, origin, social status, faith, convictions or views, age, sexual orientation, disability, ethnicity and religion, to raise public awareness of manifestations of discrimination in Lithuania and its negative impact on opportunities for certain groups of society to actively participate in public activities under equal conditions, and of safeguards of equal rights.

The Ministry of Social Security and Labour, the Ministry of Education and Science, the Ministry of Justice, the Ministry of Culture, the Ministry of the Interior, the Office of Equal Opportunities Ombudsperson and the Prosecutor General’s Office contributed to the implementation of the Programme. When implementing the measures of the Programme, training in equal opportunities and non-discrimination was organised for employees of different institutions, civil servants, police officers and judges; discussions were held with non-governmental organisations concerned with the protection of human rights; an advertising campaign against multiple discrimination was conducted; a programme of non-formal education for target groups on tolerance and respect for a human being was drawn up; and statistics on criminal acts committed in hatred on the grounds of race, nationality, religion, language or sexual orientation were regularly released. Events promoting tolerance and knowledge of other cultures were also organised; methodical recommendations on peculiarities of organising, leading

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and conducting the pre-trial investigation of criminal acts committed on racial, nationalist, xenophobic, homophobic or other discriminatory grounds were produced; non-formal education about tolerance and respect for a human being was organised for members of youth associations; and research with regard to tolerance of different social groups by children aged 3 to 12 and possible manifestations of discrimination in comprehensive schools was carried out.

In 2011, a tender for the selection of projects of non-governmental organisations concerned with the protection of human rights in 2011 was organised. The purpose of the tender was to select projects aimed at increasing tolerance, nurture respect for a human being, reduce manifestations of discrimination and work in the area of ensuring equal opportunities. Non-governmental organisations (associations and public institutions, charity and support foundations concerned with the protection of human rights, the owner’s rights and duties whereof are not fulfilled by state or municipal institutions) participated in the tender. The number of tenderers was 13. Financing (LTL 70,000) was granted to the following non-governmental organisations concerned with the protection of human rights: association Women’s Information Centre, public organisation Women’s Activity Innovation Centre, the Lithuanian Gay League, public institution “Bernardinai”, Kaunas County Women’s Crisis Centre.

Seeking to further successfully implement the policy of equal opportunities, non-discrimination and tolerance in Lithuania, the Government of the Republic of Lithuania approved the Interinstitutional Action Plan to Promote Non-discrimination for 2012–201494 (hereinafter referred to as the Plan) by Resolution No. 1281 of 2 November 2011. The purpose of this Plan is to ensure the implementation of educational measures of non-discrimination promotion and equal opportunities, to raise legal consciousness, to increase mutual understanding and tolerance on the grounds of gender, race, nationality, language, origin, social status, faith, convictions or views, age, sexual orientation, disability, ethnicity and religion, to raise public awareness of manifestations of discrimination in Lithuania and its negative impact on opportunities for certain groups of society to actively participate in public activities under equal conditions. Having regard to the versatile nature of non-discrimination promotion policy, other institutions (the Ministry of the Interior, the National Court Administration Training Centre, the Office of Equal Opportunities Ombudsperson, and the Prosecutor General’s Office) also participate in the implementation of the Plan. The Ministry of Social Security and Labour is the coordinator of the implementation of the Plan.

**4.3.2. SOCIAL INTEGRATION OF THE DISABLED**

Social integration of disabled people is organised by applying the principles of equal rights, equal opportunities, discrimination prevention, of guaranteeing self-sufficiency and freedom of choice, accessibility, compensation for disability, decentralisation and destigmatisation.

Having ratified the United Nations Convention on the Rights of Persons with Disabilities and its Optional Protocol95 (hereinafter referred to as the Convention) and with a view to properly implementing

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the provisions of the Convention, a working group was formed by the order of the Minister of Social Security and Labour for the purpose of drafting a new National Programme for Social Integration of the Disabled for 2013–2019. The plan of implementing measures of this programme will be drawn up in accordance with the articles of the Convention. Not only representatives from public authorities, but also from non-governmental organisations of the disabled have been involved in the activities of the working group.

This section gives an overview of the system of social integration of the disabled and the programmes for social integration of the disabled carried out by the Ministry of Social Security and Labour.

4.3.2.1. Key disability indicators

In accordance with the data from the Ministry of Social Security and Labour, in 2011, 264,632 persons in the country received work incapacity (invalidity) pensions or benefits (males made up 48% and females accounted for 52% of recipients).

Despite the fact that the total number of disabled persons fell by 2,900, as compared to 2010, tendencies of distribution by level of disability remained similar to those in the previous year. As seen from Figure 4.3.2.1-1, persons with a 30–40% level of working capacity made up the largest share of the disabled. These persons accounted for as much as 57% (152,320) of all disabled people. Persons with the highest level of disability, i.e. a 0–25% level of working capacity, made up 13% of all disabled people. In 2011, the disabled with a 45–55% level of working capacity totalled 63,436, accounting for 24% of all disabled persons. The number of disabled children under 18 years of age was equal to 15,522, making up 6%.

**Distribution of disabled persons by level of disability in 2011**

<table>
<thead>
<tr>
<th>Level of Disability</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–25%</td>
<td>15,522</td>
<td>6%</td>
</tr>
<tr>
<td>30–40%</td>
<td>33,354</td>
<td>13%</td>
</tr>
<tr>
<td>45–55%</td>
<td>63,436</td>
<td>24%</td>
</tr>
<tr>
<td>57%</td>
<td>152,320</td>
<td>57%</td>
</tr>
</tbody>
</table>

Data from the Ministry of Social Security and Labour  
Figure 4.3.2.1-1
Most often persons of working age are recognised as disabled due to diseases of the blood circulation system, connective tissue, skeletomuscular system diseases and malignant tumours. The most severe disability is most frequently caused by tumours, diseases of the blood circulation system and mental and behavioural disorders.

Mental and behavioural disorders, congenital developmental diseases, deformations, anomalies in chromosomes and diseases of the nervous system are the main causes of disability of children.

### Dynamics of the number of disabled persons by level of working capacity (invalidity group) and level of disability from 2002 to 2011

<table>
<thead>
<tr>
<th>Year</th>
<th>0–25%</th>
<th>30–40%</th>
<th>45–55%</th>
<th>Disabled children</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>28058</td>
<td></td>
<td></td>
<td>152880</td>
</tr>
<tr>
<td>2003</td>
<td>13824</td>
<td>30057</td>
<td>45741</td>
<td>139954</td>
</tr>
<tr>
<td>2004</td>
<td>13852</td>
<td>32702</td>
<td>47134</td>
<td>142487</td>
</tr>
<tr>
<td>2005</td>
<td>16121</td>
<td>33637</td>
<td>50038</td>
<td>144686</td>
</tr>
<tr>
<td>2006</td>
<td>16002</td>
<td>32921</td>
<td>47976</td>
<td>152882</td>
</tr>
<tr>
<td>2007</td>
<td>15812</td>
<td>33665</td>
<td>50266</td>
<td>156556</td>
</tr>
<tr>
<td>2008</td>
<td>15881</td>
<td>34731</td>
<td>58794</td>
<td>159036</td>
</tr>
<tr>
<td>2009</td>
<td>16002</td>
<td>34005</td>
<td>58639</td>
<td>159506</td>
</tr>
<tr>
<td>2010</td>
<td>15737</td>
<td>3354</td>
<td>63639</td>
<td>154130</td>
</tr>
<tr>
<td>2011</td>
<td>16522</td>
<td>33354</td>
<td>63436</td>
<td>152820</td>
</tr>
</tbody>
</table>

Data from the Ministry of Social Security and Labour

The data presented in Figure 4.3.2.1-2 confirm that growth tendencies of the number of the disabled stabilised back in 2009 and the number of disabled people has slightly decreased since. Although about 172,000 disabled persons of working age lived in Lithuania in 2011, only 46,000 people with disabilities worked. Consequently, the employment indicator of the disabled still remains low.

### 4.3.2.2. Implementation of the programme for social integration of the disabled

The aim of the Plan of Implementing Measures of the National Programme for Social Integration of the Disabled for 2010–2012⁹⁶ (hereinafter referred to as the Programme) is to enhance social integration

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of the disabled and to ensure the rights of people with disabilities by developing rehabilitation, services and employment of the disabled, accessibility of surroundings by them, public awareness, and their medical, social and technical service.

LTL 25,132,500 were used for the measures of the Programme in 2011.

LTL 18,872,100 were used for the Programme measure “Developing Accessibility of Services for the Disabled, Enhancing Self-Sufficiency of the Disabled and Promoting Their Employment Opportunities”. While implementing this measure, 4 types of projects of social integration of the disabled selected by tender were financed by allocating LTL 18,334,100 (projects of social rehabilitation services for the disabled in the community, projects of supporting the activities of associations of the disabled, projects of financing the publishing and circulation of periodical and informational publications for the disabled, projects for the development of mobility and self-sufficient living skills of people with physical disabilities).

According to the data from the Ministry of Social Security and Labour, over 63,000 disabled people, 23% of which had severe disability, participated in and benefited from the projects of social integration of the disabled.

**Distribution of state budget funds used for the projects of the Programme for Social Integration of the Disabled by nature of disability and area of integration in 2011 (LTL thousand; %)**

![Pie chart showing distribution of funds](image-url)

- For the social integration of persons with physical disabilities; 6986; 38%
- For the social integration of mentally handicapped persons; 3409; 19%
- For the social integration of persons with mental disorders; 1426,3; 8%
- For the social integration of blind and weak-sighted people; 2535,4; 14%
- For the social integration of deaf and hard-of-hearing people, 2069,4; 11%
- For general projects of social integration; 544,6; 3%
- For sports integration; 1363,4; 7%

*Data from the Ministry of Social Security and Labour*  
*Figure 4.3.2.2-1*
The data given in Figure 4.3.2.2-1 confirm that the implemented projects of social integration of the disabled focused primarily on social integration of persons with physical disabilities.

LTL 13,244,300 were used for the projects of social rehabilitation services for the disabled in the community. The following regular and provided services by nature and specificity of disability offered by organisations were supported: development, maintenance or restoration of social and self-sufficient living skills of the disabled through organisation of practical training (for the disabled and their family members) or activities (services) aimed at taking care of the disabled in a family, at home or social life, being aware of and controlling the disease or disability, learning to serve the disabled and serve oneself, learning to orientate and move in the surroundings as well as to use technical aids, solving psychological problems arising due to disability and learning to lead a healthy lifestyle. 23 organisations of the disabled received funding.

In order to increase access to services for disabled persons not only in large cities, but also in the most remote rural areas of the country, to promote cooperation between municipalities and associations of the disabled, to encourage participation of umbrella organisations of the disabled in the monitoring of evaluation and selection of projects, as well as to guarantee transparency and publicity of processes, financing of social rehabilitation services for the disabled in the community has been assigned to municipalities as of 2012.

In 2012, a total of LTL 15,098,600 were allocated for the projects of social rehabilitation services for the disabled in the community (LTL 13,690,240 co-funded from the state budget and LTL 1,408,360 co-funded from the municipal budget). A larger amount of funds was allocated from the state budget for the financing and administration of projects in 2012 than in 2011. Project financing and implementation agreements have been signed with all municipalities, thus seeking to enlarge the number of applicants (the funding of 409 projects has been envisaged; services will be provided for 39,652 disabled persons).

4.3.2.3. Provision of technical aids for residents

In 2011 and 2012, the implementation of the measure “Acquisition and Provision of Technical Aids for Disabled People” of the Programme for Social Integration of the Disabled continued. The measure is implemented not only by providing the disabled with technical aids (TA), but also by repairing them. Fulfilment of these functions is assigned to the Centre of Technical Aid for Disabled People under the Ministry of Social Security and Labour (hereinafter referred to as the Centre). The purpose of the Centre is to ensure the implementation of measures for social integration of the disabled, activities and projects aimed at improving medical, social and vocational rehabilitation of disabled people, and to guarantee the provision of TA for residents to satisfy special needs.

People in Lithuania are able to obtain from the Centre TA bought in a centralised manner and tailored to the person’s needs, or to receive reimbursement in the established amount for TA acquired by them.

It is worth noting that the updated Description of the Procedure for the Provision of the Disabled with Technical Aids and Reimbursement for the Expenses of Acquisition of These Aids\(^{97}\) (hereinafter

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The social Report 2011–2012

referred to as the Description) took effect on 1 January 2011. Amendments to the Description of the Procedure for the Provision of the Disabled were drafted after the evaluation of persons’ needs, requests and proposals submitted by non-governmental organisations of the disabled, and realistic possibilities of TA provision and of financing the acquisition of these aids: criteria for allocating aids were expanded, enabling a larger number of disabled people to acquire them; amounts of reimbursements for aids acquired by persons were reduced; the terms of the use of aids were extended; and possibilities for persons to acquire aids in more diverse ways were expanded.

In 2011 and 2012, disabled people could obtain TA offered in the Centre or acquire them at their own expense from suppliers and receive reimbursement for acquisition expenses. They could also obtain TA from enterprises, which had concluded contracts with the Centre, and be reimbursed for acquisition expenses. The list of reimbursed TA has been supplemented by an active wheelchair, a tetraplegic wheelchair, a radio controlled manual wheelchair for persons under 18 years of age, screen reading and magnifying software, a speech synthesizer and a FM system.

LTL 8,037,000 were allocated for the provision of residents with TA from the state budget in 2011. In implementing this measure, the disabled acquired or were provided with movement, sight and hearing technical aids and electric wheelchairs; repairs of movement TA and an individual tailoring to the needs of the disabled were organised; receipt of TA support was organised, applications from persons to be reimbursed for TA acquisition expenses were accepted, and persons were included in the waiting list and reimbursements were paid.

Seeking a more efficient use of funds, the Centre organised the return of unused TA and their refurbishment for repeated use, as well as receipt of used movement TA support. In 2011, particular attention was paid to the control of TA issuance, return, repair and repeated issuance, thus ensuring shorter queues of persons waiting for TA, efficient use of refurbished aids and promotion of responsibility for used TA. In 2011, 33% of all issued movement TA were returned, refurbished and repeatedly issued.

In 2011, 34,050 persons were provided with 46,204 TA and were paid 518 reimbursements for acquired TA. Offices of the Centre issued 722 children’s movement TA. Some children were provided with suitable adults’ aids. The annual satisfaction level of children’s need for TA was almost 91%, and adults’ – 89%.

With the growing need, an increasing number of visually impaired people are provided with necessary TA every year: CD players, kitchen scales (talking), body thermometers (talking), electronic calculators (talking) and devices showing the level of liquids.

In 2012, LTL 7,038,000 have been allocated for the implementation of this measure from the state budget.

4.3.2.4. Provision of financial aids for disabled students

In accordance with the Description of the Procedure for the Provision of Financial Aids to Disabled Students of Higher Education Institutions (hereinafter referred to as the Description of the

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Procedure) approved by the Government of the Republic of Lithuania, the following financial aids were provided for disabled students in 2011:

- A monthly target benefit equal to 50% of the state social insurance basic pension to satisfy special needs;
- A target benefit for each semester for partial reimbursement for study expenses equal to 3.2 basic social benefits established by the Government of the Republic of Lithuania for students of state higher education institutions, whose studies are partially financed from the state budget of the Republic of Lithuania or not financed.

The amount of LTL 1,830,000 was approved for the implementation of the measure; LTL 1,822,300 were used.

In accordance with the Description of the Procedure for the Provision of Financial Aids to Disabled Students of Higher Education Institutions, aid was granted to 1,050 disabled students attending 38 higher schools, including 942 (90%) disabled students from 27 state higher education institutions and 108 (10%) disabled students from 11 non-state higher education institutions. 1,050 disabled students were paid benefits to satisfy special needs and 485 disabled students were paid target benefits for partial reimbursement for study expenses.

In 2012, LTL 1,900,000 have been allocated for the implementation of this measure from the state budget.

During the first quarter of 2012, 718 disabled students attending 38 higher schools were granted aid: 718 disabled students were paid benefits to satisfy special needs and 276 students were paid target benefits for partial reimbursement for study expenses.

### 4.3.2.5. Programme for the adaptation of housing for people with disabilities for 2007–2011

In 2010 and 2011, the Ministry of Social Security and Labour continued to carry out the Programme for the Adaptation of Housing for People with Disabilities for 2007–2011\(^9\) (hereinafter referred to as the Programme).

The amount of LTL 3,217,400 was used for the implementation of Programme measures. When implementing the Programme, works of adaptation of housing for the disabled were carried out, information on housing adaptation was collected, accumulated and disseminated, the general computer accounting system for housing adaptation was administered and associations of the disabled were involved in the control and supervision of the implementation of the Programme.

In 2011, 57 municipalities performed works of adaptation of housing for the disabled (3 municipalities failed to use the funds allocated). 253 dwellings were adapted to the needs of 255 disabled persons, of which: 138 dwellings for 140 persons with very clear movement and self-service dysfunctions; 95 dwellings for persons with clear movement and self-service dysfunctions and 20 dwellings for persons with average movement and self-service dysfunctions.

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In accordance with the Description of the Procedure for Financing Housing Adaptation for People with Disabilities\textsuperscript{100}, housing adaptation expenses are covered from state and municipal budgets in parts: 80\% from the state budget and 20\% from the municipal budget for persons with very clear and clear movement and self-service dysfunctions; 50\% from the state budget and 50\% from the municipal budget for persons with average movement and self-service dysfunctions.

As of 2012, the measure of adaptation of housing for people with disabilities has been integrated in the Plan of Implementing Measures of the National Programme for Social Integration of the Disabled.

for 2010–2012. In 2012, LTL 2,731,000 have been allocated for the implementation of this measure from the state budget; 113 dwellings are expected to be adapted for disabled people.

4.3.2.6. Vocational rehabilitation programme

One of the essential provisions while shaping social integration policy for the disabled in Lithuania is the involvement of the disabled and social life. Seeking to restore or increase the capacity for work level of the disabled and their professional competence and ability to participate in the labour market, the implementation of the Vocational Rehabilitation Programme and provision of vocational rehabilitation services continued in 2011 and 2012. Vocational rehabilitation services have been currently provided in 13 establishments.

In 2011, the amount of LTL 11,425,300 was allocated for the implementation of measures of the Vocational Rehabilitation Programme; 757 persons in need of vocational rehabilitation services were registered in local labour exchange offices. During this period, 954 persons were referred to the Vocational Rehabilitation Programme. Disabled people usually chose vocational training programmes for the organiser of the enterprise work, keeper of green zones, accountant, administrator of small business, cashier-sales worker, business organiser, producer of fine wooden articles, basic computer user, tailor-operator, producer of artistic leather articles, storekeeper and cook.

In 2011, the Vocational Rehabilitation Programme was completed by 462 persons; 217 of them (47%) found employment.

During the first quarter of 2012, LTL 2,552,000 were used for the implementation of the measures of this Programme. During the first quarter, local labour exchange offices registered 187 persons with the need for vocational rehabilitation. During this period, 148 persons completed the programme, of them 90 persons found employment during 6 months after completion of the programme.

In order to implement long-term goals of the development of the vocational rehabilitation system, which are set in the Strategy for the Development of Vocational Rehabilitation Services for 2007–2012, in cooperation with the Lithuanian Labour Exchange, the Disability and Working Capacity Assessment Office and the Department for the Affairs of the Disabled, the 2012 Plan of Measures Implementing the Strategy for the Development of Vocational Rehabilitation Services for 2007–2012\(^{101}\) was drafted and approved by the order of the Minister of Social Security and Labour of the Republic of Lithuania.

4.3.3. Programme for THE RETURN OF POLITICAL PRISONERS AND EXILES AS WELL AS THEIR FAMILY MEMBERS TO LITHUANIA FOR 2008–2012

In 2011 and 2012, the implementation of the Programme for the Return of Political Prisoners and Exiles as well as Their Family Members to Lithuania for 2008–2012 continued.

State support for the relocation and implementation of measures of social integration is provided for exiles returning to Lithuania for permanent residence in accordance with the Description of the

Procedure approved by Order No. 151 on the Approval of the Description of the Procedure for the Provision of State Support for Relocation and Social Integration Measures for Political Prisoners and Exiles as well as Their Family Members Returning to Lithuania for Permanent Residence of the Minister of Social Security and Labour of the Republic of Lithuania of 21 November 2002 (hereinafter referred to as the Description of the Procedure).

In 2011, the amount of LTL 452,000 was used for the integration of returned political prisoners, exiles and their family members and the provision of state support, including granting of settlement allowances, reimbursement for relocation expenses and organisation of training.

Figure 4.3.3.1-1 shows the use of state budget appropriations for the relocation and social integration of returning persons by a measure of support in 2011.

Use of state budget appropriations for the relocation and social integration of returning persons in 2011 (LTL)

Support was provided to 237 persons (exiles and their family members who returned to Lithuania). The amount of LTL 175,067 was used for maintenance expenses, repair works and other maintenance needs of the temporary accommodation facility for returning exiles; 59 families (164 persons) have been currently residing in the facility. LTL 145,000 were used for relocation expenses and settlement; 48 persons received support. The amount of LTL 35,288 was spent on Lithuanian language courses and adaptation measures; support was provided for 25 persons. LTL 68,000 were allocated and used for Vilnius Lietuvių namai High School: support was provided for maintenance of children of returning exiles in summer schools, reimbursement for organisation expenses of cultural events (awarding of school-leaving certificates and the celebration of September 1, events to mark the 20th anniversary of the school, Christmas and New Year celebrations and other festivals) and improvement of conditions of everyday life. During the accounting period, LTL 21,155 were used for information, dissemination and congresses.

Data from the Ministry of Social Security and Labour

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4.3.4. SOCIAL INTEGRATION OF FOREIGNERS GRANTED ASYLUM

More than 200 refugees and 128 asylum seekers, the majority of whom are women and children, have been currently residing in Lithuania. Social integration of foreigners, who have been granted asylum in Lithuania, into the local community is the most sensitive element of the Lithuanian asylum system. Twelve years’ experience in implementing the integration programme in Lithuania showed that refugees’ psychological problems and insufficient knowledge of the community into which persons are integrated constitute major obstacles to successful integration.

State support measures adopted directly for the integration of foreigners granted asylum are implemented by the Refugees Reception Centre. Integration is carried out at the Refugees Reception Centre and in the territories of Lithuanian municipalities.

Figure 4.3.4-1 shows that the majority of foreigners took part in the social integration programme in Elektrėnai municipality. Vilnius and Kaunas municipalities have remained in demand, like in 2010.

2011 statistics on foreigners granted asylum who are participating in the social integration programme in municipalities

Data from the Ministry of Social Security and Labour

In 2011, the Refugees Reception Centre provided support for 73 foreigners: 51 adults and 22 unaccompanied minors. Individual plans of activities for foreigners were drawn up. 6 children of preschool age attended classes in the children's occupation room; 1 child was educated at home. In 2011, 500 Lithuanian language lessons were conducted to 52 adult foreigners. 17 foreigners took a partial Lithuanian language examination in the Centre. Classes for minors’ groups of mutual support, aimed at bringing together unaccompanied minors of different nationalities and religions who live at the Centre, were organised. Seminars were held for employees of municipal and non-governmental organisations, other institutions and agencies working in the field of social integration of foreigners granted asylum; various cultural events to encourage awareness of other cultures were also organised.

In 2012, the amount of LTL 395,000 has been allocated for the implementation of the programme. During the first quarter of 2012, 42 foreigners granted asylum, including 10 unaccompanied minors, used support for integration at the Centre. During this period, 128 Lithuanian language lessons were conducted for 30 foreigners; 6 foreigners were studying independently; 1 foreigner took a partial Lithuanian language examination; 5 foreigners found employment.
4.3.5. IMPLEMENTATION OF MIGRATION POLICY IN LITHUANIA

Free movement of workers is one of the fundamental freedoms guaranteed to the EU nationals by the European Community Treaty and EU *acquis communautaire*. While enjoying this right, the nationals of Lithuania, a Member State of the EU, can freely move in the entire EU. As of 1 May 2011, Germany and Austria, which applied for transitional employment restrictions, have abolished the last one for Lithuania (and other states that acceded to the EU in 2004). Employment restrictions will still apply to Bulgarian and Romanian nationals until the end of 2013.

It is worth noting that although the British labour market is open, nationals from the new EU Member States (which acceded to the EU in 2004 and later) are obliged to register, within 30 days following the employment, their stay in the country, i.e. they have to register with the *Home Office Worker Registration Scheme*. This registration is not related to the issuance of work permits. It is rather used for the purpose of collecting statistical data and monitoring the situation of the labour market and migration flows.

### Statistics of Migration

<table>
<thead>
<tr>
<th>Year</th>
<th>Migration increase/ decrease</th>
<th>Emigration</th>
<th></th>
<th></th>
<th>Immigration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total (documented + undocumented)</td>
<td>documented</td>
<td>undocumented</td>
<td>undocumented, %</td>
</tr>
<tr>
<td>1990</td>
<td>-8.9</td>
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<tr>
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<tr>
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<td>-10.8</td>
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<td>-15.2</td>
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<td>-6.7</td>
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<td>n/a</td>
</tr>
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<td>-668.6</td>
<td>-368.4</td>
<td>-300.2</td>
<td>56.8</td>
</tr>
</tbody>
</table>

Data from the Department of Statistics Lithuania

Table 4.3.5-1
Active enjoyment of the rights of free movement of workers by the nationals of the Republic of Lithuania is reflected in the statistics.

As of 2011, the Department of Statistics has not carried out a study of undocumented emigration. Without having data about undocumented emigration, it is impossible to make precise estimations of the overall increase/decrease of migration and the scope of emigration.

In 2011 and 2012, the proposals of the European Commission for the Directive of the European Parliament and of the Council on the conditions of entry and residence of third-country nationals for the purpose of seasonal employment and on the conditions of entry and residence of third-country nationals in the framework of an intra-corporate transfer were debated in the Council Working Groups on Immigration, Migration and Deportation and on Social Issues, a member whereof was a representative from the ministry.

The purpose of the Proposal for the Directive of the European Parliament and of the Council on the conditions of entry and residence of third-country nationals for the purpose of seasonal employment is to facilitate procedures for third-country nationals to come to the European Union Member States for seasonal employment, whereas the purpose of the Proposal on the conditions of entry and residence of third-country nationals in the framework of an intra-corporate transfer is to lay down common and more favourable immigration rules applied to third-country nationals who are temporarily posted from companies established in third countries to the company offices or other entities that belong to those companies or company groups that are opened up in the Member States of the European Union.

4.4. STATE SUPPORT FOR THE ACQUISITION OR RENTAL OF HOUSING

The conditions and procedure of the provision of state support to individuals and families for the acquisition or rental of housing are established in the Law on State Support for the Acquisition or Rental of Housing and Renovation (Modernisation) of Multi-Apartment Buildings (hereinafter referred to as the Law). Pursuant to this Law, before 1 January 2012, the provision of state support for the acquisition or rental of housing was organised, coordinated and controlled by the Ministries of Finance and Environment of the Republic of Lithuania. The Ministry of Finance organised and coordinated subsidising of part of housing loans and loan insurance premiums or part thereof from the state budget funds. The Ministry of Environment organised and coordinated state support for the development of municipal subsidised housing stock from the state budget funds.

As of 1 January 2012, the Republic of Lithuania assigned the Ministry of Social Security and Labour to shape the policy of state support for the acquisition or rental of housing, organise, coordinate and control its implementation. With a view to fulfilling this assignment, the Ministry established the Support for Housing Division. One of the principal goals of this division is to expand the possibilities of choice of housing (by rental or acquisition), while giving priority to reimbursement for part of the rent to all social groups.

The effective legislation stipulates two main forms of state support.
According to the scheme of provided state support, the support system covers a certain subsidising strategy under which:

- supply is subsidised in order to ensure a certain number and quality of housing units and to reduce total costs;
- demand is subsidised in order to ensure affordability and provide target support to specific groups.

By subsidising the development of municipal subsidised housing stock, the state has been directly affecting housing supply; however, the resources of this type of support are limited. The diagram below (see Fig. 4.4-1) illustrates how the state support for housing was falling each year, whereas the number of applicants for subsidised housing was increasing. Thus, in order to meet the increasing demand for housing, new support forms must be sought.

Data from the Ministry of Finance

It should be noted that the development of municipal subsidised housing stock is funded from target appropriations of the state budget and municipal funds, by constructing new or reconstructing and adapting existing buildings for housing purposes, also by purchasing or acquiring in any other lawful way residential houses, parts thereof and apartments. Residential houses, parts thereof and apartments acquired in the said manner are registered by title of a municipality. In 2011, LTL 14.8
million were allocated for the development of municipal subsidised housing stock from the state budget funds. These funds were distributed among municipalities by Resolution No. 682 on the Approval of the Plan of Distribution of 2011 Appropriations from the State Budget of the Republic of Lithuania for the Development of Municipal Subsidised Housing Stock among Municipalities of the Government of the Republic of Lithuania of 8 June 2011 (Official Gazette Valstybės žinios, 2011, No. 73-3507, No. 136-6460). These funds were used to supplement the municipal subsidised housing stock with 205 housing units. State budget appropriations for 2012 envisage LTL 13.3 million for the development of municipal subsidised housing stock.

According to the data from the Lithuanian Department of Statistics, on 1 January 2012, 30,484 families and individuals were entitled to municipal subsidised housing, of whom according to separate lists compiled by municipalities: young families – 9,345; families raising three and more children (adopted children) – 2,135; former orphans or children deprived of parental care – 2,854; disabled persons or families with disabled persons – 4,561; families and individuals not included in either of the mentioned groups – 11,035; tenants of subsidised housing entitled to the improvement of housing conditions – 554. As compared to 2011, the demand for subsidised housing increased by 6.7% (on 1 January 2011, 28,461 families and individuals were included in the list of families and individuals entitled to the rental of subsidised housing) (see Fig. 4.4-2).

The findings of the conducted analysis of the demand for subsidised housing and meeting this demand show that every year municipalities provide subsidised housing for averagely 850 families and individuals. However, regardless of the indicators of meeting the demand for subsidised housing, the number of families and individuals entitled to subsidised housing has been increasing every year: as compared to 2004, the demand jumped by 3.3 times.

Waiting lists for the rental of subsidised housing
(families and individuals) 01.01.2012

<table>
<thead>
<tr>
<th>Type of List</th>
<th>Number</th>
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</thead>
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<tr>
<td>Improvement of housing conditions</td>
<td>554</td>
</tr>
<tr>
<td>Common list</td>
<td>11035</td>
</tr>
<tr>
<td>Disabled persons</td>
<td>4561</td>
</tr>
<tr>
<td>Orphans and persons deprived of parental care</td>
<td>2854</td>
</tr>
<tr>
<td>Large families</td>
<td>2135</td>
</tr>
<tr>
<td>Young families</td>
<td>9345</td>
</tr>
<tr>
<td>Total</td>
<td>30484</td>
</tr>
</tbody>
</table>

Data from the Lithuanian Department of Statistics

After the new version of the Law became effective on 1 January 2003, families and individuals eligible pursuant to the Law may seize the opportunity to take out a state supported housing loan and use state support (subsidy), i.e. individuals who have taken out a state supported housing loan after
01.01.2003 and who are entitled to the privilege shall be paid the amount of up to 20% of the housing loan (loan balance) and part of loan insurance premiums. Residents who took out privileged housing loans before 1 January 2003 and who are socially supported individuals shall be granted additional privileges, i.e. they shall have their loan interest reimbursed.

According to the data from the Department of Statistics, in 2009, 61 individuals (families) were granted state supported housing loans (the amount of loans was LTL 5,926,000); in 2010 – 23 (the amount of loans was LTL 2,189,000); in 2011 – 80 (the amount of loans was LTL 7,354,600). Subsidies granted to individuals (families), respectively: in 2009 – LTL 618,000; in 2010 – LTL 300,300; in 2011 – LTL 806,300.

According to the statistical data, the increase in the number of individuals (families) who have taken advantage of favourable conditions for the acquisition of housing in recent years is obvious. This fact indicates that the interest of residents (in particular, young families) and their possibilities to acquire housing by title with the help of the state have been increasing.

The goal of the Ministry of Social Security and Labour, as a state institution responsible for the provision of subsidised housing, is to increase availability of housing meeting the set standards, reduce the number of homeless people, and seek lower housing prices in order to make it affordable to low-income persons. Individual's right to housing is one of the principal socioeconomic rights of an individual; therefore, support for the acquisition or rental of housing will be provided in order to boost motivation for the integration in the labour market, reduce the scope of residents' emigration and rationally use available resources seeking to achieve results with the lowest possible costs. Thus, the Ministry of Social Security and Labour has been preparing a new draft Law on Support for the Acquisition or Rental of Housing which will expand support forms and set forth the following goals:

- ensuring support to low-income families and individuals applying for subsidised or permanent housing;
- setting forth the forms of the development of subsidised housing stock as well as the provision of support for the acquisition or rental of housing and funding sources;
- establishing the conditions of reimbursement for part of a housing rent;
- creating preconditions for the development and legalisation of the housing rental market;
- promoting cooperation of the public and private sectors.

With a view to achieving the goals envisaged in the draft Law, the following must be done: reconsideration of the procedure for the establishment of the conditions and amounts of state support for the acquisition or rental of housing for low-income families and individuals; establishment of a possibility for low-income families and individuals to choose one of the forms of state support for the acquisition or rental of housing; regulation of the procedure for the conclusion of housing lease contracts and reimbursement for part of a housing rent; and tackling of other issues related to the implementation of the provisions of the draft Law. Furthermore, the rights of municipalities and their possibilities related to the implementation of housing policy should be enhanced; the rights of municipalities to dispose of owned residential premises and other rights related to the development of subsidised housing and rental should be expanded.
5.1. ENHANCEMENT OF THE ROLE OF COMMUNITIES:
UNIQUE PROGRAMME FOR THE PROMOTION OF
SELF-GOVERNMENT OF COMMUNITIES 2012

With a view to activating residents and communities and promoting their voluntary and consistent participation in self-government, also seeking more efficient work of local authorities, the Ministry of Social Security and Labour took the initiative and drafted the Programme of Self-Government of Local Communities 2012 (hereinafter referred to as the Programme) which was launched at the beginning of 2012.

The purpose of the Programme is to urge local communities to take active part in decision-making related to the use of funds for meeting the public needs of local communities. This Programme is aimed at consolidating civil society, reducing social exclusion and increasing the influence of citizens on self-government.

LTL 8 million have been allocated from the state budget for the implementation of the Programme in 2012. The funds have been distributed among municipalities according to the data submitted by the State Tax Inspectorate on the number of employed persons who pay personal income tax in municipalities. The smallest amount of appropriations was allocated to Neringa Municipality, whereas the biggest amount – to Vilnius City Municipality.

Preparation for the Programme took almost a year; it was very intensive in both the Ministry and municipalities. The Minister of Social Security and Labour passed an order which approved the Description of the Implementation of the Programme of Self-Government of Local Communities 2012, which had to be used by municipalities as guidance in implementing the Programme in their respective territories. By 1 April 2012, municipal councils drafted and approved the descriptions of the Procedure
for the Allocation and Use of Funds for the Implementation of Decisions of Local Community Councils (LCC). The descriptions lay down the criteria for the distribution of funds to communities and the locations, in which communities will have LCC for the implementation of decisions. They also set forth the functions of municipality administrations and townships in implementing this Programme as well as the principles of the formation and activities of LCC. In April–May 2012, the Ministry and the Department of Supervision of Social Services, which administers Programme implementation funds, signed agreements on the implementation of the Programme of Self-Government of Local Communities with all 60 municipalities that had approved procedure descriptions.

A possibility has been envisaged to use Programme funds for various activities which have been given priority by LCC that pass decisions on the use of funds. The activities may be targeted at the most vulnerable community members and groups, child and youth occupation, cultural and educational events, improvement of public spaces and environment quality, sports and health promotion, organisation of community activities as well as other initiatives which improve the life quality of local communities.

The Description of the Implementation of the Programme and the descriptions of the procedure approved by municipal councils on the basis of the former provide that LCC, which will pass decisions on the use of funds, shall be composed of residents from territories of townships or other residential areas, their representatives (sub-elders), and representatives from community organisations, religious communities and societies as well as other NGOs functioning in these territories.

The Programme aimed at enhancing self-government of local communities is expected to develop the forms of direct participation of citizens and impact, promote mutual interaction of municipal community members and representative decision-making practice. The Programme is also expected to enhance the publicity and transparency of decision-making at a local level; community members will trust local authorities more; the responsibility of community members for the phenomena taking place in their localities will increase. Finally, the Programme concerned might positively affect not only the enhancement of self-government in Lithuania, but also the development of citizenship of the young generation, promotion of community entrepreneurship, development of social innovations, availability of services at a local level and improvement of the quality of services as well as many other issues relevant to the general public and residents of small local communities. Active communities are a guarantee of a more efficient work of municipalities. Active community organisations might significantly contribute to the development of the entire non-governmental sector in Lithuania and enhancement of democracy.

The Programme of Self-Government of Local Communities 2012 is very favourably viewed by municipality representatives, elders, sub-elders and community members. After the results of the first year of Programme implementation are evaluated, decisions will be made with regard to the continuity and improvement of this Programme in terms of the amount of funds, the decision-making process, and the use of funds.

Comprehensive information about this Programme is available on the websites of the Ministry and municipalities as well as communities or their associations actively involved in the Programme.
5.2. POTENTIAL OF VOLUNTARY ACTIVITIES AND DIRECTIONS OF DEVELOPMENT

After the Commission on Coordination of NGO Affairs became effective in 2010, the Ministry of Social Security and Labour was assigned to coordinate non-governmental organisation and community development policy.

The Commission is the key instrument of consultations, which helps to plan the projects under measures envisaged in the NGO Development Concept and conduct monitoring of the implementation thereof. The Plan of Measures of the Commission on Coordination of NGO Affairs stipulates various activities: from the improvement of the legal framework of NGOs to the implementation of NGO funding programmes.

Not long ago the Lithuanian NGO sector faced a wide range of problems concerning the involvement of volunteers into organisation activities or recruitment of volunteers for certain administrative tasks of organisations, e.g. book-keeping, preparation of fund raising projects, preparation of strategic plans of the organisation, handling of documents. After the Seimas adopted the Law on Volunteering at the beginning of 2011 (hereinafter referred to as the Law) and the Minister of Social Security and Labour approved the fundamental legal act implementing the Law, i.e. the Description of the Conditions and the Procedure for Reimbursement for the Expenses of Voluntary Activities (hereinafter referred to as the Description), a favourable legal environment was created for organisations engaged in voluntary activities. The Law lays down the peculiarities and principles of voluntary activities, the rights and duties of volunteers and organisers of voluntary activities, the procedure for the organisation of voluntary activities, cases of volunteer insurance and reimbursement for the expenses of voluntary activities. The Law regulates only those voluntary activities that are carried out by volunteers through the organiser of voluntary activities (legal entity). The Law seeks to distinguish between voluntary activities and employment relations.

In April 2012, with a view to identifying the strengths and weaknesses of the mentioned Law, which had been in effect for nine months, the Communities Affairs Division surveyed 20 non-governmental organisations of different level functioning in various areas and recruiting many volunteers. The answers of NGO representatives showed that the said Law and secondary legislation solved many long-standing problems related to voluntary activities: the possibility of various different interpretations of voluntary activities has been reduced; organisations may organise voluntary activities with regard to the area of activity, peculiarities of activity, the nature of the organisation and good practices; the Law helps volunteers and organisers of voluntary activities to regulate mutual relations and agree on proper meeting of interests of both parties in the given situation. When asked about the drawbacks, the respondents mentioned that NGOs which function in regions at a distance from big cities or have no experience of systematic work with volunteers lack understanding of the fundamentals of volunteering and are not aware of the provisions of the Law. They also indicated that representatives from non-governmental organisations, ministries financing voluntary activity projects and municipal institutions as well as specialists from agencies administrating EU Structural Support lack understanding of voluntary activities and the respective governing Law. Several NGOs expressed an opinion that application of separate provisions of the Description increase the administrative burden and red tape of organisations. Finally, organisation
representatives gave recommendations for the future, e.g. to purposefully raise public awareness of the Law with the view of forming a favourable attitude of society towards voluntary activities, developing voluntary activities in separate areas of public policy and strengthening voluntary activities in regions.

It is symbolic that the year 2011, in which the Seimas approved the Law on Voluntary Activities, had been also announced the European Year of Voluntary Activities Promoting Active Citizenship by the Council of Europe. On 24 February 2010, the Government of the Republic of Lithuania appointed the Ministry of Social Security and Labour as the national coordinating authority of the European Year of Voluntary Activities. Thus, the Ministry organised Lithuania’s participation in the activities of the European Year and was responsible for the drafting and implementation of the National Programme of the European Year.

The aims of the National Programme were to create the conditions conducive to volunteering, promote voluntary activities and emphasise their importance. Two priorities of the Programme were set: promotion of elderly people’s involvement in voluntary activities and development of youth voluntary activities.

LTL 289,500 were used for the implementation of the Programme (80% of the European Commission funds and 20% of the state budget funds).

The European Year of Voluntary Activities focused on the enhancement of the capacities of organisation to organise voluntary activities. The following projects were implemented: “Organisation of Training Courses for Organisations Engaged in Youth Voluntary Activities”, “Involvement of Elderly People in Voluntary Activities of the Provision of Social Services” and “Development of Voluntary Activities in Community Organisations”. The projects were successfully implemented in more than fifteen Lithuanian cities and attracted a large number of participants. The projects involved more than 800 participants from public institutions, budgetary institutions, associations, communities, libraries as well as elderly individuals.

Seeking to make voluntary activities more popular and promote the involvement of a larger number of people, the competition of Capitals of Voluntary Activities was organised. Alytus, Biržai, Kėdainiai, Palanga and Šiauliai were awarded the title of a Capital of Voluntary Activities. This competition significantly contributed to the promotion of volunteering initiatives in regions and the formation of volunteering traditions. In the aforesaid capitals, activities were carried out almost every day of a month; the competition rallied entrepreneurs, municipalities, local NGOs and residents. Thousands of people are estimated to have been involved in activities throughout all capitals; several hundreds of events, games, campaigns and projects were organised.

Another successful project which promoted volunteering was a cycle of TV programmes entitled “Office of Volunteers”. Volunteers consulted with professionals and sought self-realisation, meaningful occupation, acquisition of relevant competences and new skills, also demonstrated that voluntary activities had to be carried out in a professional manner. Most TV programmes showed good practices of voluntary activities which were carried out in Lithuania yet known only to a small group of people.

The European Year of Voluntary Activities was successful in Lithuania, because state institutions, non-governmental organisations, the business sector and individuals developed many meaningful initiatives targeted at the promotion of volunteering in our country.

Seeking to develop voluntary activities in the future, the situation of voluntary activities and non-governmental organisations engaged in voluntary activities should be known and constantly
monitored. At the end of 2011, upon commission from the Ministry of Social Security and Labour, “Factus Dominus” conducted a Survey of the Institutional Sustainability of the Non-Governmental Sector, Involvement of Volunteers, Mutual Cooperation, Contribution to the Growth of the Country’s Economy and Development of Opportunities. 339,569 volunteers, i.e. 12% of residents aged 15 and elder, participated in voluntary activities in Lithuania. 97,116,677 hours, i.e. 12,139,585 FTE days, or 47,794 FTE positions, were allocated to voluntary activities. The replacement cost of voluntary activities was LTL 1,406,249,480, or 1.5% GDP.

Summing up the data of the qualitative survey on the involvement of volunteers, it could be stated that the problem of definition of voluntary activities exists in Lithuania, and the relation between voluntary activities, membership and unpaid work is particularly problematic. The experiences related to volunteering management differ. Those NGOs that have longer traditions of involving volunteers do not see any problems of volunteer attraction but rather emphasise the issue of retaining volunteers in an organisation. Publicity and dissemination of NGO activities and measures of retaining volunteers (i.e. trying to understand volunteers’ needs, possibilities, offering acceptable activities, time and support) could be considered as examples of good practice. Harmonisation of NGO and volunteer interests is one of the fundamental contexts in which the structure of voluntary activities and the operating system should be institutionalised. Some NGO experts’ experience revealed the lack of traditions of working with volunteers as well as resources necessary for management.

5.3. RELEVANT ISSUES OF CHILD GUARDIANSHIP (FOSTER CARE) AND ADOPTION

The state has been currently drafting and implementing a number of legal acts and programmes, measures whereof aim at improving protection of the rights of the child, ensuring their safe living in a family and society and taking care of social integration of children deprived of parental care. This part explores tendencies related to the relevant issues of child guardianship (foster care) and adoption, discusses the procedure for children’s visiting, the prospects of the reorganisation of the child rights protection system targeted at its more efficient functioning.

Overview of the situation in child care homes. Child care issues play an important role in the social assistance system because the number of dysfunctional families is big in Lithuania. It largely depends on the economic crisis in the country, the social status and the possibilities of families to integrate in the labour market. The Ministry of Social Security and Labour focused on this area and conducted a questionnaire survey in child care institutions, with a view to obtaining detailed information about child care homes and establishments providing short- and long-term social care services to children. The survey included 99 child care homes and establishments which provide social care to children deprived of parental care, of which: 10 state child care homes, 17 non-governmental child care institutions and 72 municipal child care homes.

According to the data as of 2011, 4,119 children lived in child care institutions. Temporary guardianship was established for 1,335 children; permanent – for 2,784 children. The biggest group is
comprised of children aged 10–14 (1,532 children), whereas the smallest – of children aged 4–6 (401 children); the group of children under 3 years of age includes 508 children; 7–9 years old – 571 children; 15–17 years old – 1,107 children.

In 2011, 819 children were returned from child care homes to their biological families, while 226 children were placed under guardianship (foster care) in families or social families. 96 children were returned from the families of guardians (foster parents) or adoptive parents to child care institutions. In the same year, 175 children from child care institutions were adopted.

It is also worth noting that 606 children with moderate or severe disability were living in child care institutions. Special needs have been established to 1,875 children; mental illnesses – 318 children; emotional, behaviour and social development disorders – 899 children. According to the data as of 2011, 1,412 children with emotional, behaviour or social development disorders were in need of medical aid. 148 children living in care homes were placed under minimum supervision; 278 children committed offences or crimes. Therefore, it is often difficult for a child to find a family of guardians or adoptive parents who are determined not only to help a child with certain developmental or health disorders, but also to share cosiness and warmth of their home.

In 2011, 482 children living in care homes attained majority. 156 of them remained at child care homes. 168 of them left child care homes for studying and have been living in hostels of educational institutions or renting housing. 12 of those who attained majority left child care homes because they were provided with subsidised housing. 21 young people have their own housing and will live self-sufficiently. 107 young people went to live at their parents', other relatives' or friends' 38 young people decided to independently rent housing.

Most child care homes (68 out of 99) have been organising their activities on the basis of a social family. In 67 child care homes social families are formed according to blood relationships of children; in 32 child care homes social families are formed according to the age of children; whereas in 13 institutions – according to gender.

It should be noted that in 2011, the average maintenance cost per child per month was LTL 2,075. In 2011, a total of 4,617 employees worked in child care homes, of whom 2,726 employees provided social care services to children.

Guardianship. The number of children deprived of parental care significantly decreased in the period from 2006 until the end of 2011: in 2006 – 3,006 children; in 2007 – 2,824 children; in 2008 – 2,691 children; in 2009 – 2,175 children; in 2010 – 2,145 children. 10,813 children were placed under guardianship (foster care) at the end of 2011. However, in 2011, as compared to 2009 and 2010, guardianship (foster care) was established for a bigger number of children (2,305). In 2011, children placed under guardianship (foster care) distributed by gender as follows: boys – 1,158, girls – 1,147. At the end of 2011, many children deprived of parental care were placed under permanent guardianship (7,991), whereas 2,822 children were placed under temporary guardianship.

Children in the child guardianship (foster care) system. Children are deprived of parental care due to various reasons. The analysis of the reasons of 2011 identifies two most important circumstances. The first reason was that parents or a single parent did not take care of the child, neglected him/her, did not look after him/her, did not bring him/her up properly, used physical or psychological violence thereby endangering the child's physical, mental, spiritual and moral development and safety; therefore, the child was taken out of the family as prescribed by laws (pending the court order separating the child
from the parents). Due to this reason 1,700 children were deprived of parental care in 2011. The second reason was that parents or a single parent were temporarily incapable of taking care of the child because of the parents’ (or father’s/mother’s) illness, arrest, imposed sentence, or due to other compelling reasons. During the accounting year, 338 children were deprived of parental care due to the latter reason.

Other important reasons were as follows: the death of parents or a single parent (6% of all children deprived of parental care); children were separated from their parents at the procedure prescribed by laws (3%); parental authority was restricted for an unlimited period of time (2%).

In 2011, until care was established for children, many of them lived with one of their parents (856).

**Data about families where care was established for children**

<table>
<thead>
<tr>
<th>Data about families where care was established for children</th>
<th>Number of children over 2011</th>
<th>Number of children on 31 December 2011</th>
<th>Number of children over 2010</th>
<th>Number of children on 31 December 2010</th>
<th>Number of children over 2009</th>
<th>Number of children on 31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before the establishment of guardianship (foster care), the child lived with both parents</td>
<td>684</td>
<td>2,600</td>
<td>619</td>
<td>2,758</td>
<td>569</td>
<td>2,948</td>
</tr>
<tr>
<td>Before the establishment of guardianship (foster care), the child lived with one parent (in cases when the other parent could not take care of the child due to various reasons)</td>
<td>856</td>
<td>2,906</td>
<td>789</td>
<td>3,084</td>
<td>747</td>
<td>3,250</td>
</tr>
<tr>
<td>Before the establishment of guardianship (foster care), the child lived with the single mother when no data about the father was available</td>
<td>581</td>
<td>2,551</td>
<td>524</td>
<td>2,383</td>
<td>506</td>
<td>2,635</td>
</tr>
<tr>
<td>Before the establishment of guardianship (care), the child lived in a non-biological family</td>
<td>132</td>
<td>2,583</td>
<td>140</td>
<td>2,507</td>
<td>226</td>
<td>2,536</td>
</tr>
<tr>
<td>Nobody raised the child (the child was found)</td>
<td>3</td>
<td>14</td>
<td>12</td>
<td>16</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>Before the establishment of guardianship (foster care), the child lived in the hospital (maternity home)</td>
<td>58</td>
<td>206</td>
<td>61</td>
<td>219</td>
<td>67</td>
<td>221</td>
</tr>
</tbody>
</table>

*Data from the State Child Rights Protection and Adoption Agency*  
*Table 5.3-1*
Procedure for a temporary visit of a child placed in care institutions. The Ministry of Social Security and Labour, seeking to apply a common procedure for a temporary visit of children living in social care institutions in Lithuania, approved the Description of the Procedure for a Temporary Visit of a Child Placed in Care Institutions (hereinafter referred to as the Description) by Order No. A1-559 of the Minister of 28 December 2011 (Official Gazette Valstybės žinios, 2012, No. 1-17). The Description is aimed at ensuring the protection of children on a temporary stay at natural persons’ from any kind of violence and neglect, providing these children with the opportunity to personally feel family environment and understand the roles and importance of father and mother in family life; furthermore, evaluating suitability of every natural person and adequacy of offered temporary stay conditions, ensuring supervision of a child during a temporary stay: through the child care home keeping in contact with the child, taking interest in and checking stay conditions, listening to the child’s opinion and establishing the rights, duties and responsibility of a natural person who receives a child for a temporary stay on the basis of a bilateral agreement between the person and the child care home.

It is worth noting that the requirements of this Description apply to all persons permanently residing in the Republic of Lithuania or a foreign country, regardless of their nationality, social status and religious beliefs. The principles of the Description also apply to all children placed under guardianship (foster care) in institutions. Thus, the principles, conditions and procedure of the Description do not contradict the practice of other countries of making decisions in the best interests of the child.

A child placed under guardianship in an institution is allowed a temporary visit only on the basis of an agreement between the child care home and a natural person. These requirements also apply to a relative of the child, who permanently resides abroad and is willing to receive the child for a temporary stay. The aforementioned agreement defines the rights and responsibility of the child care home and the natural person as well as the conditions of stay supervision and returning of the child.

The requirements of this Description promote and support the initiatives to create the conditions for a child living in an institution to temporarily stay in a family so that a child actually feels family environment and its positive impact.

In 2011, certified social workers actively provided services to families of guardians and adoptive parents, where children were already living. Training according to the rolling programme for training guardians and adoptive parents was organised, and all families who wished could take part in it. Mutual assistance groups of guardians and adoptive parents were organised at municipalities on the initiative of specialists who trained guardians and adoptive parents, and their main aim was to share the experience of raising children in a family and help to overcome everyday challenges and difficulties. An increasingly growing demand for the development of the network of services necessary after guardianship and adoption has been observed. In remote areas, availability of assistance of specialists, in particular psychologists, for families is scarce. There is also lack of information where to search for this kind of assistance.

On 31 December 2011, 1,907 children were included in the register of children subject to adoption. In 2011, the number of elder children (aged 10–14) subject to adoption increased. The number of children aged 4–9 included in the register was evenly falling from 2009 until 2011. The number of smallest children (under 3 years of age) subject to adoption in 2011 was as few as 5 children bigger than in 2010.

The majority of children subject to adoption are senior school-age children, i.e. 10–14 years old. In this age group, the number of boys is almost one and a half times bigger than the number of girls (461
and 337 respectively). Typically, children of this age live in large families; therefore, they are included in the register together with their siblings in cases where parental authority is restricted unlimitedly due to alcohol abuse, child neglect and lack of social skills. Usually, children of this age subject to adoption have certain learning disorders.

In both 2010 and 2011, teenagers aged 10–14 were mainly offered for adoption to the citizens of the Republic of Lithuania; however, adoptive parents living in Lithuania do not wish to adopt children from this age group. It is worth noting that Lithuanian adoptive families pay considerable regard to both the health condition of a child and his/her biological parents. There are frequent cases when a healthy child or a child with curable health disorders is refused because the child's mother or both parents are ill with mental illnesses, are mentally retarded or are drug addicts, fearing the risk for being inherited or the effect of psychotropic substances on the child's mental health. Seeking that elder children and children with more serious health problems who are subject to adoption find families of guardians or adoptive parents in Lithuania as soon as possible, the Agency cooperated with stakeholders, i.e. certified social workers, and provided them with non-identifying information about the child's age, health and siblings living together.

1,335 of 1,907 children included in the register of children subject to adoption cannot be offered for adoption following the principle of priority of the child's interests. 32.55% of these children who have special needs have been discontinued the adoption procedure due to their health condition or elder age. 31.38% (out of 1,335) of children do not agree to be adopted; elder siblings or close relatives object to the adoption of 27.71% of children; 12.35% of children wish to have a family yet the matter of their international adoption is not resolved because they have attained 15 years of age.

In 2011, 473 children were included in this register. This figure is slightly bigger than in 2010 (426 children) but smaller than in 2009 (534 children).

According to the data as of 31 December 2011, 535 children were offered for adoption to families of citizens of the Republic of Lithuania and foreign nationals and, in accordance with the programme of children with special needs, the matter of international adoption of 37 children was investigated. In 2011, 519 children were removed from the register of children subject to adoption (as compared to 603 children in 2010). Usually, adopted children or those children who attained majority at a care institution are removed from the register. On 31 December 2011, the register of citizens of the Republic of Lithuania included 84 families (individuals) wishing to adopt a child (children). In total, in 2011, 95 families (individuals) were included in this register and 114 families (individuals) were removed from it: 93 families were removed because they adopted children and 21 families were removed due to other reasons. In 2011, the percentage of single persons wishing to adopt a child decreased. In 2011, 28% of all persons included in the register of citizens of the Republic of Lithuania raised biological and previously adopted children. 12% of families (individuals) included in the register during the reporting period wished to adopt children placed under guardianship in their families. Family requests with regard to children's age have not changed significantly. The number of families wishing to adopt children with curable disorders, and not only healthy children, has increased.

In 2011, 93 families (individuals) of citizens of the Republic of Lithuania, permanently residing in Lithuania, adopted 101 children deprived of parental care. 51 boys and 50 girls were adopted. A decreasing number of adopted girls has been observed since 2009. 59 adopted children had health disorders, whereas 42 children were healthy. The majority of adopted children were children deprived
of parental care, aged 3 months to 3 years. The number of adopted children aged 3 months to 1 year fell, whereas the number of adopted children aged 1–2 years and 2–3 years increased. 4 children aged 3 months to 1 year, who were found in baby drop boxes (6 children in 2010), were also adopted.

Most children become subject to adoption when their parents or one of the parents are unlimitedly restricted parental authority (in 2011 – 65 children; in 2010 – 70 children). 86 families (spouses) adopted 94 children deprived of parental care, 6 single persons adopted 6 children deprived of parental care, and one of the spouses (1 family) adopted 1 child. The number of single persons who adopt children has been decreasing since 2007. The ongoing economic crisis in Lithuania is expected to have influence on this phenomenon. 8 families adopted 2 children each (in 2010, there were 10 such families). According to the data as of 31 December 2011, the number of families included in the register of citizens of the Republic of Lithuania permanently residing in a foreign country and foreign nationals wishing to adopt children was the smallest over recent years (155). Families of Italian nationals account for the biggest number in the register (56% of all families included in the register). Italian nationals’ families also constituted the biggest number of families included in the register during the reporting period (50% of all families included in the register over a year). On 31 December 2011, the register had 11 families related to Lithuania by descent; the majority of them (5) live in the United States of America. Most (76%) families included in the register wish to adopt children of any gender, elder than 6 years of age (63.9%), or one child (53.5%). 47.7% of all families included in the register are ready to adopt children with curable health disorders. A slightly smaller number of families (41.3%) wish to adopt only healthy children. The majority of persons wishing to adopt children are childless spouses over 40 years of age. 86 citizens of the Republic of Lithuania residing in a foreign country on a permanent basis and families of foreign nationals adopted 144 children. Most children were adopted by Italian, Swedish and American families. As compared to the previous year, the number of adopted children increased because authorised institutions have been actively adopting children with special needs, and more children have been adopted together with their siblings.

School-age children together with their siblings, whose parents had been unlimitedly restricted parental authority and who had been living in child care homes, were mainly adopted. Most children had special needs (121 out of 144 adopted children).

### 5.4. REORGANISATION OF THE CHILD RIGHTS PROTECTION SYSTEM

*Seeking more efficient functioning of the child rights protection system, it will be reorganised.*

With a view to forming a coherent and coordinated system of child rights protection institutions which ensure proper protection of child rights and legal interests as well as representation thereof, the Seimas passed Resolution No. XI-1954 on 29 March 2012, thereby approving the Concept of Reorganisation of Child Rights Protection Institutions.

In order to eliminate the causes of problems of child rights protection and inadequate efficiency of the functioning of child rights protection offices, as well as to achieve the aim of the Concept, the functions
related to child well-being and child rights protection performed by state and municipal institutions will be redistributed; administration of these functions will be improved and the function of child rights protection will remain a state function (assigned by the state to municipalities). The system of child rights protection institutions will be reorganised in the following directions: the objectives, functions and role of ministries and other state institutions related to child rights protection in the system of state institutions will be clearly defined; concrete boundaries of responsibility will be established; the functions of management and control of the child rights protection system will be enhanced; the competence of municipal institutions will be reviewed and the structure of child rights protection offices will be improved; the key functions performed by child rights protection offices will be laid down in legal acts.

Pursuant to Article 2 of the above Seimas resolution, the Plan of Measures Implementing the Concept of Reorganisation of the System of Child Rights Protection Institutions has been drafted and will be approved by the resolution of the Government of the Republic of Lithuania. Measures envisaged in the plan propose to improve legal regulation of child rights protection by strengthening coordination of the activities of institutions which ensure child well-being or by: reconsidering the functions performed by the State Child Rights Protection and Adoption Agency under the Ministry of Social Security and Labour and child rights protection offices of municipality administrations; improving legal regulation of child guardianship (foster care) and adoption; promoting availability and diversity of social services in the area of child rights protection. Furthermore, efforts will be exerted in order to ensure consolidation of human resources of child rights protection institutions of municipality administrations by reducing the workload of specialists, increasing appropriations from the state budget for establishment of additional positions of civil servants in child rights protection offices of municipality administrations, allocating additional funds for the provision of hardware and other equipment in these offices.

The system of child rights protection institutions will be reorganised in four stages; reorganisation is due to be completed by 1 January 2013.

5.5. YOUTH POLICY

Youth policy comprises the activities targeted at finding solutions to youth problems and seeking to create favourable conditions for personality development of young people and their integration in social life. Youth policy is interinstitutional, covering many areas listed in Article 4 of the Law on Youth Policy Framework of the Republic of Lithuania103; therefore, in order to ensure effective implementation of youth policy, it is important to foresee long-term integrated actions for the development of opportunities for youth and solution of youth-related issues. Thus, the implementation of the National Youth Policy Development Programme for 2011–2019104 is important. The National Youth Policy Development Programme for 2011–2019105 approved by the resolution of the Government of the Republic of Lithuania

formulates youth policy priorities, goals, activity directions, as well as the objectives of the state and society for the period of 2011–2019. This strategic youth policy instrument, focused on the creation of favourable conditions, respecting the needs of youth, for an active young citizen, lays down the provisions directly targeted at the development of youth policy, seeking to create the conditions for a young person to become an active and motivated citizen, capable of creating a valuable life.

In 2011, the Plan of Measures 2011–2013\(^{106}\) for the Implementation of the National Youth Policy Development Programme for 2011–2019 was approved with the view of implementing youth policy priorities, goals, activity directions, as well as the objectives of the state and society within the coming three years. The development programme seeks: to ensure the development of social security, education and health care systems, which meets the needs of young people; to develop a conscious, public-spirited, patriotic, mature, cultural and creative young personality, capable of being an active part of diverse society; to develop and coordinate the system of youth work and to ensure the development of youth employment infrastructure; to create favourable conditions for consistent and high quality activities of youth organisations and organisations working with youth, seeking more active youth involvement in organised activities; to ensure interdepartmental and cross-sectoral cooperation in developing coherent, fact and knowledge based youth policy. In developing youth policy, interdepartmental cooperation on the local self-government and international levels is strengthened; priority is given to the promotion of youth employment, strengthening of the potential of youth organisations, development of youth work; and another important aspect is youth information and consultation on relevant issues.

In 2011, with a view to strengthening youth organisations and encouraging young people to participate in social life as well as be active and aware Lithuanian citizens, national and regional youth structures and youth organisations were reinforced: 49 programmes and projects targeted at the strengthening of youth organisations were financed. Funded organisations provided social and psychological consultations, informed and consulted beneficiaries and ensured the development of voluntary activities, long-term employment of youth participating in the activities of programme implementers, development of the key social, educational, emotional and professional competences, empowerment to assume responsibility and actively participate in social life, through the organisation of various trainings, seminars, conferences and other events. 37,500 young people participated in the programmes and projects implemented in 2011. The share of young people involved in the activities of various youth organisations of the total number of young people in Lithuania accounts for 12 per cent.

5.5.1. PRIORITIES OF THE IMPLEMENTATION OF YOUTH POLICY 2011

The process of shaping and implementation of youth policy in 2011 sought to create favourable conditions for youth to become an active part of society and promote youth socialisation processes. Among the key priorities of youth policy in 2011 were the following: solving youth employment problems and informing youth on relevant issues; promoting youth participation in projects on both national and regional levels; seeking to involve young people with fewer opportunities.

The Plan of Measures 2011–2013 for the Implementation of the National Youth Policy Development Programme for 2011–2019\(^{107}\) envisages the provision of information and consultation services so that, when choosing their profession, young people make the right decisions, also stipulates the development and improvement of the activities of youth employment centres as well as the development of the system of youth work. The measures seek to develop and strengthen open youth centres and spaces, support the activities of youth organisations and promote initiatives in municipalities. Moreover, the creation process of the youth information and consultation system has commenced.

5.5.1.1. Development of youth work

In 2011, development of youth work was one of the most important measures from the Plan of Measures 2011–2013 for the Implementation of the National Youth Policy Development Programme for 2011–2019. Youth work comprises social, informational, educational, cultural or any other kind of activities implemented together with young people or their groups, based on their needs, seeking to involve and integrate a young person in social environment and empower him to consciously and actively participate in private and social life. Resolution of the Council and of the Representatives of the Governments of the Member States, meeting within the Council, on youth work\(^{108}\) provides that youth work is a broad term covering a large scope of activities of a social, cultural, educational or political nature both by, with and for young people. Increasingly, such activities also include sport and services for young people. Youth work belongs to the area of “out-of-school” education, as well as specific leisure time activities managed by professional or voluntary youth workers and youth leaders and is based on non-formal learning processes and on voluntary participation.

**Legal regulation of youth work.** A working group on drafting the description of a youth worker has prepared a draft Description of a Youth Worker. A draft Description of the Activities of Open Youth Centres and Spaces has also been prepared. These drafts have been coordinated with concerned institutions\(^{109}\) and scheduled for approval in 2012.

Since open youth work, the principles of open youth work, etc. are still hardly known on both national and regional levels, the Department of Youth Affairs under the Ministry of Social Security and Labour (hereinafter referred to as the Department of Youth Affairs) initiates and organises meetings of diverse nature, delivers presentations and participates in different format meetings, discussions, events, seeking to implement the National Youth Policy Development Programme for 2011–2019, in particular with regard to its measure – to develop the activities of open youth centres and spaces. In 2011–2012, activity programmes, aimed at ensuring successful functioning of open youth centres and spaces and involving young people in acceptable and meaningful activities in a youth-friendly environment, were financed under the tenders for financing activity programmes of open youth centres and the tenders for financing activity programmes of open youth spaces.


In 2011, in Lithuania, seeking not only to ensure successful functioning of already operating open youth centres and spaces, but also emergence of new open youth work implementers, consultations were constantly provided with regard to the issues of the establishment of open youth centres, fund raising, qualifications and functions of specialists working there, and organisation of activities. The Department of Youth Affairs provided a total of 60 consultations to various persons planning to set up open youth centres or develop open spaces in their municipalities, as well as to already operating institutions and organisations and stakeholders engaged in open work. With a view to ensuring qualitative implementation of open centre and space projects financed in 2011, 21 individual methodical consultations were provided to organisations which received funding within the framework of the tender for financing activity programmes of open youth centres and spaces. These consultations focused on the most relevant problems of a specific centre or area and situations as well as preparation of problem solving plans and recommendations.

5.5.1.2. European Union programme “Youth in Action”

The objectives of the European Union (EU) programme “Youth in Action” are the following: to promote young people’s active citizenship in general and their European citizenship in particular; to develop solidarity and promote tolerance among young people; to foster mutual understanding between young people in different countries; to contribute to developing the quality of support systems for youth activities; and to promote European cooperation in the youth field.

As compared to other initiatives on the national level, the EU programme “Youth in Action” has a considerable added value and is perceived by young people as one of the essential funding sources for
youth projects. As much as 42% of the respondents interviewed during the interim assessment of the programme considered this programme to be the main source of financing youth organisations, and around 52% of the respondents indicated that the programme was a significant funding source next to other state programmes. Furthermore, as much as 95% of the respondents said that the programme was a very significant source of support for youth activities, besides other state initiatives. The programme contributes to the promotion of citizenship of young people, in particular European citizenship: as much as 68% of the respondents indicated that they felt more Lithuanian citizens due to the fact that they participated in the programme and 76% indicated that they felt more EU citizens. The majority of the respondents stated that participation in the programme encouraged their initiative and creativity while taking part in public activities (90%); about 60% of the respondents stated that participation encouraged them to take a more active part in democratic activities. As much as 79% of the respondents stated that the programme positively affected their foreign language skills.

In 2011, while implementing the Youth in Action programme, 144 projects were funded, which were targeted at promoting young people’s active citizenship, developing solidarity and promoting tolerance among young people, involving young people with fewer opportunities in order to avoid social exclusion. 4,586 young people directly participated in the Youth in Action programme in 2011.

![Results of the EU programme “Youth in Action” in 2007–2011](image)

Data from the Agency of International Youth Cooperation

**Figure 5.5.1.2-1**

### 5.5.1.3. Youth information and consultation

Article 3 of the Law on Youth Policy Framework sets out the principles of the implementation of youth policy; informing and participation are among them. The principle of participation means that youth-related issues are solved with the participation of young people and by coordinating them with youth or representatives of youth organisations. Informing – state and municipal institutions
and agencies as well as youth organisations inform young people on the matters relevant to them in an acceptable and accessible form. One of the objectives of the National Youth Policy Development Programme for 2011–2019 is to create a structured system of information and consultation of youth seeking better understanding of youth issues by the general public. The plans for 2012–2013 envisage the analysis of the situation of youth information, drafting and implementing a common description of the youth information and consultation system which covers national and local self-government levels. This activity was launched at the beginning of 2012.

In 2011, youth awareness and participation was promoted through the development of a structured dialogue on relevant issues with young people. A structured dialogue with young people is the consultations on youth-related issues provided to young people. Consultations in Lithuania are organised by the National Working Group on Dissemination of Information on Youth Policy Issues composed of representatives from the Lithuanian Youth Council, the Ministry of Social Security and Labour, the Department of Youth Affairs under the Ministry of Social Security and Labour, the National Youth Affairs Coordinator Association, researchers and other institutions relevant to the implementation of youth policy.

The structured dialogue with young people has been developed since the very start of 2010; consultations on youth employment – a priority chosen by Member States presiding over the Council of the European Union (Spain, Belgium, Hungary) – have been carried out. The consultation process in Lithuania is coordinated by the National Working Group on Dissemination of Information on Youth Policy Issues. The group collects, analyses, generalises and provides information on youth policy issues to the institutions and organisations of the Council of the European Union, the Ministry of Social Security and Labour, youth organisations and organisations working with youth. This national working group encourages cooperation (structured dialogue) among young people, youth organisation representatives and state institutions. The dialogue is developed by the representatives from the Lithuanian Youth Council, the Ministry of Social Security and Labour, the Department of Youth Affairs under the Ministry of Social Security and Labour, the Agency of International Youth Cooperation, the Institute of Labour and Social Research of the Lithuanian Research Centre. Municipality representatives, i.e. representatives from the National Youth Affairs Coordinator Association, have also been involved seeking that tendencies and relevant issues of youth policy, raised and discussed at the EU level, reach a bigger number of young people on both national and regional levels.

Consultations are organised twice a year. They are part of the European Union structured dialogue during which young people directly participate in the EU decision-making processes and express their opinion on the issues submitted to the EU Council by the presiding state. For instance, during the consultation held at the beginning of 2012, young people responded to the questions on youth participation presented by Denmark, which held EU presidency in the first half of 2012, through direct and online surveys. 670 young people (aged 14–29), mainly from Vilnius and smaller cities of Lithuania, participated in direct and online consultations. Consultations were held in all EU member states; afterwards, survey results were generalised and submitted for consideration to the presiding state and included in the political documents drafted on the EU level.

Youth awareness and promotion of active participation was the priority for 2011, and this priority was related to youth involvement, a youth policy priority of Poland, Denmark and Cyprus – a trio which started their term of presidency of the Council of the European Union in the second half of 2011.
Youth and the world was the priority of Poland which presided over the Council of the European Union in the second half of 2011. Denmark, which presided in the first half of 2012, highlighted the importance of youth creativity and innovation. Cyprus, due to take presidency in the second half of 2012, gives priority to the importance of youth participation for strengthening of social inclusion in the field of youth policy. The problems and opportunities of young people from migrant families are discussed.

Another very important aspect of youth information and consultation is the developed information portal of a network coordinated by the Lithuanian Youth Council (www.eurodesk.lt), which provides information about the situation of young people in Europe, youth activities, problems and their solutions. In 2011, the portal was visited by 431,442 unique visitors (IP); 265 enquiries were answered by e-mail.

**5.5.2. SHORT-TERM FOLLOW-UP**

Consistent efforts are exerted in order to create favourable conditions for youth to become an active part of society and promote youth socialisation processes. The priorities of youth policy are to solve currently relevant problems of youth employment, continue to promote youth work, create open youth centres and spaces in all municipalities in Lithuania with a view to involving young people in social life, promote young people’s active participation on national and regional levels, and inform and consult young people.

**5.6. FAMILY POLICY AS PREVENTION OF SOCIAL PROBLEMS**

Family policy is part of social policy, aimed at developing and implementing measures ensuring the conditions for the family to remain secure, autonomous and responsible for procreation, development and growth.

Difficulties related to reconciliation of family and work commitments, poor interrelationship among family members and related abundance of divorces, as well as instances of violence are tough challenges faced by many Lithuanian families. The country is also affected by long-term demographic trends: low birth rates, population ageing, and high migration rates.

This part focuses on the issues related to the implementation of the National Agreement on the Creation of a Family-Friendly Environment. Ways to involve non-governmental organisations in the creation of a family-friendly environment are discussed and actions targeted at improving the situation of elderly people are presented. Relevant issues of protection against domestic violence are also explored.
5.6.1. IMPLEMENTATION OF THE NATIONAL AGREEMENT ON THE CREATION OF A FAMILY-FRIENDLY ENVIRONMENT

The National Agreement on the Creation of a Family-Friendly Environment has been initiated by public organisations representing families. The Agreement identifies the most important relevant issues that are common to all signatories: development of services and infrastructure for a family; enhancement of a positive public attitude towards a family; ensuring family welfare and material security; improvement of the conditions to fulfil the procreational function of the family.

Issues that are relevant to the family are included in the activity priorities for 2011 and 2012 approved by resolutions of the Government of the Republic of Lithuania. The aim of these priorities is to create the conditions for a family-friendly environment and solve the social problems of families with the participation of non-governmental organisations and communities.

The following specific works could be mentioned in relation to the implementation of the National Agreement:

**The system of the provision of cash social assistance has been revised** and the new version of the Law on Cash Social Assistance for Low Income Residents has been effective as of 1 January 2012. The provisions of the Law are aimed at supporting families raising children, ensuring motivation of people of working age to integrate in the labour market, actively search for a job and reduce long-term dependency on the social assistance system.

**Specified provisions of the Labour Code** (Law Amending Article 101, 146 and 214 of the Labour Code of the Republic of Lithuania) have become effective as of 3 May 2011. These provisions envisage better working conditions for employees raising children, i.e. employees who are doing shift work and raise children may use the shift free of work within a period longer than a month.

In order to **create more favourable conditions for families, in particular families raising children, to rent housing**, the draft amending the Law on State Support for the Acquisition or Rental of Housing and Modernisation of Multi-Apartment Buildings has been prepared. The draft provides for opportunities to reimburse for part of a housing rent for natural and legal persons.

The Ministry of Health has been using the funds from the EU Structural Funds 2007–2013 for financing the **development of children’s and teenagers’ psychic health care services**, when implementing Measure VP3-2.1-SAM-05-V “Establishment of differentiated centres of complex psychiatric help to the child and family” within the framework of the Operational Programme for Promotion of Cohesion for 2007–2013. Seeking to develop complex children’s and teenagers’ psychic health care services (outpatient-consultation, day inpatient, crisis intervention, inpatient), children’s and teenagers’ psychic

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health care has been enhanced on the level of regional centres where the complex of services will be concentrated. These regional centres will provide aid in cases of children’s and teenagers’ psychic and behavioural disorders, children’s crisis intervention services and family consultation services.

The provisions of the Republic of Lithuania Law on Sickness and Maternity Social Insurance, effective as of 1 July 2011, create the possibility to work in the second year of the child care leave without reducing the maternity (paternity) benefit.\footnote{Republic of Lithuania Law on Sickness and Maternity Social Insurance (Official Gazette Valstybės žinios, 2000, No. 111-3574).}

An interinstitutional Family Policy Commission has been set up by the order of the Minister of Social Security and Labour.\footnote{9 May 2012, No. A1-234.} The Commission is composed of the representatives from state and municipal institutions and non-governmental organisations. Thus, the currently missing cooperation and action coordination of state and municipal institutions, participating in the shaping and implementation of family policy, will be enhanced, and involvement of non-governmental organisations in the solution of issues relevant to families will be ensured.

5.6.2. ACTIVITIES OF NON-GOVERNMENTAL ORGANISATIONS IN THE AREA OF FAMILY WELFARE

When shaping and implementing family policy, it is important to involve non-governmental organisations (NGO) due to their advantages: ability to precisely identify the needs of specific families, rationally use the available resources, flexibly provide services, and use their motivated employees for taking action and disseminating best practice.

One of the measures of the National Demographic (Population) Policy Strategy\footnote{Resolution No. 1350 of the Government of 28 October 2004 (Official Gazette Valstybės žinios, 2004, No. 159-5795); Order No. A1-44 on the Approval of the Plan of Measures for the Implementation of the National Demographic (Population) Policy Strategy in the Area of Family Welfare 2011–2013 of the Minister of Social Security and Labour of the Republic of Lithuania of 27 January 2011 (Official Gazette Valstybės žinios, 2011, No. 25-1226).} implemented by the Ministry of Social Security and Labour is a tender for the selection of projects of non-governmental organisations working in the area of family welfare. In implementing this tender, the projects of non-governmental organisations, funded from appropriations to the Ministry of Social Security and Labour, are selected and they are targeted at promoting the establishment of an independent and viable family based on mutual assistance and responsibility of family members.

61 projects were submitted for tender, and almost LTL 500,000 were allocated from the state budget for the implementation of these activities, which is 11% more than in 2010. In 2011, 16 project implementers were granted funding, which is 7% more than in 2010 and 33% more than in 2009.

Non-governmental organisations provided complex services (individual psychological, social, legal consultations, civil, spiritual-psychological education group sessions for spouses, lectures for engaged couples, the formation of parental skills, afternoon meetings with families) and conducted informational and educational as well as information dissemination activities.

Project implementers organised 2,800 events of diverse nature targeted at families, which were attended by more than 13,000 people. Project implementers indicated that more than 7,000 families, of
whom 3,600 future families (engaged couples), took part in the events. Educational (2,400), informational (74), awareness raising (176) and other types (162) of events were organised. NGOs granted about 900 hours of psychological consultations to families which had problems of child upbringing and interrelationship of spouses, consulted and provided assistance to pregnant women and mothers; granted about 1,600 hours of social assistance consultations on relevant issues: family interrelationship, persons under care, education and representation of family interests. Organisations introduced their activities not only in the regular place of project implementation, but also in places of cooperation partners.

In 2012, seeking to ensure continuity and consistency of activities of implemented projects, while organising the tender an opportunity has been provided, in the event that a non-governmental organisation properly implements a respective project, to extend the contract under the same terms and conditions for another year. Thus, no separate tender will be called in 2013. It is also worth noting that the selection of funded projects gives priority to activities related to preventive services for families (e.g. development of readiness to create a family for persons planning to conclude marriage, development of culture of family relations, education of positive parenthood, implementation of educational activities related to family’s value in society, promotion of bringing together of families, mutual assistance and representation of family interests). A new priority of the tender in 2012 has been the provision of assistance in overcoming divorce crises.

5.6.3. SOLIDARITY BETWEEN GENERATIONS AND ACTIVE AGEING

2012 has been announced the European Year for Active Ageing and Solidarity between Generations\(^\text{117}\). This initiative offers additional opportunities to combine efforts of state institutions, educational institutions, organisations of elderly people, social partners and other stakeholders and to contribute to the improvement of the situation of elderly people as well as enhancement of solidarity between generations in our country.

Having regard to the announced European Year, a respective Government resolution\(^\text{118}\) was passed and the National Programme on the European Year for Active Ageing and Solidarity between Generations (2012) (hereinafter referred to as the Programme)\(^\text{119}\) was adopted. The Programme lays down two key aims:

1. To bring the problems associated with demographic ageing and intergenerational solidarity to the attention of the public, raise the profile of the activities being undertaken in this area, provide new opportunities for synergies and collaboration.
2. To concentrate the efforts of public bodies, NGOs, professional associations, the business community, educational institutions and other stakeholders on improving the status of the elderly and strengthening intergenerational solidarity.


The Plan of Measures of the Programme envisages a range of measures, including: organisation of NGO events aimed to promote active ageing, solidarity between generations, participation of the elderly; organisation of Culture Day events on the theme of the European Year; organisation of training for third-age people; organisation of events dedicated to May 9 – Europe Day, focusing on the theme of active ageing and solidarity between generations; organisation of events of educational institutions promoting the discussions of problems associated with active ageing and intergenerational solidarity; carrying out the analysis of the environment (legal, social, cultural, educational), which determines the participation of elderly people in the labour market and various (social, medical, etc.) services provided to elderly people, together with the participation of elderly people's organisations, public bodies and other stakeholders.

Lithuania has been participating in United Nations initiatives targeted at the response to the challenges presented by the population ageing phenomenon. In 2012, the Ministry of Social Security and Labour has submitted the Report on the Follow-up to the Regional Implementation Strategy on the Madrid International Plan of Action on Ageing to the United Nations Economic Commission for Europe. This generalising document aimed at evaluating the progress in ageing policy is prepared every five years. The report presents the key information related to the situation of elderly people in Lithuania, developments in various areas as well as best practice examples in the follow-up to the Regional Implementation Strategy on the Madrid International Plan of Action on Ageing. The report will contribute to the assessment of progress of ageing policy drafted by the United Nations Economic Commission for Europe on the European level.

While preparing the report, information presented by state institutions, primarily ministries, was generalised, information publicised by the Lithuanian Department of Statistics and the material disseminated by state institutions, non-governmental organisations and educational institutions was used, and non-governmental organisations of elderly people as well as organisations working for the elderly were consulted.

The document states that a certain though uneven progress was observed during the reporting period (2007–2011) in all areas related to the fulfilment of commitments. The major achievements include:

- **Further implementation of the pension reform.** The adopted amendments to the Law on State Social Insurance Pensions on the increase of the retirement age will help to solve financial pension system sustainability problems in the long-term perspective;
- Implementation of complex (integrated) measures in the field of regional development, renovation of urban infrastructure, community activation, including support to the above activity;
- **Promotion of the employability and entrepreneurship of elderly people** and development of their opportunities for life-long learning by providing these people with necessary training and access to computer technologies. This could also be referred to as a significant best practice example.

Lithuania’s membership in the European Union, the exchange of best practices of other EU Member States and the absorption of the EU structural support funds were important for the implementation of the above measures.

The conclusions of the report state that regarding perspectives on future, first of all it is necessary to ensure sustainable pension system, further implementation of the pension reform and improvement of the financial situation of elderly people. In pursuance of these objectives, it is important to reduce
obstacles for elderly people's participation in the labour market and consequently increase general national economic potential, seek the increase in the number of quality jobs and expand the diversity of jobs as well as to increase labour productivity aimed at compensating negative effects of demographic trends. Another priority field in the future should be development of services for elderly people. It should include the provision of a variety of support services, the increased scope of and better access to services.

In the area of the policy of overcoming the consequences of population ageing in Lithuania, the National Strategy for Overcoming the Consequences of Ageing20 and the Action Plan of the National Strategy for Overcoming the Consequences of Ageing 2005–201321 have been implemented.

Among the issues relevant to the situation of elderly people in 2011, the new amount (LTL 1,488) of the insured income of the current year approved by the Government of the Republic of Lithuania for 2012 should be first of all mentioned. The level of 2009 was reached; therefore, in 2012, the state social insurance old-age pension has increased by averagely LTL 71, provided the compulsory state social pension insurance record.

In the field of health care, the Special Requirements and Basic Price for the Provision of Geriatric Care Services122 were approved in 2011 and geriatric care services have been provided to patients (aged 60 and elder) who are in need for them, in cases where the changes caused by ageing have been accompanied by several illnesses that reduce the patient's functional independence.

In order to strengthen security of elderly people, the e-police project was implemented in 2011 (portal www.epolicija.lt). Its purpose was to provide people with opportunities to use electronic media for reporting of offences, expeditiously receiving information about response to reporting and what measures were taken; the possibility was also envisaged to make a reservation for a visit to the police unit, migration or licensing division.

Order No. 491 of the Government of the Republic of Lithuania of 27 April 2011 approved the Convergence Programme of Lithuania of 2011, with one of the sections being “Impact of Ageing Society on General Government Finances”123. The Programme includes an integrated budgetary projection of sustainability of general government finances that makes it possible to assess the impact of demographic development on the long-term sustainability of the pension system, health system, and education system, and to provide for appropriate actions securing stability of these systems in the future. The projection period is 2010 to 2060.

Developments relevant to the problems of population ageing are also covered in chapters on the labour market, the pension system and social insurance as well as community activities.


5.6.4. LAW ON PROTECTION AGAINST DOMESTIC VIOLENCE AND THE RELEVANT ISSUES OF ITS IMPLEMENTATION

With a view to protecting persons against domestic violence, which is attributed to public acts due to harm done to society, quickly respond to threats, implement prevention measures, apply protection measures and provide adequate assistance, the Seimas of the Republic of Lithuania adopted the Law on Protection against Domestic Violence on 26 May 2011. The Law defines the concept of domestic violence, establishes the rights and liability of subjects of domestic violence, implementation of prevention measures, provision of assistance in the event of domestic violence and application of protection measures to victims of violence.

Seeking full implementation of the provisions of the Law, respective secondary legislation must be effective, which ensures prevention of violence, integrated assistance to victims and services. In order to achieve these goals, smooth operation of the network of specialised assistance centres and coherent cooperation with other structures functioning in the field (municipalities, police officers, medical professionals, etc.) are important.

Thus, the resolution of the Government of the Republic of Lithuania was adopted; while implementing this resolution, the Ministry of Social Security and Labour together with the Ministries of Health and of the Interior drafted and approved the Programme of Specialised Assistance Centres. The Ministry of Social Security and Labour together with the Ministries of Health, of the Interior and of Justice have been drafting the National Programme for the Provision of Assistance to and Funding for the Victims of Domestic Violence 2013–2020.

In cooperation with non-governmental organisations, the Description of Activities of Specialised Assistance Centres was drafted and approved by the ministerial order in May 2012.

The Ministry of Social Security and Labour has also been implementing the Plan of Measures of the National Strategy on Combating Violence against Women 2010–2012, which particularly focuses on the support for women's non-governmental organisations and the provision of integrated assistance to victims of violence. In 2011, LTL 450,000 were co-financed from the state budget to 21 projects of non-governmental organisations. In 2012, 27 projects of non-governmental organisations have been selected, and LTL 550,000 have been allocated from the state budget funds.

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Gender equality is one of the principal values of the European Union (EU) and the horizontal priority of all policy areas, enshrined in the EC Treaty, and it is the foundation of the Lithuanian democratic society. Equal rights of women and men are established by the Law on Equal Opportunities of Women and Men, etc. in our country. Programmes, measures and projects have been consistently and systematically implemented for the purpose of solving gender equality related issues.


In order that gender equality becomes a reality, already the third National Programme of Equal Opportunities for Women and Men 2010–2014 and the Plan of Implementing Measures have been consistently implemented. The Programme seeks to ensure equal opportunities of women and men in all areas in a consistent, integrated and systematic manner and to fulfil relevant EU and international commitments. The Programme sets priority directions of gender equality and specific measures for achieving the goals defined.

Programme implementation is coordinated by the Commission of Equal Opportunities for Women and Men established by Republic of Lithuania Government Resolution No. 266 of 7 March 2000. The Commission is composed of representatives from all ministries as well as representatives selected and delegated as full members by non-governmental organisations. The Commission is chaired by Vice Minister of Social Security and Labour, Prof. Audrius Bitinas. In the second half of 2011 and the
first half of 2012, the Commission held 3 sittings, one of which was a circuit sitting at the Lithuanian Department of Statistics.

The following measures of the National Programme of Equal Opportunities for Women and Men 2010–2014 were implemented in 2011: 12 measures in the area of employment (1.2, 1.3, 1.4, 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 3.1, 5.1, 5.3); 1 measure in the area of decision-making (9.3); 5 measures in the area of European Union and international commitments (11.1, 12.1, 12.3, 12.4, 13.1); 4 measures in the area of national security (14.1, 15.2, 15.3, 15.4); 3 measures in the area of health care (16.1, 17.1, 18.1); 3 measures in the area of environmental protection (19.1, 20.1, 20.2); 6 measures in the area of development of mechanisms and methods for the implementation of equal opportunities of women and men (21.1, 23.1, 23.2, 25.1, 26.1, 27.1).

6.2. LITHUANIA’S CANDIDACY FOR THE UNITED NATIONS COMMITTEE ON THE ELIMINATION OF DISCRIMINATION AGAINST WOMEN

Lithuania is the first among the Baltic states to put up its candidate for the United Nations Committee on the Elimination of Discrimination against Women (CEDAW). Information about Prof. Dalia Leinartė, Director of the Gender Studies Centre of Vilnius University, was disseminated during the Meeting of the EU High Level Group on Gender Mainstreaming at the European Congress of Women in Warsaw (Poland). Receptions and meetings with the representations of member states were held in the Permanent Missions of the Republic of Lithuania to the United Nations Office at New York and Geneva.

In October and November, the candidate was officially introduced to the members of the UN CEDAW and the staff of countries’ missions to the United Nations, asking support for the nominee. Adviser to the Minister of Social Security and Labour Patrikas Skrudupis introduced the candidate to the Eastern European Group at the 56th session of the United Nations Commission on the Status of Women129.

Prof. Audrius Bitinas, Vice Minister of Social Security and Labour, introduced the Lithuanian candidate to the representations of the United Nations member states in bilateral and multilateral meetings in New York (USA). Besides the Lithuanian nominee, representatives from the permanent mission of Lithuania also attended the meetings. The candidate’s election programme was presented to the representatives from member states130.

For the purpose of introducing Prof. Dalia Leinartė and asking for support, a meeting with the ambassadors residing in Lithuania and representatives of other missions was organised in the Ministry of Social Security and Labour. The candidate was also introduced during the visits of Vice Minister and Chairman of the Commission of Equal Opportunities for Women and Men, Prof. Audrius Bitinas, to the embassies in Lithuania (13 embassies visited).

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130 Introduction of Lithuania’s candidate for the United Nations Committee on the Elimination of Discrimination against Women to the missions of foreign countries, which have not yet expressed support, in bilateral and multilateral meetings according to the schedule agreed to with the Ministry of Foreign Affairs and the Mission of Lithuania to the United Nations, New York (USA), 30 April – 4 May 2012.
On 26 June, at the meeting of member states in New York, Prof. Dalia Leinartė, Director of the Gender Studies Centre of Vilnius University, was elected to the United Nations Committee on the Elimination of Discrimination against Women. She is the first Lithuanian representative to be elected to this Committee.

### 6.3. FULFILMENT OF EU AND INTERNATIONAL COMMITMENTS

In the second half of 2011 and the first half of 2012, two High Level Group meetings were held. The first meeting held in Warsaw[^131] focused on the continuity of the Beijing Platform for Action, gender equality programmes of the presiding states, preparation for the 56th session of the United Nations Commission on the Status of Women, gender equality promotion in the context of Europe 2020, balanced representation in decision-making, and the programme of exchange of good practices 2012. The second meeting[^132] focused on the continuity of the Beijing Platform for Action, the implementation of the European Pact for Gender Equality: gender equality programmes of the presiding states, promotion of gender mainstreaming, the EC report on Equality between Women and Men in the EU 2011, preparation for the 56th session of the United Nations Commission on the Status of Women, the PROGRESS programme, information about the latest changes in the EC and member states. The meeting of Gender Equality Ministers[^133] discussed reconciliation of work, family and private life from the perspective of the Maternity Directive, and ensuring of equal treatment of women and men in the labour market.

The presiding states shared information at the meeting of the European Commission (EC) Advisory Committee on Equal Opportunities for Women and Men[^134]. Opinions on gender mainstreaming in migrants’ integration and active ageing were exchanged. An EC representative presented information on latest changes.

The conference on the presentation of the European Commission Strategy for Equality between Women and Men 2010–2015[^135] focused on the contribution of gender equality to the growth of employment and economy, enhancement of women’s participation in information technologies and research, the priority of equal pay for equal work and work of equal value, barriers to reducing the difference in pay and ways to overcome them, one of the aspects of family and work responsibilities – supervision and care services, women’s and men’s participation in the care of children and other dependent family members, influence of paternity-maternity and uneven distribution of housework on women’s and men’s career, employment, economic growth and demographic situation. The last – fifth session – was aimed at discussing how to increase the number of women in economic decision-making.

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[^131]: Meeting of the High Level Group for Gender Mainstreaming, Warsaw, 5–6 September 2011.
[^132]: Meeting of the High Level Group for Gender Mainstreaming, Copenhagen, 26–27 January 2012.
[^133]: Informal Meeting of Gender Equality Ministers, 21 October 2011.
[^134]: 38th meeting of the European Commission Advisory Committee on Equal Opportunities for Women and Men, Brussels, 24 November 2011.
A conference targeted at the exchange of good practices in gender mainstreaming\textsuperscript{136} was held in Brussels. A conference on the role of women in economic decision-making\textsuperscript{137} was organised in Norway. Through cooperation of the Ministry of Social Security and Labour and the European Institute for Gender Equality, a conference\textsuperscript{138} was organised at the European Information Office. It was focused on the presentation of the National Programme of Equal Opportunities for Women and Men 2010–2014, the Women’s information portal and e-network, the activities of the European Institute for Gender Equality and presentation of the Lithuanian version of the Institute’s website. With a view to discussing the content and scope of the priority of equality between women and men, i.e. institutional gender equality mechanisms, of the future Lithuania’s presidency of the EU in the future presidency documents, a videoconference\textsuperscript{139} was held in the premises of the European Institute for Gender Equality.

The New Horizons/Gender Equity Programme was discussed at the informal meeting of the Steering Committee for Equality between Women and Men (CDEG) of the Council of Europe and the Secretariat held in Strasbourg (France) on 6–7 November 2011. After the structure of the Council of Europe was reorganised, the Steering Committee for Equality between Women and Men was transformed into the Gender Equality Commission. The Commission was composed of 16 representatives of member states. Lithuania was elected to participate in the first term of the Commission in 2012–2013.

The United Nations Commission on the Status of Women\textsuperscript{140} discussed the empowerment of women from rural areas, their role in the fight against poverty and famine, achievements and present challenges, the importance of empowerment of women and their role in ensuring constant development by changing the areas of social, economic, political, and environmental life, a special role of women from rural areas in ecological development as a separate problem, the emerging problems of both men and women from urban areas, and evaluation of the strategies of access to education.

In 2012, during the joint presidency of Lithuania, which has been coordinating the NB8 activities this year, and Norway, which has also been presiding over the Nordic Council of Ministers, a working group meeting\textsuperscript{141} was held, focused on gender equality issues of cooperation of the Nordic-Baltic countries. The priority issues are as follows: in 2012 – women and media; in 2013 – equal treatment in the labour market; in 2014 – intolerance to violence. The possibility of interim assessment of the cooperation impact was also discussed. Member states shared information on the latest developments in the area of equality between women and men.

Vice Minister of Social Security and Labour, Chairman of the Commission of Equal Opportunities for Women and Men Audrius Bitinas paid a visit to the Office of the Nordic Council of Ministers in Lithuania. During the meeting\textsuperscript{142} with Director Bo Harald Tillberg, they discussed the issues of gender equality of the cooperation of the Nordic-Baltic countries in 2012.

\textsuperscript{136} “Good Practices of Gender Mainstreaming: Effective Gender Training”, Brussels (Belgium), 27–29 November.


\textsuperscript{138} Event by the Ministry of Social Security and Labour and the European Institute for Gender Equality, European Information Office, 8 May 2012.

\textsuperscript{139} Trilateral conference with the European Commission and the European Institute for Gender Equality, 21 March 2012.


\textsuperscript{141} Meeting of a Nordic-Baltic Working Group on Gender Equality, 22 May 2012.

\textsuperscript{142} Meeting with Bo Harald Tillberg, Director of the Office of the Nordic Council of Ministers in Lithuania, 8 March 2012.
Within its competence, in 2007-2013 the Ministry of Social Security and Labour is responsible for:

1. Implementation of measures of Priority 1 “High Quality Employment and Social Inclusion” of the Operational Programme for the Development of Human Resources (financed from the European Social Fund), aimed at the increase of employment, reduction of social exclusion and development of labour force competences and qualification.

2. Implementation of four measures of Priority 2 “Quality and Accessibility of Public Services” of the Operational Programme for the Promotion of Cohesion (financed from the European Regional Development Fund) aimed at the development of social services and infrastructure of services for the disabled, as well as the development of the infrastructure of the Lithuanian labour exchange systems.

### Implementation Status of the Measures of Priority 1 “High Quality Employment and Social Inclusion” of the Operational Programme for the Development of Human Resources and Priority 2 “Quality and Accessibility of Public Services: Health Care, Education and Social Infrastructure” of the Operational Programme for the Promotion of Cohesion for 1 May 2012

<table>
<thead>
<tr>
<th>Operational Programme for the Development of Human Resources (European Social Fund)</th>
<th>Operational Programme for the Promotion of Cohesion (European Regional Development Fund)</th>
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<tbody>
<tr>
<td>EU funds for measures administered by the Ministry of Social Security and Labour</td>
<td>LTL 1,437 billion</td>
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<tr>
<td>Total:</td>
<td>LTL 1.876 billion</td>
</tr>
<tr>
<td>The number of projects under implementation (administered agreements) and the amount of the EU allocated funds</td>
<td>411 projects/LTL 1,269 million, or 88.3% of all EU funds</td>
</tr>
<tr>
<td>Total number of agreements: EU funds/percent of the EU funds</td>
<td>LTL 1,650.7 billion or 87.9%</td>
</tr>
<tr>
<td>EU funds paid to Project executors/percent of all EU funds aimed at financing measures</td>
<td>LTL 982.3 million or 68.4%</td>
</tr>
<tr>
<td>The amount of EU funds recognised eligible for declaration/% of all the funds aimed measure financing</td>
<td>LTL 887.7 million or 61.8%</td>
</tr>
</tbody>
</table>

*Data from the Ministry of Social Security and Labour*  
*Table 7.1-1*


The Ministry of Social Security and Labour administrates measures of the Operational Programme for the Development of Human Resources seeking the main goal of the priority of the operational programme, i.e. to increase economic activity and employment of residents, promote creation of high quality jobs and assure equal labour market participation opportunities. According to the content, all measures fall under one of three priority objectives.
**Measures under Priority 1 “High Quality Employment and Social Inclusion” of 2007-2013 Operational Programme for the Development of Human Resources**

**Objective 1:** to increase the knowledge, skills, competence and adaptation of workers, as well as to increase labour market flexibility and mobility

<table>
<thead>
<tr>
<th>Measure and activities supported under this measure</th>
<th>Amount of EU funds allocated for the measure, LTL, million</th>
<th>Results to be achieved:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Development of Human Resources in Enterprises:</strong> upgrading qualification of employees, managers and personnel of enterprises; creation and introduction of modern personnel management systems in enterprises; implementation of new work organisation forms and methods</td>
<td>192.7</td>
<td>38</td>
</tr>
<tr>
<td><strong>Development of Human Resources in the Public Sector:</strong> training and qualification upgrading of employees and managers of the public sector; elaboration of individual qualification upgrading plans; creation and introduction of modern personnel management systems in enterprises; introduction of new work organisation forms and methods</td>
<td>102</td>
<td>44</td>
</tr>
<tr>
<td><strong>Upgrading Qualification Skills of Health Care Specialists Contributing to the Reduction of Morbidity and Mortality from Key Non-Infectious Diseases:</strong> improvement of general and special qualification competences of health care specialists</td>
<td>60</td>
<td>18</td>
</tr>
<tr>
<td><strong>Reorientation of Rural Labour Force from Agricultural to other Activities:</strong> information, motivation, guidance, organisation of training courses, seminars, counselling seminars and other qualification upgrading or re-qualification initiatives for agricultural workers and other rural residents; counselling on the establishment and development of a specific business</td>
<td>60</td>
<td>20</td>
</tr>
<tr>
<td><strong>Human Resources INVEST LT+:</strong> training of company employees and managers and improvement of their qualification (training aimed at providing and improving qualifications, special professional knowledge and skills, general skills)</td>
<td>30</td>
<td>3</td>
</tr>
<tr>
<td><strong>Promotion of Social Dialogue:</strong> development of social partnership skills of employers, employers’ organisations and their associations, trade unions and their confederations, development of collective labour relations, awareness raising and education of trade unions and the public</td>
<td>20</td>
<td>15</td>
</tr>
</tbody>
</table>
**Corporate Social Responsibility:** promotion of corporate social justice, improvement of corporate abilities to implement principles of social responsibility, promotion and implementation of joint corporate social responsibility initiatives of business and non-governmental organisations

<table>
<thead>
<tr>
<th>Objective</th>
<th>Amount</th>
<th>Results to be achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.45</td>
<td>1.1</td>
<td></td>
</tr>
</tbody>
</table>

**Reconciliation of Family and Work Commitments:** establishment and implementation of operational models, measures and services promoting and enabling reconciliation of family and work commitments; promotion of application of flexible work organisation forms; promotion of the establishment of family-friendly workplaces

<table>
<thead>
<tr>
<th>Objective</th>
<th>Amount</th>
<th>Results to be achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>35.8</td>
<td>1.8</td>
<td>5 thousand persons were provided with services under the projects</td>
</tr>
</tbody>
</table>

**Development of Computer Literacy Skills:** development of computer literacy applied in practice and related to the needs of a specific person in the labour market, which are necessary for a successful application of information and communication technologies in daily activities

<table>
<thead>
<tr>
<th>Objective</th>
<th>Amount</th>
<th>Results to be achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>36.2</td>
<td>55</td>
<td>90 % successfully finished the trainings</td>
</tr>
</tbody>
</table>

**Promotion of Entrepreneurship:** implementation of financial engineering (granting of loans) by harmonising it with training and counselling

<table>
<thead>
<tr>
<th>Objective</th>
<th>Amount</th>
<th>Results to be achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>50</td>
<td>5</td>
<td>1 thousand workplaces created, 1.2 thousand loans granted</td>
</tr>
</tbody>
</table>

New measure (approved by the resolution of 23 May 2012 of the Government of the Republic of Lithuania)

**Development of Competences of Employees of Social Services Institutions:** Professional development of employees of social services institutions (trainings providing and improving qualification, special professional knowledge and skills, general skills), enhancement of practical skills; research/studies aimed at establishing the needs for professional development of employees of social services institutions and assessing the quality and efficiency of trainings as well as their impact on employees’ practical work; development of an information system (register) on the qualification of social workers

<table>
<thead>
<tr>
<th>Objective</th>
<th>Amount</th>
<th>Results to be achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>4.4</td>
<td>90 % successfully finished the trainings</td>
</tr>
</tbody>
</table>

**Successful development of the information system**

### Objective 2: To promote population employment and participation in the labour market

#### Measure and activities supported under this measure

<table>
<thead>
<tr>
<th>Objective</th>
<th>Amount</th>
<th>Results to be achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integration of Jobseekers into the Labour Market: active labour market policy programmes</td>
<td>590.6</td>
<td>The unemployed included into the supported employment programmes: 145 thousand. The unemployed included into the vocational training programmes: 34 thousand. The number of supported social enterprises of the disabled – 130; The number of supported employees of social enterprises (belonging to target groups) – 2,900</td>
</tr>
<tr>
<td>Establishment and Implementation of the Vocational Rehabilitation System for the Disabled</td>
<td>33</td>
<td>Successful creation of the vocational rehabilitation services quality assessment system as well as creation of methodologies and standards; The number of the disabled participating in vocational rehabilitation programmes – 800</td>
</tr>
<tr>
<td>Establishment of Vocational Rehabilitation Programmes for the Disabled</td>
<td>8.5</td>
<td>The funds are planned to be re-allocated for the implementation of other measures</td>
</tr>
</tbody>
</table>

Objective 3: To enhance social inclusion.

<table>
<thead>
<tr>
<th>Measure and activities supported under this measure</th>
<th>Amount of EU funds allocated for the measure, LTL, million</th>
<th>Results to be achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of Discrimination and Prevention of Social Problems: creation and implementation of preventive measures (educational, informative, instructional) seeking to avoid discrimination in the labour market; creation and implementation of measures for prevention of social problems in the following fields: criminal activity, addiction to psychotropic substances, domestic violence, trafficking in human beings, etc.; development and implementation of measures for the assurance of promotion of gender equality and equal opportunities for women and men in the labour market (economic activity)</td>
<td>5</td>
<td>The number of people participating in the events – 5.7 thousand The number of events – 75 The number of issues – 10</td>
</tr>
<tr>
<td>Integration of Persons at Social Risk and Socially Excluded Persons into the Labour Market: provision of services of social and professional rehabilitation and integration into the labour market; promotion of voluntary employment; training and professional improvement of social workers, volunteers and other workers</td>
<td>200.4</td>
<td>The number of persons of target groups participating in project activities – 25.5 thousand</td>
</tr>
</tbody>
</table>

Planned new measures

| Development of Social Services in Rural Areas | Immediately after the measure is drafted, it will be submitted for approval to the Government of the Republic of Lithuania. EU funds – 20.6 million |
| Subsidies for Entrepreneurship Promotion | The Resolution of the Government of the Republic of Lithuania on the Amendment of 2007-2013 Operational Programme for the Development of Human Resources is under harmonization process. EU funds – 10.00 million |
| Support for the First Job | The Resolution of the Government of the Republic of Lithuania on the Amendment of 2007-2013 Operational Programme for the Development of Human Resources is under harmonization process. EU funds – 32.00 million |
The emergence of the new measures financed by the EU structural funds is related to the changing situation in the labour market, high unemployment rate, especially among youth; development of social services in rural areas, solution of social problems in the country, etc.

Seeking to launch the implementation of these measures, in April 2012, the Ministry of Social Security and Labour submitted to the Government of the Republic of Lithuania Draft Resolution amending Resolution No. 789 of 23 July 2008 of the Government of the Republic of Lithuania “On the Approval of Annex to the Operational Programme for the Development of Human Resources” (hereinafter referred to as the Draft Resolution), which was approved in May 2012.

The Resolution redistributed EU funds among measures under Priority 1 of the Operational Programme for the Development of Human Resources, revised the monitoring indicators of the implementation of these measures, approved a new measure of the Operational Programme for the Development of Human Resources “Development of Competences of Employees of Social Services Institutions”, which is aimed at increasing the competence, knowledge and skills of employees of social services institutions.

Having regard to initiatives and aspirations of the European Commission and the Government of the Republic of Lithuania to more actively solve issues related to youth unemployment and suggestions regarding the implementation of specific measures and allocation of additional funds from the EU funds, which were drafted by a working group established by Order No. 41 of 10 February 2012 of the Prime Minister of the Republic of Lithuania, and approved by the Resolution of 19 March 2012 of the Government of the Republic of Lithuania (Minutes No. 18), the funds aimed at additional financing and implementation of proven programmes, which brought high employment results and which were aimed at providing youth with working skills and ability to integrate into the labour market, were redistributed.

Additional funds will provide a possibility of involving 6 thousand young unemployed into these programmes as well as a possibility of involving children under social risk or/and children deprived of parental care (from 14 years of age) and current or former foster children of social care homes, special boarding schools (14–29 years of age) into these programmes and of providing them with active social services, vocational rehabilitation and services of integration into the labour market.

The annex to the Operational Programme for the Development of Human Resources is also planned to be amended by distributing the funds among the priorities, i.e. the funds for Priority 4 “Strengthening of Administrative Capacities and Improvement of Public Administration” and Priority 5 “Technical Support for the Implementation of the Operational Programme for the Development of Human Resources” are planned to be redistributed for measures under Priority 1 “High Quality Employment and Social Inclusion”, which are aimed at the reduction of youth unemployment, since working conditions for youth below 29 years of age deteriorated considerably during the economic crisis. The funds will be used for mobile work with youth and as well as in order to develop conditions for their social employment and professional activity and draft and test the National Voluntary Activity Programme aimed at providing youth with possibilities of acquiring personal, social, professional competences and experience, assisting them in choosing future profession in order to facilitate their preparation and integration into the labour market. A share of the funds is planned to be allocated for the new measure, the aim of which is to compensate a share of reimbursement of persons below 29 years of age in their first employment, this encouraging employers to more actively employ youth as well as encouraging (re)integration of youth into the labour market and (or) the system of formal education by using innovative measures of professional encouragement.
### 7.1.1.1. Implementation of measures under Priority 1 “High Quality Employment and Social Inclusion” of 2007-2013 Operational Programme for the Development of Human Resources

#### Implementation of measures under Priority 1 “High Quality Employment and Social Inclusion” of the Operational Programme for the Development of Human Resources before 1 May 2012

<table>
<thead>
<tr>
<th>Measure</th>
<th>Measure implementation method</th>
<th>Applicants</th>
<th>Amount of funds allocated for projects under implementation and accomplished projects (EU Funds, million)</th>
<th>Implementation of measures and implementation plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of Human Resources in Enterprises</td>
<td>Tender</td>
<td>State and municipal enterprises, private legal entities, associations, chambers of commerce and industry</td>
<td>139.6</td>
<td>158 projects were financed, 113 projects were implemented. New call for proposals – III Quarter 2012</td>
</tr>
<tr>
<td>Promotion of Social Dialogue</td>
<td>Tender</td>
<td>Employers and employers’ organisations, trade unions and their confederations, state and municipal budgetary institutions</td>
<td>14.18</td>
<td>20 projects are under implementation New call for proposals – III Quarter 2012</td>
</tr>
<tr>
<td>Corporate Social Responsibility</td>
<td>State project planning</td>
<td>The United Nations Development Programme in Lithuania</td>
<td>5.45</td>
<td>1 project was accomplished, 1 project is under implementation</td>
</tr>
<tr>
<td>Reconciliation of Family and Work Commitments</td>
<td>Tender</td>
<td>State and municipal budgetary institutions, private legal persons, state or municipal enterprises, public institutions, associations, charity and support funds, trade unions and their confederations, religious communities and societies, international organisations</td>
<td>35.8</td>
<td>22 projects were financed, 2 projects were implemented</td>
</tr>
<tr>
<td>Promotion of the Return of Lithuanian Emigrants</td>
<td>State project planning</td>
<td>Ministry of Social Security and Labour</td>
<td>1.89</td>
<td>Implementation of the Measure is finished</td>
</tr>
</tbody>
</table>

---

**TO THE BEGINNING**  **CONTENT**  **TO THE END**
<table>
<thead>
<tr>
<th>Project Description</th>
<th>Funding Source</th>
<th>Description</th>
<th>Amount</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of Human Resources in Public Sector</td>
<td>Tender</td>
<td>Applicants are indicated in the Resolution No. 789 of 23 July 2008 of the Government of the Republic of Lithuania “On the Approval of the Annex to the Operational Programme for the Development of Human Resources”</td>
<td>101.88</td>
<td>37 projects were financed, 33 projects were implemented</td>
</tr>
<tr>
<td>Development of Computer Literacy Skills</td>
<td>Tender</td>
<td>State and municipal budgetary institutions, educational and vocational training institutions, science and study institutions, public institutions, associations, international organisations</td>
<td>36.20</td>
<td>22 projects were financed, 2 projects were implemented</td>
</tr>
<tr>
<td>Promotion of Entrepreneurship</td>
<td>Financial engineering</td>
<td>The manager of the Entrepreneurship Promotion Fund – UAB “Investicijų ir verslo garantijos”. The measure is implemented by the Lithuanian Central Credit Union</td>
<td>50.0</td>
<td>1 project is under the implementation</td>
</tr>
<tr>
<td>Reorientation of Rural Labour Force from Agricultural to other Activities</td>
<td>State project planning</td>
<td>Ministry of Agriculture of the Republic of Lithuania</td>
<td>30.40</td>
<td>1 project was accomplished A new measure “Development of Social Services in Rural Areas” is planned to be developed</td>
</tr>
<tr>
<td>Upgrading Qualification Skills of Health Care Specialists Contributing to the Reduction of Morbidity and Mortality from Key Non-Infectious Diseases</td>
<td>State project planning</td>
<td>Public institution Vilnius University Hospital “Santariškių klinikos”, public institution Republican Vilnius Psychiatric Hospital, public institution Hospital of Lithuanian University of Health Sciences Kauno Klinikos, the Institute of Oncology of Vilnius University, State Mental Health Centre, Health Emergency Situations Centre of the Ministry of Health of the Republic of Lithuania, Institute of Hygiene</td>
<td>59.93</td>
<td>7 projects are under implementation</td>
</tr>
<tr>
<td>Human Resources INVEST LT+</td>
<td>State project planning</td>
<td>Private legal persons or foreign branches of enterprises (enterprises) attracting direct foreign investments into the launch or development of distinct added value productions and (or) distinct added value service provision industry</td>
<td>3.83</td>
<td>4 projects are under implementation. Lists of state projects will be produced before 1 June 2013</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-----------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------</td>
<td>---------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Integration of Jobseekers into the Labour Market</td>
<td>State project planning</td>
<td>The Lithuanian Labour Exchange under the Ministry of Social Security and Labour</td>
<td>570.6</td>
<td>9 projects were implemented, 3 projects are under implementation. Youth employment increase project financing and administration agreement will be signed in July 2012</td>
</tr>
<tr>
<td>Establishment and Implementation of the Vocational Rehabilitation System for the Disabled</td>
<td>State project planning</td>
<td>The Lithuanian Labour Exchange under the Ministry of Social Security and Labour, the Department for the Affairs of the Disabled under the Ministry of Social Security and Labour, the Disability and Working Capacity Assessment Office under the Ministry of Social Security and Labour</td>
<td>33.0</td>
<td>2 projects are under implementation, 2 projects were implemented</td>
</tr>
<tr>
<td>Establishment of Vocational Rehabilitation Programmes for the Disabled</td>
<td>Tender</td>
<td>State and municipal budgetary institutions, public institutions, associations</td>
<td>–</td>
<td>The funds are planned to be re-allocated for the implementation of other measures</td>
</tr>
<tr>
<td>Integration of Persons at Social Risk and Socially Excluded Persons into the Labour Market</td>
<td>Tender</td>
<td>State or municipal budgetary institutions, public institutions, associations, charity and support funds, religious communities and societies, international organisations</td>
<td>169.4</td>
<td>118 projects were financed, 40 projects were implemented</td>
</tr>
</tbody>
</table>
## 7.1.2. DECREASE OF UNEMPLOYMENT AND POVERTY BY USING MEASURES FINANCED FROM THE EUROPEAN SOCIAL FUND

### 7.1.2.1. The implementation of the measure “Integration of jobseekers into the labour market”

In 2011-2012, the Government of the Republic of Lithuania paid a great deal of attention to the solution of employment issues, had active consultations with the public and social partners. Particular attention within this period was paid to the decrease of youth unemployment.

According to the data of the Department of Statistics of Lithuania, in 2011, the youth unemployment rate reached 32.9 percent (overall national unemployment rate among residents aged 15 and above – 15.4 percent). It is hard for youth to compete in the labour market, since up to 60 percent of youth registered with the labour exchange do not have professional skills, and more than half of all youth do not have any working experience. Usually youth registered with labour exchanges obtain professions, the demand for which in the labour market is very limited.

In the course of the visit of experts of the European Commission in February 2012 it was stated that Lithuania had few links of qualifications to the demands of the labour market, especially after the financial crisis of 2008. The following reasons of this issue were mentioned: lack of practical and professional skills (unemployment prevails among youth with low qualification) and inflexible labour relations.

### Table 7.1.1.1-1

<table>
<thead>
<tr>
<th>Description</th>
<th>Tender</th>
<th>Institution</th>
<th>Amount</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reduction of Discrimination and Prevention of Social Problems</td>
<td>State or municipal budgetary institutions, public institutions, associations, charity and support funds, trade unions and their confederations, religious communities and societies, international organisations, Lithuanian association of chambers of commerce, industry and crafts</td>
<td>5.0</td>
<td>First call for proposals was scheduled for January 2012. The total amount planned for project financing – LTL 1.2 million. Second call for proposals – III Quarter 2012. The total amount planned for project financing – LTL 3.8 million</td>
<td></td>
</tr>
<tr>
<td>Development of Competences of Employees of Social Services Institutions</td>
<td>The Administration Office of Social Care Institutions under the Ministry of Social Security and Labour</td>
<td>–</td>
<td>Call for proposals – III Quarter 2012</td>
<td></td>
</tr>
</tbody>
</table>

Data from the Ministry of Social Security and Labour
The implementation of the measure “Integration of Jobseekers into the Labour Market” is aimed at involving or returning the unemployed and economically inactive persons back into the labour market, increasing the motivation, employment skills and employment possibilities of the unemployed (especially long-term unemployed) and supporting social enterprises.

After having received the approval of the European Commission, the Government of the Republic of Lithuania approved the amendment of the annex to the Operational Programme for the Development of Human Resources in May 2011, and the funds of the European Social Funds re-distributed between the priorities of the Operational Programme for the Development of Human Resources (LTL 150 million) were applied to increase the youth employment, re-qualification of unemployed persons with a higher education degree, development of public works, employment through subsidies, encouragement of the territorial mobility of the unemployed and other activities specified under the measure “Integration of Jobseekers into the Labour Market”.

It should be noted that a separate project “Be Active in the Labour Market” was aimed at encouraging the increase of youth employment. This project was accomplished on 31 January 2012 and it encouraged over 6 thousand of young unemployed below 29 years of age to participate in the supported employment measures, i.e. the measures of support for the acquisition of work skills and employment through subsidies. Over 80% of these young unemployed were successfully employed.

The project “Increase of Youth Employment” will be launched on 1 August 2012. It will help engage up to 6000 youth below 29 years of age into the measures of support for the acquisition of work skills and employment through subsidies.

It is planned that the share of youth under 29 years of age employed within 6 months after their participation in employment support measures will make up not less than 50%.

The Lithuanian Labour Exchange has already accomplished 9 projects since the beginning of the financing period and now it is implementing 3 projects under the Measure “Integration of Jobseekers into the Labour Market”, which are aimed at increasing the unemployment rate in the country. Under the on-going project “Promotion of Integration into the Labour Market”, it is planned to engage 8.5 thousand unemployed persons into vocational training, and it is expected that youth will make not less than 6 thousand of the participants.

Seeking to keep jobs for the disabled in social enterprises, a 13 months long project “Integration of the Disabled”, the value of which reaches LTL 46.1 million (LTL 31.86 million – from the European Social Fund and LTL 14.24 million – funds of social enterprises) was launched on 1 February 2012. This project will help keep jobs for not less than 2,950 disabled persons by paying partial compensation of salaries and state social insurance contributions from the funds of the projects, and at least 145 jobs for assistants (body language translators), who will help 900 disabled persons perform their functions. The support is planned to be granted to not less than 129 social enterprises.
Over 146 thousand persons were engaged into project activities by 1 May 2012, including: 29.6 thousand participating in vocational training, where they will acquire professional qualifications in demand in the labour market and increase their abilities to integrate and to anchor in the labour market, and 116.9 thousand participating in supported employment programmes (employment through subsidies, working skills acquisition support, public works, job rotation, territorial mobility).

The employment rate of the unemployed varies depending on the programme after which an unemployed person gets a job: after public works – 10-15 percent; after vocational training – 30-35 percent; after the acquisition of working skills and employment through subsidies – 50-55 percent. The overall employment rate reaches 40 percent, and more than 80 percent in projects aimed for youth.

It is planned that after amendments to the Operational Programme for the Development of Human Resources and its Annex are introduced and LTL 8 million additional funds from the European Social Funds are received, the implementation of a new project financed by the European Social Fund and aimed at returning youth into the system of education and (or) integrating them into the labour market will be launched.

7.1.2.2. Implementation of the measure “Integration of persons at social risk and socially excluded persons into the labour market”

In 2011-2012, a great deal of attention was paid to the integration of persons at social risk and socially excluded persons into the labour market in order to avoid their social exclusion and decrease poverty. The Ministry of Social Security and Labour continued the implementation of measures financed by the European Social Funds and aimed at socially vulnerable groups. 67 projects under the Measure “Integration of Persons at Social Risk and Socially Excluded Persons into the Labour Market” were in the process of implementation before the end of 2011. These projects were aimed at the integration of groups at various social risks and socially excluded persons into the labour market.

The year 2012 began with a very important step in the implementation of the measure – 53 project Financing and Administration Agreements for new projects were signed under the third call
for proposals. An amount of LTL 67.4 million from the European Social Fund has been allocated for the implementation of these projects. The target groups under this measure have been supplemented with new groups of persons previously not financed: victims of trafficking in human beings, HIV infected persons and persons having AIDS, persons addicted to alcohol, etc. All project participants will be provided with complex of social and professional rehabilitation services covering motivation encouragement, counselling, professional orientation and training, development of general competences and employment intermediation.

Particular attention in these projects have been paid to the solution of problems at the local level, therefore, only non-governmental organisations could submit applications. Priority scores were given to project executors, who had familiarised themselves with the situation in a specific territory, committed to provide all participants with a complex set of services, and whose project partners had provided possibilities of training employees directly at their workplaces or employing project participants after they have finished their participation in the project.

**Distribution of projects and the financing aimed at these projects by project target groups by 1 May 2012**

![Distribution of projects and the financing aimed at these projects by project target groups by 1 May 2012](image)

According to the data of 1 May 2012, more than 16.4 thousand socially excluded persons have already participated in the projects, including: 2.1 thousand disabled persons; 6 thousand convicts and persons released from imprisonment; 1.2 thousand persons addicted to psychoactive substances; 1.3 members of families at social risk. 22.5 percent of all project participants were successfully employed or continued training after their participation in project activities. It is planned to engage over 20.7 thousand persons into these project activities before the end of the measure implementation.
7.1.3. PROMOTION OF SOCIAL DIALOGUE

For a number of years active discussions on the necessity to improve the social dialogue between the public sector, business representatives and trade unions have been continuing in Lithuania. In this year’s March these discussions transformed into real actions. The implementation of 20 projects financed from the European Social Fund under the Measure “Promotion of Social Dialogue” of 2007-2013 Operational Programme for the Development of Human Resources was launched. These projects are being implemented by employers and employees’ organisations.

In the course of the implementation of the Measure “Promotion of Social Dialogue”, social partners will be encouraged to conclude collective agreements, to establish Health and Safety Committees in enterprises, and establish tripartite and bipartite councils and commissions in municipalities. Trainings of employers and employees’ organisations and employees on rights and obligations of employees, possibilities for introducing flexible and modern forms of work, drafting of collective agreements, gender quality assurance at work, negotiation tactics and on other issues related to safety and health at work, improvement of work conditions and other issues related to labour relations will be financed.

It should be noted that a total amount of LTL 14.2 million have been allocated from the European Social Fund for the implementation of projects under this measure. 532 organisations, including 169 trade unions, will participate in these projects. These projects will provide more than 18 thousand persons with the possibility of participating in trainings. 15 sectoral collective agreements, 32 territorial collective agreements, 253 corporate collective agreements are planned to be concluded, 128 Health and Safety Commitees and 49 bilateral and trilateral councils or commissions are expected to be established.

It is expected that sectoral collective agreements between business employers’ associations and sectoral trade unions will be concluded in the following industry sectors: paper manufacture; wood industry; furniture manufacture; oil product manufactory sector, transport sector (LINAVA); chemistry industry. It is expected that collective agreements will be concluded in the following sectors of the public sector: employees of educational institutions; employees engaged in cultural activities; health care employees; librarians; police workers; employees of corrective institutions; customs employees, etc.

The second call for proposals under this measure is scheduled for III Quarter 2012. Employers and trade unions will be eligible for submission of applications under this call for proposals. The European Social Fund will allocate LTL 5 million to finance this call for proposals.

These measures of the Operational Programme for the Development of Human Resources will help develop social partnership skills of employers, employers’ organisations and their associations, trade unions and their confederations, improve collective labour relations, encourage the conclusion of collective agreements, exchange of work experience with foreign partners, disseminate good practice of activities of trade unions, raise awareness and educate members of trade unions and the public about the development of social dialogue.
7.1.4. PROMOTION OF ENTREPRENEURSHIP AND TRAINING OF EMPLOYEES OF ENTERPRISES ATTRACTION FOREIGN DIRECT INVESTMENTS

The unemployment rate has increased since 2009, and this has encouraged the search of ways to create possibilities and financial incentives for the creation of new jobs and encouragement of self-employment. To that end, the Measure “Promotion of Entrepreneurship” was launched in order to create conditions for very small and small enterprises and natural persons to commence their own business as well as for social enterprises to develop their business by applying measures of financial engineering thus encouraging entrepreneurship and self-employment as well as job creation. This measure is aimed at changing the attitude of participants of the labour market to self-employment by counselling and training persons commencing their own business; provision of financial support in the form of loans; ensuring the accessibility of participation in measure activities (business training, loans) not only for urban residents, but also for rural residents; encouraging them to commence their own business and create new jobs; providing more favourable crediting conditions and financing accessibility for the commencement of a new business for the following priority groups: the unemployed, the disabled, young persons below 29 years of age and persons over 50 years of age.

In the course of the implementation of the aims of the measure, the Entrepreneurship Promotion Fund was established, and JSC “Investicijų ir verslo garantijos” was appointed as manager of the Fund. The European Social Fund allocated LTL 50 million for the implementation of activities under the Measure “Promotion of Entrepreneurship”, the further distribution of which was delegated to the Lithuanian Central Credit Union representing 57 credit unions operating in Lithuania.

Loans are granted to finance investments or working capital, if such a financing allows enhancing activities of a small or a medium-sized enterprise, increasing the efficiency of such activities and the competitiveness of the above enterprise. Prospect loan beneficiaries have a possibility of participating in trainings on entrepreneurship. By 1 May 2012, more than 3.3 thousand persons participated in these trainings, including 2 thousand persons – the disabled, the unemployed, elderly people and youth below 29 years of age. A total of 222 loans have been granted so far (in manufacture, trade and services sector), out of which 119 loans have been granted to persons of the priority group. The total value of the loans granted – LTL 13.46 million.

The Entrepreneurship Promotion Fund usually finances traditional businesses – bakeries, sport clubs, restaurants, and entities providing advertising services and vehicle technical maintenance services. However, there is a great deal of original ideas introduced by businessmen themselves or imported from foreign countries (a sport poker club, a radio station or even a rent of “Slamball” sport grounds, which is a rare phenomenon in Lithuania).

The aim of the Measure “Human Resources INVEST LT+” is to improve employees and managers’ qualification, knowledge and skills in enterprises attracting direct foreign investments into the launch or development of distinct added value production and(or) distinct added value service provision industry by allocating financing for the general training of employees of those enterprises. This measure is related to the Measure “INVEST LT+” administrated by the Ministry of Economy of the Republic of Lithuania (under this measure, regional investment support and support for the creation of jobs is provided to enterprises investing in Lithuania): financing under the measure administered by the...
Ministry of Social Security and Labour is provided for the training of employees of enterprises, which meet the requirements for investors specified by the Ministry of Economy of the Republic of Lithuania.

The measure is implemented by means of state project planning. That means that the financing from the EU funds can be allocated to projects included into the lists of state projects approved by orders of the Minister of Social Security and Labour of the Republic of Lithuania. A project is included into the list of state projects if it a) meets the requirements for state projects aimed at attracting direct foreign investment specified by the Ministry of Economy; b) is included into the list of planned investors approved by the Minister of Economy of the Republic of Lithuania, and c) if the Minister of Economy or his authorised person has signed a Letter of Intent (an Investment Agreement) regarding this project with the investor. Lists of state projects under this measure will be produced before 1 June 2013.

4 project Financing and Administration Agreements, the value of which reaches LTL 3.83 million, were signed by 1 May 2012. These agreements were signed with applicants from enterprises established in Lithuania by foreign investors. It is planned to train 376 employees of the said enterprises under these projects. The conclusion of 5 more Financing and Administration Agreements on the training of employees of enterprises established in Lithuania by foreign investors is scheduled for 2012.

### 7.1.5. MEASURES OF 2007-2013 OPERATIONAL PROGRAMME FOR THE PROMOTION OF COHESION FINANCED FROM THE REGIONAL DEVELOPMENT FUND

The aim of Priority 2 “Quality and Accessibility of Public Services: Health Care, Education and Social Infrastructure” is to ensure the accessibility and high quality of the key public health care and education services provided by institutions implementing state employment policy as well as of social services and services for the disabled.

#### The Measures under Priority 2 “Quality and Accessibility of Public Services: Health Care, Education and Social Infrastructure”

<table>
<thead>
<tr>
<th>Financed measures</th>
<th>The amount allocated from the EU funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of the infrastructure of non-institutional social services</td>
<td>LTL 153 million</td>
</tr>
<tr>
<td>Development of the infrastructure of institutional social services</td>
<td>LTL 126 million</td>
</tr>
<tr>
<td>Modernisation of the infrastructure of territorial labour exchanges of the Lithuanian Labour Exchange</td>
<td>LTL 77 million</td>
</tr>
<tr>
<td>Development of institutions providing services to the disabled</td>
<td>LTL 83 million</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour

Table 7.1.5-1
7.1.5.1. Development of the infrastructure of social services by using the EU support

The Ministry of Social Security and Labour is implementing the EU financed measure “Development of the Infrastructure of Non-Institutional Services” seeking to bridge the gap in the social services infrastructure across municipalities, deconcentrate and decentralise the organisation and provision of social services and expand the variety of these services, modernise the material base of institutions providing social services and contribute to the return of persons or members of their families eligible for social services into the labour market.

This measure is implemented by means of regional planning, i.e. decisions regarding projects to be financed are adopted by Regional Development Councils in compliance with the Description of the Procedure for the Selection of Regional Projects approved by the Government of the Republic of Lithuania and the amount of funding approved for each county in the Annex to the Operational Programme for the Promotion of Cohesion. Regional Development Councils select projects, compile and approve lists of regional projects.

In the course of the implementation of this measure, the establishment and modernisation of social day care centres, social care centres, houses of independent living, mixed institutions of social services and psychosocial support centres is financed. These centres provide services to persons with disabilities, children with disabilities or mental disorders, elderly people, families at social risk, etc.

The financing in the amount of LTL 174.7 million (out of which LTL 146.5 million originate from the EU funds) has been allocated to 107 projects under this measure. 27 projects on the development of the infrastructure were accomplished by May 2012 (LTL 25 million of the EU funds were appropriated). After the implementation of these projects, the provision of non-institutional social services to residents of Alytus city and district, municipalities of Kėdainiai, Molėtai, Anykščiai, Druskininkai, Kaunas District, Kretinga, Marijampolė, Panevėžys District, Šiauliai District, Radviliškis District, Rietavas, Pasvalys District, Kupiškis District, Ukmergė, Vilnius District, Prienai District, Neringa, Tauragė, Šilalė, Rokiškis, Palanga, Zarasai and Kazlų Rūda was launched.

Distribution of the projects by target groups by 1 May 2012

<table>
<thead>
<tr>
<th>Target group</th>
<th>Number of projects</th>
<th>The amount allocated from the EU funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adults with disabilities</td>
<td>18 projects</td>
<td>LTL 28.90 million</td>
</tr>
<tr>
<td>Families at social risk</td>
<td>31 project</td>
<td>LTL 37.01 million</td>
</tr>
<tr>
<td>Elderly persons</td>
<td>4 projects</td>
<td>LTL 4.93 million</td>
</tr>
<tr>
<td>Children with disabilities</td>
<td>4 projects</td>
<td>LTL 5.1 million</td>
</tr>
<tr>
<td>Adults at social risk</td>
<td>11 projects</td>
<td>LTL 14.2 million</td>
</tr>
<tr>
<td>Institutions providing mixed social services</td>
<td>39 projects</td>
<td>LTL 56.20 million</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour

Table 7.1.5.1-1
EU funds are also used to finance the development of the infrastructure of institutional services under the Measure “The Development of the Infrastructure of Institutional Social Services” administered by the Ministry of Social Security and Labour. The aim of this measure is to ensure safe environment and high quality of services provided to elderly persons, the disabled and children in stationary social care establishments by modernising current and establishing new institutions of institutional social services.

The implementation of the measure was launched with the Minister of Social Security and Labour having approved “The Programme for the Modernisation of Institutional Social Services Infrastructure” (hereinafter referred to as the Programme) by Order No. A–68 of 8 February 2011. The aim of the programme is to ensure high quality of social services for elderly people, people with disabilities and parentless children, which are provided with institutional social services by municipal institutions, nongovernmental organisations, religious communities (societies), to encourage the creation of small modern institutions, to reorganise child care homes by creating home-like conditions based on the family principle as well as to support successfully operating institutions to get prepared for licensing of social care institutions.

The programme is implemented in two stages of project financing which are aimed at:

– modernising operating institutions of institutional social services, which do not meet the requirements specified in the Description of Social Care Norms and other legal acts governing activities of institutional social services institutions;

– equipping new premises, into which institutions of institutional social services inconsistent with the above norms are moved;

– establishing a new institution of institutional social services for elderly people (not more than 40 places);

– creating new group living homes for the disabled (10-20 places);

– create a national innovative institution of social services related to accommodation.

In the course of the measure implementation, 47 project Financing and Administration Agreements, the cost of which reaches LTL 86 million, have been signed. In 2012, the conclusion of project Financing and Administration Agreements with the applicants selected at the first stage of the programme implementation (the list of projects of the first stage was approved together with the programme) will be finalised. Almost LTL 110 million have been allocated for the selected 50 projects. LTL 93 million of this amount originate from the EU structural funds. The implementation of these projects will result in the reconstruction, repairs or construction of institutions of social services in 35 municipalities thus improving life conditions and welfare of about 1,790 residents of social care homes (and over one year services will be provided to 400 oncologic patients and their family members).

The list of projects of the second stage of the measure implementation (19 projects) and the list of reserve projects (6 projects) were approved by Order No. A1-143 of 13 March 2012 of the Minister of Social Security and Labour. In the course of the second stage of the programme implementation, it is planned to improve life conditions and welfare of 950 residents of social care homes.
Distribution of the projects of the first stage of the programme implementation by target groups by 1 May 2012

<table>
<thead>
<tr>
<th>Target group</th>
<th>Number of projects</th>
<th>The amount allocated from the EU funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elderly people and people with disabilities</td>
<td>37 projects</td>
<td>LTL 59.5 million</td>
</tr>
<tr>
<td>Parentless children</td>
<td>12 projects</td>
<td>LTL 17 million</td>
</tr>
<tr>
<td>Persons with oncologic diseases and their family members</td>
<td>1 project</td>
<td>LTL 3.8 million</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour Table 7.1.5.1-2

7.1.5.2. Development of institutions providing services to the disabled, including vocational rehabilitation services

The main aim of the Measure “Development of Institutions Providing Services to the Disabled, Including Vocational Rehabilitation Services” financed from the European Regional Development Fund is to restore or increase working capacities, professional competences and capacities of the disabled to participate in the labour market, to promote their social integration, encourage their employment and equal opportunities in the labour market. In the course of this measure implementation, the establishment and development of institutions providing vocational rehabilitation services to the disabled are financed: construction, reconstruction, establishment or strengthening of the material base and adjustment of environment; development of the Disability and Working Capacity Assessment Office under the Ministry of Social Security and Labour and the infrastructure of its territorial divisions; development of the infrastructure of divisions of the Centre of Technical Aid for Disabled People under the Ministry of Social Security and Labour; development of the infrastructure of body-language translation centres.

Within the period from 1 May 2011 to 1 May 2012, the implementation of 8 projects of establishment/modernisation of vocational rehabilitation of the disabled was continued. A total amount of LTL 42.20 million was allocated for the implementation of these projects (LTL 35.87 million were allocated by the EU funds, LTL 6.22 million originated from the state budget, and LTL 111.3 thousand were allocated by project executors). The accomplishment of these projects will result in the establishment/modernisation of 8 institutions providing vocational rehabilitation services in Panevėžys, Klaipėda, Palanga, Trakai, Mažeikiai, Utena, Kaunas and Rokiškys. The accomplishment of the projects is planned by the end of 2012. The implementation of these projects will help create 233 new places for beneficiaries of services and 77 new jobs for persons providing services. It is expected that after the implementation of these projects is accomplished, on average, 543 disabled persons will use vocational rehabilitation services per year.

In the course of the measure implementation, the implementation of the project of the Disability and Working Capacity Assessment Office “Development of the Infrastructure of Territorial Divisions of the Disability and Working Capacity Assessment Office under the Ministry of Social Security and Labour” was continued. A total of LTL 29.41 million (EU share – LTL 25.00 million) was allocated for this project under the Financing and Administration Agreement signed in 2009. The main aim of
this project is to increase working capacities, professional competence and ability to participate in the labour market of the disabled and assist them in their social integration by developing and improving the infrastructure of the Disability and Working Capacity Assessment Office in a complex manner. In the course of the project implementation in eight cities of the Republic of Lithuania (Vilnius, Kaunas, Šiauliai, Plungė, Panevėžys, Alytus, Klaipėda and Tauragė), the infrastructure of territorial divisions of the Disability and Working Capacity Assessment Office was managed in a complex manner. Having analysed various possible alternatives, the best alternative with regard to technical, social and financial aspect of the modernisation of the Disability and Working Capacity Assessment Office was selected: the reconstruction of available premises (some premises have been expanded) is in process in Plungė, Tauragė, Panevėžys and Alytus, a new building is under construction in Klaipėda, whereas new real property objects (premises) will be acquired in Vilnius, Kaunas and Šiauliai. In addition, in order to adjust these premises for the provision of services related to disability and working capacity assessment, it is planned to acquire furniture and equipment (a queue management system) necessary for the implementation of this task. It is planned that about 118.9 thousand persons from target groups will use the services of divisions of the Disability and Working Capacity Assessment Office, which have received financial support.

In 2011–2012, the implementation of the project of the Disability and Working Capacity Assessment Office “Development of the Infrastructure of Territorial Divisions of the Disability and Working Capacity Assessment Office under the Ministry of Social Security and Labour” was continued. A total of LTL 17.51 million (EU share – LTL 14.88 million) was allocated for this project under the Financing and Administration Agreement signed in 2009. The project is aimed at modernising the infrastructure of 7 territorial divisions of the Centre of Technical Aid for Disabled People (in Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys, Alytus and Telšiai) in order to encourage social integration of the disabled, increase their employment and the ability to participate in the labour market. Having analysed various possible alternative, the best project implementation alternative with regard to technical, social-economic and financial aspects has been choosen. New buildings adjusted for activities of the Centre of Technical Aid for Disabled People are under construction in Klaipėda and Panevėžys, and it is planned to acquire real property (buildings/premises) in Vilnius, Kaunas, Šiauliai, Alytus and Telšiai, which, if necessary, will be adjusted for activities of the Centre of Technical Aid for Disabled People. In the course of the project implementation, modern warehousing equipment and equipment for adjustment of means of technical aid for the disabled as well as various devices, furniture, technical equipment and software, vehicles for activities of the divisions of Kaunas and Panevėžys will be acquired. It is planned that the annual number of persons to use the services of the supported divisions of the Disability and Working Capacity Assessment Office will reach 16.8 thousand persons.

After the Description of Project Financing Conditions was approved in I Quarter 2012, the implementation of the last activity “The Development of the Infrastructure of Body-Language Translation Centres” of the measure was launched. In the course of the implementation of this activity, it is planned to construct or reconstruct the buildings (premises) of body-language translation centres and provide them with all the necessary equipment. To that end, an amount of up to LTL 8 million (out of which LTL 7 million originate from the EU structural funds) is planned to be allocated. It is planned that having improved the infrastructure of these centres and introduced new video assessment services, the quality and efficiency of assessment services as well as the intensity of communication with the
deaf will improve, and possibilities for improving body-language translators’ qualification and assuring information confidentiality when communicating with the deaf or hearing-impaired persons will be provided. It is expected that the centres, which will be renewed within a year, will provide translation services to over 1,700 persons with hearing disabilities.

The implementation of a new project of the Lithuanian Labour Exchange, i.e. the construction of a new building of Utena Labour Exchange under the Measure “Modernisation of the Infrastructure of Territorial Labour Exchanges of the Lithuanian Labour Exchange” is also scheduled for 2012. It planned to use all the rest funds of the measure for the implementation of this project.

7.2. OTHER EU SUPPORT

7.2.1. EUROPEAN GLOBALISATION ADJUSTMENT FUND

The European Globalisation Adjustment Fund (hereinafter referred to as the EGF) is aimed at supporting workers dismissed as the result of essential structural changes in the world trade tendencies influenced by the globalisation and the financial and economic crises, when the dismissal of such workers causes significant damage to the regional or local economy. The key aim of the EGF is the development of an individual labour market measure encouraging workers to return back to the labour market as soon as possible.

The European Globalisation Adjustment Fund started its activity on 1 January 2007 after its activities were approved by the European Parliament and the Council of Europe, and it will operate until 2013. Regulation (EC) No. 1927/2006 of the European Parliament and the Council of Europe of 20 December 2006 on Establishing the European Globalisation Adjustment Fund (hereinafter referred to as the Regulation) specifies the legal justification of the EGF support and stipulates the procedure for Member States requesting support. Considering the complicated situation, the Regulation in June 2009 was amended. The scope of the amended regulation now includes workers dismissed as the result of the global financial and economic crisis (applied until the end of 2011). The following amendments have been made to the Regulation as well as the number of dismissed workers was cut to 500, the share of the EGF financing was upped to 65 percent for the period until the end of 2011, and the implementation period was prolonged for up to 24 months.

In 2011, projects were accomplished under 4 applications submitted in 2009 by the Ministry of Social Security and Labour to the European Commission for receiving support from the European Globalisation Adjustment Fund, which was used to support: workers dismissed from AB “Snaigė”; workers dismissed from companies occupied with construction, manufacture of furniture and manufacture of wearing apparel. In the course of the project implementation, the measures established in the Law on Support for Employment of the Republic of Lithuania and the following measures established in the Description of the Terms and Procedure of the Use of Funds of the European Globalisation Adjustment Fund approved by the Resolution of 19 August 2009 of the Government of the Republic of Lithuania: lump-sum employment benefit; benefit for the compensation of the difference between the average wage paid by the previous employer and the wage offered by the new employer; benefit for the compensation
of job search expenditure; benefit for entrepreneurship promotion; benefit to compensate for the upgrading of qualification. In line with the Regulation, the EGF financed 65 percent of the requested support, and the other share was allocated from the Lithuanian Employment Fund.

The project for the support of the workers dismissed from AB “Snaigė” was implemented until 22 July 2011 (the project was launched on 1 August 2009). The project was implemented by Alytus Labour Exchange. 457 persons participated in the project activities, i.e. active labour market policy measures, and a total amount of LTL 1.36 million was appropriated.

On 1 October 2011 3 sectoral projects, the implementation of which was launched on 1 October 2009, were accomplished. The key project executor was the Lithuanian Labour Exchange:

– the project to support workers dismissed from the furniture manufacture sector: 499 persons participated in active labour market policy measures, and LTL 2.4 million was appropriated;
– the project to support workers dismissed from the construction sector: 773 persons participated in active labour market policy measures, and LTL 3.9 million was appropriated;
– the project to support workers dismissed from the manufacture of wearing apparel: 371 persons participated in active labour market policy measures, and LTL 1.9 million were appropriated.

7.2.2. EUROPEAN REFUGEE FUND

The European Refugee Fund is one of the four parts of the General Programme “Solidarity and Management of Migration Flows”. The programme is aimed at gradual introduction of the integrated management of the external borders of the EU and implementation of general asylum and immigration policy directions. Four funds have been established on the bases of the mentioned programme:

– External Borders Fund;
– European Return Fund;
– European Fund for Integration of Third-Country Nationals (see section 3.2.3);
– European Refugee Fund (hereinafter referred to as the EFR).

The aim of the EFR is to support and promote efforts of Member States to accept refugees and asylum seekers and to bear responsibility for consequences of their acceptance in line with legal acts of the Communities governing these matters by co-financing the activities specified in Resolution No. 573/2007/EC of the European Parliament and the Council.


The Programme of the ERF is being implemented in order to achieve the Strategic Goal of the Ministry of Social Security and Labour, i.e. to ensure the social integration of socially vulnerable residents.

Having regard to the strategic guidelines of the European Commission, the Ministry of Social Security and Labour has been implementing two priorities supported by the ERF:

Priority 1: The implementation of principles and measures specified in the acquis of the Community in the field of asylum, including the fields related to the aims of integration.

Priority 2: Creation of orientation means and assessment methodologies in order to assess and improve the procedure of consideration of applications for international protection and support administration structures in solving issues on a closer practical cooperation with other Member States.
The following activities are financed from the ERF in the course of the implementation of the above priorities: improvement of acceptance conditions and asylum procedures; integration of foreigners granted asylum in the Republic of Lithuania; abilities of Member States to develop, monitor and assess their asylum policy on their path to practical cooperation between Member States.

The Ministry of Social Security and Labour has been implementing the long-term programme of the ERF by administrating annual programmes of the ERF of respective years. Each year requirements and conditions for applicants seeking financing from the ERF in Lithuania under an annual programme are specified in the ERF Guideline for Applicants. The ERF and co-financing cover up to 100 percent of all the funds of the project: 75 percent from the ERF, 25 percent – from co-financing funds.

At present, 6 projects of the ERF Programme for 2010, the total value of which is LTL 2,257.4 thousand, are approaching full accomplishment, and 8 projects under the ERF Programme for 2011, the total value of which is 2,326.4, have been launched.

The majority of these projects are continuous, and project executors know the needs of persons from the target group and have worked with them for a number of years. The majority of project activities are directly aimed at third country citizens. For example, project activities under ERF programmes for 2010-2011 provide representatives of target groups with services of a social worker, children – with services of a social pedagogue. The provision of medicine services is organised as well as Lithuanian language and IT courses are offered, meetings with specialists from hospitals, neighbourhoods and other institutions are arranged. Leisure activities are encouraged by organising library activities, establishing handicraft clubs, organising sport activities. In order to provide information about the country where a person seeks to be granted asylum, cognitive trips and social events together with the local community (sport contests, holidays, etc) are organised. Foreigners granted asylum are provided with social, material support; legal, psychological consultations; consultations on issues related to housing, funds for living and integration into the labour market; trainings on business establishment and management as well as on formation of skills and improvement of qualification are organised; practical employment support is provided. A social network of specialists working in the field of asylum and integration and an information system to issue certificates on the country of origin was developed; an analysis of the legal base was performed, and asylum systems of other EU states were assessed.

### 7.2.3. THE EUROPEAN FUND PROGRAMME FOR THE INTEGRATION OF THIRD-COUNTRY NATIONALS

The aim of the programme is to support the efforts made by Member States in enabling third-country nationals of different economic, social, religious, linguistic and ethnic backgrounds to fulfil the requirements for residence and to facilitate their integration into the European societies.

The Ministry of Social Security and Labour of the Republic of Lithuania is an authority responsible for the administration of the Programme of the European Fund for the Integration of Third-Country Nationals, as approved by the Resolution of the Government of the Republic of Lithuania.

Three priorities are established in the programming documents of the European Fund for the Integration of Third-Country Nationals:

- Implementation of actions designed to put the “Common Basic Principles for Immigrant Integration Policy in the European Union” into practice.
– Establishment and development of indicators and evaluation methodologies to assess progress, adjust policies and measures and to facilitate the co-ordination of comparative learning.
– Policy capacity building, co-ordination and intercultural competence building in Member States across different levels and departments of governing authorities.

The above-mentioned priorities are implemented by actions, part of which is dedicated directly for third-country nationals and the other part is designed for the strengthening of public as well as institutional and organisational capacities related to the integration of third-country nationals. For example, the Programme of the European Fund for the Integration of Third-Country Nationals supports projects which encourage third-country nationals to learn the Lithuanian language, provide knowledge on the Lithuanian history, culture and conditions of life as well as conditions of learning and employment in Lithuania. The European Fund for the Integration of Third-Country Nationals also supports projects aimed at performing studies and research related to the integration of third-country nationals and the assessment of the integration policy development as well as projects which promote cooperation and relations between competent authorities and organisations and the enhancement of intercultural competence.

The support under the programme of the European Fund for the Integration of Third-Country Nationals is provided in accordance with a long-term (2007-2013) and annual programme drafted by a Member State and approved by the European Commission. A total amount of LTL 25.9 million (out of which LTL 19.6 million are allocated by the European Union) will be allocated for the long-term programme implemented through annual programmes. The total cost of EIF 2010 annual programme, the implementation of which will be accomplished on 30 June 2012, is LTL 3.5 million, the cost of EIF 2011 annual programme is LTL 3.7 million, and the cost of EIF 2012 annual programme is LTL 3.8 million.

In the course of the implementation of the EIF programme in Lithuania, five calls for proposals have been announced and the preparation for the sixth call for proposals for Annual Programme 2012, which is scheduled for II Quarter 2012, has been commenced. After the assessment of the submitted applications as per the announced calls for proposals for Annual Programmes of 2007, 2008, 2009, 2010, and 2012, 61 projects received financial support. At present, the implementation of programmes of EIF 2010 is approaching the end, and projects under EIF 2011 programme are being implemented.
8.1. ACTIVITIES RELATED WITH LITHUANIA’S MEMBERSHIP IN THE EUROPEAN UNION

Lithuania’s accession to the European Union (hereinafter referred to as the EU) shall guarantee that Lithuanian interests were respected in adopting the EU legislation (regulations, directives, decisions, recommendations, opinions, the EU Council conclusions, and any other resolutions) and in forming the EU policy, while the adopted EU legislation were successfully and efficiently implemented in Lithuania. Most attention in this chapter will be given to one of the three main institutions of the EU – the EU Council (hereinafter referred to as the Council). The Council and the European Parliament (hereinafter referred to as the EP) are jointly responsible for the law-making in the EU.

8.1.1. MOST RELEVANT ISSUES ON THE EU AGENDA CONCERNING SOCIAL, EMPLOYMENT AND YOUTH POLICIES

8.1.1.1. Initiatives of the EU Members States Holding the Presidency

The EU Presidency is the presidency of one of the Member States (hereinafter referred to as the MS) at the Council, which, along with the European Commission (hereinafter referred to as the Commission) and the EP, is one of the three political decision-making bodies in the EU. Any important political decision or legal resolution may not be taken without the consent of the Council, representing the Governments of the EU Member States.
The presiding state plays the key role in organising activities of the Council, promoting the legal and political decision making process in particular. The presiding state chairs the meetings of the Council for six months and assigns the overall political agenda.

**Hungary** took over the EU Presidency for the first six months of 2011. Information related to the initiatives of Hungary during its Presidency is submitted in the 2010-2011 Social Report of the Ministry of Social Security and Labour\(^{143}\).

**Poland** took over the EU Presidency on the second half of 2011. The country identified three (3) key priorities: European integration as the source for further growth; Secure Europe (food, energy, defence); and Europe benefiting from openness.

The key goal raised by Poland during the period of its Presidency was to ensure more active role of the EU in the economic policy that it would promote economic growth and employment.

In the sphere of social policy, employment and equal opportunities Poland specified the following priorities:

- solidarity between generations – for addressing future demographic issues;
- active Europe – for encouraging the participation in the labour market and for active social integration policy;
- civil partnership – for promoting the role of state and non-governmental organisations implementing social policy objectives.

Discussions on the impact of the flexicurity model were held by the presiding Member State in the sphere of employment, in particular stressing the opportunities of retaining senior people on the labour market. Discussions were also related with positive aspects of occupational activeness. Poland has revised factors determining motivation and de-motivation of employees in retaining and extending the term of occupational activities. On the basis of this priority Poland assessed the scope of the economic crisis leading to labour market reforms, and suggested the future labour market perspective of Europe after 2020. On the basis of these discussions the Council conclusions were formed. Moreover, the presiding Member State started discussions concerning the amendments in the Regulation on establishing the European Globalisation Adjustment Fund, proposed by the Commission. Discussions were held by the presiding MS concerning the revision of the Directive 2004/40/EC of the European Parliament and of the Council on the minimum health and safety requirements regarding the exposure of workers to the risks arising from physical agents (electromagnetic fields).

In the sphere of **Social Security** the presiding Member State supported measures aimed at pursuing for balancing labour and family life, stressing the improvement of access to care services for the elderly and children, increasing at the same time occupational activeness of various social groups, improving the profitability of labour mobility and enhancing the importance of social dialogue aimed at achieving social policy goals. The presiding MS held discussions concerning the role and impact of non-governmental organisations and other partners implementing social policy objectives. During the presidency period the event summarising the activities of the European Year of Volunteering 2011 was initiated.

In the sphere of **gender equality and non-discrimination** the presiding MS reviewed the proposal concerning the Directive of the European Parliament and of the Council revising partly the

Council Directive 92/85/EEC concerning measures aimed at promoting the improvement of safety and health conditions of pregnant workers, and workers, who have recently given birth or are breastfeeding. Poland prepared the conclusions of the Council on reconciliation mechanisms for work and family life leading to more active participation of men and women in the labour market, and jointly with the European Institute for Gender Equality submitted the review on the indicators under the Beijing Platform for Action on the reconciliation of work and family life.

Poland submitted analysis of the proposal concerning the Council Directive on the implementation of equal treatment of persons irrespective of their religion or faith, disability, age or sexual orientation.

In the sphere of youth the presiding MS gave most attention to the topic “Youth and the World”. Poland voiced for mutual cooperation between young persons of the EU and their peers from Eastern Europe and the Caucasus countries. This priority was implemented through structured dialogue with young persons and exchange of good practice between the EU Member States, as well as through the meeting with the Director General in charge for the youth policy, where strategic priorities in the youth policy of the following year were discussed.

**Denmark** held the EU Presidency during the first six months of 2012 with the key presidency slogan “Europe at Work” – responsible, dynamic, green and safe Europe.

In the sphere of social policy, employment, equal opportunities and young people Denmark has singled out the following priorities:
- an employment policy that addresses current challenges, especially youth employment and long-term unemployed;
- social policy creating equal opportunities for all (reduction of exclusion, equal opportunities of men and women, etc.);

In the sphere of employment Denmark invited Member States to discuss how to meet demographic challenges considering the aspects of more active participation of young persons and women in the labour market and life-long learning. Denmark addressed issues related with the proposals concerning more effective implementation of the directive on posted workers and draft regulation aimed at specifying that, following the enforcement of Lisbon strategy, free movement of workers as well as the freedom of establishment and freedom to provide services are equally important.

Attention was also given to the issue of postponing the retreat (retirement) from the labour market. In this respect the current and the planned pension reforms of the Member States foresee to encourage people to remain longer in the labour market by improving working environment. As part of the strategy “Europe 2020” Denmark held discussions on employment policies in Member States. Moreover, Denmark initiated discussions on the reduction of unemployment among young persons and long-term unemployed.

Discussions were also held concerning the initiative “Agenda for New Skills and Jobs” under the strategy “Europe 2020”, stressing the improvement of skills of the labour force, and the increase of mobility in the labour market. The presiding Member State continued the work concerning the directive on electromagnetic fields and the future proposal of the European Commission concerning the new directive on the revision of the system of occupational muscular and bone diseases.

In the sphere of social security the year of 2012 was announced as the European Year for Active Ageing and Solidarity between Generations, therefore many initiatives were introduced for encouraging senior people to participate actively in the labour market and be full-fledged members of the society.
Experience of senior people was stressed in improving their working and living conditions as well as the society at large through flexible labour forms, improved health care and competence at work. Denmark has also emphasised the impact of occupational and family life balance on the demographic situation.

Considering that the year of 2011 was announced as the European Year of Volunteering, Denmark continued discussions on how volunteers could help senior people by encouraging them to join volunteering activities. During the Danish Presidency at the EU Council discussions were held on possibilities to reduce physical labour in the sector of care services by applying modern welfare technologies, in particular on possibilities for senior people to remain healthy and active as long as possible.

Denmark has also paid attention to the implementation aspects of the EU strategy for people with disabilities. Denmark raised the issue on how modern technologies could improve active participation of disabled persons in public life of the society. Following the publication by the Commission of the White Paper on pensions, Denmark held discussions on challenges arising from the changing demographic situation: the increase of the number of senior people and the reduction of working age people.

In the sphere of gender equality the United Nations Beijing Platform for Action defines general guidelines for the global gender equality objectives. The Council continued its work in the sphere of Beijing Platform for Action, and Denmark was actively involved during its presidency pursuing further progress in particular with regards to the indicators in the legal situation of women and the environment. Among the issues on the Danish Presidency agenda was the objective to ensure that the choice of education and learning of each individual were based on personal interests and talents. Subsequently, much attention during the Danish Presidency was given to the gender-segregated educational choice.

In the sphere of youth policy discussions were held at the Council during the Danish Presidency on the issues of active participation of young persons in the society. The key priority was to encourage creativity, support innovations and talents of young persons in order to ensure public spirit of young persons and successful entrance to the labour market. It was emphasised that the topic on encouraging possibilities of employment for young persons is particularly important nowadays, when youth unemployment in Europe is rather high. The Council discussed the proposal for new programmes in the spheres of education, training, youth and sports. The proposal is related with the negotiations concerning the new EU Multi-annual Financial Framework and the strategy “Europe 2020”.

8.1.1.2. Activities of the Commission


In the Commission Work Programme 2012 the objective of combating actively the economic crisis is emphasised by giving impetus for the recovery of the economy and ensure the creation of new jobs.

Commission, implementing the strategy “Europe 2020” and pursuing for a strong impact on economic growth and the creation of new jobs, will define corresponding the EU political measures.

144 http://www.socmin.lt/index.php?-1351634479
Key initiatives of the Commission in 2012: Commission has planned within this context to submit a package of initiatives on employment in close cooperation with social partners. Commission has also planned to revise flexicurity principles and initiate the new stage for their implementation aimed at promoting the creation of new jobs and mobility for mitigating the consequences of the economic decline and getting ready for making use of the potential of the recovering economy. It is related with the need to foresee and manage the restructuring of companies. Finally, the Commission has planned to suggest how public employment services could be strengthened, including the reform of the European Employment Service (EURES) aimed at improving employment possibilities in other Member States. The Commission has also scheduled to provide how the EU may contribute to the solution of the relevant issue concerning youth unemployment, including actions promoting the mobility of young jobseekers and assisting them in finding jobs in other Member States. Apprenticeship in production may also provide opportunities for entering labour market. It may be very useful in the sectors, where future jobs could be created.

With regards to further perspectives by retaining our social model means the provision of funding for the system of social security, in this respect ageing societies are of great concern for the public politics, while modern and innovative health care sector stimulates economic growth. The Commission has provided for supervising of the implementation of recommendations by Member States in the sphere of pensions and take initiatives on the issues of intergovernmental importance. Strengthening of the internal market by creating efficient and safe pension schemes is among the initiatives of 2012. Moreover, the Commission has planned to submit proposals concerning additional pension rights to individuals, who are changing jobs, since it is necessary to simplify the mobility of employees for promoting employment and job creation.

The Commission has chosen to develop in 2012 the following priority initiative: employment package consisting of the communication on creating jobs; proposals concerning flexicurity; reform of the European Employment Service (EURES).

8.1.2. MEETINGS OF THE EU COUNCIL OF MINISTERS

Proceeding with the overview of decisions taken at the meetings of the EU Council of Ministers on employment, social and youth policy, as provided in the 2010–2011 Social Report information here is given on the most important meetings held in the first six months of 2011–2012 and the decisions taken thereafter.

8.1.2.1. Employment and Social Policy Council

At the extraordinary meeting of the Employment, Social Policy, Health and Consumer Affairs Council No 3089 of 19 May 2011, designed for the integration of Roma people, the Council has studied the Communication on “An EU Framework for National Roma Integration Strategies up to

146 http://www.socmin.lt/index.php?-1351634479
2020” as submitted by the Commission\textsuperscript{148} and exchanged opinions on the issue. Most attention in the Communication is given to the four key goals of the EU Roma integration:

- learning opportunities. To ensure that all Roma children finished at least a primary school;
- employment possibilities. Reduce disparities of Roma people and other citizens in employment;
- access to health care services. Remove differences in the health care, for example, reduce the mortality of Roma children;
- access to housing and essential services.

Most attention by the Council was given to two issues: how to increase Roma inclusion following the umbrella national approach and how to ensure more efficient use of means.

Lithuania approved the Communication of the Commission calling on Member States to ensure economic and social integration of Roma population. The implementation of the set goals in education, employment, health care and housing would contribute not only to the Roma communities, but would bring advantage to the society at large and the state, leading to the reduced unemployment, criminality, number of beneficiaries in social assistance, etc. Lithuania has also voiced for the right of the Member States to decide individually whether they need to prepare separate national Roma integration national plans up to 2020, or draft general strategies on the integration of socially vulnerable groups of the population, including Roma people.

The presiding Hungary, referring to the Communication of the Commission, submitted to the Ministers conclusions of the Council concerning the “EU Framework for National Roma Integration Strategies up to 2020”\textsuperscript{149}, where Roma situation in the EU Member States is highlighted (stating that most Roma people live in deep poverty and social exclusion, and discrimination) and proposals to the Commission and the Member States to take appropriate actions. For example, Member States are called for improving social and economic situation of Roma people following the integration approach and sustainable integrated policy in education, employment, housing and health care, ensuring equal opportunities to make use of quality services, establishing objectives in education, employment, health care and housing aimed at reducing the gap between the Roma communities in social exclusion and other population.

The Council approved the opinion of the Social Protection Committee\textsuperscript{150}, where it assented to the Communication of the Commission.

At the meeting of the Employment, Social Policy, Health and Consumer Affairs Council No 3099 of 17 June 2011\textsuperscript{151} the following essential issues were discussed:

The presiding state submitted to the Council Progress Reports concerning the Directive on Maternity Leave\textsuperscript{152}, the Directive on the Implementation of the principle of equal treatment between persons irrespective of religion or belief, disability, age or sexual orientation\textsuperscript{153}, and concerning Regulations amending the coordination of social security systems\textsuperscript{154}.

\textsuperscript{149} http://www.consilium.europa.eu./uedocs/cms_data/docs/pressdata/LT/lsa/122370.pdf
MEMBERSHIP IN THE EUROPEAN UNION

The Council held political debates and adopted “common approach” concerning Council Recommendations on the implementation of integrated economic and employment guidelines by each Member State. Commission, having assessed Reports and National Reform Programmes, provided by Member States, submitted subsequently country specific conclusions and recommendations to the Member States. Six recommendations were addressed to Lithuania. Member States shall consider these recommendations in formulating their policies and drafting their next year budgets. Most Ministers have favourably assessed the recommendations, where national circumstances were taken into account, and noted that the implementation of the European Semester reflects great progress in the economy management. They emphasised that employment and social inclusion policy is given a significant role throughout the entire strategy “Europe 2020” and the sphere of its management, since this policy is important for the economy growth.

The Council approved the joint opinion of the Employment and Social Protection Committees concerning the Examination of National Reform Programmes 2011, and the opinion of the Employment Committee concerning “Agenda for new skills and jobs: European contribution towards full employment”, where the Employment Committee expressed its opinion on 4 priority issues of the agenda: concerning better functioning of the labour market; supporting job creation; more skilled workforce; better job quality and better working conditions.

The Council exchanged views on family policy and adopted conclusions on Reconciliation of work and family life in the context of demographic change, aimed at encouraging MS to formulate policies favourable for work and family life balance in order to address demographic problems and support the implementation of the strategy “Europe 2020”. The exchange of good practice emphasised in the conclusions may significantly contribute to the strengthening of family welfare both on European and national level. Lithuania approves the idea to mark 2014 as the European Year for Reconciling Work and Family Life – it may be an incentive for strengthening family policy and giving higher priority in discussing family related issues on the European political agenda. It is also important to continue the development of research and monitoring related with the implementation of family policy and demographic change.

The Council adopted conclusions on Promoting youth employment to achieve the “Europe 2020” objectives, on Support of the implementation of the European Disability Strategy 2010–2020 and on Tackling child poverty and promoting child well-being.

The presiding MS informed the Council at the meeting about the successful negotiations with the European Parliament concerning the announcement of the year 2012 as the European Year for Active Ageing and Solidarity between Generations.

At the meeting of the Employment, Social Policy, Health and Consumer Affairs Council No 3114 of 3 October 2011 the following key issues were discussed:

Referring to the information document of the presiding MS concerning the further role of the European Social Fund (hereinafter referred to as ESF) in implementing the strategy “Europe 2020”, Ministers’ debates were held in order to identify possibilities of improving ESF activities so that the goals of the strategy “Europe 2020” were achieved in the most efficient way and ESF activities were the most useful. Adopted in 2010, the strategy “Europe 2020” sets out a vision of social economy in Europe by 2020. For the successful implementation of the strategy appropriate financial support is required. Most of the areas referred to in the strategy are supported namely from the ESF.

It has been agreed at the discussions that:
- the fund shall be oriented towards specific clearly defined and realistic priorities of the MS, which are related with the objectives of the strategy “Europe 2020”;
- the key goal for using the means of the fund is to increase employment and reduce poverty;
- in promoting employment most attention shall be given to increase capacities of persons to adapt to the labour market;
- it is necessary to simplify ESF procedures;
- proper coordination of ESF activities with the activities of other structural funds has to be ensured.

The Council adopted conclusions concerning the role of volunteering activities in social policy, where attention is paid to the importance of volunteering activities in various spheres of the EU policy: employment and social policy, equal opportunities, social protection, education and youth policy, policy of culture and regions, sports and health, environment, humanitarian aid, etc. It is emphasised in the conclusions that volunteering activities inter alia are important in developing civil society, social cohesion, solidarity between generations, improving occupational qualification or acquiring new skills and competences, reducing intolerance and social barriers. In the conclusions of the Council obstacles hindering the successful implementation of volunteering activities are defined, for example, infrastructure for volunteering activities is not equally developed as on the local as on the national level; volunteering activities are insufficiently valued; lack of information on volunteering activities, etc. The Council invites MS and the Commission to take appropriate steps for removing obstacles.

The Council adopted the conclusion on Managing demographic challenges: Institutional cooperation of the Member States on demographic issues and reconciliation of work and family life, providing the following: facilitate information exchange and possible cooperation in this sphere and create more favourable conditions for different establishments and initiatives to exchange information as on the European as on the national level; intensify actions in increasing awareness on reconciliation of career and family obligations and make use of the possibilities of the third sector institutions in promoting reconciliation of career and family life; use more effectively the European

Social Fund in promoting inclusion and progress on the labour market balanced with family obligations and commitments.

At the meeting of the Employment, Social Policy, Health and Consumer Affairs Council No 3131 of 1–2 December 2011, the following key issues were discussed: referring to the information document of the presiding Member State “Implementation of the Strategy “Europe 2020” in the Sphere of Employment and Social Policy”, the Council held political debates on the issues of employment and social policy related with the strategy “Europe 2020”. The presiding MS presented to the European Council conclusions and other related documents as the opinion of the Employment, Social Policy, Health and Consumer Affairs Council of 9 December 2011. This discussion was based on the following documents:

The Council studied the 2012 Annual Growth Survey and the attached draft of the Joint Employment Report, where the outcomes of the first European Semester were presented, stating the opinion of the Commission on the EU priorities in the economy and budgetary policy and the required reforms within the nearest 12 months for increasing employment and promoting further growth. In 2011 priority actions were directed towards three major areas: fiscal consolidation, macroeconomic sustainability and labour market reforms for increasing employment.

The Annual Growth Survey (hereinafter referred to as the AGS) starts the new Semester of European economic governance, setting the basis for general understanding of priorities in possible actions within the coming 12 months on the EU and national levels. It is provided to discuss the AGS in the nearest meetings of the Council of Ministers and present the formulated report in March 2012 to the European Council in order to develop corresponding policy guidelines for the Member States. The guidelines shall be reflected in the National Reform Programmes (hereinafter referred to as the NRP). Commission, having analysed NRPs, will submit to the Member States country specific recommendations to be introduced into national policy guidelines for adopting national decisions on the economy and the budget.

It is noted in the AGS that progress made in achieving the EU 2020 strategy goals is rather disappointing so far, and less than expected. Progress within the year of 2011 in the sphere of labour market reforms was achieved only in certain areas, for example, in applying active labour market policy measures for promoting life-long learning and the improvement of upgrading skills and qualifications. General recovery of employment was slow and weak, retaining negative tendencies (-0.5%), except for the end of the year, when a slight growth of the employment level was observed. Reforms of remuneration for work systems remain debatable, and certain progress was noted only in some countries. According to the assessment of the Commission, the set goals by the Member States in the sphere of employment are insufficient for achieving the 75% employment level by 2020. Given all Member States fulfilled their set targets, EU as the whole unit would not reach the targeted goal of 75% employment level by 1–1.3%. It is noticed with regards to the labour market issues that slow economic growth does not help the recovery of employment, and employment does not reach so far the previous level before the crisis, while long-term unemployment is rapidly increasing. Youth unemployment is of particular concern.

Youth unemployment has increased by more than 20% in the entire Europe from 2008 to 2010, reaching even 40% in some countries.

Vulnerable parts of the society suffered most of the crisis, creating new groups of people at risk of poverty.

Commission is giving much attention to the implementation of obligations by MS inviting to pull efforts in 2012 for applying measures in promoting growth and participation in the labour market. In 2012 it is suggested for the EU and MS to follow five priorities in combating unemployment and consequences of social crisis: to promote businesses and self-employment, increase labour force mobility, strengthen initiatives covering working experience and education, reduce labour taxation and obstacles for creating businesses, enhance active labour market policy coverage and efficiency, and improve social security systems aimed at protecting the most vulnerable members of the society.

The Council adopted conclusions concerning further actions related with the first European Semester and thematic surveillance in employment and social policies\(^1\), where the work carried out so far is assessed, indicating how the implementation should be continued in 2012. Conclusions were drafted in the main referring to the Thematic Report prepared by the Employment Committee\(^2\) and the Opinion of the Social Protection Committee on the social aspect of “Europe 2020”, “The implementation of the EU commitments in reducing poverty and increasing inclusion (2011)\(^3\).

The presiding MS summarised the essential aspects of the debates in the following way:

- immediate actions shall be taken, despite the crisis it is important to take more efforts in increasing employment and continue working in strengthening social cohesion;
- structural reforms shall be taken, for example in the sphere of pension systems and privileges;
- it is important to ensure that education and teaching were adapted to the development of skills and capacities required on the labour market;
- Employment, Social Policy, Health and Consumer Affairs Council plays a significant role in the process of economic governance;
- importantly, the EU needs more optimism.

The Council reached common approach concerning the partly amended Regulation on the coordination of social security systems\(^4\), where the suggested amendments will specify application of provisions on the EU social security systems.


The Council reviewed progress of negotiations concerning the Directive on Maternity Leave\textsuperscript{176}, the Directive on Equal Treatment\textsuperscript{177}, and the Directive on the Minimum health and safety requirements regarding the exposure of workers to the risks arising from physical agents (electromagnetic fields)\textsuperscript{178}.

The Council adopted the conclusions on Ageing as an opportunity for the labour market and for the development of social services and community activities\textsuperscript{179} and conclusions on the Review of the implementation of the Beijing Platform for Action – Women and the Economy: Reconciliation of work and family life as a precondition for equal participation in the labour market\textsuperscript{180}.

At the meeting of the Employment, Social Policy, Health and Consumer Affairs Council No 3146 of 17 February 2012\textsuperscript{181} the following key issues were discussed:

Preparation of proposals for the spring meeting of the European Council on 1–2 March 2012, the Council held political debates on priority actions in employment and social affairs. It is suggested to refer in the political debates of Ministers to the 2012 Annual Growth Survey\textsuperscript{182} and the attached Draft Joint Employment Report\textsuperscript{183}. Council conclusions concerning the Follow up of the first European Semester and thematic surveillance in employment and social policies\textsuperscript{184}, also the opinion of the Social Protection Committee “The “Europe 2020” Social Dimension: Delivering on the EU Commitment to Poverty Reduction and Social Inclusion” (2011)\textsuperscript{185}. Ministers were invited to dispute the situation and discuss the leading questions\textsuperscript{186}, which were prepared by the presiding Member State for better organisation of the debates. Most of the Ministers emphasised that actions in combating youth unemployment shall be among the priority issues addressed by the MS, noting that all employees should acquire such skills, which are required on the labour market, and the need for closer cooperation with social partners.

With regards to employment issues the Council adopted the Joint Employment Report\textsuperscript{187}, which will be submitted to the European Council, and conclusions concerning the Priorities for actions in the areas of employment and social policies: political guidance in 2012\textsuperscript{188}, where the key guidelines of the Employment, Social Policy, Health and Consumer Affairs Council are presented for the meeting of the European Council to be held on 1–2 March 2012. The Council has also reached the agreement on the “general approach” to the decision on Guidelines for the employment policies of the Member States\textsuperscript{189}.

\textsuperscript{183} http://register.consilium.europa.eu/pdf/lt/11/st17/st17229-ad03.lt11.pdf
\textsuperscript{186} http://register.consilium.europa.eu/pdf/lt/12/st05/st05895.lt12.pdf
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The Council approved the opinion of the Social Protection Committee concerning the 2012 Annual Growth Survey on Priorities for actions in the areas of employment and social policies: political guidance in 2012\(^{190}\) and the 2011 Report of the Social Protection Committee on the Social impact of the economic crisis and ongoing fiscal consolidation: main messages\(^{191}\). This is the Third Report of the Social Protection Committee – the latest analysis of the social impact of the crisis, presented according to the obligations under the EU Treaty to supervise attentively social situation in the Member States. It is noted in the Report that poverty depth and social exclusion in the EU Member States was increasing. Majority of employed people, however, suffer from poverty. Dependence upon social benefits has also increased, indebtedness is getting deeper and threatens access to housing. Therefore, national policies shall be aimed at the policy of “activating” people – encouraging them to participate in the labour market, and pension reforms should increase the sustainability and adequacy of pensions. The main messages of the Social Protection Committee are the following: improved resilience of social protection systems is needed to withstand the prolonged economic shocks; maintaining income support at adequate level is effective in offsetting the worst effects of the crisis and in spurring aggregate demand; fighting unemployment is challenged by low job creation and insufficient implementation of active inclusion measures; mitigating inequalities is the key to ensure a fair distributional impact of austerity programmes and to restore confidence in the inclusive growth; overall effects of changes in the financing of social protection need very careful analysis.

The Council has also held debates on the topic “Women on Company Boards”\(^{192}\), pursuing to discuss obstacles for increasing the number of women on company boards, actions to be taken for removing such obstacles within a reasonable time, share examples of good practice and define measures (for example quotas) for improving gender balance on company boards at the European level.

Most Ministers noted that stereotypes and lack of conditions for the reconciliation of work and family life are the main obstacles for the participation of women in the leading positions. All Ministers noted that progress is needed in this particular area, and that participation of women on company boards should be more numerous leading to positive achievements as of the companies as of state farms. Most of the speakers emphasised that higher representation of women on company boards could be achieved through the implementation of voluntary initiatives – the need was stressed to ensure the improvement of the work and family life balance as well as the quality child care services, implement measures in education, remove stereotypes, promote entrepreneurship of women, provide recommendations to companies on the participation of women on company boards, disseminate information on the numbers of women on company boards, and exchange of good practice.

At the meeting of the Employment, Social Policy, Health and Consumer Affairs Council No 3177 of 21–22 June 2012\(^{193}\) the following key issues were discussed:

The Council held political debates on the topic The Implementation of the Strategy “Europe 2020”. European Semester. Proposals to the European Council (28–29 June 2012)\(^{194}\), where Ministers were invited to respond referring to the following announced documents:


MEMBERSHIP IN THE EUROPEAN UNION

- Country specific recommendations of the Council for each Member State concerning the 2012 national reform programmes\(^{195}\);
- Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions “Towards the job-rich recovery”\(^{196}\) – “Employment Package” – a set of documents in which the Commission introduced new measures for creating jobs and recover the EU economics;
- “Employment Performance Monitor 2012”\(^{197}\);
- Examination of the national reform programmes (2012) and the implementation of the 2011 country specific recommendations. Opinion of the Employment Committee and the Social Protection Committee in consultation with the Education Committee\(^{198}\).

Six recommendations were given to Lithuania this year, including three of them under the remit of the Ministry:

- adopt legislation on the entire pension reform. Coordinate the legally set retirement age with the average anticipated life expectancy, set clear pension indexation rules and improve the systems of additional accumulation. Justify pension reform with active ageing measures;
- address the issues of high unemployment, firstly, of young persons, low skilled workers and long-term unemployed, allocating more resources for active labour market policy measures and improving their efficiency. Increase the efficiency of apprenticeship in production. Amend labour laws with regards to flexible contracting provisions, provisions on discharge and flexible work schedule;
- for reducing poverty and social exclusion increase incentives to work and relate better social benefit system with measures encouraging activeness, in particular with regards to vulnerable persons.

It should be noted that Lithuania has already taken actions for the implementation of the provisions referred by the Commission.

In the document concerning the Approval of the Recommendations for Council Recommendations on the National Reform Programmes 2012 to each Member State\(^{199}\), Ministers acknowledged the importance of stepping up efforts towards reforms governed under the European Semester and put special emphasis on the following aspects in particular:

- the focused discussion of central policy issues under the European Semester process was generally supported. Ministers considered that country specific recommendations (CRS) were a useful instrument in guiding policy responses to the main labour market challenges faced by EU Member States. Although some expressed that they were not always in full agreement with the proposals of the Commission concerning country specific recommendations, there was a broad agreement that the topics addressed were those that represent important challenges in the present situation of the persisting debt crisis, with serious impact of the economy growth and employment;
- many Ministers stressed the need for the Employment, Social Policy, Health and Consumer Affairs Council to take full responsibility of horizontal issues of common concern, such as pensions, wage-setting mechanisms and tax wedge on labour, which were discussed in country specific

recommendations of particular MS; some ministers reiterated that reforms on wages should continue to be subject to consultations with the Social Partners.

- on pension policies in particular, ministers pointed out that pension reforms should not be reduced to sustainability aspects; the primary function of pensions is to respond to social needs and the adequacy element should therefore be equally taken into account.

- ministers have favourably welcomed the weight given to social issues in the country specific recommendations and emphasised the importance of multilateral surveillance also on those issues that are aimed at strengthening social cohesion within the Union.

At the meeting Progress Report was delivered to the Council on the Proposal for the Directive of the European Parliament and of the Council on the enforcement of the Directive 96/71/EC concerning the posting of workers in the framework of the provision of services200, intended for the implementation, application and enforcement of the Directive 96/71/EC on posted workers in practice, pursuing for respecting the rights of posted workers, establishing clear rules and obligations of national authorities, the role of social partners within the scope of application of the directive. In other words – given the state has set minimal employment conditions, they shall apply also for the posted workers to that state; and on the Proposal for a Council Regulation on the exercise of the right to take collective action within the context of the freedom of establishment and the freedom to provide services201, aimed at specifying general principles and the EU rules related with the exercise of the fundamental right to take collective action with regard to the freedom of providing services and the freedom of establishment, including the need to coordinate them in practice in the case of trans-national situations. The Proposal covers not only temporary posting of workers to another Member State for providing services on the international level, but also the anticipated restructuring and/or transfer of companies from one state into another.

Much attention is recently given to the Judgements taken in 2007 by the European Court of Justice in the cases of Viking (C-438/05) and Laval (C-341/05). It was stated there that the right to take collective measures aimed at protecting workers is a vested interest, justifying in the main the restrictions of fundamental freedoms. Such judgements aroused wide discussions with regards to the consequences in protecting the rights of posted workers and in general, how trade unions may further defend the rights of workers in trans-national situations. This revealed that provisions of the Directive 96/71/EC of 16 December 1996 of the European Parliament and of the Council concerning the posting of workers in the framework of the provision of services (hereinafter – the Directive 96/71/EC) are not sufficiently clear. Referring to that and pursuing to increase the protection of temporary posted workers, the Commission submitted the above-mentioned proposals of the Directive and the Regulation. At present discussions are held concerning the expedience of the said legal acts.

Also the following Progress Reports were heard: on the Proposal for a Regulation of the European Parliament and of the Council on the European Globalisation Adjustment Fund (2014 – 2020)202; on the Proposal for the Directive of the European Parliament and of the Council on the minimum health and safety requirements regarding the exposure of workers to the risks arising from physical

agents (electromagnetic fields); on the Proposal for a Council Directive on implementing the principle of equal treatment between persons irrespective of religion or belief, disability, age or sexual orientation.

The Council approved the partial “general approach” concerning the Proposal for a Regulation of the European Parliament and of the Council on the European Union Programme for Social Change and Innovation, informing that the implementation of the Community Employment and Social Solidarity Programme “Progress” will end on 31 December 2013, therefore the EC initiates a new programme on social change and innovation for the new financial period of 2014 – 2020, aimed at increasing the consistency of EU actions in employment and social policy integrating the programme “Progress”, EURES and the European micro-financial measure “Progress”. Moreover, the programme provides a possibility to simplify the implementation by setting general provisions, inter alia, common general objectives, common typology of actions and streamlining the provision of reports and assessment.

The Council approved the conclusions on Responding to Demographic Challenges through enhanced participation in the labour market and society by all, inviting Member States and the Commission to take actions in the spheres of youth employment, active inclusion and participation of senior persons and working women, effective social services and care systems, financing, pensions, the disabled and children. Also conclusions were approved on “Gender Equality and the Environment: enhanced decision-making, qualifications and competitiveness in the field of climate change mitigation policy in the EU”.

8.1.2.2. The EU Education, Youth, Culture and Sports Council

The Ministry of Social Security and Labour participates in the meetings of the EU Council of Ministers for Education, Youth, Culture and Sports (hereinafter – the Council) as the institution in charge of the youth policy issues.

At the meeting of the EU Education, Youth, Culture and Sports Council No 3090 held on 19–20 May 2011 representatives of the Governments of the Member States adopted Resolution on encouraging new and effective forms of participation of all young people in democratic life in Europe, aimed at highlighting the importance of youth participation in granting the rights of the society and its citizens. Attention is given to overall problems faced by young persons (for example, unemployment, lower learning scores, less participation in the public life, etc.). The importance of voluntary activities in the community, the development of social responsibilities of young people and life-long learning, as well as strengthening of civil competences were emphasised in particular. In addition, Resolution on the Structured Dialogue with young people on youth employment, was also adopted, emphasising the

right of young people to participate in politics defining the conditions and life related with young persons, therefore, it is important to ensure the structured dialogue with young people and youth organisations. It should be noted that the first stage of the structured dialogue is considered successful: young persons in the EU had the possibility of expressing their opinion and ideas on one topic – youth employment. Key youth policy actors (representatives of ministries, boards of national youth organisations, national agencies, youth researchers and people working with young persons) were involved in the activities of National Work Groups. However, the structured dialogue shall be strengthened in overall youth dimensions – consultations, clear methodology, transparency, wider dissemination of information, sharing of good practices, improved application of various methods, motivation of young persons, involvement of young researchers, etc.

The presiding MS introduced the Council to the Overview of the structured dialogue between young people and EU institutions on youth employment (1 January 2010 – 30 June 2011), providing information on the process and outcomes of the first work cycle of the structured dialogue between young people and decision makers according to the guidelines of the Council Resolution on the renewed framework of cooperation in the youth field (2010 – 2018).

The Council held political debates on Voluntary activities of young people and their contribution to the development of local communities, indicating that volunteering has a great potential for the social and economic development of Europe, but so far it has been under-exploited, therefore, the year of 2011 was designated as the “European Year of Voluntary Activities – Promoting Active Citizenship”. The European Year of Voluntary Activities aims at raising awareness of the value and importance of volunteering. Most ministers emphasised that volunteering is an active expression of civic participation strengthening common European values such as solidarity and social cohesion. It also provides important learning opportunities, because involvement in voluntary activities can provide people with new skills and competences, and can even improve their employability. Some ministers have also stressed the importance of participation in volunteering of senior people by contributing thus to the reduction of gaps between generations and encouraging transfer of knowledge.

At the meeting of the EU Education, Youth, Culture and Sports Council No 3 held on 28 November 2011, the Council approved the conclusions on the Eastern Dimension of youth participation and mobility, providing information on the current situation with regards to youth mobility projects and support for them, considering in particular voluntary activities, informal education and cooperation of youth with Eastern European and Caucasus countries. It was noted that among other advantages, mobility is indispensable for exchanging ideas, spreading innovation, tackling employment and social issues, establishing strong relationships between people, and fighting prejudices. It is, besides other issues, a key to unleashing all young people’s potential and achieving the “Europe 2020” objectives.

The Council held political debates on the Youth cooperation beyond the EU. Most Member States emphasised the importance of the programme “Youth in Action”, as the key measure for strengthening civil societies in neighbouring countries and encouraging mobility in the countries

beyond the EU. Strengthening of the mobility, volunteering and other activities of cooperation with third countries will increase awareness of other cultures and develop new skills and capacities, thus creating more favourable conditions for youth employment.

At the meeting of the EU Education, Youth, Culture and Sports Council No 3164 held on 10–11 May 2012\(^{216}\), the Council adopted Conclusions on *fostering the creative and innovative potential of young people*\(^{217}\), emphasising the importance of creativity and innovation in the life of young people, in particular, in this difficult period for Europe, when economic crisis blocks the rapid growth of economy. Creativity and innovation are wide notions covering also entrepreneurship and its development, informal education and recognition of competences of such education, young talents and overall support for the development of such talents.

The Council held political debates on “*Engaging with young people to release their potential*”\(^{218}\), where Ministers highlighted that active participation may help young people in the times of crisis to keep their life perspectives and motivation, and validation of non-formal and informal learning achievements may help highlight the broader competences of young persons.

Therefore, aiming at preventing of young persons, who are neither engaged in employment, nor education or training, from marginalisation from the society, informal education activities are crucial providing young people with the possibilities of participation, employment and information. The first important measure is aimed at encouraging participation of young people through informal education. Another key measure is the EU Programme “Youth in Action”, where young people are provided with the possibilities of informal education and financial support for the implementation of projects initiated by themselves.

### 8.1.3. FULFILLMENT OF THE EU MEMBERSHIP COMMITMENTS

The Ministry of Social Security and Labour of Republic of Lithuania (hereinafter – the Ministry) is consistently pursuing the EU membership commitments in the sphere of social policy, employment, gender equality, equal opportunities and youth. The staff of the Ministry, following the elaborated positions of the Republic of Lithuania and coordinated thereafter in advance with the institutions concerned, participate in the activities of the EU bodies in discussing the EU draft legislation, debating the implementation possibilities and practice. Considering the newly adopted EU directives and other legislation, the plan on transposing the provisions of the EU directives and the implementation of the law is constantly updated, developing national legislation accordingly and transposing the provisions of the EU legislation into the legal system of Lithuania. Coordination of positions of the Republic of Lithuania is carried out through the special information system for the membership of Lithuania in the EU – LINENSIS. The system is designed to register and administer EU documents, work in drafting positions of the Republic of Lithuania, register reports from EU institutions, transpose EU law into the national legislation of the Republic of Lithuania and coordinate actions related with the removal of breaches in legislation reported by the Commission.


The staff of the Ministry and the Attaché of Social Security and Labour at the Permanent Representation of Lithuania to the EU participated in the meetings of the EU Council work groups and committees held in 2011 and during the first half of 2012 presenting the position of Lithuania on the issues under discussion: attended meetings of Work Groups on Social Issues, Work Groups on Youth Issues, Employment Committee (hereinafter – EMCO), Social Protection Committee, Output Gaps Working Group and Ageing Working Group of the Economic Policy Committee, Work Groups on Integration, Migration and Deportation. Among the key issues discussed the debate on the Communication from the Commission concerning the strategy “Europe 2020” and on the implementation of amendments to the Regulation on the Coordination of social security systems may be outlined.

Committee meetings held by the Commission were also actively attended for monitoring the implementation of strategies and programmes, the fulfilment of financial obligations, and for discussing any other relevant issues. Most of the meetings were held by the European Social Fund Committee and its Technical Work Group, Administrative Commission for the Coordination of Social Security Systems, and the European Community Initiative EQUAL. In addition, the Ministry was represented in the meetings of the following committees and work groups: Personal Protective Equipment (PPE) Experts Working Group, Advisory Committee on Social Security of Migrant Workers, Advisory and Technical Committee on Freedom of Movement for Workers, Advisory Committee on Safety and Health at Work, Committee on Solidarity and Management of Migration Flows, EMCO Indicators Group and the Indicators Work Group of the Social Protection Committee, Advisory Committee on the Approximation of the Laws of the Member States Related to Machinery, Administrative Cooperation Work Group on Market Surveillance in the Field of Personal Protective Equipment, Administrative Cooperation Work Group on Market Surveillance in the Field of Machinery, Implementing Committee of the Programme on Community Actions to prevent and combat violence against children, young people and women (DAPHNE III – 2007–2013), High-level Working Group on Joint Social Responsibility Issues, High Level Group on Disability, High Level Experts Group on Demography and Family Issues, and High Level Expert Group of the Member States on Non-Discrimination. Representatives of Lithuania have also participated in the Meetings of the European Foundation for the Improvement of Living and Working Conditions and at the Board meetings of the European Agency for Safety and Health at Work.

Plans for transposing the provisions of the EU directives and the implementation of the law are prepared using the LINESIS system, where information on transposition of legislation and implementation stages is entered and registered. Considering the newly adopted EU directives and other legislation, the plan on transposing the provisions of the EU directives and the implementation of the law is constantly updated, developing national legislation accordingly and transposing the provisions of the EU legislation into the legal system of Lithuania. Regular monitoring of the implementation of the registered measures is performed, i.e. on a monthly basis the Ministry submits to the European Legal Department at the Ministry of Justice information in the standard format on the on the progress of the implementation of measures.

The Ministry, within the authority of its competence, notifies the European Commission about the adopted national legislation implementing the directives and other EU legislation via the electronic notification base on National Implementing Measures (NIM).
8.1.4. Lithuania’s Readiness to Hold EU Council Presidency in the Second Half of 2013

Pursuing for proper readiness to the Presidency of the Council of the European Union in 2013, the Government of the Republic of Lithuania approved Action Plan for readiness of Lithuania to the Presidency of the EU Council.\(^{219}\)

Presidency of Lithuania at the EU Council will start on 1 July 2013 and will continue until 31 December 2013. The Ministry of Social Security and Labour was strongly concentrated on getting ready for the EU Presidency along with other Lithuanian authorities. In January 2012 the Ministry submitted to the Ministry of Foreign Affairs its contribution to the Lists of Files (dossiers) under the Programme for the Presidency of Lithuania at the EU Council (where currently 30 initiatives under the remit of the Ministry of Social Security and Labour are included). Moreover, separate Dossiers of all initiatives included in the List of Files were drafted in February according to the available information on the date. The List of Files and the Dossiers will be further updated before the Presidency.

Each presiding Member State defines not only general, but also specific priorities in certain areas. The Ministry of Social Security and Labour, pursuing to define relevant priorities not only for Lithuania, but for all EU Member States, and receive as many as possible opinions on labour and social policies, initiated a discussion “Priorities in the Sphere of Labour and Social Policy during the EU Council Presidency of Lithuania”, which was held on 11 April 2012. Priorities of previous presidencies were discussed at the event (including the context of introduction, certain aspects of priorities useful for Lithuania); also current EU situation and issues to be discussed in the short-term, which could help to formulate the priorities under the remit of the Ministry.

Referring to the priority course set by the Government of the Republic of Lithuania in the Priorities for Actions in 2012\(^ {220} \) – getting ready for the EU Council Presidency – summon institutions for joint actions, enhance administrative capacities, involve social partners and inform the society on the benefit of the EU Council Presidency for Lithuania, and jointly with the authorities of Lithuania elaborate the priorities for the EU presidency of Lithuania, the Ministry under its competence has prepared information through the network of coordinators on getting ready for the EU Council presidency on the following: on 12 Presidency meetings of various levels to be held by the Ministry and the subordinate institutions in Lithuania (in the second half of 2013); on visits related to the readiness of Lithuania for the EU Council Presidency; on Chairpersons of all future EU Council Work Groups and Committees, indicating the location of their activities (the capital or the Permanent Representation to the EU); internships of the representatives of the Ministry divisions at the Permanent Representation of the Republic of Lithuania; the List of Presidency functions and the names of delegated persons for performing the respective duties (LOBYNAS) and the improvement of their skills and competences.

Centralised training is organised since 2011 for persons appointed for the performance of functions related with the EU Council Presidency.

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8.1.5. COORDINATION OF THE EU SOCIAL SECURITY SYSTEMS

8.1.5.1. Social Guarantees for Persons Moving Within the European Union


Regulations introduced new provisions on moving to the electronic data exchange. It is expected this will facilitate and simplify correspondence between competent institutions of Member States, and the applicants will receive their benefits sooner. Currently competent institutions of Member States are still using paper E-forms for correspondence, where all information required for establishing and verifying the entitlement of an individual to a benefit is provided. However, by the end of the transitional period, all Member States shall have to exchange data in the electronic form. This will be performed through the Electronic Exchange of Social Security Information System (hereinafter – EESSI system), which is still in the process of development. Considering that the programme is not yet finalized, the transitional period was extended until 1 May 2014. E-forms in the EESSI system will be replaced by Structured Electronic Documents (hereinafter – SEDs). Competent institutions of Member States are getting ready for the electronic data exchange and are successfully filling in paper E-forms and Portable Documents are more often issued to the interested persons therefore.

EU Regulations on social security coordination exist already for more than 50 years. Regulations are regularly updated and improved with regards to the constantly changing economic, political and social situation. New legislation, recommendations and guidelines are adopted for their further implementation.

During the period from 1 June 2011 until 31 May 2012 the following three Decisions of the EU Administrative Commission for the coordination of the EU social security systems were approved:

- Decision S8 of 15 June 2011 concerning the granting of prostheses, major appliances and other substantial benefits in kind provided for in Article 33 of Regulation (EC) No 883/2004 on the coordination of social security systems.

- Decision E3 of 19 October 2011 concerning the transitional period as defined in Article 95 of the Regulation (EC) No 987/2009 of the European Parliament and of the Council. Transitional period for electronic data exchange was extended under this Decision until 1 May 2014.

- Decision U4 of 13 December 2011 concerning the reimbursement procedures under Article 65(6) and (7) of Regulation (EC) No 883/2004 and Article 70 of Regulation (EC) No 987/2009. The

The purpose of this Decision is to share the financial burden between Member States in the cases, when unemployed persons live in a Member State, which is not the competent state. The Decision provides that the competent institution of the previous employment shall reimburse to the institution of residence the entire amount of unemployment benefit to the unemployed person for the first 3 months, but not more than according to the national legislation of this state.

Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009 were enforced on 1 May 2010 and came into effect only for the relations between the EU Member States.


However, Swiss Confederation, having implemented the national legal procedures, started applying Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009 since 1 April 2012.

As from 1 June 2012 the above Regulations are applicable also in the relations with the Member States of the European Economic Area (Norway, Lichtenstein, Iceland).

Provisions stipulated in the Regulations on the coordination of EU social security systems require that Member States cooperated closely between themselves and that citizens could receive relevant information on their social guarantees. Considering that, the Commission is regularly updating its internet page informing about the nearest or accomplished events in relation with social security and the decisions taken, prepares visual information on social guarantees of persons moving from one country into another. All such information is placed on the internet page: http://ec.europa.eu/social/main.jsp?catId=26&langId=en

In 2011 the Ministry of Social Security and Labour has prepared an electronic booklet “Social Security of Migrant Persons in the EU”. This publication is placed on the internet page of the Ministry of Social Security and Labour http://www.socmin.lt/index.php?1958184722. It is earmarked for migrating persons regardless of their destination abroad – for work, studies or rest. The publication is not aimed at analyzing national legislation of the EU Member States, but for providing information on the essential principles applied in coordinating the EU social security systems, which are obligatory for all Member States. Also you can find there information on key social benefits and the currently applicable conditions for the entitlement to various benefits.

8.1.5.2. Statistical Data on the Implementation of the Regulations on Coordination of Social Security Systems

Foreign Benefits Office of the State Social Insurance Fund Board (hereinafter – SSIFB) is the competent institution in awarding pensions and establishing the applicable law under the Regulations on coordination of the EU social security systems. During the period from 1 June 2011 until 31 May 2012 the SSIFB Foreign Benefits Office received 6950 applications for granting and extending the allocated state social insurance pensions referring to the provisions of the Regulations on coordination of the EU social security systems, including for:
- old age pensions – 4029;
- widows and orphans pensions – 531;
- lost working capacity (disability) pensions – 2390;

In total 2597 applications for granting pensions according to the provisions of the Regulations were sent to other EU Member States and the European Economic Area, including for:
- old age pensions – 1567;
- widows and orphans pensions – 263;
- lost working capacity (disability) pensions – 767.

During the reference period 448 E 104 LT forms were issued concerning the accumulation of insurance periods, 12 615 applications were received concerning the establishment of the applicable legislation on the entitlement and 13 221 E101 LT forms or A1 certificate were issued.

The number of received and sent requests on family benefits reaches 4691 and 290 requests on funeral allowances and unemployment benefits.

For individuals receiving unemployment insurance benefit in Lithuania and moving to another EU or EEA Member State for the search of jobs, as well as for foreigners arriving in Lithuania for the search of jobs, and receiving unemployment insurance benefits in other EU or EEA states, E300 forms of U SEDs are issued. During the period from 1 June 2011 until 31 May 2012 Territorial Labour Exchange Offices of Lithuania issued 371 certificates related with the unemployment insurance benefits (E 301, U1 PD, U002 SED). Persons having such documents were travelling to the following countries (or requested for the documents directly from the authorities of the indicated countries): Ireland – 97 persons, United Kingdom – 38, Spain – 42, Norway – 53, Germany – 68, Poland – 12, Denmark – 5.

During the reference period Territorial Labour Exchange offices issued 34 certificates on family members and their income (E 302, U004 SED). Persons having such documents were travelling to the following countries (or requested for the documents directly from the authorities of the indicated countries): Norway – 26, Spain – 5, United Kingdom – 3.

Territorial Labour Exchange offices received 542 certificates from other states concerning the unemployment insurance record (E 301, U1 PD, U002 SED). The above-mentioned forms were received from the following countries: Ireland – 147, United Kingdom – 199, Spain – 29, the Netherlands – 28, Denmark – 30, and Norway – 26.

The Disability and Working Capacity Assessment Office at the MSSL referring to the provisions of Regulations on coordination of the EU social security systems, establish the level of lost working capacity. From 1 June 2011 until 31 May 2012 the Office has registered 194 EU citizens for establishing the level of lost working capacity (most from Latvia – 89, Germany – 55, Estonia – 23, and Spain – 15).

8.1.6. PARTICIPATION IN THE MISSOC ACTIVITIES

Meeting of the EU Mutual Information System of Social Protection (MISSOC) Correspondents was held on 19-20 May in Budapest (Hungary). The situation of the MISSOC project was discussed at the Plenary Session; participants presented their remarks and proposals concerning the MISSOC analysis of Guaranteed Minimum Resources; the new publication “Your social security rights” was updated and MISSOC Info Report presented.
Hungarian Representatives presented the EU Social Agenda during the Hungarian Presidency and the national system of family benefits, possibilities for reconciling work and family life and the hardships in this area. Representatives of the European Commission, the Council of Europe and the International Social Security Association informed about the essential events in the spheres under their remit, discussing proposals on cooperation.

At the meetings of Work Groups Guidelines for X Table (Unemployment) were analyzed and updated pursuing to simplify and unify information provided by the EU Member States. Moreover, social security of self-employed persons and tendencies thereof were discussed in Work Groups. Lithuanian representative presented the situation of social security of self-employed persons in Lithuania. Experience of other countries was shared among the participants.

The second MISSOC meeting was held on 25 – 28 October in Krakow (Poland). At the Plenary Session plans of the MISSOC project were discussed with regards to the possible accession of Croatia and other states to the EU, replacement of the current Secretariat and the updated guidelines of Table X (Unemployment) presented. Changes and reforms in the sphere of pensions were discussed (representatives of Austria, Germany, Lithuania, Latvia and other countries spoke on the issue).

Polish representatives presented EU priorities for the presidency of Poland and the national system of disability payments (the history, reforms, current situation and future plans). Representatives of the European Commission, Council of Europe and the International Social Security Association informed about the main developments in the areas under their remit, emphasising in particular the reform of the EC Secretariat, expressing concern for the decrease of attention and means allocated for dealing with social security issues. Work Groups discussed the improvement and the future of the MISSOC project, national proposals on providing information and translations were submitted.

It has been decided that more attention shall be given to providing and coordinating information for the MISSOC Tables, and that more informal discussions on relevant issues are needed.

In July 2011 and January 2012 the Ministry of Social Security and Labour along with other responsible institutions of the EU Member States, has submitted the latest information on the national social protection for MISSOC tables. Moreover, the representative of the Ministry provided remarks concerning the English and Lithuanian texts of the publication “Your Social Protection Rights in Lithuania”. In May 2012 the MISSOC internet page placed information of 1 July 2011 on social protection in Lithuania. Information of 1 January 2012 on social protection in all MS will be announced on the internet page of MISSOC.

223 http://www.missoc.org/
8.2. INTERNATIONAL COOPERATION

8.2.1. PARTICIPATION IN THE ACTIVITIES OF INTERNATIONAL ORGANISATIONS

The Ministry of Social Security and Labour is playing a significant role in taking an active part in the activities of international organisations, such as the International Labour Organisation, Council of Europe, United Nations, Organisation for Economic Cooperation and Development, and others.

8.2.1.1. Membership in the International Labour Organisation

Development of reports on the application of provisions of Conventions in Lithuania
Following Article 22 of the International Labour Organisation (hereinafter – the ILO) Constitution, comprehensive reports were developed in 2011 on the application of provisions of the following ratified Conventions in Lithuania: Convention concerning the Right of Association and Combination of Agricultural Workers, 1921 (No 11); Convention concerning Equality of Treatment for National and Foreign Workers as regards Workmen’s Compensation for Accidents, 1925 (No 19); Convention concerning Sickness Insurance for Workers in Industry and Commerce and Domestic Servants, 1927 (No 24); Convention concerning Forced or Compulsory Labour, 1930 (No 29); Convention concerning Labour Inspection in Industry and Commerce, 1947 (No 81); Convention concerning the Abolition of Forced Labour, 1957 (No 105); Convention concerning Minimum Age for Admission to Employment, 1973 (No 138); Convention concerning Equal Opportunities and Equal Treatment for Men and Women Workers: Workers with Family Responsibility, 1981 (No 156); Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, 1999 (No 182).

Responses were also provided to the Questionnaire prepared by the International Labour Office on the Recommendation concerning National Floors of Social Protection which was deliberated upon at the 101st session of the ILO conference in 2012. Reports on non-ratified conventions and recommendations were also submitted: Convention concerning Protection of the Right to Organise and Procedures for Determining Conditions of Employment in the Public Service, 1978 (No 151); Recommendation concerning Procedures for Determining Conditions of Employment in the Public Service, 1978 (No 159); Recommendation concerning the Promotion of Collective Bargaining, 1981 (No 163)

International Labour Conference
At the 100th session of the International Labour Conference held in Geneva on 1–17 June 2011, Lithuania was represented by the governmental delegation set up by the Prime Minister of the Republic of Lithuania in Decree No 122 of 18 May 2011. The delegation was set up following the requirements of the ILO on the basis of the tripartite principle, i.e. of representatives of the Government, employers and trade unions.
In the plenary meetings of the 100th session of the International Labour Conference and the set committees thereof the following standing issues were addressed: reports of the Chairperson of the Governing Body of the International Labour Office and of the ILO Director-General; broad-based report on the implementation of fundamental principles and rights at work as defined in the ILO Declaration; the ILO programme, budget and other related issues; information and reports on the application of conventions and recommendations. Issues proposed by the Governing Body were also discussed by the Conference: decent work for domestic workers, i.e. standard setting with a view of the adoption of a Convention supplemented by a Recommendation; a discussion on labour inspection; a discussion on the strategic objective of social security – a discussion of the cycle or recurrent discussions to follow up on the ILO Declaration on Social Justice for a Fair Globalisation (2008).

Moreover, at the session of International Labour Conference high-level discussions took place concerning employment and social justice in the global economic area; the problems of young people in the labour market; the role of decent work in ensuring a fair and sustainable globalisation, etc.

The members of the Lithuanian delegation participated in the work of the committees set up for discussing the issues on the agenda; took part in the work of coordination sessions of the EU governmental representatives where a common position of the EU member states on the issues of the agenda was formed, also in the sessions of the IMEC group (Industrial Market Economy Countries).

During the International Labour Conference, the election to the ILO Governing Body was held. On 6 June 2011, Lithuania was elected a titular member of the Governing Body of the ILO for a three year period. More detailed information on the ILO Governing Body is provided in Section “8.1.1.3. The ILO Governing Body”.

**Committee on decent work for domestic workers.** The second discussion (of the two required for the adoption of the document) was held by the Committee.

The new standard concerning domestic workers was a good opportunity for the ILO to introduce a new category of employees within the scope of its competence, i.e. domestic workers. This category of workers is particularly vulnerable, i.e. in many countries such workers are outside the legal scope of regulation. In the states where certain legal regulation is in place, it is either little known or very poorly implemented. Domestic workers perform their activities under specific conditions, i.e. in private houses (flats); moreover, domestic work is often related to migration. Domestic workers are often outside the scope of legal employment and constitute a part of the shadow economy as their work is not recognised as proper or productive work which generates income for households. Furthermore, persons involved in such activities are not valued as competent workers or individuals having specific skills (it is particularly considered that such work is characteristic of women's nature). The status of domestic workers differently from regular employees is actually invisible because they work in the household.

On 16 June 2011, the Domestic Workers Convention (No 189) and Recommendation (No 201) were adopted. The Convention defines domestic work as work performed in or for a household or households (place, purpose). The new labour standard implies international recognition that a domestic worker is assigned to the category of employees and in the same way as other employees has the same fundamental labour rights: normal hours of work, weekly rest (at least 24 consecutive hours), limitations of payment in kind, clear working conditions, etc.

According to the ILO estimates and information received from 117 states, there are around 53 million of domestic workers all over the world. However, according to experts, the number of domestic workers in the world may be double due to the nature of such work which is often secret.
The Report on the activities of this Committee is available on the ILO webpage\textsuperscript{224}.

**The Committee for the Recurrent Discussion on Social Protection.** The Committee held discussions on the basis of the Report developed by the International Labour Office. It was underlined that social protection measures played a critical role in alleviating the social and economic consequences of the recent economic crisis. Therefore, the activities of the Committee this year, in 2011, provided an excellent opportunity to highlight the main priorities of the countries and trends in future legal regulation of social protection.

The Committee focused a great deal on Social Protection Floors (hereinafter – Floors), i.e. in order to reduce poverty and inequality, the states should implement the above mentioned concept establishing a set of certain social rights and services in social and health insurance applicable to each person. The Committee underlined that the states should aim at implementing the Floors, therefore, it was decided to draft the ILO recommendation setting the minimum standards for the countries implementing the above mentioned concept in 2012. The report based on which the discussions took place in the Committee is the basis for the recommendation under development.

The Committee had particularly a lot of discussions concerning guarantees to pregnant women and women after delivery. Although the EU member states have established more favourable provisions for pregnant women and women after delivery in their national legislation than it was proposed in the Report, it was stated that the Report should not specify (in particular by narrowing the scope of the recommendation under development) that women should be guaranteed their former income and other supports during the last two weeks of pregnancy and the first weeks after delivery. Nevertheless, following the discussions with social partners and having taken into account the opinion of the employee representatives the above mentioned provision was retained.

The Report also aimed at strengthening the role of the ILO (along with the emphasis on the financial aspect) in transposing the provisions of social security to the legal systems of the member states. To adapt the provisions of the Report to the peculiarities of legal systems of each country, discussions took place concerning the provisions of the Report setting forth payment of pensions. Other discussions were related to the issues of technical nature.

The report on the activities of this Committee is available on the ILO webpage\textsuperscript{225}.

**The Committee on Labour Administration.** The Committee held discussions on the basis of the Report developed by the International Labour Office. Full information on the activities of this Committee is available on the ILO webpage\textsuperscript{226}.

**The Committee on the Application of Standards** discussed various issues related to the application of international labour standards. The Committee investigated individual complaints related to the wide scope of the ILO standards. Full information on the activities of this Committee is available on the ILO webpage\textsuperscript{227}.

At the 101\textsuperscript{st} session of the International Labour Conference, held in Geneva on 30 May–15 June 2012, Lithuania was represented by the governmental delegation set up on the basis of the same principle.

\textsuperscript{224} [http://www.ilo.org/ilc/ILCSessions/100thSession/reports-committee-reports/lang--en/index.htm](http://www.ilo.org/ilc/ILCSessions/100thSession/reports-committee-reports/lang--en/index.htm)


\textsuperscript{227} [http://www.ilo.org/ilc/ILCSessions/100thSession/reports-committee-reports/lang--en/index.htm](http://www.ilo.org/ilc/ILCSessions/100thSession/reports-committee-reports/lang--en/index.htm)
In the plenary meetings of the 101st session of the International Labour Conference and the set committees thereof the following standing issues were addressed: reports of the Chairperson of the ILO Governing Body and of the ILO Director-General; the ILO programme, budget and other related issues; information and reports on the application of conventions and recommendations. Issues proposed by the Governing Body were also discussed by the Conference: Recommendation concerning National Floors of Social Protection, i.e. standard setting, the crisis of youth employment (general discussion); a recurrent discussion on the fundamental principles and rights at work to follow up on the ILO Declaration on Social Justice for a Fair Globalisation and the ILO Declaration on Fundamental Principles and Rights at Work.

The Committee on the Social Protection Floor. The Committee deliberated upon the text of the Recommendation concerning the minimum social protection floor. Coordination sessions of the EU member states and the IMEC group took place where common positions on the received proposals for the text of the Recommendation (submitted by trade unions, employers and governments) were sought. The Committee deliberated upon each clause of the Recommendation by taking into account the proposals and seeking for common understanding between the social partners and governments.

The Committee on Youth Employment. The Committee discussed the following topics: employment, economic and sectoral policies; education, training, knowledge; transition from the education system to the labour market; labour market policy; youth entrepreneurship and self-employment; rights for young people; the way forward. Presentations on the above mentioned topics were given by the representatives from all over the world (employees, employers and governments).

The Resolution “The youth employment crisis: A call for action” developed by the Committee is available on the ILO website www.ilo.org.

At this session of the International Labour Conference, high-level discussions took place during which experts, ministers from South Africa, China, Chile, Belgium, Russia and Australia shared their experience on the challenges and lessons learnt by their states during the global economic crisis. A lot of discussions were held on the problems of youth employment, vocational training and the significance of the possibility to coordinate education with practice, the growing problem of low-guarantee work. Moreover, in the plenary session of the Conference speeches were given by the Presidents of Costa Rica, Italy, Panama, Peru, Tunisia and Zambia, Prince of Spain and the Founder and Executive Chair of the World Economic Forum.

More information on the work and results of this Conference will be available in the next social report.

Detailed information on the 100th and 101st sessions of the International Labour Conference, the activities of the Committees, Reports, documents adopted and the sitting of the ILO Governing Body are available on the website: http://www.ilo.org.

The ILO Governing Body

The Governing Body is the executive body of the International Labour Office – the Secretariat of the ILO, composed of 56 titular members – 28 representing governments, 14 representing employers and 14 representing employees.

The Governing Body meets three times a year (in November, March and June) and deals with the issues related to the ILO policy, programme and budget, elects the ILO Director-General, addresses
other important issues related to the ILO management. Activities of the Governing Body are based on the fundamental ILO principle of tripartite cooperation.

In June 2011, Lithuania was elected a titular member of the Governing Body for the period 2011–2014.

The 312th session of the ILO Governing Body was held on 3–18 November 2011, and the 313th session took place on 15–30 March 2012.

In November 2011, the Governing Body started working in accordance with the amended Compendium of Rules approved after the reform concerning the deliberations and decisions of the Working Party of the ILO Governing Body and International Labour Conference (Lithuania along with other 16 states is a member of this Working Party – the Working Party proceeds with the work and discusses the reform of the meetings of the International Labour Conference and regional meetings).

The following sections and groups were involved in the activities of the above stated sessions of the Governing Body: Institutional Section, Policy Development Section, Legal Issues and International Labour Standards Section, Programme, Financial and Administrative Section, High-Level Section and Working Party on the Functioning of the Governing Body and the International Labour Conference.

The hearings of the candidates to the position of the ILO Director-General took place during the 313th session of the Governing Body held on 30–31 March 2012. The current ILO Director-General Mr. Juan Somavia announced about his departure in September. The elections to the position of the ILO Director General were held 28 May 2012. Guy RYDER, the current Head of the ILO Administration, the candidate nominated by trade unions, the citizen of the United Kingdom, was elected as the ILO Director-General.


### The ILO Maritime Labour Convention

At the ILO maritime session in February 2006, a Maritime Labour Convention was adopted which consolidates nearly all maritime labour conventions adopted by this Organisation since 1920. The ILO aims at the broadest possible ratification and implementation of this Convention. Moreover, on 7 June 2007 the Council of the European Union adopted a decision authorising EU Member States to ratify the ILO Maritime Labour Convention for the benefit of the Community interests (2007/431/EC).


The issue of the ratification of this Convention was considered several times by social partners and institutions concerned. At the meeting held on 7 December 2010, it was agreed to take actions
aimed at faster and smoother ratification and implementation of the ILO Maritime Labour Convention. A working party was set up by Order No A1-171 of the Minister of Social Security and Labour of 30 March 2011 which was authorised to develop draft legislation required for the ratification of this Convention by 30 November 2011.

Upon completion of the task assigned to the working party, the Ministry of Social Security and Labour coordinated draft documents concerning the ratification of the ILO Maritime Labour Convention with the following institutions in compliance with the procedure established by the legislation: Ministry of Foreign Affairs, Ministry of Finance, Ministry of Justice, Ministry of Economy, Ministry of Education and Science, Ministry of Transport and Communication, Ministry of Health, European Law Department, Maritime Safety Administration, Migration Department, State Labour Inspectorate under the Ministry of Social Security and Labour.

The Convention ratification documents were submitted to the Government in May 2012.

8.2.1.2. Membership in the Council of Europe

Upon reorganisation of institutions of the Council of Europe early in the year 2012, the representatives of the Ministry Social Security and Labour participate in the activities of the following Committees and Commissions: European Committee for Social Cohesion (CDCS), Governmental Committee of the European Social Charter and the European Code of Social Security (GC)\(^{228}\), Committee of Experts on the Rights of People with Disabilities (CS-RDP), Committee of the Parties to the Council of Europe Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse (T-ES) and Gender Equality Commission (GEC).

Information on participation in the Committee of the Parties to the Council of Europe Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse (T-ES) is provided in chapter Council of Europe Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse. Information on participation in the gender Equality Commission (GEC) is provided in chapter Equality between Men and Women: Current Situation, Targets and Implementation Measures Thereof.

Activities of the European Committee for Social Cohesion (CDCS)

The meeting of the European Committee for Social Cohesion of the Council of Europe was held in May 2012. At the beginning of the meeting, Ms Snežana Samardžić-Marković (Serbia), Director General of Democracy at the Council of Europe, stressed that efforts are required for the development of possibilities for young people in order to encourage generation solidarity and respective sustainable development; proposed the Committee to approve the establishment of the new subordinate body (project on linguistic integration of migrants). It is important that the second conference of ministers responsible for social cohesion will take place namely this year. At this conference, the declaration will be adopted which should be politically far-sighted, it should provide guidelines for the policy of social cohesion for several coming years.

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\(^{228}\) This Committee joined the Governmental Committee of the European Social Charter (T-SG) and the Committee of Experts of Social Security (CS-SS).
MEMBERSHIP IN THE EUROPEAN UNION

When discussing the **priorities of the chairmanship over the Committee of Ministers of the Council of Europe**, it was taken into account that some chairing states underline the importance of social cohesion, and some others focus on other issues. Albania will hold the chairmanship for the next six months, from May to November this year, later Andorra (November 2012–May 2013), Armenia (May–November 2013), Austria (November 2013–May 2014). CDCS holds the view that the future and democracy are of great importance, therefore, the Committee must respond and promote the reflection of social cohesion in own chairmanship programmes.

The Turkish representatives presented **the course of preparation for the 2nd Council of Europe Conference of Ministers responsible for Social Cohesion (11–12 October 2012, Istanbul)**. It is expected that the Conference will be attended by up to two hundred and fifty participants.

Participation in **specialised Council of Europe Conferences of Ministers** provides a possibility for the promotion of social cohesion. Lithuania expressed the opinion that, for instance, the topic of young people is particularly important, moreover, its subtopics are within the competence of CDCS (the Conference will be held in Saint Petersburg in September this year); even participation in the forthcoming Media and New Communication Services Conference is being considered.

**CDCS operational methods.** Disappointment was expressed that four proposals on the following relevant topics prepared by CDCS Bureau were rejected: family, people with disabilities, children. The response to the new project on the linguistic integration of migrants proposed by the officers of the Council of Europe was rather sceptical; it was discussed to what extent the new project proposed is relevant to the above mentioned topics and how many member states will find it really useful. However, the presentation by prominent persons “Cohabitation” spoke a lot about migration which is the priority of the Council of Europe. Ms Maria Ochoa-Llido, Head of Social Cohesion and Diversity Department, stated that a reform took place, the activities of certain committees was terminated; and CDCS was assigned additional areas for expression. Thus, CDCS has maintained the traditional areas of responsibility, health was added. CDMG ceased functioning, it was established that CDCS should operate in the area of migration as well.

**When introducing the project “Facilitating Youth Transition to an Active Life” (EDGERYDERS)**, it was discussed that some young people do not dare or have possibilities, some of them experience poverty, some of them are jobless, etc. And they are using virtual space. These people disseminate information about this network and about the Conference. The Council of Europe is not trying to impose this project on other organisations, the communication takes place naturally. Approximately eight hundred young people participate in it.

It is necessary to point out that the Council of Ministers of the Council of Europe returned to the Committee the draft **Recommendation concerning the European Charter on Shared Social Responsibilities of the Council of Europe** and the draft **Recommendation concerning Intercultural Competences in Services to the Public in Order to Ensure Social Cohesion in Europe** for further improvement.

Following the **vote in the elections to CDCS Bureau**, for the first time Lithuania was elected as the chair, Belgium was elected the vice chair; the newly elected members are Azerbaijan, Germany and Poland; Iceland, Malta, Portugal, Slovenia, San Marino, Switzerland were re-elected. It is a welcome and important event for Lithuania. The chairmanship over the Committee increases the visibility and prestige of the chairing country in the first place not only through the activities in the Committee, the
Council of Europe but also through participation in the events held by other international organisations and bodies. The chairmanship over the Committee will provide greater opportunities to make influence on the decisions and approaches in the area of the European social cohesion policy. Social cohesion is defined as the capacity of the society to ensure the well-being of all its members, minimising disparities and avoiding marginalisation.

**Activities of CDCS Bureau**

The meeting of the Bureau was held in Strasbourg in February 2012. At the beginning of the meeting, Mr Ralf-Rene Weingartner, Director General of Human Rights and Anti-Discrimination (in the Directorate General of Democracy (DGII), stated that the following three areas should be the main focus of interest for CDCS: family and children, health and social aspects, social cohesion and anti-discrimination.

It was decided to recommend all the member states chairing the Committee of Ministers to include the topic of social cohesion into their chairmanship priorities. When discussing the specialised Conferences of the Council of Europe, the proposal by Lithuania to participate in the Conference of Youth Ministers of the Council of Europe on the topic of “Social Integration of Young People” as well as in the forthcoming Public Relations and New Communication Services Conference as soon as more detailed topics are known was approved because mass media may be used for positive presentation of social cohesion areas to the public.

Discussions on the implementation of the Social Cohesion Strategy and the Action Plan of the Council of Europe took place. Fourteen member states are implementing partnership agreements and activities in accordance with the Action Plan at the national or regional level. At the local level, in total, 14 municipalities out of these 14 states were involved in these activities in 2011, and actions by 213 municipalities are expected in 2012.

A note was taken of the fact that the Committee of Ministers returned draft Recommendation on Intercultural Competences for repeated review having taken into account highly critical views expressed by several member states with respect to the draft, therefore, the forthcoming CDCS meeting will discuss what further actions are required with regard to this draft. The members of the Bureau and the Secretariat recognised that this document should not be completely rejected. The main observations which most likely deserve to be agreed with are the following: the term “intercultural competence” should be replaced with “diversity”; cultural diversity cannot be unequivocally presented as only a positive phenomenon.

Proposals concerning the establishment of four new ad hoc committees for the period 2012–2013 were also deliberated upon. Lithuania made observations with regard to the operational regulations of the committees and the opinion concerning priority areas where ad hoc committees could be most purposeful if all four committees are not established (taking into account the quality of proposals as well): committee for family and social cohesion; committee for consultations of citizens on health issues; committee for cultural rights of people with disabilities; committee for social cohesion and anti-discrimination.

The Bureau recommended that CDCS should actively contribute to the promotion of the activities and events aimed at the implementation of the Recommendation of the Committee of Ministers on Children’s Rights and Social Services Friendly to Children and Families.
It was decided to appoint the representative of Malta as a Gender Equality Rapporteur, i.e. an officer delegated the task to observe how gender equality is reflected in the Committee’s deliberations and documents developed.

**Activities of the Governmental Committee of the European Social Charter and European Code of Social Security (GC)**

In 2011, the Ministry of Social Security and Labour in cooperation with other institutions developed and submitted to the Council of Europe the ninth report on the implementation of Articles 1, 9, 10, 15, 18 (Par. 1 and 4), 20, 24, 25 of the European Social Charter (Revised) on “Employment, training and equal opportunities”. The reporting period covered the period from 1 January 2007 to 31 December 2010.

The Governmental Committee of the European Social Charter and European Code of Social Security which from now on will deliberate upon negative conclusions of the European Committee of Social Rights to the states concerning the implementation of the European Social Charter was set up by merging the Committee of the European Social Charter (T-SG) and the Committee of Experts on Social Security (CS-SS).

The first session of this joint Committee was held in Strasbourg (France) on 26–30 March 2012. The focus of the first two days of the session was the **European Code of Social Security** (hereinafter – the Code). Active deliberation over the rules of procedure of the GC Committee took place. They were followed by the examination of the reports and conclusions as well as recommendations of the Committee of Experts and ILO concerning the application of the Code. Member states submitted explanations concerning the above mentioned conclusions and recommendations as well as the most recent information on the Code. The Lithuanian representative informed that while implementing the implementation measure of the programme of the Government of the Republic of Lithuania for 2008–2012, a working group is being currently set up which will be delegated the task to analyse the compliance of the legislation of the Republic of Lithuania with the requirements of the provisions of the Code and submit the Government of the Republic of Lithuania proposals on the possibilities of ratifying the Code by the end of 2012. Moreover, at the session of the Committee, further activities of MISSCEO and ILO proposals on the Recommendation concerning National Floors of Social Protection were presented.

The remaining three days of the session were focused on the **European Social Charter** (hereinafter – the Charter). The conclusions of the European Committee of Social Rights (hereinafter – ECSR) XIX-4 and the conclusions of 2011 on the implementation of the Charter of the Member States of the Council of Europe and of the Charter of 1961 were examined. The Lithuanian representative successfully defended the first part of the eighth report prepared by Lithuania on the implementation of Articles of the European Social Charter under Part IV with regard to Articles 7, 8, 16, 17, 19 (Par. 1, sub-par. 1, 3, 5, 7, 9–11), 27, 31 (Par. 1, sub-par. 1 and 2) on “Children, families, migrants”. The reporting periods with regard to Articles 8, 17, 27 and 31 were 1 January 2003–31 December 2009; with regard to Articles 7, 16 and 19 were 1 January 2005–31 December 2009. Repeated negative conclusions for Lithuania concerning the failure to fulfil the requirements of Article 16 of the Charter by the ECSR.

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229 In accordance with the explanation of the ECSR, as of 2011 the Charter of 1996 is called the European Social Charter (no longer revised), and the former Charter is called the European Social Charter of 1961.
were examined along with other states, i.e. concerning non-payment of family benefits to the citizens of the Member States of the Council of Europe residing temporarily in the Republic of Lithuania because family benefits in Lithuania are paid only to permanent residents. The representative introduced the amendments to the Law on State Benefits to Families Raising Children of the Republic of Lithuania which came into effect as of 28 June 2011 and the amendments of the Law on Cash Social Assistance for Poor Families and Single Residents effective as of 1 January 2012 under which the payment of benefits is extended for several groups of individuals. Moreover, the Lithuanian representative reminded the provisions of the Law on Social Assistance to Pupils of the Republic of Lithuania under which assistance is granted to pupils irrespective of the status of their parents’ residence in Lithuania, i.e. the requirement of the permanent residence (5 years) in the country is not applicable.

Lithuania was imposed the lowest possible sanction for the violation, i.e. ordinary notification, however, at the same time a note was taken of Lithuania’s efforts to comply with the requirements of the Charter, its positive progress, besides, the Committee urged to continue making efforts to eliminate this incompliance with the Charter. Respective sanctions were imposed on other states in relation to negative conclusions, a vote was taken on the proposals to the Committee of Ministers concerning the new Recommendations (not adopted), several Recommendations by the Committee of Ministers were renewed, respective parties were notified about the failure to fulfil the requirements of the Charter (e.g. Ireland, Moldova). At the meeting, the rules of procedure of the Committee were adopted, a new Bureau of the Committee was elected composed of the following representatives: France (President), Estonia (First Vice-President), Russia (Second Vice-President), Denmark and Poland. The reports and conclusions of the Committee of Experts and the ILO as well as the recommendations on the application of the European Code of Social Security were approved.

The next session of the GC Committee will be dedicated to the European Social Charter, it will be held on 8–12 October 2012.

Committee of Experts on the Rights of People with Disabilities (CS-RDP)

The meeting of the Committee of Experts on the Rights of People with Disabilities (CS-RDP) at the Council of Europe was held in Strasbourg (France) on 21–23 September 2011. Moreover, the fifth meeting of the Coordination Forum for the Council of Europe Disability Action Plan 2006–2015 (hereinafter – the Action Plan) was held on the same dates. It is aimed at transposing the objectives of the Council of Europe related to the rights of people with disabilities, non-discrimination, equal opportunities, making use of all civil rights and full participation in the society into the fundamentals of the European disability policy for the next decade. This plan encompasses all major areas of life of the disabled people. These major areas are properly reflected by 15 activity directions defining major objectives and specific actions which are to be implemented in the Member States. Activity directions constitute the basis for the Action Plan. They cover the following areas: participation in political and public life; participation in cultural life; information and communications; education; employment, career counselling and training; environment created; transport; community life; healthcare; rehabilitation; social security; legal protection; protection against abuse and violence; research and development; awareness raising.

The greatest attention in the meeting was paid to universal design and amendments of respective articles in order to improve the independence of people with disabilities, freedom of choice, quality of life
and perception of disability as people’s distinctiveness. A comfortable and easily accessible environment must play a very important role in creating a more inclusive society where people with disabilities can participate in everyday life.

Moreover, an important idea that the opinion of people with disabilities and their representatives as of an interest group should be taken into account when making decisions which have an impact on their life from shaping national policies to individual topics was stressed at the meeting.

**Council of Europe Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse**

Lithuania signed the Convention of the Council of Europe on the Protection of Children against Sexual Exploitation and Sexual Abuse in 2007. A Working Group authorised to analyse the possibilities for ratification and implementation of the Convention in Lithuania was set up by Decree No 195 of the Prime Minister of 17 August 2011. On 26 March 2012, the Government approved the conclusions and proposals submitted by this Working Group concerning the ratification of the Convention and the possibilities of the implementation of the provisions thereof in Lithuania and authorised the Ministry of Social Security and Labour in cooperation with the Ministry of Justice, Ministry of the Interior, Ministry of Health, Ministry of Education and Science, Ministry of Culture to develop and submit to the Government a specific action plan, including implementation terms, individuals in charge of implementation and the demand for resources by 4 June 2012.

Since 2012, the representative of the Ministry of Social Security and Labour has been participating in the Committee of the Parties to the Council of Europe Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse (T-ES) as an observer.

**Council of Europe Convention on Violence against Women and Domestic Violence**

The Council of Europe Convention on Violence against Women and Domestic Violence was adopted by the Council of Europe in 2011. An inter-institutional working group authorised to analyse the possibilities for the implementation of the provisions of this Convention as well as prepare conclusions concerning the possibilities for signature and ratification thereof by 1 October 2012 was established by Order No A1-472 of the Minister of Social Security and Labour of the Republic of Lithuania of 5 November 2011.

8.2.1.3. Membership in the United Nations (UN)

The following major events related to the United Nations took place in 2011–2012:

On 7–9 September 2011, the 4th session of the Conference of the Parties to the Convention on the Rights of People with Disabilities was held in New York (United States of America) which was attended by the governmental delegation headed by Vice Minister of Social Security and Labour Dalius Bitaitis.

Pursuant to Article 40 of the Convention on the Rights of People with Disabilities (hereinafter – the Convention), states parties to the present Convention shall meet regularly in this Conference to consider any matter with regard to the implementation of the present Convention. At this session,
a lot of attention in particular was given to the implementation of the Convention on the Rights of People with Disabilities through full participation (especially by the disabled, their non-governmental organisations), employment and international cooperation. State representatives shared the experience and best practice gained when implementing the Convention. The Vice Minister of Social Security and Labour gave a speech, participated in other events dedicated to the Conference and discussed various aspects of the Convention implementation with the representatives of other states.

On 11 October 2011, in Geneva (Switzerland), at the session of the Working Group to the United Nations Human Rights Council, the Lithuanian delegation headed by the Minister of Justice successfully defended the first report of Lithuania to the United Nations Human Rights Council for the Universal Periodic Review. The representative of the Ministry of Social Security and Labour prepared information and responses to the questions prepared by other states beforehand on the issues of gender equality, children rights, integration of the disabled, encouragement of tolerance and integration of aliens who were granted asylum. State recommendations with regard to the improvement of the situation of human rights in Lithuania were received during the session.

On 27 February–2 March 2012, in New York (United States of America), the 56th session of the United Nations Commission on the Status of Women was held which was attended by the delegation headed by Advisor to the Minister of Social Security and Labour Patrikas Skrudupis. The priority theme of the session was “The Empowerment of Rural Women and their Role in Poverty and Hunger Eradication, Development and Current Challenges”. The Head of the delegation gave a speech on the main theme of the session and introduced Candidate of the Republic of Lithuania to the United Nations Committee on the Elimination of Discrimination against Women Prof. Dalia Leinartė. The elections will take place in June 2012. More detailed information is available in chapter “Equality between Women and Men: Current Situation, Targets and Implementation Measures Thereof”.

United Nations Education, Science and Culture Organisation (UNESCO)

In 2011, Lithuania was elected to the Intergovernmental Council of the UNESCO Management of Social Transformations (MOST) Programme as a Vice-President of the Council for the first time. In the Council, Lithuania will be represented by Vice Minister of Social Security and Labour Audrius Bitinas.

The MOST Programme is a UNESCO programme that fosters and promotes social science research for policy development. The aim is to build efficient bridges between research, policy and practice. The programme promotes a culture of evidence-based policy-making – nationally, regionally and internationally. The MOST Intergovernmental Council establishes priority research areas, decides on overall policy and funding, approves and governs programmes, strategies, maintains relations with governmental authorities and scientific research centres. Thus, from now on Lithuania will have more influence; promote scientific analysis on relevant issues of social developments in the international community.

The MOST Programme is governed by the Intergovernmental Council, Scientific Advisory Committee and National Committees. The Intergovernmental Council is composed of 35 Member States represented by the Bureau: President, 6 Vice-Presidents and a Rapporteur.
8.2.2. INTERNATIONAL BILATERAL TREATIES (AGREEMENTS) IN THE SPHERES OF SOCIAL SECURITY, EMPLOYMENT AND YOUTH EXCHANGE

There is no doubt that bilateral treaties concluded with the states of the former Soviet Union are of great importance since Lithuanian residents had actual possibilities of living and working in other countries on the territory of the former USSR during the period of soviet occupation of Lithuania. After the enforcement of the Law on State Social Insurance of the Republic of Lithuania, only periods when an individual was employed in the Republic of Lithuania and paid state social insurance contributions to the State Social Insurance Fund budget were included in the working record. Following the provisions of the Law on State Social Insurance Pensions of the Republic of Lithuania\(^{230}\) there are no legal grounds for referring to the part of the working record acquired in any other state after 1 June 1991 in calculating the retirement pension for individuals. Given the Republic of Lithuania concludes with a corresponding state an international treaty regulating the issues on allocating and disbursing pensions, pensions are granted and disbursed as provided for in the international treaty.

In 2011, negotiations with the Republic of Moldova concerning the Treaty on Pensions were started. The first round of negotiations took place in Kishinev on 25–27 October 2011. The second round of negotiations and probably the last one is planned in the second half of 2012.

In 2011, the negotiations with the Russian Federation concerning the new version of the Agreement on Pensions continued. On 5–9 December 2011, the fourth round of the negotiations took place where the coordination of the administrative agreement on the implementation procedure of the future treaty also commenced. Upon coordination of the provisions of the administrative agreement by the competent authorities of the states, if required, the next round of negotiations will be held in Lithuania.

On 16 May 2012, an Agreement between the Government of the Republic of Lithuania and the Government of the Republic of Latvia on taking account of insurance periods of the former USSR was concluded and the procedure for the ratification thereof commenced.

The aim of this Agreement is to avoid duplication of including the insurance period acquired in the territories within the jurisdiction of the former USSR where such insurance periods may be included both in Lithuania and Latvia.

Upon accession of Lithuania and Latvia to the European Union (EU), direct application of the EU regulations on the coordination of social security systems, i.e. social security of migrant workers, which replaced the Agreement between the Government of the Republic of Lithuania and the Republic of Latvia of 17 December 1993 on Cooperation in the Sphere of Social Provision, started in both countries. Pursuant to these EU regulations, the insurance record in each member state where an individual was insured is retained and each member state provides the pension for the social insurance record acquired in this state. The Regulations do now allow granting pensions for the same insurance period, however, they do not

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establish any provisions for the inclusion of insurance record acquired in the territory of the former USSR (e. g. Kazakhstan) where the pension for such insurance record may be awarded in several member states.

In 2011, the negotiations between the Government of the Republic of Lithuania and the Government of New Zealand on a working Holiday Scheme continued. The objective of this Programme is to encourage movement of young people for the purpose of learning different traditions and cultures by providing the right of employment in the country of destination. Through the implementation of this Programme young people of New Zealand and Lithuania will be given an opportunity of living and working in a respective state; the duration of the programme is one year. In November 2011, the coordinated Draft Agreement was submitted to New Zealand, the response has not been received so far.

8.2.3. BILATERAL COOPERATION

The Ministry of Social Security and Labour actively cooperates with respective foreign institutions in the exchange of relevant information and experience in addressing the issues arising in the sphere of labour and social security by taking into account the matters of importance for the EU and aiming at the implementation of the objectives and goals set. The Ministry of Social Security and Labour is also actively involved in the implementation of Lithuania’s Development Cooperation Policy, it shares the experience gained on the issues of shaping and implementing the policy of labour and social security by cooperating with the ministries of foreign countries.

On 1 June 2007, in Plock (Poland), the Prime Minister of the Republic of Lithuania and the Prime Minister of the Republic of Poland concluded an Agreement between the Government of the Republic of Lithuania and the Government of the Republic of Poland on the Lithuanian–Polish Youth Exchange Fund (hereinafter – the Fund).

Thus, the Fund has already been successfully operating in supporting the cooperation of the Lithuanian and Polish youth for six years. The Fund supports and finances the exchange of the young people from both countries, projects developed and implemented by organisations fostering youth exchange and other initiatives as well as youth events, information projects, publishing of publications promoting closer relations between the two nations.

The Department of Youth Affairs at the Ministry of Social Security and Labour is in charge of the organisation of the activities of the Fund and the organisation of the tender for selecting projects to be financed by the Fund.

In Lithuania, the activities of the Fund are financed from the approved general appropriations to the Ministry of Social Security and Labour from the state budget of the Republic of Lithuania. The activities of the Fund were allocated LTL 190 000 in Lithuania in 2011 and 2012, including LTL 170 000 allocated for the funding of projects and LTL 20 000 – for the administrative costs.

In 2011, 40 applications were submitted in the tender of projects to be financed by the Fund. At the sitting of the Committee of the Fund, funding of 13 projects from the Lithuanian budget was approved. In total, 252 young people participated in the projects of the Fund, acquired and used the best practice in 2011. In 2012, 59 applications were submitted in the tender of projects to be financed by the Fund, and at the sitting of the Committee of the Fund, 14 projects were approved for funding.
All projects funded under the tenders announced by the Fund must be based on the annual priorities established by the Committee on an annual basis. The priorities of the tender of the Fund were the following in 2012: promotion of intercultural and inter-ethical dialogue; involvement of young persons with fewer opportunities for participation; dissemination of activities fostering solidarity of generations; involvement of local communities into activities promoting the friendship and mutual understanding of the Lithuanian and Polish nations.


On 24 May 2011, the first event was held in Vilnius on the topic “Equal Opportunities of Women and Men: Gender Mainstreaming in the Austrian and Lithuanian Labour Markets”. The objective of the seminar was to share experience and information on how to ensure equal opportunities for women and men on the labour market. The seminar was attended by the representatives of the Federal Ministry of Labour, Social Affairs and Customer Protection of the Republic of Austria, Public Employment Service of Austria, scientists and researchers. It was also attended by the representatives of the Ministry of Social Security and Labour of the Republic of Lithuania, Lithuanian Labour Exchange, State Labour Inspection, Office of Equal Opportunities Ombudsperson, Trade Unions.

Under the above mentioned Agreement on Cooperation, a seminar “Labour Market Services in Lithuania and Austria” was organised in Vienna (Austria) on 10 November 2011.

The aim of the seminar was to exchange experience and information on the following topics:
- Interaction between the labour market policy and social security system, unemployment insurance;
- Development of active labour market policy and planning of employment activities at the local level;
- Application of active labour market policy, structure of employment services and coordination of their activities, efficient work with labour market institutions at all levels, including processes based on information technologies, data submission and analysis, management and organisation.


In October 2011, the representatives of the Department of European Union Structural Support of the Ministry of Social Security and Labour of the Republic of Lithuania paid a visit to Warsaw. The objective of the visit was the exchange of information and working experience gained in implementing projects financed by the Funds of the European Union.

In November 2011, a delegation of the Ministry of Labour and Social Policy of the Republic of Poland visited Vilnius. The objective of the visit was the exchange of information and working experience gained in implementing projects for the disabled funded by the Funds of the European Union,
discuss the implementation of the projects, the results attained, problems and their solutions, as well as
to exchange the experience about the forms of support to people with disabilities, its efficiency, results
by taking into account the experience of Lithuania and Poland in implementing the Convention on the
Rights of Persons with Disabilities, in particular.

As Lithuania’s presidency over the Council of the European Union is approaching in the second
half of 2013, meetings with the specialists of the Ministry of Labour and Social Policy of Poland are
planned and organised in 2012 to get acquainted with the experience of Poland in getting ready for and
presiding over the Council of the European Union in the second half of 2011.

Successful cooperation between the Ministry of Social Security and Labour of the Republic of
Lithuania and the Ministry of Labour and Social Policy of Ukraine taking place since 2007 continued.
The key aim of the cooperation is to contribute to the Ukraine’s objective to become a member of the
EU.

Having taken into account the desire by the Ukrainian side to implement the activities related
to the issues of poverty reduction, remuneration for work and social security of the disabled in 2011,
the Ministry of Social Security and Labour of the Republic of Lithuania developed and submitted to
the Ministry of Foreign Affairs of the Republic of Lithuania an application of the project “Development
of Labour and Social Security System in Ukraine – Support for the EU Integration Objectives”. The
following activities were implemented in the course of the project:
– On 5–8 September 2011, four specialists of the Ministry of Social Policy of Ukraine visited
Lithuania to discuss the issues of remuneration for work;
– On 12–15 September 2011, five representatives of Ukrainian public institutions and public
organisations visited Lithuania to discuss the issues of social security of the disabled;
– On 10–13 October 2011, two specialists of the Ministry of Social Security and Labour of the
Republic of Lithuania paid a visit to Ukraine to discuss the issues on poverty reduction.

The Project was funded under the Development Cooperation and Democracy Support
Programme – the Ministry of Foreign affairs allocated LTL 30 000 (LTL 25 380.94 used), the Ministry
of Social Security and Labour allocated LTL 8 540 (LTL 7 527.41 used).

In the course of the year 2011, the Ministry of Social Security and Labour also contributed to the
organisation of visits of the representatives from other foreign states, the best practice of Lithuania in
shaping and implementing the policy of labour and social security was shared. Respective institutions
of foreign states appreciating the experience of Lithuania approach the Ministry and request to host
delegations on the issues of labour, employment, social services, social security of the disabled, social
dialogue and other issues within the scope of the Ministry’s competence.

In March 2011, Lithuania received the delegation from the Ministry of the Labour and Social
Security of the Republic of Azerbaijan. The visit was aimed at sharing the experience gained in
implementing employment services in Lithuania. The visit was organised under the project “The
Development of Social Security: the Component of Improving Employment Services” implemented
The delegation from Azerbaijan met the representatives of the Labour Department of Ministry of Social

In March 2011, the representatives of the Social Services Division and Communities Affairs Division of the Ministry of Social Security and Labour of the Republic of Lithuania had a meeting with the delegation of the municipalities from the Republic of Belarus. The objective of the visit of the delegation from Belarus which was directly organised by the Association of Local Authorities in Lithuania was to introduce Lithuanian practice in the provision of social services to the elderly and senior people as well as the activities carried out in Lithuania aimed at the inclusion of this group into making decisions which are relevant to them.

In June 2011, the delegation of the Tripartite Council the Republic of Armenia visited Lithuania. The visit was organised by the Decent Work Technical Support Team and Regional Office for Eastern Europe and Central Asia of the International Labour Organisation (ILO) in Moscow.

The objective of the delegation's visit was to get acquainted with the experience of Lithuania in developing a social dialogue and the model of cooperation between the Secretariat of the Tripartite Council of the Republic of Lithuania at the Ministry of Social Security and Labour and social partners, coordination of respective legislation with the partners of the social dialogue, interaction with other public institutions.

The delegation from Armenia visited the Ministry of Social Security and Labour, Secretariat of the Tripartite Council of the Republic of Lithuania at the Ministry of Social Security and Labour, met social partners and visited the Committee on Social Affairs and Labour of the Parliament of the Republic of Lithuania.

To continue the cooperation which was initiated in Lithuania and the transfer of the best practice, the Office of the International Labour Organisations (ILO) in Moscow organised the visit of the tripartite delegation of the Republic of Lithuania to Armenia on 29–31 March 2012 under the project aimed at strengthening the social dialogue of Armenia. The objective of the visit was to share the best practice on the issues with regard to the development of social dialogue, discuss possible further cooperation. The agenda of the visit was prepared by the Ministry of Labour and Social Affairs of the Republic of Armenia. The delegation composed of seven representatives from the Ministry of Social Security and Labour, Secretariat of the Tripartite Council of the Republic of Lithuania, employers and Trade Unions participated in the visit. The travel, accommodation and subsistence costs were born by the ILO.

The Ministry of Social Security and Labour was visited by the delegations from Kazakhstan, Kirgizstan and Tadzhikistan. The visit of the delegations to Lithuania was organised by the Lithuanian Welfare Society for Persons with Mental Disability “Viltis”. The objective of the visit was to get acquainted with the system for the provision of social services to the disabled in Lithuania under the project of the employment of the disabled “Development of the Legal Base and Social Services to Ensure the Right of the Disabled to Employment”, funded under the programme “Vostok–Vostok” and the programme “Legal Reform” of Fund Soros–Kazakhstan. The delegation was composed of the representatives of the public institutions and non-governmental organisations working in the area of social integration of the disabled.
During the visit, the delegation also visited Fabijoniškės Residential Care Centre, Valakupiai Rehabilitation Centre, day centre “Šviesa”, Lithuanian Welfare Society for Persons with Mental Disability “Viltis”, public organisation “Vilties akimirka”, Disability and Working Capacity Assessment Office at the MSSL.

In November 2011, the Offices of the International Organisation for Migration (IOM) in Vilnius and Kishinev organised a study visit for the delegation of the Republic of Moldova to Lithuania. The representatives of the Ministry of Labour, Social Protection and Family of the Republic of Moldova, specialists of the United Nations Development (UNDP) Programme in Moldova and the employees of the IOM Office in Kishinev participated in the study visit. The delegation also visited the Ministry of Social Security and Labour and showed interest in the experience of Lithuania in the area of social security and labour related to organisation, implementation and provision of social services; provision of social support to children, the elderly, persons with disabilities, victims of domestic violence and family policy.

The representatives of the Ministry of Social Security and Labour are cooperating with the respective institutions in the EU member states not only on the basis of concluded agreements on cooperation but also by establishing direct contacts with specialists.

In 2011, active discussions on the reform to the pension system took place. To implement the reform to the pension system as effectively as possible, Lithuanian specialists got familiarised with the experience of Sweden, Latvia and Germany in implementing the reform to the pension system, the main challenges and problems related to it. Thus, visits of the delegations headed by Minister of Social Security of Labour Donatas Jankauskas and meetings with the Swedish social insurance agencies, specialists of the Ministry of Welfare of Latvia, Federal Ministry of Labour and Social Affairs of Germany were organised to get acquainted with the operational principles of the virtual pension accounts system in these countries and discuss the possibilities for introduction of an analogous system in Lithuania.

In the same manner, in July 2011, the delegation of Lithuanian specialists headed by Vice Minister of Social Security and Labour Audra Mikalauskaitė paid a visit to the State Employment Agency of the Republic of Latvia to get acquainted with the experience of Latvia in introducing the system of coupons, also the experience in training the unemployed and discuss the possibilities for further cooperation aimed at promoting employment.
ANNEX

ADMINISTRATION STRUCTURE OF THE MINISTRY OF SOCIAL SECURITY AND LABOUR