MINISTRY OF SOCIAL SECURITY AND LABOUR

THE SOCIAL REPORT

2010–2011

Vilnius
2011
Dear Readers of the Social Report,

2011 is the year when the economy, recovering after a deep crisis, is gradually climbing up, and exports and the gross domestic product are growing. However, the recovery of the labour market, the increase in wages and finally strengthening of the belief in the state’s power always take more time. Regrettably, we cannot trust only the ostensibly healing power of time; therefore, we had to seek appropriate solutions for individual problems. In 2010, amendments to the Law on Support for Employment were adopted, social insurance privileges to employers of persons without work experience were established, a structural reform of the Lithuanian Labour Exchange and local labour exchange offices was carried out, support from the European Social Fund was actively used, which resulted in the fall of the registered unemployment rate as of the beginning of 2011 to 11.45 per cent in July. The number of persons covered with social insurance has been growing respectively.

In 2011, many important decisions, which caused long discussions in pursuit of a consensus, were also passed. The pension system reform was launched with a view to laying the foundations for long-term sustainability of the system and, together with further activation of the labour market, for reaching the balance in the State Social Insurance Fund Board budget.

However, I do not intend to create an impression that the most important decisions are passed only in the ministry, the Seimas or the Government. Everyone of us may contribute, help others, offer their hand in a difficult situation and do a lot through combined efforts in their community. 2011 has been announced the European Year of Voluntary Activities. Through different projects and events, Lithuanian volunteer organisations have an opportunity to more widely disseminate information about their activities, attract new members, and get both young and elderly people interested. The Ministry of Social Security and Labour, being a coordinator of the implementation of this year’s activities, contributes to the promotion of volunteering within the limits of its competence, yet major work is done by hundreds and thousands of devoted people across the country. Seeking to simplify the handling of legal issues of organisations, in particular small ones, the ministry undertook the initiative to adopt the Law on Voluntary Activities.

Voluntary activities of employees are also promoted by innovative enterprises, whereas the consolidation of socially responsible business and good relations between employers and employees are one of the basic preconditions for the development and strengthening of a welfare state which, despite emerging difficulties, is our common goal. I would like to express my gratefulness to all and everyone who contributes to making this goal a Lithuanian reality.

Minister of Social Security and Labour

Donatas Jankauskas
CO-AUTHORS OF THE SOCIAL REPORT 2010–2011

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Aušra Saukaitienė
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The Administration of the Ministry of Social Security and Labour pays heartfelt thanks to the team of editors for their work preparing this edition.
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The Social Report gives an overview of activities of the Ministry of Social Security and Labour in 2010-2011. The Social Report (hereinafter referred to as the Report) is drafted in the context of coping with challenges imposed on the Lithuanian system of social security by the national economic situation, i.e. when the country is experiencing high rates of unemployment and with different society levels facing financial difficulties. The necessity to solve the issues of financial assurance in the current period and create a future model of social security in order to ensure the financial sustainability of the budget of the State Social Insurance Fund has emerged. The social security system proved to be vulnerable and dependent on the economic condition of the country.

The strategic objectives and programmes aimed at the achievement of these objectives are presented in the first chapter of the Social Report. The following objectives are pursued in 2010: reduction of the unemployment rate by applying the measures of active labour market policy; modernisation of the regulation of labour relations; assurance of a safe working environment and development of the social dialogue; strengthening of families’ independence and responsibility by seeking a family-friendly society and activeness of young people; assurance of integration of socially vulnerable groups of population; partnership of communities and non-governmental organisations with state and municipal institutions as well as their development and active participation in social activities. The Report describes the ministry’s initiatives in the field of public relations and discusses issues related to counselling of citizens and provision of information to the public.

The second chapter of the Report is concerned with a thorough discussion of policy issues of the labour market. It covers employment and unemployment statistics and tendencies, the social security measures aimed at mitigating the consequences of the growth of unemployment as well as the means of encouragement of the labour market and presents the reorganisation of the system of vocational labour market training. It also reviews the reform of institutions implementing employment policy, during which the Lithuanian Labour Market Training Authority was eliminated and the Lithuanian
Labour Exchange was institutionally reorganised. Legal regulation of collective and individual labour relations as well as the implementation of the labour law is discussed. The Report assesses the condition of adherence to requirements of safety and health at work in companies and pays particular attention to the issues related to technical safety.

The third chapter of the Report deals with the use of funds allocated by the European Structural Funds and reviews the implemented measures and the achieved results.

The forth chapter analyses the field of social security and pensions. It describes the challenges the system of social security faced in 2010 and the current financial issues which were solved in a prompt manner, i.e. a timely and prompt payment of all social insurance benefits. The preparatory works for the reorganisation of the system of the state social insurance and pensions, a great deal of attention of which is paid to the improvement of financing and administration of the State Social Insurance Fund, are described. The chapter also reviews the changes in the system of social insurance and state pensions as well as the implemented preventive measures of the economic crisis.

The fifth chapter of the Report discusses the formation and implementation of the family policy with regard to the emerging challenges, the creation of legal and organisational measures aimed at creating a family-friendly environment, the application of which would encourage positive demographic tendencies. The chapter is also devoted to the measures of financial social support to families and children aimed at ensuring the support to be as targeted as possible and fulfil its key function, i.e. provision of assistance to families raising children and assurance of minimum income for deprived residents. A great deal of attention is devoted to the rights of children and youth and the current situation.

The sixth chapter of the Report is concerned with the issue of equal opportunities, i.e. social integration of the disabled, return of political prisoners and deportees and their family members to Lithuania and social integration of persons who have been granted asylum, and gender equality. These issues are very sensitive and relevant for all members of the public. Social services and the profession of a social worker are also discussed in this chapter. Reorganisations of social care institutions and possibilities for decentralisation of services are analysed. National non-governmental organisations and communities are described, and their activities and participation in social policy, their launched works with long-term positive effect while strengthening the civil sector and modernising the formation and implementation of the public policy are presented.

The seventh and eighth chapters give a thorough overview of the activities related to Lithuania’s membership in the European Union and the place of the national social security system in the international context. It is obvious that the EU membership and active international cooperation are the factors which continuously outline new social policy guidelines and requirements as well as provide with new opportunities in the field of social policy.

For the readers interested in more specific social security issues the Report provides references to different resources. All interested persons can also use the Internet websites of the ministry (www.socmin.lt, www.socialiniszemeslapis.lt and other websites), which provide with information on various issues relevant to them.
1.1. MISSION AND STRATEGIC GOALS OF THE MINISTRY

The Ministry of Social Security and Labour acts in accordance with its Strategic Action Plan. The Strategic Action Plan is a document where the mission, goals and programmes of the institution are defined taking into consideration the analysis of the factors in the field of social security and labour. It describes how the institution pursues the strategic goals (priorities) of the Government by implementing its programmes with the available budget appropriations.

The mission of the Ministry of Social Security and Labour is to ensure family welfare, social safety and social cohesion as well as to create opportunities for qualitative employment by implementing the policy of social security and labour.

In accordance with the Strategic Action Plan, the ministry fulfils its mission in 2011 seeking to attain the following strategic goals:

1. In order to decrease the level of unemployment by applying the measures of active labour market policy, to modernise the regulation of labour relations, to ensure a safe working environment and develop the social dialogue, the ministry has been implementing the programme “The Increase of Employment Rates”.

2. In order to achieve effective social security, the ministry has been implementing the following programmes: “Development of Social Services Infrastructure”, “Development of Social Services in Care Institutions and Other Institutions”, “State Pensions, Social Assistance Pensions and Other Social Support Benefits”, “Child Benefits” and “The Children’s Maintenance Fund”.

3. In order to strengthen families’ independence and responsibility by seeking a family-friendly environment and activeness of young people, the ministry has been implementing the programmes “Implementation of the Policy on Family Welfare and Protection of the Rights of the Child” and “Implementation of the Youth Policy”.

4. In order to ensure social integration of socially vulnerable groups of population, the ministry has been implementing the programmes “Social Integration of the Disabled”, “Strengthening Social Inclusion”, “The European Fund for the Integration of Third Country Nationals” and “The European Refugee Fund”.

5. Seeking partnership of communities and non-governmental organisations with state and municipal institutions as well as their development and active participation in social activities, the ministry has been implementing the programme “Development of Non-Governmental Organisations and Communities”.

6. The effective social security and labour policy is implemented through the programme “Administration of the Social and Labour Policy Implementation”.

Appropriations allocated for the ministry for 2011 were approved by the law, whereas the appropriations for the programmes implemented by the ministry were approved by the Resolution of the Government of the Republic of Lithuania.

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1 The Strategic Action Plan of the Ministry for 2011 was drafted in accordance with Resolution No. 300 of 24 March 2010 of the Government of the Republic of Lithuania on the Approval of the Preparation Plan of Financial Indicators Project of the State Budget of the Republic of Lithuania and Municipal Budgets for 2011 (Official Gazette Valstybės žinios 2010, No. 35-1657).

the Government of the Republic of Lithuania.³ In 2011, it is envisaged to allocate LTL 290,732,000 for the implementation of the first strategic goal, LTL 1,849,020,000 for the second strategic goal, LTL 14,065,000 for the third strategic goal, LTL 143,439,000 for the fourth strategic goal LTL 1,250,000 for the fifth strategic goal and 33,794,000 for the sixth strategic goal.

### Appropriations for the implementation of programmes of the Ministry of Social Security and Labour in 2010-2011 (LtL’000)

<table>
<thead>
<tr>
<th>PROGRAMMES</th>
<th>2010 (cash disbursements)</th>
<th>2011 (approved)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.2. Increase of employment rates</td>
<td>203,619,9</td>
<td>290,732</td>
</tr>
<tr>
<td>1.5. Development of human resources</td>
<td>180,270,1</td>
<td>0</td>
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<tr>
<td>2.2. Programme for the development of services in institutions subordinate to the Ministry of Social Security and Labour</td>
<td>41,415,1</td>
<td>0</td>
</tr>
<tr>
<td>2.4. Development of social service infrastructure</td>
<td>16,240,5</td>
<td>58,462</td>
</tr>
<tr>
<td>2.6. Programme for the implementation of the child’s right to protection, maintenance and participation in the public life (in 2011 – programme 3.1 “The Implementation of the Policy on Family Welfare and Protection of the Rights of the Child”)</td>
<td>9,026,4</td>
<td>0</td>
</tr>
<tr>
<td>2.7. Programme for the development of social services in care institutions and other institutions</td>
<td>122,747,1</td>
<td>144,985</td>
</tr>
<tr>
<td>2.8. State Pensions, Social Assistance Pensions and Other Social Support Benefits</td>
<td>1,273,712,4</td>
<td>1,272,469</td>
</tr>
<tr>
<td>2.10. Child benefits</td>
<td>269,141,2</td>
<td>322,857</td>
</tr>
<tr>
<td>2.12. Children Maintenance Fund</td>
<td>39,412,9</td>
<td>50,247</td>
</tr>
<tr>
<td>2.81. Special programme financed from income payments by care institutions and other institutions</td>
<td>47,095,1</td>
<td>0</td>
</tr>
<tr>
<td>3.1. Implementation of the policy on family welfare and protection of the rights of the child</td>
<td>0</td>
<td>11,459</td>
</tr>
<tr>
<td>3.2. Implementation of the youth policy</td>
<td>1,708,1</td>
<td>2,606</td>
</tr>
<tr>
<td>4.1. Social integration of the disabled</td>
<td>50,639,9</td>
<td>102,624</td>
</tr>
<tr>
<td>4.2. Strengthening of social inclusion</td>
<td>38,649,5</td>
<td>34,275</td>
</tr>
<tr>
<td>4.57. Special European Fund Programme for integration of third-country nationals</td>
<td>3,274,8</td>
<td>3,644</td>
</tr>
<tr>
<td>60.9. Special European Refugee Fund programme</td>
<td>3,116,3</td>
<td>2,896</td>
</tr>
<tr>
<td>5.2. Development of non-governmental organisations and communities</td>
<td>0</td>
<td>1,250</td>
</tr>
<tr>
<td>6.1. Administration of the implementation of social security and labour policy</td>
<td>28,383,7</td>
<td>33,794</td>
</tr>
<tr>
<td>Total amount allocated for programmes implemented by the Ministry of Social Security and Labour</td>
<td>2,328,453</td>
<td>2,332,300</td>
</tr>
</tbody>
</table>

Data from the Ministry of Social Security and Labour

Table 1.1-1

In 2011, the ministry is implementing its strategic goals by carrying out 14 programmes.

The funds of the **Programme for the Increase of Employment** are allocated for the support to social enterprises; vocational training of the unemployed by applying active labour market policy measures; maintenance of the European Social Fund Agency; promotion of corporate social responsibility; support for the establishment of trade union coordination centres in regions and development of the infrastructure of territorial labour exchanges.

The funds of the **Programme for the Development of Social Services Infrastructure** are allocated for financing of the creation and modernisation of institutions providing non-institutional social services (day social care or social care centres, houses of independent living and mixed social services establishments) and acquisition of necessary equipment.

The **Programme for the Development of Social Services in Care Institutions and Other Institutions** in 2011 is implemented in accordance with Order No. 627 of 26 May 2010 of the Government “On the Authorisation of the Ministry of Social Security and Labour to Fulfil the Rights and Obligations of Owners of Certain Budgetary Institutions”. During the implementation of the programme, the accessibility to nationals of services provided in state social care institutions and centres of translators of the body language is ensured. As of 1 July 2010, the Ministry of Social Security and Labour took over the rights and obligations of the owner of 45 social care institutions and centres of translators of the body language from county governors. These include the following institutions: 22 social care institutions for adults with disabilities, 3 social care institutions for elderly persons (reorganised into social care homes for adults and elderly persons), 3 special care homes, 3 social care homes for children and youth with disabilities, 6 child care homes, 1 mother and child care home, 2 day rehabilitation centres for the disabled, 5 centres of translators of body language.

The funds of the **Programme of State Pensions, Social Assistance Pensions and other Social Assistance Benefits** are allocated for payment of state pensions of the first and second degree and personal pensions; pensions to victims and researchers’ pensions; social assistance benefits; the total state social insurance pension and unemployment social insurance of mothers (fathers) bringing up children until they reach the age of 3 and of nurses taking care of persons for whom the special permanent care need was established as well as for the payment of the basic pension to the clergy; reimbursement of special transport acquisition expenses and transport expenses, etc.

The funds of the **Programme of Child Benefits** are allocated for social support to families in order to help them bring up and maintain their children and support children deprived of parental care. These include: lump-sum child benefits, periodic child benefits, periodic benefits for children of soldiers of the compulsory military service, lump-sum benefits to pregnant women, periodic care (custody) benefits, lump-sum benefits for acquisition of dwelling or settlement and for administration of child benefits.

The funds of the **Programme of the Children's Maintenance Fund** are allocated on a monthly basis and reach the amount established in the Law on Children's Maintenance Fund. They are paid as periodic benefits for children not receiving awarded maintenance or the maintenance approved by the
court in the child (children) maintenance agreement and prescribed to one or both parents obliged to maintain minors.

The funds of the Programme for the Implementation of the Policy on Family Welfare and Protection of the Rights of the Child are allocated for the development of non-institutional day social care services for children and families, optimisation of activities and the network of child care homes, decrease in the number of children under guardianship (fosterage) in institutions, training of future guardians (foster carers), complex compensations for children who suffered from abuse.

The funds are allocated for the implementation of measures of 2011 of the Strategy of the State Policy on Child Wellbeing 2005-2012, development of child day care centres in municipalities by providing non-institutional day social care services to children and families and implementing the Strategy for Reorganisation of the System of Child Guardianship (Fosterage), implementation of other measures of the Plan of the Implementation Measures of the Strategy of Reorganisation of the System of Child Care (Fosterage) 2007-2012 in 2011, and implementation of measures for 2011 of the National Programme for the Prevention of Violence against Children and Assistance to Children.

The funds of the Programme for the Implementation of the Youth Policy are allocated for the support of programmes and projects of the youth and organisations working with the youth; representation of the youth policy in international working groups, institutions and organisations; implementation of measures of 2008-2012 National Programme for the Development and Encouragement of the Youth Entrepreneurship; creation of conditions for activities of the Department of Youth Affairs, administration of the programmes Youth in Action, Eurodesk, etc.

The funds of the Programme for Social Integration of the Disabled are allocated for the development of services for the disabled, the provision of the disabled with technical assistance tools; provision of vocational rehabilitation services; implementation of measures under 2003-2012 National Programme for Social Integration of People with Disabilities, 2009-2012 Programme of the Use of Lithuanian Body Language and Provision of Translators’ Services and 2007-2013 Programme for Dwelling Adjustment for People with Disabilities; the development of the infrastructure of vocational rehabilitation institutions and the system of vocational rehabilitation, creation of conditions for activities of the Disputes Commission, the Disability and Working Capacity Assessment Office and the Department of Disabled Affairs.

The funds of the Programme for Strengthening Social Inclusion are allocated for the integration of persons at social risk and socially excluded persons into the labour market; the implementation of 2011 measures of the National Antidiscrimination Programme for 2009-2011 and 2011 measures of the Programme for Prevention and Control of Human Trafficking for 2010-2012; the implementation of the Programme for Returning of Political Prisoners and Deportees and their Families to Lithuania for 2008-2012; provision of support to aliens who have been granted asylum; creation of conditions for activities of the Refugees Reception Centre; implementation of measures of the Strategy for Regulation of Economic Migration; implementation of the Plan for Measures Implementing the National Strategy

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to Reduce Violence against Women for 2010-2012; support of the participation of governmental and non-governmental organisations in the Community Programme Daphne III.

The funds of the **Special European Fund Programme for Integration of Third-Country Nationals** are allocated for the provision of support to various projects related to the development of the integration process of third-country nationals and aimed at the elaboration of information sets for third-country nationals, their inter-cultural education, training and awareness raising campaigns, training of employees, etc.

The **funds of the Special European Refugee Fund Programme are allocated for** the establishment or improvement of the infrastructure of receiving refugees or displaced persons, for the provision of social services, promotion of employment of such persons and organisation of their voluntary return, etc.

The aim of the **Programme for the Development of Non-Governmental Organisations and Communities** is to develop activities of communities and non-governmental organisations. The implementation of this programme is aimed at increasing the involvement of community organisations into social activities and encouraging communication among non-governmental organisations, their economic independence and cooperation with the public sector.

The funds of the programme are aimed at the implementation of measures of the Programme for Social Development of Communities for 2011-2013 and measures of the Programme for the Development of the Non-Governmental Sector for 2011–2013.

The **funds of the Programme for the Administration of the Social Security and Labour Policy** are allocated for the implementation of educational activities for socially vulnerable persons and other groups of population, organisation of seminars, conferences, surveys; rent of premises of the European Institute for Gender Equality; support of the participation of governmental and non-governmental organisations in the Community Programme *Progress*; implementation of measures of the State Programme of Equal Opportunities for Women and Men for 2010-2014; implementation of measures of law approximation and Acquis implementation measures; monitoring of the information system of the strategic partnership with municipalities, and for administrative expenses.
1.2. PUBic RelATioNS aND COUnSElliNG oF iNDiViDUAlS

1.2.1. PUBic RelATioNS ACTiViTiES

2010 was the year when the Temporary Law on Recalculation of Social Benefits took effect and wide discussions on the reform of the system of social insurance and pensions commenced. A great number of public relations activities were related to the above two issues, and they attracted attention of mass media and the public. Top officials and employees of the ministry communicated, gave interviews on related themes to Lithuanian and foreign journalists. In order to create conditions for direct communication, in the end of 2010, the ministry for the first time organised a Press Breakfast with Minister Donatas Jankauskas: journalists attending the event could communicate in a less official environment and ask questions unrelated to the topical issues. It is expected that more of such conferences will be organised in the future.

In 2010, after the Temporary Law on Recalculation of Social Benefits took effect and discussions on the reform of the system of social insurance and pensions commenced, information on the recalculation of pensions and other benefits and the ensured income of the current year was distributed, an internet website about the social insurance reform was developed, and information on meetings with social partners, the academic society and experts on this issue was announced. People were encouraged to send proposals and remarks on the reform of social insurance and pensions via e-mail: sodrosreforma@socmin.lt. These proposals were summarised in the final discussion. Within the period from February to April, representatives of the Ministry of Social Security and Labour took part in almost twenty discussions with various groups of interested persons, the academic community and social partners.

In autumn, discussions with regard to the European Commission GREEN PAPER towards adequate, sustainable and safe European pension systems were launched. Information about the process of these discussions is periodically announced. In order to find out the public opinion about the questions this paper submits to the Member States, the ministry has announced a questionnaire on its website. Participants could choose answers as well as submit their own proposals on how to ensure the financial sustainability of the system of pensions, to encourage people to work longer and to improve the management of pension funds.

Apart from this questionnaire, a questionnaire about volunteering was announced in 2010. The results of the latter showed that the main reason of volunteering being unpopular in Lithuania is that people lack information on the ways of volunteering and the authorities to address to. Some people do not even know what volunteering and its mission are. In IV Quarter 2011, it is planned to organise an analogous questionnaire in order to find out whether the public awareness of the volunteering has changed with the Year of Volunteering, during which a great deal of attention was paid to promotion and encouragement of volunteering, coming to an end.

The publicising accents of the Year of Volunteering are the elections of capitals of volunteering and the Lithuanian broadcast “Club of Volunteers”. The both activity directions should attract the
attention of persons with no previous experience of volunteering and experienced volunteers as well as educate the public and encourage a more favourable attitude of businesses to this field.

Part of socially responsible companies support employees’ initiative to volunteer and provide them with conditions for volunteering. In April 2011, the National Responsible Business Awards ended. AB Teo LT became the winner of the “Employer of the Year” for 2010 in the category of large enterprises. This company was honoured for the fostering of its employees’ health, consideration of their opinion and volunteering results. This year’s awards, which are organised for the fourth year in a row, attracted even more companies’ attention than in the previous years. A total of 83 applications were received from 53 companies.

**Winners of the “Employer of the Year”:**
- Large Lithuanian companies – AB Teo LT
- Small and medium companies – UAB “Alna Software”
- Foreign companies – UAB “PricewaterhouseCoopers”
- Debut of the Year - UAB “Ekonominės konsultacijos ir tyrimai”

**Winners of the “Partner of the Year”:**
- Large Lithuanian companies – AB “Lifosa”
- Small and medium enterprises – UAB “ERP”
- Foreign companies – UAB “RIMI Lietuva”
- Debut of the Year – AB “LESTO”

**Winners of the “Environmental Enterprise of the Year”:**
- Large Lithuanian companies – AB Teo LT
- Small and medium enterprises – UAB “PakMarkas”
- Foreign companies – UAB “vyturyş-Utenos alus”
- Debut of the year – Private design and publishing company AB “KOPA”

**Winners of “Socially responsible company”:**
- Large Lithuanian companies – AB Teo LT
- Small and medium enterprises – UAB “ERP”
- Foreign companies – AB “Swedbank”

The following companies were marked:
- UAB “Verslo žinios” – Special debut in the nomination “Socially Responsible Company”.

Director of UAB “TVIRTA” Andrius Mačiulis was awarded for sincere and personal care for each employee as well as for his enthusiasm while tackling unofficial wages.

In February 2011, for the second year in a row, the Ministry of Social Security and Labour together with the Lithuanian Labour Exchange awarded businessmen who had created the highest number of job vacancies. Employers were honoured in four nominations: for the creation of new job vacancies in territories with highest unemployment rates, for integration of socially vulnerable persons into the labour market, for integration of the youth into the labour market and for initiatives to commence and develop a business. Major companies of the country and small and medium business enterprises were honoured in separate categories. These companies employed from tens to hundreds of workers over 2010. The majority of new vacancies were created without state financial support.
“For creation of new vacancies in territories with highest unemployment rates”:
Large companies – UAB “Mažeikių lyra”
Small and medium enterprises – UAB “Devold”, Panevėžys

“For integration of socially vulnerable persons into the labour market”:
Large companies – UAB “Skirnuva”, Alytus
Small and medium enterprises – UAB “Librinta”

“For integration of the youth into the labour market”:
Large companies – UAB “Teltonika”, Vilnius
Small and medium enterprises – UAB “Sauslaukio statyba”.

“For the initiative to commence and develop a business”
winner prize went to Brigita Bingelytė’s individual activities, Kaunas.

The ministry’s attention to this field, provision of information to the public and appreciation of initiative and responsible employers, encourages introducing these principles in other companies.

Over 2010, more than 300 press releases were produced. Over the six months of 2011, 133 press releases were produced. The number of subscribers to the news announced on the website www.socmin.lt was gradually increasing within the period. The “Facebook” profile of the ministry [http://www.facebook.com/socmin] announced press releases as well as interesting articles on relevant topics, publicised photo galleries from various events attended by the top management and employees of the ministry. Not all the events, such as the Day of Europe, the awards of the best employers, signing of agreements, were directly related to the activities of the ministry. The ministry’s “Facebook” wall also posted photos from “Darom 2011” gathering and blood donation campaigns in the ministry. It should be noted that this kind of information usually attracted the major share of attention from profile visitors, and that fact evidences the demand for the so-called “soft-knowledge” in this social network. Everyday “Facebook” information about organisations inviting volunteers attracted a great deal of attention in 2011. This campaign was devoted to the Year of Volunteering announced by the European Commission. The publicising campaign of the European Year of Volunteering Tour in Vilnius included various quizzes with prizes. The event was covered in “Facebook” profile of the ministry.

A special column devoted to the Year of Volunteering was created on the official website of the ministry www.socmin.lt. It contains information on the Year of Volunteering as well as links to non-governmental organisations inviting volunteers, videos about volunteering, etc.

This year is the second year of Europe of active publicising of activities. The year of 2010 was announced as the Year of Combating Poverty and Social Exclusion, and this theme was marked in an unconventional manner: director Andrius Poviliauskas and students of Panevėžys A. Bandza Infant and Child Care Home directed a musical performance by Vytautas V. Landsbergis’ fairy tale “Arklio Dominyko kelionė į žvaigždes” (The Trip of Horse Dominyk to the Stars). It was performed during the closing event of the Year of Europe in Vilnius. The Baltic Television broadcasted a documentary “Kelionė į žvaigždes” (Trip to Stars), which showed the process of the performance direction (director Jonas Ėrgelis). The documentary is available on the “Youtube” profile of the ministry [http://www.youtube.com/user/SADMinisterija].

Apart from the above documentary, the profile also contains videos about debates on family virtues, which were organised in autumn.
1.2.2. COUNSELLING OF INDIVIDUALS ON SOCIAL SECURITY MATTERS

In 2010, the Reception Office of the Ministry received 1,964 letters from residents of Lithuania with different notifications, proposals and complaints, and provided 450 verbal consultations to visitors of the Reception Office. As the telephone number of the Reception Office is accessible via 118 information, a great deal of inquiries are submitted by phone (8 incoming lines). Responses are given to inquiries received by e-mail. In 2010, 986 electronic inquiries were submitted, what amounted to 50 percent of all received letters. The same percentage was recorded in 2009. Therefore, the number of persons using electronic means of communication has stabilised.

In 2010, the majority of letters were received from cities of Vilnius (224), Kaunas (115), Klaipėda (52), Šiauliai (50), Panevėžys (42) and municipalities of the districts of Mažeikiai (24), Radviliškis (18), Jonava (17), Alytus (13), Klaipėda (13), Vilkaviškis (12) and other districts. Therefore, the flow of inquiries (with rare exceptions) is directly proportional to the number of residents of a city or a district. The number of inquiries from the so-called “problem regions” was not very large.

Annual and quarterly reports submitted by the Reception Office of the Ministry show that in 2010, residents of the country were mostly interested in the following issues: pensions, social insurance, social assistance benefits and unemployment insurance benefits, legal issues, lump sum financial support, and other issues (See Table 1.2.2-1).

### Main issues of inquiries submitted to the ministry by residents in 2010

<table>
<thead>
<tr>
<th>Child benefits, social benefits, unemployment insurance benefits</th>
<th>Pensions, social insurance</th>
<th>Legal issues and issues related to the establishment of the disability and working capacity levels</th>
<th>Lump sum financial support</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>789</td>
<td>576</td>
<td>340</td>
<td>39</td>
<td>220</td>
<td>1,964</td>
</tr>
</tbody>
</table>

*Data from the Ministry of Social Security and Labour*  
*Table 1.2.2-1*

The data presented above indicates that more than a half of individuals submitted inquiries on child benefits, social benefits, pension and social insurance benefits as well as on legal issues.

If compared to 2009, the total number of inquiries in 2010 did not increase.

The same tendencies remained in I Quarter 2011. The number of inquiries regarding the award and payment of maternity, maternity (paternity) benefits increased considerably in the first half of 2011. It is related with amendments to the Law on Sickness and Maternity Social Insurance, which will come into force on 1 July 2011. The number of questions regarding more prompt recovery of pensions to working pensioners and establishing of special needs remained the same. The Reception Office also received proposals on the enhancement of the list of beneficiaries.
The Reception Office of the ministry, having analysed each request or proposal in the field of social security and labour, gives advice or comprehensive responses within an established period of time. Inquiries within the competence of other ministries or institutions are forwarded to a relevant institution, and the sender of such an inquiry is informed thereof. If one or another issue receives more requests, the ministry contacts relevant authorities and decides on possibilities of improving legal acts, and, if a necessity occurs, relevant divisions of the ministry produce drafts amending legal acts.

The number of inquiries and letters is expected to increase in 2011 due to the planned reform of the system of pensions, approaching elections to the Seimas and new expectations.
2.1. LABOUR MARKET

2.1.1. EMPLOYMENT, EMIGRATION, UNEMPLOYMENT

In 2010, with Lithuanian economy gradually recovering from the crisis (1.3 percent GDP growth was observed after a long break), population employment was decreasing, the number of people leaving the country was increasing and the rate of unemployment was going up. The economic growth was not rapid enough for the unemployment rate to decrease, whereas emigration continued cutting down the population.

2.1.1.1. Employment and Job Vacancies

According to the assessment of the Labour Force Survey conducted by the Department of Statistics, in 2010, the national economy employed 1,344,000 people. Compared to 2009, the number of employed people decreased by 72,200 or 5.1 percent. The data presented in Table 2.1.1.1-1 shows that in 2010 the rate of employment for citizens aged 15-60 amounted to 57.8 percent, which is by 2.3 percentage points less than in previous year. The rate of employment for men aged 15-64 was lower than for women: in 2010, male employment amounted to 56.8 percent and the percentage of employed women reached 58.8 percent, whereas both rates decreased by 2.7 and 2 percentage points respectively. In 2010, the rate of employment for youth (aged 15-24) decreased by 2.3 percentage points and reached 19.2 percent in 2010. The rate of employment for elderly people (55-64 years of age) dropped down by 3 percentage points and amounted to 48.6 percent in 2010. Over the year, the number of workers
in construction sector fell by 23.9 percent, or 29,300 workers. Industry sector contracted by 22,200 workers, or by 8.5 percent. The number of workers slightly increased in professional, academic and technical activities (by 4200 workers or by 9.5 percent) and in real estate enterprises (by 1600 workers or by 13.5 percent).

<table>
<thead>
<tr>
<th>Employment rate in 2009-2010 (percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total aged 15-60</td>
</tr>
<tr>
<td>----------------</td>
</tr>
<tr>
<td><strong>2009</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>2010</strong></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Data of the Department of Statistics

According to the assessment of the Labour Force Survey, at the beginning of 2011 the number of working people in the country was further decreasing. In I Quarter 2011, 1,340,000 residents of the country were employed (27,700 less than in IV Quarter 2010). Over I Quarter 2011, the rate of employment for citizens aged 15-64 dropped down by 0.1 percentage point and reached 59.1 percent. The rate of employment for males was lower than for females: in the first quarter of 2011 the employment rate for men aged 15-64 amounted to 58.8 percent, whereas, the female employment rate reached the ceiling of 59.9 percent. Over I Quarter 2011, the population employment rate for citizens aged 15-24 dropped down by 2 percentage points and reached 19.4 percent. The employment rate for elderly people aged 55-64 dropped down by 0.4 percentage points over the first quarter of 2011 and reached 49.9 percent. The quarter saw significant decreases in the construction sector (17,000), agriculture, forestry and fishery (6,100 each), whereas, the transport and security sectors as well as the sectors of accommodation and catering services employed more people, i.e. 4,200 each. Other fields of services faced an increase by 4,000 workers.

According to the estimates of the Department of Statistics, the average number of job vacancies for wage earners was 6,700, that is 14.3 percent more than in 2009 (5,800 in 2009). By reference to the numbers presented in Table 2.1.1.1-2, the number of job vacancies for operators and assemblers of equipment and machinery increased by 600 vacancies, and the sector of services as well as shops and markets offered 400 additional vacancies. According to economic activities, the number of vacancies during the year increased in the trade sector – by 500, transport and security sector – by 400. In 2010, the majority of vacancies were available for specialists, i.e. 1,700, representing 25 percent of all vacancies, operators and assemblers of equipment and machinery – 1,500 or 23 percent, unqualified workers and craftsmen – 1000 or 15.5 percent. In 2010, the least number of vacancies were available for qualified farming and fishery workers – only 0.2 percent of all vacancies.
Job vacancies according to the main occupational groups (average per year)

<table>
<thead>
<tr>
<th>Main occupation groups</th>
<th>2010</th>
<th>Percent</th>
<th>2009</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>6.7</td>
<td>100.0</td>
<td>5.8</td>
<td>100.0</td>
</tr>
<tr>
<td>Legislators, senior public officials, managers of companies, organisations and other managers</td>
<td>0.3</td>
<td>4.6</td>
<td>0.4</td>
<td>6.5</td>
</tr>
<tr>
<td>Specialists</td>
<td>1.7</td>
<td>25.0</td>
<td>1.9</td>
<td>31.9</td>
</tr>
<tr>
<td>Junior specialists and technicians</td>
<td>0.6</td>
<td>8.5</td>
<td>0.4</td>
<td>7.5</td>
</tr>
<tr>
<td>Junior servants</td>
<td>0.2</td>
<td>3.0</td>
<td>0.2</td>
<td>2.9</td>
</tr>
<tr>
<td>Workers of the services sector, shops and markets</td>
<td>0.8</td>
<td>11.7</td>
<td>0.3</td>
<td>6.0</td>
</tr>
<tr>
<td>Skilled workers in agriculture and fishing</td>
<td>0.0</td>
<td>0.2</td>
<td>0.0</td>
<td>0.1</td>
</tr>
<tr>
<td>Skilled workers and craftsmen</td>
<td>1.0</td>
<td>15.5</td>
<td>1.0</td>
<td>16.4</td>
</tr>
<tr>
<td>Machinery operators and assemblers</td>
<td>1.5</td>
<td>23.0</td>
<td>0.9</td>
<td>15.6</td>
</tr>
<tr>
<td>Unskilled workers</td>
<td>0.5</td>
<td>8.0</td>
<td>0.6</td>
<td>11.2</td>
</tr>
<tr>
<td>Armed forces</td>
<td>0.0</td>
<td>0.5</td>
<td>0.1</td>
<td>1.9</td>
</tr>
</tbody>
</table>

Data of the Department of Statistics

According to the types of economic activities, the majority of job vacancies in 2010 were in the following sectors: industry sector – 1,700 (26 percent of all vacancies), trade sector – 800 (12.1 percent), transport and security – 700 (11 percent). In 2010, agriculture, hunting, forestry and fishery offered the least number of vacancies – 0.7 percent of all vacancies. In 2010, the national rate of job vacancies amounted to 0.6 percent or 0.1 percentage points more than in 2009. The highest rate of job vacancies in 2010 could be observed in the following occupation groups: equipment and machinery operators and assemblers – 1.4 percent, qualified workers and craftsmen – 0.7 percent. The lowest rate of job vacancies in 2010 was registered among qualified workers in agriculture and fishing, which reached 0.2 percent. According to the types of economic activities, the highest rate of job vacancies was in the financial and insurance sectors (1.4 percent), industry, transport and security sectors, information and communication enterprises as well as public administration and defence sectors and compulsory social insurance (0.9 percent each). The sectors of agriculture, forestry, fishery and education offered the least percentage of vacancies – 0.2 percent each.

2.1.1.2. Emigration

According to the Department of Statistics, in 2010, a total of 83,200 residents emigrated from Lithuania, which is by 61,200 more than in 2009. The average number of emigrants per 1,000 of residents reached 25.3 persons, whereas in 2009 this number reached only 6.6 persons. An increase in the number of emigrants was influenced by the obligation stipulated in the Law on Health Insurance of the Republic of Lithuania in 2010 obliging permanent residents of the country to pay compulsory health insurance contributions. Persons living in foreign countries for a long period of time might also have declared their
change of the permanent place of residence to a place of residence in a foreign country. As Figure 2.1.1.2-1 shows, emigration flows from Lithuania in April and May reached their peak. The average number of persons declaring their leave totalled 10,700 emigrants. The flows of declared emigration dropped down in the last four months of 2010 – from 8,400 emigrants in September to 4,000 in December.

![Emigration and immigration (in thousands)](image)

Data of the Department of Statistics

The United Kingdom and Ireland were the states to accept the majority of emigrants from Lithuania. In 2009, more than one third of emigrants immigrated to the United Kingdom, whereas, in 2010, this country accepted every second emigrant from Lithuania. In 2009, Ireland accepted 14 percent of all emigrants, and in 2010, this indicator reached 15.7 percent. The number of emigrants to Norway also increased – from 800 in 2009 to 4,900 in 2010. In 2009, Norway was the third country according to the number of emigrants received. 4.6 percent of emigrants went to Germany, 4.3 percent – to Spain, 3.3 percent – to the United States of America, 2 percent – to Sweden, 1.8 percent – to the Russian Federation and 1.7 percent – to Belarus.

Over the last two years, every second emigrant was of 20-34 years of age. In 2010, 18,500 (22.3 percent) of emigrants were of 25-29 years of age, 15,100 (18.2 percent) – 20-24 years of age, 12,000 (14.4 percent) – 30-34 years of age. In 2010, people aged 35-54 accounted for one fourth of all emigrants, and in 2009 – one third of all emigrants. Every eighth emigrant was a child under 18 years of age (in 2009 – every seventh). Elderly residents (60 years of age and above) made up 2.6-0.9 percent of all emigrants in 2009-2010. In 2010, a total of 43,200 women and 40,000 men emigrated. In 2010, citizens of the Republic of Lithuania made up 95.4 percent of all emigrants (in 2009 – 75 percent), and foreigners – 4.6 percent
(in 2009 – 25 percent). In 2010, 85 percent of emigrants aged 15 and above had not been occupied for a year and a longer period before leaving the country (in 2009 – 81 percent).

In 2010, a total of 5,200 people immigrated to Lithuania, which is by 1,300 less than in 2009. In 2010, average number of emigrants per 1,000 residents was 1.6 persons, whereas in 2009, this number reached 1.9 persons and in 2008 – 2.8 persons. According to preliminary data, in January and February 2011, a total of 1,400 persons immigrated to Lithuania, which is by 685 persons more than in the very same period of the last year. In 2010, the majority of immigrants to Lithuania came from the United Kingdom (1,439), Ireland (607), the Russian Federation (407), the United States of America (315), Germany (274), Belarus (260), Spain (274) and Norway (246).

In 2010, persons aged 25-29 accounted for one fifth of all immigrants, 20-24 year olds – 15.7 percent, 30-34 year olds – 14.9 percent. In 2009, these indicators were 18.5, 11.5 and 15.7 respectively. The share of children under 18 years of age in the total number of immigrants decreased from 14.7 percent in 2009 to 12.1 percent in 2010. In 2010, a total of 4,100 thousand citizens of the Republic of Lithuanian returned back to Lithuania and a total of 1,100 foreigners immigrated to this country (in 2009 – 4,800 and 1,700 respectively).

In 2010, emigration was higher than immigration (by 78,000 people), and, during the first two months of 2011, this number reached 7,300.

2.1.1.3. Unemployment

As the estimations of the population employment performed by the Department of Statistics show, in 2010, the national unemployment rate was 17.8 percent or 4.1 percentage points higher than in 2009. Over the year, the rate of male unemployment increased by 4.2 percentage points and the rate of female unemployment – by 4 percentage points. In 2010, urban unemployment rate (16 percent) was lower than rural unemployment rate (22.4 percent). In 2009, urban unemployment rate reached 12.6 percent, rural unemployment rate – 16.5 percent. Youth (persons aged 15-24) unemployment rate in 2010, compared to 2009, increased by 5.9 percentage points and reached the ceiling of 35.1 percent. In 2010, youth unemployment rate was two-fold higher that the total unemployment rate in the country.

<table>
<thead>
<tr>
<th>Year</th>
<th>Population</th>
<th>Male</th>
<th>Female</th>
<th>Youth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>13.7</td>
<td>17.4</td>
<td>10.4</td>
<td>29.2</td>
</tr>
<tr>
<td>2010</td>
<td>17.8</td>
<td>21.2</td>
<td>14.4</td>
<td>35.1</td>
</tr>
</tbody>
</table>

Data of the Department of Statistics

As Figure 2.1.1.3-1 shows and according to the estimations of the population employment survey, I Quarter 2011 witnessed unemployment rate as high as 17.2 percent, which was by 0.1 percentage point higher than in IV Quarter 2010. Over the year, the unemployment rate decreased by 0.9 percentage points.
Male unemployment rate in I Quarter 2011, compared to IV Quarter 2010, increased by 1.3 percentage points and totalled 20.4 percent, female unemployment rate decreased by 1.2 percentage points and reached 13.9 percent. Urban unemployment rate reached 14.2 percent in I Quarter 2011, whereas rural unemployment rate was as high as 24.4 percent in the respective period. Over I Quarter 2011, youth unemployment for 15-24 year olds grew to 34.1 percent. Over the quarter, unemployment rate increased by 1.7 percentage points, and decreased by 1.8 percentage points over the year.

As the data of the EUROSTAT indicates, the rate of unemployment in the European Union in 2010 reached 9.6 percent. The highest unemployment rate among Member States of the European Union was recorded in Spain (20.1 percent), and the lowest – in the Netherlands (4.5 percent). According to the preliminary data of the EUROSTAT, unemployment rate in 2010 in the United States of America was 9.6 percent, and in Japan – 5.1 percent. The estimations of the EUROSTAT show that the rate of unemployment in the European Union in March 2011 reached 9.5 percent. The highest unemployment rate among Member States of the European Union was recorded in Spain (20.7 percent), and the lowest – in the Netherlands (4.2 percent).

Although tendencies in the growth of unemployment in 2010 remained the same, its growth pace was lower than in the previous years. The second half of the last year witnessed emerging positive tendencies on the labour market. In 2011, situation in the labour market improved; however, it is still very intense. Despite the gradual economic recovery, the rate of unemployment will remain high for a long period time.

The economic emigration from Lithuania remained one of the highest in the European Union. Emigration caused by the crisis increased its pace as well. After May 2011 Germany abolished employment restrictions for residents of the European Union Member States, which joined the EU in 2004. As a result, citizens of Baltic States and Poland will go to Germany in search of employment.
is forecasted that annual number of people arriving to Germany from other EU states will amount to 100,000 – 140,000, the majority of whom will come from Lithuania, Latvia, Estonia and Poland.

The market should be liberalised within the forthcoming several years and the employment opportunities should be increased by creating new vacancies, making employment more attractive, reforming training and qualification systems and ensuring labour relations flexibility and flexicurity.

2.1.2. Labour Market

During 2010, a total of 303,100 unemployed persons or approximately 25,300 persons per month were registered with territorial labour exchanges. By educational data, 26.9 percent of the unemployed had secondary education with professional qualification, 14 percent – higher education, 9.4 percent – post-secondary education, 7.6 percent – basic education with professional qualification and 1.1 percent – primary education with professional qualification. However, the majority of the unemployed did not have professional qualification, i.e. 41 percent.

The majority of unemployed addressed territorial labour exchanges in the first half of the year, and from August, monthly number of registered unemployed persons did not exceed 20,000. This phenomenon was predetermined by the economic situation in the country, what was evidenced by the growth in the labour force demand and decreases in collective redundancies. 2010 witnessed significant changes in the structure of labour force supply. With the number of redundancies decreasing, the number of recently dismissed persons decreased as well. After the issues regarding compulsory health insurance were clarified, the share of long-term unemployed persons or persons with no previous working experience increased. Persons with no previous working experience comprised 23.4 percent in 2010 (in 2009 – 12.8 percent). The number of persons with two or more years of break in their length of service totalled 22 percent (in 2009 – 14.3 percent). In 2010, the rate of unemployment for males witnessed a slight decrease; however, it remained very high, i.e. 57.7 percent of all registered unemployed over the year. As compared to 2009, the share of youth and rural unemployment increased. Unemployed persons below 25 years of age comprised 24.4 percent (in 2009 – 21.6 percent), rural residents – 32.9 percent (in 2009 – 30.8 percent). The second half of the year witnessed positive tendencies emerging on the labour market: in August, a decrease in the registered unemployment rate was observed for the first time in three years. This tendency continued until December. These positive changes were offset in the last half of December by unemployed persons, whose temporary employment was over. A growth in the unemployment rate observed in the last month of the year is usual annual phenomenon. It is caused by the decrease in the demand for seasonal and temporary jobs. However, the problem of long-term unemployment remains one of the most urgent problems.

Over 2010, the number of registered unemployed persons was growing in all municipalities, except the city of Iauliai, were a 0.1 percentage point decrease was recorded. However, starting from the second half of the year, positive tendencies were observed in many regions of the country. The major share of the unemployed among the working population was registered in the municipalities of the regions of Ignalina (21.3 percent), Mažeikių (19.8 percent) and Zarasai (19.4 percent). The smallest share was registered in Neringa (5.7 percent), Birštonas (10.7 percent) and the city of Šiauliai (11.3 percent). The number of registered unemployed persons of the working age in the major cities of the
country was lower than the average national rate of unemployment. The increase was observed only in Panevėžys. It exceeded the national average indicator and reached 16.2 percent.

Over 2010, a total of 6,200 employees delivered 107 notices on planned collective redundancies. As compared to 2009, the number of notices decreased by 2.7 times. In 2009, 285 notices were received and 12,100 employees were notified about planned collective redundancies. Most notices have been received from Lithuanian companies operating in administrative units of Lithuania – 10 notices in total (1300 employees notified about dismissals). Companies providing postal services submitted 4 notices with 765 employees notified about dismissals. 10 notices were received from companies operating in the field of health care and social work. They warned 347 employees about dismissals. Companies providing services in the field of education submitted 11 notifications and notified 297 employees. In 2010, the major dismissals of groups of workers were recorded in the following companies: AB “Lietuvos paštas” Klaipėda branch (Klaipėda) notified 320 employees as the result of reorganisation, AB “Baltijos laivų statykla” (Klaipėda) notified 295 employees due to economic reasons, Vilnius County Governor's Administration (Vilnius) notified 240 employees as the result of liquidation, and Kaunas County Governor's Administration (Vilnius) notified 235 employees as the result of liquidation. In order to mitigate social consequences of companies' bankruptcies, structural reorganisations and liquidations and to provide the required assistance to retain skilled dismissed employees in the labour market, specialists of territorial labour exchanges organised meetings with representatives of companies, which had been notified about dismissals of groups of workers, and employees to be dismissed, and provided them with information about services of the labour exchange as well as discussed the application of measures aimed at employment promotion.

Over 2010, the unemployment benefit of social insurance was granted to 117,900 (or 38.9 percent) of registered unemployed persons. At the end of 2010, these benefits were paid to 47,300 unemployed persons or to 15 percent of all the unemployed. The number of persons entitled to unemployment insurance benefits decreased by one-third compared to the same period of 2009 when this number reached 73,300. The average unemployment benefits of social insurance in 2010, totalled LTL 555.7 and, compared to 2009, decreased by LTL 135.6. The average payment period of unemployment benefits of social insurance was 4.8 months, and it was prolonged by half a month compared to the previous year, when it lasted 4.3 months.

Paying considerable attention to intermediary services in employment and occupation of vacancies, specialists of territorial labour exchanges helped 191,200 jobseekers to find work. On average 15,900 persons were employed each month. In 2009, this number reached 10,200 thousand. Seven out of ten placed persons received a permanent job. Almost every fifth of the employed was below 25 years of age. The sector of services remained the leader of the labour force demand. It offered more than half of the registered vacancies. Over the year, the number of vacancies in the construction and industry sectors increased as well.

In 2010, 33,400 (2,800 each month) unemployed persons launched individual activities by acquiring preferential business certificates. This number is 83 percent higher than the average monthly indicator recorded in 2009. A considerable growth in the number of unemployed persons commencing individual activities was observed in the second half of 2010, when amendments of Law on Support for Unemployment concerning acquisition of business certificates and subsidies for reimbursement of social insurance expenses came into effect. A total of 6,300 unemployed persons used this opportunity.
The majority of them performed activities related to the fields of repairs of buildings, trade, hair and cosmetic salons, maintenance and repairs of motor vehicles, manufacture of apparel and logging.

59,300 unemployed persons and employees of companies undergoing difficulties were sent to participate in active labour market measures. The majority of participants were attracted by the measure of public works. In 2010, a total of 25,600 unemployed persons and 6,300 part-time employees of companies undergoing difficulties were involved in public works. Over 2010, 12,300 of additionally supported unemployed persons on the labour market were employed through subsidies. 6,500 unemployed persons with no previous working experience were sent to participate in the measure for working skills acquisition. While implementing the vocational study programme of the unemployed and employees notified about dismissal, the priority was placed on persons with no qualification. These persons comprised 84 percent of all participants. 12,200 persons were trained for new jobs. The application of employment support measures allowed retaining more than 11,200 job positions, out of which 8,500 in companies undergoing economic difficulties, 2,450 – in social companies. A total of 190 employees notified about dismissal received new qualifications or improved their qualifications by participating in vocational trainings.

Local projects of employment initiatives were implemented in 23 municipalities. The Employment Fund allocated LTL 3,000,000 for the implementation of the measure. 36 projects were implemented and 127 new vacancies were created. 16 projects were implemented by women. While expanding business in rural areas, 58 percent (21) of projects were implemented in rural areas. 69 new vacancies were created. The majority of projects (20) were implemented in the industry sector, 10 – in the sector of services and 6 – in the sector of construction. Having conducted a survey and analysed the retention of vacancies, which were created by implementing employment initiative projects and the monitoring of which had ended, it was established that 55 percent of more than 3,000 new vacancies created in 2001-2007 were retained. Over 60 percent of the established vacancies were retained by employers of districts of Marijampolė, Panevėžys and Šiauliai, and over 50 percent of established vacancies were retained by districts of Vilnius and Alytus. The average share of the state support funds per one vacancy was LTL 23,700.

With a view to meet the demand for qualified labour force in separate economic sectors and having in mind production necessity of companies, the Lithuanian Labour Exchange issued 1,800 work permits to foreigners for work in the Republic of Lithuania in 2010. A total of 1,300 work permits were issued as per employment contracts. 136 work permits were issued to posted foreigners, out of which 13 work permits – for seasonal works. 375 work permits were prolonged, out of which 316 – as per employment contracts, and 59 – for posted foreigners.

In 2010, compared to 2009, the number of work permits for foreigners to work in Lithuania decreased by 1.2 times. As Figure 2.1.2-1 shows, the breakdown of issued authorisations according to economic activities changed significantly. The major share of work permits for foreigners was recorded in the sector of services (83 percent). The industry sector received 15 percent of work permits, and slightly more than two percent of work permits were issued to foreigners willing to work in the construction sector. As compared to the year 2009, the number of work permits for work in the services sector increased by 33 percent, and the number of work permits in the constructor sector decreased by 17 percent.

The majority of work permits (63 percent) were issued to foreigners to work as drivers of international cargo carrying vehicles, 8 percent – as assemblers of metal bodies of ships, 5 percent – as welders, 5 percent – as cooks in restaurants, and 3 percent of all work permits in Lithuania were issued to banking system consultants.
According to the data of the Lithuanian Labour Exchange, in I Quarter 2011, a total of 60,700 unemployed were registered with territorial labour exchanges, and at the end of the quarter the number of registered unemployed persons in the country was 293,500. The majority of vacancies were registered in territorial labour exchanges of the major cities of the country: Vilnius Territorial Labour Exchange – almost a quarter (23.3 percent) of all vacancies in the country, Kaunas Territorial Labour Exchange – 16.4 percent, Klaipėda – 13.2 percent, Šiauliai – 12 percent, Panevėžys – 9.8 percent. However, the highest growth in the labour force demand was observed in minor labour exchanges: in March, Marijampolė Labour Exchange had 61 percent more vacancies than in February. Tauragė and Telšiai experienced a 40 percent growth of vacancies. It should be noted that salespersons and painters have the highest demand in the majority of Lithuanian territories. However, the labour force demand has certain differences which depend on the territory. Klaipėda Labour Exchange has the highest demand for cooks, painters and welders. Toolmakers are among the most desirable professions in Telšiai Labour Exchange. Marijampolė Labour Exchange offered the majority of vacancies to operators of agricultural and forestry machines and equipment. Utena is in need of sewers. The territories of Vilnius Labour Exchange are usually in demand of drivers of deadweight and cargo transport vehicles. However, Lithuania faces shortage of these workers: there are two vacancies for one driver willing to work. Over I Quarter 2011, a total of 641 work permits were issued to foreigners willing to work in the Republic of Lithuania.

Even under high level of unemployment, employers face the shortage of labour force, because they do not find workers with necessary qualification in Lithuania, and, therefore, they search for such labour force abroad. Some vacancies are difficult to fill in, since the number of unemployed persons willing to get these jobs is lower than the number of vacancies. The structural unemployment, when the structure of labour demand does not match the structure of labour supply, distorts the labour market, i.e. the number of people of certain professions and qualifications significantly exceeds the number of...
vacancies, whereas, the number of people of other professions and qualifications is significantly lower than the number of relevant vacancies. The mismatch of labour force qualifications and labour market demands is a very serious problem. The problem stems from drawbacks in the system of education.

Positive changes in the labour market are blocked by the inconsistency between the labour supply and the labour demand as well as by different needs and expectations of employers and employees. It could be illustrated by the situation with sewers. Although territorial labour exchanges have several hundreds of vacancies for sewers, they are reluctant to work as such, and employers are forced to search for foreign labour force. Reluctance to work is further deepened by the fact that many vacancies are situated at a considerable distance from the place of residence of job seekers, job seekers are not mobile and usually stay content with the social support they receive, what in turn increases territorial unemployment differences. It also should be noted that qualified specialists are not satisfied with suitable work proposals, because they do not meet their expectations and do not guarantee life quality.

2.1.3. LABOUR MARKET SYSTEM REORGANISATION

In 2010, while performing reforms of institutions implementing employment policy, the Lithuanian Labour Market Training Authority under the Ministry of Social Security and Labour was eliminated, and part of its functions related to the implementation of the employment policy was delegated to the Labour Exchange under the Ministry of Social Security and Labour.

In implementing the decision of the Government of the Republic of Lithuania regarding the implementation of property and non-property rights and obligations, the Lithuanian Labour Market Training Authority transferred to the Ministry of Social Security and Labour nine training centres with the status of a public institution: public institution Alytus Labour Market Training Centre, public institution Kaunas Dainavos Labour Market Training Centre, public institution Klaipėda Labour Market Training Centre, public institution Panevėžys Labour Market Training Centre, public institution Šiauliai Labour Market Training Centre, public institution Utena Labour Market Training Centre, public institution Vilnius Jeruzalės Labour Market Training Centre, public institution Vilnius Žirmūnų Labour Market Training Centre, public institution Kaunas County Labour Market Training Centre. UAB Kaunas Naujamiesčio Labour Market Training Centre was transferred to the Public Entity State Property Fund. At present, UAB Kaunas Petrašiūnų Labour Market Centre is in the process of transfer to the Public Entity State Property Fund. Until 1 April 2010, the Lithuanian Labour Market Training Authority under the Ministry of Social Security and Labour was the founder of these 11 labour market training centres. After the reorganisation of adult vocational training institutions, the main role related to formal and informal vocational training of youth and adults was delegated to the Ministry of Social Security and Labour. Since 1 April 2010, labour market training centres operate under the ministry.

Since 1 October 2010, the Lithuanian Labour Market Training Authority was reorganised into the Administration Office of Social Care Institutions under the Ministry of Social Security and Labour, which was delegated to perform the functions of administration of social care institutions.

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These functions were previously performed by county governors. The functions of the Lithuanian Labour Market Training Authority related to the implementation of employment promotion policy were delegated to the Lithuanian Labour Exchange and territorial labour exchanges.

On 1 October 2010, the reorganisation of the Lithuanian Labour Exchange\(^8\) was over. With a view to seek more efficient work with job seekers, 10 of the former territorial labour exchanges were retained: in Vilnius, Kaunas, Klaipėda, Panevėžys, Šiauliai, Alytus, Marijampolė, Tauragė, Plungė and Utena. Almost all municipalities have divisions of labour exchanges, which employ consultants, whereas, the administration activities are performed by territorial labour exchanges. Territorial labour exchanges focused their activities on the surveillance of the labour market, activity planning; whereas, territorial divisions focused on the improvement of labour market services. These actions allowed optimising the number of positions and their distribution, decreasing the number of management staff and increasing the number of workers providing services to clients. The reorganisation also decreased the application expenses of the employment promotion system. Conditions for further reorganisation of activities of the Lithuanian Labour Exchange were created. This reorganisation will be implemented in accordance with the main activity guidelines of the main Lithuanian and European provisions regarding activities of state employment services. Having implemented the reorganisation of the Lithuanian Labour Exchange and eliminated the Lithuanian Labour Market Training Service, the number of allowed positions in the whole system was decreased by more than 200 positions.

The new model of the Labour Exchange corresponds to the contemporary labour market demands, since it is focused on every person addressing the labour exchange, i.e. on an unemployed person as well as on an employer. The aim of the above mentioned reorganisation is to make the institution closer to people in need of assistance while seeking a job, commencing a business or using other services of the labour exchange. Seeking more efficient activities, the changing situation in the labour market will be assessed, and, if necessary, the provided services will be improved.

### 2.1.4. REDUCTION OF UNEMPLOYMENT, IMPROVEMENT OF EMPLOYMENT SUPPORT MEASURES

In June 2010, the Employment Reduction Package drafted by the Government of the Republic of Lithuania was approved. The package provides for more possibilities for persons commencing labour activities and for small businesses. It also creates possibilities to enhance public works financing, provides for facilities for young people commencing their working experience, etc. The Law of the Republic of Lithuania Amending the Articles of the Law on Support for Employment was drafted and approved by implementing activity priorities for 2010 of the Government of the Republic of Lithuania\(^9\), the minutes of the discussion of the Government of the Republic of Lithuania of 22 March 2010 “On Proposals For Reduction of Unemployment” and proposals for the reduction of unemployment provided for in

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\(^8\) Law Amending and Supplementing Articles 2, 4, 8, 24, 25, 26, 28, 32, 35 of the Law on Support for Unemployment (Official Gazette Valstybės žinios, No. 71-3552).


TO THE BEGINING  CONTENT  TO THE END  EXIT

The use of the amendments introduced to the Law on Support for Unemployment and the Labour Code of the Republic of Lithuania:

1. More possibilities for persons commencing labour activities

Persons below 29 years of age were included into the list of additionally supported persons. When subsidising unemployed persons under age of 29, wage subsidies are being paid for a period of up to 6 months, and for persons taking up their first employment according to the obtained qualification and participating in measures for working skills acquisition – up to 12 months. It should be noted that according to the former edition of the Law on Support for Unemployment, persons under 29 years of age were not included into the list of additionally supported persons in the labour market, therefore, they were not eligible for subsidised employment and did not belong to any other groups of persons additionally supported in the labour market. On 15 July 2010, the project “Be Active in the Labour Market” financed by the European Social Fund was launched. The aim of the project is to encourage youth employment by providing possibilities for acquisition and establishment of practical skills in the labour market. 2,500 persons under 29 years of age were sent to participate in the activities of the project in the period from the start of the project until 1 January 2011.

2. Small business is being encouraged

The Law on Support for Unemployment establishes that unemployed persons willing to commence individual activities as per business certificate receive subsidies to cover the expenses on the acquisition of the business certificate and the state social insurance contributions. A subsidy of 0.25 of the minimum monthly wage is paid for every month of activities as per business certificate. Business certificates are issued for a period not shorter than 1 month, and it is valid for a period of up to 12 months. A total of 6,247 applications to reimburse business certificate acquisition expenses were satisfied, and an amount of LTL 1,600,000 of the Employment Fund was allocated.

3. Public work opportunities were enhanced

The public works organisation conditions were revised. Part-time employees of companies experiencing economic difficulties can participate in public works. 100 percent of expenses of public works financed by European Structural Funds and the European Globalisation Adjustment Funds can be reimbursed from the Employment Fund. Such measures helped to increase the number of unemployed individuals, who participate in public works. About LTL 46,000,000 were used to finance public works, out of which LTL 35,500,000 originate from the European Social Fund, LTL 8,700,000 – from the Employment Fund and LTL 1,800,000 - from the European Globalisation Adjustment Fund. The average expenses per one person participating in public works reached LTL 1,349.8. A total of 33,400 persons finished their participation in public works in 2010. The average duration of public works according to municipal programmes lasted for 1.8 months.

4. Support for working skills acquisition was further continued

Employers organising measures for working skills acquisition and employing persons sent by the labour exchange receive wage subsidy. About 60 percent of unemployed persons participating in the

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measure find a job. However, some of unemployed persons need more than three months to acquire necessary occupational skills. Therefore, it has been established that the maximum duration of this measure shall reach 5 months, and 12 months – for persons who start working according to the acquired qualification for the first time. In 2010, over 4,700 employers used financial possibilities provided by the measure for working skills acquisition, the majority of which were small businesses (2,300). The following amounts were used for financing: LTL 14,100,000 out of which LTL 14,000,000 originate from the European Social Fund, LTL 80,100 from the European Globalisation Adjustment Fund, and LTL 100 from the Employment Fund. Average expenses per 1 person support amounted to LTL 1,800.

After amendments to the Law on Support for Employment took effect, an actual possibility for paying more attention to the retention of work places emerged. Employers of companies undergoing economic difficulties as well as companies under reorganisation could use measures of support for unemployment provided for in the Law, such as temporary employment, vocational training, qualification upgrading or supported employment, and thus retain their work places. About 1,300 companies and 10,000 employees used this possibility in 2010.

Seeking to encourage the integration of the unemployed into the labour market and increase the efficiency of activities of labour exchanges as well as the effect on the reduction of unemployment, the Lithuanian Labour Exchange launched the implementation of The Plan of Encouragement of Measures of Integration of the Unemployed into the Labour Market Aimed at the Reduction of Unemployment. Territorial labour exchanges paid significant attention to the encouragement of the unemployed establishing relations with the labour market. The Plan of Unemployment Reduction provides for the following encouragement measures of integration of the unemployed into the labour market:

- persons re-addressing the labour exchange after the termination of registration with the right to register not earlier than after a period of 6 months immediately undergo work motivation establishment measures and have individual employment plans drafted. After these persons renew their registration, other labour exchange specialists than those, who had been working with these persons prior the terminations of registration, are assigned.
- Long-term unemployed persons and persons who have been receiving social benefits for at least 3 years, start participating in motivation training and have individual employment plans developed and (or) revised.
- The conventional procedure for servicing the unemployed is amended, i.e. target invitations of the unemployed are applied.
- The launch of the rotation of intermediaries of the labour exchange representing the unemployed.
- Identification of the unemployed not searching for a job and unwilling to work, persons working illegally and interested in receiving benefits, pensions or other relief.
- Closer cooperation with labour market partners was launched, i.e. the work with private employment agencies was enhanced.

Over the first two months of the implementations of The Plan of Encouragement of Measures of Integration of the Unemployed into the Labour Market Aimed at the Reduction of Unemployment significant results were achieved and the number of the unemployed actively searching for a job increased. If compared to the indicators of the previous month, the indicators of independent job seeking activities increased. The majority of job seekers called employers or visited them as well as sent their CV. Over March 2011, the number of persons participating in encouragement measures reached 24,000
unemployed persons, out of whom: 11.9 percent terminated job seeking activities (having refused a suitable job offer, for violations or volunteer termination of job seeking activities), 46 percent (i.e. more than 11,000) were employed or increased their employment skills. Over March, almost 2,000 persons re-addressing the labour exchange after the termination of registration with the right to register not earlier than after a period of 6 months had individual employment plans drafted. 9,000 of long-term unemployed persons, who had been registered for more than 2 years, had their labour exchange specialist replaced. During the period of the implementation of the plan, anonymous surveys of the unemployed were launched. They were aimed at defining their registration motives. According to the anonymous survey of the registering unemployed persons performed in Vilnius Territorial Labour Exchange in March 2011, 27 percent of persons registering with the labour exchange were not determined to find a job. These persons were concerned with various social support measures (compulsory health insurance, social guarantees, various benefits), and they did not need any employment support. After the launch of the implementation of the Plan of Encouragement of Measures of Integration of the Unemployed into the Labour Market Aimed at the Reduction of Unemployment, the unemployment rate in the country decreased by 1.53 percentage points.

2010 witnessed the reorganisation of the system of labour exchanges, the modernisation of their activities and improvement of legislation, i.e. amendments introduced to laws, resolutions of the Government and descriptions of procedures. These reorganisations enabled labour exchanges to provide more prompt services to people addressing them.

2.1.5. REGULATION IMPROVEMENT OF ACTIVITIES OF SOCIAL ENTERPRISES

In 2010, the Commission for the Affairs of Social Enterprises under the Lithuanian Labour Exchange analysed 37 applications of legal entities for the status of a social enterprise. The status of a social enterprise was granted to 28 companies, out of which 14 were granted the status of a social enterprise, and 14 – the status of a social enterprise of the disabled. Social enterprises are administered by 9 territorial labour exchanges. The majority of companies are established in Vilnius, Kaunas and Klaipėda. At the end of 2010, 130 social enterprises operated in Lithuania, out of which 90 enterprises were social enterprises of the disabled. A total of 3,600 employees worked in social enterprises, out of whom 2,500 (68.6 percent) belonged to target groups. By applying state social support funds, social enterprises subsidised wages of 128 assistants, who assisted 709 disabled persons in performing their job functions. These enterprises received LTL 24,200,000 of the state support, out of which LTL 6,700,000 were allocated by the state budget and LTL 17,500,000 originated from the European Social Fund.

At the outset of 2011, a Draft Law Amending Articles of the Law on Social Enterprises of the Republic of Lithuania was submitted to the Seimas of the Republic of Lithuania. It was drafted in accordance with Commission Regulation (EC) No. 800/2008 of 6 August 2008 declaring certain categories

Draft Law No. XIP-2817 of the Republic of Lithuania Amending and Supplementing Articles 3, 4, 7, 8, 11, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 26 and Annex of the Law on Social Enterprises of the Republic of Lithuania.
of aid compatible with the common market in application of Articles 87 and 88 of the Treaty Establishing the European Community (General block exemption regulation). While producing the Draft Law, the Law Supplementing Article 4 of the Law on Social Enterprises of the Republic of Lithuania¹² adopted by the Seimas of the Republic of Lithuania on 1 December 2010, remarks of the national audit report No. VA-P-10-1 “Implementation of Labour Market Policy Measures” and calculations of the funds necessary for the support of social enterprises submitted by the Lithuanian Labour Exchange were taken into consideration. The aim of this project is to harmonise the provisions of the Law on Social Enterprises with the provisions of the European Commission regulation. Taking into consideration the European Commission regulation and the conclusions of the national audit report, the Draft Law is aimed at creating legal circumstances for enterprises seeking the status of a social enterprise to receive the necessary amount of funds as well as for enterprises which have been granted the status of a social enterprise. In addition, the Draft Law seeks to introduce the provision establishing that the status of a social enterprise is granted to legal entities which have been performing economic activities for a period of at least one year in order to avoid ineffective use of state support funds in cases when companies, which do not perform any economic activities, employ persons belonging to target groups seeking the status of a social enterprise, which will make them eligible for state social support. The Draft Law is also aimed at equalising the amounts of subsidies for wages and for creation and adjustment of new work places for the disabled employed, who work at social enterprises, and also equalising the amount of subsidies for enterprises without social enterprise status, when they employ or create or adjust new workplaces for the disabled. The Draft Law proposes the following:

1) Taking into consideration the maximum percentage ceiling of wage subsidies and state social insurance contributions, to revise the payment conditions of wage subsidies and state social insurance contributions.

2) Taking into consideration the remarks submitted by the National Audit Office, to equalise the amount of wage subsidies for the disabled employed by social enterprises and by enterprises without the status of a social enterprise and to define the limits for the amount of subsidies, aimed at the adjustment of working environment, production and recreational facilities of the disabled.

3) To establish that within 30 working days from the dismissal of an employee, the employer shall employ another person belonging to the target group of persons to be employed by social enterprises.

4) To equalise the amount of subsidies for the creation (adjustment) of work places for disabled persons with the amount of the subsidy for the creation (adjustment) of a work place established in the Law on Support for Unemployment.

5) To broaden the definition of target groups by stipulating that a step-mother or a step-father, guardian or curator, bringing up one child under 8 years of age or a disabled child or an adoptive child under 18 years of age or another person taking care of a diseased person or a disabled family member should be included into the target group.

6) To establish that employees belonging to the target group of the disabled persons of enterprises seeking the status of a social enterprise of the disabled, comprise 50 percent of the average annual number of employees in the list of employees. 40 percent out of these employees must have the highest level of disability.

7) To establish that an enterprise established in Lithuania as well as an enterprise or its branch established in any other place of the European Economic Area shall have the right to acquire the status of a social enterprise. However, the status of a social enterprise shall be granted to legal entities which have performed economic activities for a period of at least one year.

8) To establish that an enterprise seeking the status of a social enterprise shall submit documents regarding its property related to the creation and adjustment of work places and to establish that the property can be acquired by ownership rights as well as by other rights of managing a property for three years.

9) To establish that applications for the status of a social enterprise should be submitted until September 30 of the current year, and the applications for the state support should be submitted during the first 5 months of the year.

### 2.1.6. REORGANISATION OF THE LABOUR MARKET VOCATIONAL TRAINING SYSTEM

After the reorganisation implemented in 2010, the functions of the Lithuanian Labour Exchange are focused on job seekers by implementing active labour market measures and paying unemployment insurance benefits to persons who are eligible to receive these benefits. Vocational training is a service which the Lithuanian Labour Exchange may buy as one of active labour market measures for the unemployed to acquire or improve their competences necessary for employment. Vocational training of the unemployed is governed by the Law on Vocational Training of the Republic of Lithuania\(^\text{13}\) and the Law on Support for Unemployment of the Republic of Lithuania\(^\text{14}\). After the Methodology for the Calculation of Economy Funds per One Person\(^\text{15}\) was approved in I Quarter 2011, in May, the Lithuanian Labour Exchange announced a tender for the acquisition of vocational training services. It is envisaged to allocate LTL 43,200,000 for the vocational training of the unemployed and persons warned about dismissal from the European Union Funds and the European Globalisation Adjustment Fund.

In 2010, in continuation of the vocational training of the unemployed, the Lithuanian Labour Exchange used LTL 69,400,000; out of which LTL 67,800,000 originate from the European Structural Funds, LTL 1,600,000 from the European Globalisation Adjustment Fund and LTL 2,400 from the Employment Fund. More than 12,000 persons finished vocational training. After territorial labour exchanges took over part of the functions of the Lithuanian Labour Market Training and Counselling Authority, 100,000 of the unemployed have been involved in vocational training and counselling measures since 1 October 2010, and 3,600 unemployed persons participated in trainings aimed at motivating for work or (study) or acquiring employment skills.

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\(^{13}\) Law on Vocational Training of the Republic of Lithuania (Official Gazette \textit{Verslo žinios}, 2007, No. 43-1627).


Seeking to increase the efficiency of re-qualification of unemployed persons and the pace and flexibility of labour market changes, the system of vocational training of the unemployed was revised, by reorganising it into a system with the specific aim, i.e. employment by a specific employer after the accomplishment of vocational training programmes. To that end, an inter-institutional working group was formed, that was aimed at developing the model of vocational training of the unemployed related to future placement and at the drafting of vocational training organisation procedure.

In implementing the provision of the Programme of the Government of Lithuania aimed at encouraging continuous vocational training with regard to market qualification demands as well as considering the recommendation presented in national audit report No. VA-P-10-1-11 of 29 May 2008 of the National Audit Office of the Republic of Lithuania “Regarding the Implementation of the Labour Market Policy”, which proposes enabling a person willing to participate in active labour market training measures to independently find and choose a training institution for him or her to acquire a required profession, and to cover the actual training expenses not exceeding the established ceiling from the state fund, and seeking to implement Paragraph 1.1 of Issue 2 of Minutes No. 73 of 3 November 2010 of the Discussion of the Government of Lithuania “Regarding the Circuit Discussion of 28 October 2010 of the Government of the Republic of Lithuania in the Lithuanian Labour Exchange under the Ministry of Social Security and Labour”: to create a model of vocational training of the unemployed related to future employment and employment organisation as well as to draft the procedure for vocational training organisation, the Draft Law Amending Articles 8, 23 and 28 of the Law on Support for Unemployment (hereinafter referred to as the Draft Law) was developed.

The current Law on Support for Unemployment stipulates that vocational training of the unemployed is organised if it is necessary for the employment process itself, and it is not related to any specific employment or future vacancies. This Law does not list all expenses related to vocational training and it does not provide for the responsibility for expenses incurred by the labour exchange while organising vocational training if it is terminated through the unemployed person's fault.

The Draft Law proposes to relate vocational training to future employment:

- To delegate the function of establishing requirements for informal vocational training programmes previously performed by the Lithuanian Labour Exchange and territorial labour exchanges to future employers willing to employ an unemployed person.
- To revise the current procedure for vocational training of the unemployed. It proposes to organise vocational training only in cases when it is necessary for a person to occupy a certain vacancy. An unemployed person for whom vocational training is organised could choose the provider of vocational training. It is proposed in the Draft Law to organise vocational training only when a trilateral agreement between the labour exchange, the employer and the employee is signed. This agreement would oblige an employer to employ an unemployed person who has finished vocational training. Vocational training is also proposed being organised according to forecasts performed by the Lithuanian Labour Market Exchange, which would establish that there will be new vacancies emerging in the labour market and these vacancies will not be occupied by specialists trained by educational institutions.

– To establish financing sources for vocational training, the maximum amount of funds granted for an unemployed person for professional training and to revise other expenses related to vocational training of the unemployed. It is proposed to finance vocational training of unemployed persons from the Employment Fund, the state budget, EU structural funds, employers’ funds and other sources. The total amount of funds allocated from the Employment Fund, the state budget and EU structural funds would not exceed 6 minimum monthly wages. This amount is established in compliance with the good practice of the European Globalisation Adjustment Fund, according to which the vocational qualification of the unemployed has been improved since 2009.

– To establish an obligation for an unemployed person, provider of vocational training or other persons to cover the expenses incurred by the labour exchange, which are related to professional training, if this training was terminated through their fault. The obligation to refund the expenses of the labour exchange is also proposed to be imposed on an employer or an employee in case when, according to the tripartite agreement, the employer refuses to employ an unemployed person or the latter refuses to be employed in the employer’s company.

– To refuse the possibility of relating vocational training of the unemployed to public works, which are temporary and do not ensure long-term employment of an unemployed person according to the vocational training he or she has been provided with.

It is envisaged that the new procedure for vocational training of the unemployed will take effect as of autumn 2011.
2.2. REGULATION OF LABOUR RELATIONS AND WORK REMUNERATION

2.2.1. LABOUR RELATIONS

2.2.1.1. Collective Labour Relations

2010 saw the continuation of the implementation of the Programme for Strengthening Social Dialogue in Lithuania for 2007-2011 (hereinafter referred to as the Programme). In the course of the implementation of measures of the Programme in 2010, confederations of trade unions continued their activities in established coordinative training and education centres in the counties of Varėna, Anykščiai, Panevėžys, Naujoji Akmenė, Elektrėnai, Ukmergė, Šiauliai, Klaipėda, Utena and Kaunas. These activities included the establishment of new trade unions in primary companies and institutions, encouragement of trade unions, employers and representatives of county administrations and municipality administrations to take a more active part in the tripartite cooperation, training and education of social partners. In 2010, no new coordination centres were established due to a decrease in financing.

In the course of the implementation of 2010 Programme measures, representatives of regional social partners were trained to operate in bilateral and tripartite structures, and the negotiations over the establishment of tripartite councils in Marijampolė, Kėdainiai and Jonava were launched. In 2010, a bilateral council between the Ministry of Transport and Communications of the Republic of Lithuania and AB “Lietuvos geležinkeliai” was established.

Trade unions organised 119 events (seminars, round table discussions and trainings) related to social dialogue, conclusion of collective agreements, collective bargaining and other relevant issues of social partnership. The events were attended by 2,286 representatives of trade unions.

In 2010, in the course of implementation of this Programme, the amount of LTL 640,000 of appropriations provided for in the Law on Approval of Financial Indicators of the State Budget and Municipal Budgets was allocated to the Ministry of Social Security and Labour, and that is almost twice as less as in 2009, when a total of LTL 1,445,000 were allocated.

In 2010, not a single national, territorial or sectoral collective agreement was registered by the Minister of Social Security and Labour. However, it should be noted that at the outset of 2011, the negotiations between the Joint Trade Union and the Ministry of Social Security and Labour regarding the conclusion of a collective agreement of employees providing social services were launched. 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.

According to the existing provisions of the Labour Code, collective agreements of an undertaking need not be registered. In 2010, officials of the State Labour Inspectorate inspected 12,411 companies and their structural divisions (a total of 15,859 companies were inspected in 2008, and 15,935 – in 2009), and established that trade unions were registered in 298 companies (1,187 trade unions were registered

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in 2008, and 347 trade unions – in 2009), 83 companies delegated representation and protection of employees to sectoral trade unions. In 2008, 337 companies delegated these functions to sectoral trade unions, and in 2009 this number reached a total of 124 companies. A total of 166 companies formed labour councils or delegated the functions of labour councils to employees’ representatives. In 2008, 589 companies formed labour councils or delegated their functions to employees’ representatives, and in 2009 this amount reached a total of 207 companies. A total of 248 collective agreements were signed in 2010. In 2008, this number reached a total of 903 agreements, and in 2009 – 290 collective agreements. As the presented data shows, the development of social partnership and the scope of collective agreements decreased more significantly in 2010 than in 2009. This was due to the economic crisis, when companies were reluctant to form trade unions. The unemployment also influenced the decrease in production leading a number of companies to bankruptcy. Other companies were not able to fulfil obligations specified in collective agreements.

During the implementation of Article 751 “Settlement of Collective Labour Disputes through an Intermediary” of the Labour Code of the Republic of Lithuania, the Government of the Republic of Lithuania approved the Description of the Procedure for the Compilation of the List of Intermediaries, Selection of Intermediaries, Intermediary Services and Remuneration of Intermediaries20. After this resolution was adopted, the legal basis for the parties of a collective labour dispute to settle the dispute through an intermediary was created.

In 2010, the Seimas of the Republic of Lithuania adopted the Law Amending Article 2.38 of the Civil Code of the Republic of Lithuania21 and the Law Amending Article 6 of the Law on Trade Unions of the Republic of Lithuania22. The emergence of these laws was predetermined by the conclusion of the European Committee of Social Rights stipulating that the requirement of 30 founders for a trade union to be established, which is provided in Article 6 of the Law on Trade Unions of the Republic of Lithuania, is too severe and violates the freedom of associations. Taking into consideration the above fact, the above laws were adopted in order to facilitate the requirements for the establishment of trade unions. These laws stipulate that the establishment of a trade union shall require at least 20 founders or 1/10 but not less than 3 employees of all employees employed by a company, institution or organisation.

The Draft Law Amending the Law on Trade Unions of the Republic of Lithuania23 and the Draft Law Amending Civil Code of the Republic of Lithuania24 have also been submitted to the Seimas of the Republic of Lithuania. The Draft Law Amending Article 2.38 of the Civil Code of the Republic of Lithuania was encouraged by the fact that the provision stipulating that trade unions can be established by citizens of the Republic of Lithuania and foreigners permanently residing in Lithuania does not comply

19 Data of the State Labour Inspectorate.
23 Draft Law Amending the Preamble, Articles 1, 2, 3, 4, 8, 9, 13, 14, 15, 16, 17, 20, 21 and the title of Section IV of the Law on Professional Trade Unions of the Republic of Lithuania (No. XIP-2981).
with requirements for the status of third-country nationals who are long term residents provided for in
of Lithuania stipulates that citizens of the Republic of Lithuania or natural persons permanently residing
in the Republic of Lithuania who are not younger than fourteen years of age and are employed under
employment contracts or on other grounds may be founders of trade unions. For the norms of this law to
comply with international requirements, the Draft Law proposes establishing that all foreigners may be
founders of trade unions. It also proposes refusing the age requirement by establishing that persons with
working capacity may be founders of trade unions. The analogous provision is transposed into the Draft
Law Amending the Law on Trade Unions. The Draft Law Amending the Law on Trade Unions proposes
establishing that the unemployed, pensioners, students who are not employed under an employment
contract or on other legal grounds can be members of state, sectoral or territorial trade unions. They would
have all the rights and obligations of a member of a trade union except for the rights to vote while adopting
decisions regarding the announcement of strikes, conclusion and implementation of collective agreements
and other issues which may have impact on the rights and obligations of employees or persons working
on other grounds established in the laws. Only employees of a company or its structural subdivisions are
eligible to become members of trade unions of this company or its structural subdivisions.

of 18 June 2009 providing for minimum standards on sanctions and measures against employers of
illegally staying third-country nationals, a Draft Law on Prohibition of Illegal Work of the Republic
of Lithuania aimed at providing for liability for violations of the Law on Prohibition of Illegal Work
when cases of illegal work are discovered was drafted and submitted to the Government of the Republic
of Lithuania. The Draft Law defines the features of illegal work, names institutions responsible for
monitoring and control of illegal work, provides for obligations of employers employing third-country
nationals, establishes sanctions and the procedure for application thereof for employers exercising illegal
employment. The Draft Law provides for efficient, relevant and deterrent sanctions.

A Law Amending the Law on European Works Council of the Republic of Lithuania was drafted
and submitted to the Seimas of the Republic of Lithuania. The Law is aimed at implementing Directive
Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings
for the purposes of informing and consulting employees. 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 proposes
enhancing the notions of counselling and information provision, establishing 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.

27 Law Amending the Law on European Works Councils of the Republic of Lithuania (Official Gazette Valstybės žinios,
28 (OJ 2009 L 122, p. 28-44).
In addition, it proposes making 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 enhancing the list of issues to be provided for in the agreement regarding the establishment of the European Works Council as well as strengthening the role and security of employees. 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”.

2.2.1.2. Individual Labour Relations

In 2010, during the implementation of the 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, a more flexible regulation of legal labour relations and creation of the legal basis for employers willing to dismiss employees due to economic reasons without the fault of the latter was introduced by the Law Amending and Supplementing the Labour Code29. This allowed avoiding a too heavy burden on employers when dismissing workers and creating a legal basis for a regulation of labour relations, which would meet employers and employees’ interests and encourage the social dialogue in Lithuania as well as put the principles of flexible work into practice. The Law increases the flexibility of labour relations, encourages the creation of job places, harmonises the regulation of labour relations with the safety assurance at work and the strengthening of employees’ rights. The submitted Law proposes renouncing the prohibition to do overtime work by providing for exceptional cases when the employer may assign overtime work, whereas in other cases he may organise overtime work only upon a written consent of the employee. It allows wider application of summery recording of the working time (summary recording of the working time can be introduced only if a necessity occurs and considering the opinion of employee representatives or in any other cases provided for in the collective agreement) – the maximum working week of 48 hours and the maximum working day (shift) of 12 hours during the accounting four-month period, with the same common requirements for daily/weekly uninterrupted rest. In order to avoid possible abuses, employers are obliged to include the information on the time an employee has worked and the number of overdue hours in the monthly record sheets. The Law also provides for the right to specify in collective agreements the announcement of work schedules at least 1 week before they take effect and establishes that, in the context of summery recording of the working time, work schedules are publicly announced on companies or their subdivisions’ information boards at least one week before these schedules take effect. Moreover, an opportunity to conclude fixed-term employment contracts in newly established work places for a temporary period will be effective until 31 July 2012. In order to prevent abuses, special norms for conclusion of such agreements (“safety measures”) are provided for. These norms specify that such employment agreements will be allowed to

conclude only after this Law comes into effect for employees employed in newly established work places. Work places, which were established after this Law came into effect for the implementation of the same work by eliminating previous work places, shall not be considered as newly established work places. The number of fixed-term employment contracts concluded with employees employed in newly established work places under Paragraph 2 of Article 109 of the Republic of Lithuania in companies, institutions and organisations shall not exceed 50 percent of all work places (positions) of a company, institutions and organisation. Moreover, after this Law comes into effect, such a fixed-term employment contract cannot be concluded with an employee of the same company, institution and organisation with whom the employment contract was terminated under Articles 125 and 129 of the Labour Code. This Law legalises a new institute in labour law, i.e. termination of the implementation of an employment contract as the result of employer's failure to fulfil his obligations (Article 123 of the Labour Code). The employee is provided with a possibility of suspending the performance of the employment contract for up to three months, if the employer fails to fulfil his contractual obligations to the employee or does not pay a full salary for more than two successive months. In such cases, the employer is obliged to pay compensation in the amount not smaller than one minimum monthly wage (LTL 800 per month). The employee who suspends the performance of the employment contract without a valid reason will compensate for the damage done to the employer. When the employee is paid the mentioned above compensation (i.e. compensation benefits related to labour relations), pursuant to the provisions of Articles 7 and 8 of the Law on State Social Insurance of the Republic of Lithuania, state social insurance contributions are paid, therefore, the employee is ensured with all types of the state social insurance for this period. This Law revises the terms of notices, when the employment contract is terminated upon the employee's request. Now it provides for a 14 working days’ notice instead of 14 days’ notice. The analogous 14 working days’ notice is applied in cases when the employment contract is terminated by an employee who becomes eligible for old-age pension while working in the company, institution or organisation. The previous term of notice amounted to 3 days. In addition, the 3 days’ term during the testing period when the employer or the employee has the right to terminate the employment contract after having notified in writing the other party is replaced with the 3 working days’ term. A new type of employment contracts is specified, i.e. a remote employment contract, which is governed by the Resolution of the Government of the Republic of Lithuania30 and the collective agreement. The remote employment contract covers work at home as well as work in other places acceptable for the employee by using information technologies.

Provisions of the Labour Code31 regulating termination of the employment contract when the location of the employer (or his representative) is not known and the employment contract with employees cannot be terminated are revised and the Resolution of the Government of the Republic of Lithuania32 establishing that employees’ requests regarding the termination of labour relations shall be


32 Resolution No. 220 of 23 February 2011 of the Government of the Republic of Lithuania 220 „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 Valstybės žinios, 2011, No. 24-1170).
accepted, publicly announced by the State Labour Inspectorate, which will also provide information on the termination of labour relations, was adopted. 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 not terminated.

The provisions of the Labour Code 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.

Draft Law on Temporary Agency Work as well as draft 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 work were produced. Pursuant to the Draft Law, a temporary working 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 working agency. The Draft Law specifies the user undertaking, 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 the temporary working agency and the user temporary work.

## 2.2.2. Remuneration for work

### 2.2.2.1. Wages and salaries in 2010-2011

As the data of the Department of Statistics of the Republic of Lithuanian indicates, in 2010, the average monthly gross earnings of the national economy (with individual enterprises) amounted to LTL 1,990 and were 3.2 percent lower than in 2009. In the public sector, the average monthly gross earnings amounted to LTL 2,168 and were 5.2 percent lower than in 2009. The private sector (with individual enterprises) had the average monthly gross earnings reaching LTL 1,878, and that is lower than the same indicator of 2009 by 2 percent.

The decrease in wages in 2010 was influenced by the fact that remuneration rates the decisions on which were adopted in the Law of the Republic of Lithuania and resolutions of the Government of the Republic of Lithuania in 2009 were applicable in 2010.

The reductions in 2010 in remuneration rates of politicians, judges, state officials, civil servants and servants of budgetary institutions were agreed upon in the National Agreement, which was signed by the Government of the Republic of Lithuania and the social partners in October 2009.

Seeking to avoid increases in state budget expenses, the Seimas and the Government of the Republic of Lithuania adopted decisions, which prolonged the application term of reduced work remuneration for 2011. The Seimas of the Republic of Lithuania adopted the Republic of Lithuania Law on the Rate of Remuneration

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34 The Draft Law on Temporary Working Agency of the Republic of Lithuania (No. XIP-2782(2)).

35 (OJ 2008 L 327, p. 9).
Basic Salary (Remuneration) of Politicians, Judges, Public Officials and Civil Servants Applicable in the Year 2011\textsuperscript{36}, which establishes the same rate of the basic salary as the rate applicable in 2010\textsuperscript{37} (LTL 450). The Laws prolonging the term of application of reduced basic salary coefficients of state politicians, public officials, judges and civil servants until 31 December 2011\textsuperscript{38} were adopted. The maximum basic salary coefficients, extras and bonuses of heads of budgetary institutions and organisations, heads and deputy heads of structural subdivisions\textsuperscript{39} were decreased in an analogous manner. The issues of remuneration for work of fire-fighters were solved in the same manner. Seeking to reduce the differences in the remuneration rates for fire-fighters working in budgetary institutions and of statutory fire-fighters, the Government established\textsuperscript{40} that as of 1 January 2011, pursuant to the Description of the Procedure drafted (harmonised with the Ministry of Finance and the Ministry of Social Security and Labour) and approved by the Ministry of the Interior, 30-50 percent higher remunerations than those specified in the Agreement shall be applied to fire-fighters of municipalities working as per employment contracts for the actual period of employment while performing fire extinguishing operations, rescue operations of people and property. On 1 April 2010, the application of a new system of remuneration procedure of heads, deputy heads and chief accountants of state enterprises and state controlled limited liability companies\textsuperscript{41} was launched. The system is aimed at making the remuneration of employees of state controlled enterprises more dependent on operational results. On 26 May 2010, a resolution of the Government of the Republic of Lithuania\textsuperscript{42} regarding remuneration of heads, deputy heads and chief accountants of public institutions owned by the state or

\textsuperscript{36} The Republic of Lithuania Law on the Rate of Basic Salary of Politicians, Judges, Public Officials and Civil Servants, Applicable in the Year 2011 (Official Gazette Valstybės žinios 2010, No. 86-4514).

\textsuperscript{37} Republic of Lithuania Law on the Rate of Basic Salary of Politicians, Judges, Public Officials and Civil Servants, Applicable in the Year 2010 (Official Gazette Valstybės žinios 2009, No. 147-6558).


\textsuperscript{42} Resolution No. 598 of 26 May 2010 of the Government of the Republic of Lithuania on the Remuneration of Heads, Deputy Heads and Chief Accountants of Public Institutions Owned by the State or the Institutions the Majority of Votes of Which at the General Shareholders’ Meeting Belongs to the State (Official Gazette Valstybės žinios, No. 62-3035).
the institutions the majority of votes of which at the general shareholders’ meeting belongs to the state was adopted. The resolution is aimed at creating a more transparent system of remuneration related to operational results of managing employees, the application of which was launched in July 2010.

2.2.2.2. Wage Guarantees for Employees of Undertakings in Bankruptcy or Bankrupt Undertakings

Seeking to optimise the management of enterprise bankruptcy and administration activities of the Guarantee Fund and to expedite the procedures for employees of insolvent companies or companies in bankruptcies to receive payments from the Guarantee Fund, it was decided to delegate the administration of the Guarantee Fund to the Enterprise Bankruptcy Management Department under the Ministry of Economy.

Over the period from January to August 2010, the Council of the Guarantee Fund awarded 15,341 employees of 812 enterprises in bankruptcy and bankrupt enterprises with payments from the Guarantee Fund amounting to LTL 46,200,000. The average payment to one employee totalled LTL 3,012.

2.2.3. COMPLIANCE WITH LABOUR LAWS

Over 2010, the State Labour Inspectorate under the Ministry of Social Security and Labour (hereinafter referred to as the State Labour Inspectorate) performed 9,287 inspections out for compliance with labour laws (11,981 inspections in 2009). A total of 5,266 cases of discovered infringements of labour legal acts and requests to eliminate these infringements were registered in 2010 (6,600 – in 2008 and 7,039 in 2009). The requests submitted in 2010 indicated 13,931 infringements of labour laws (18,001 in 2008, and 18,788 – in 2009).

Over 2010, 5,036 breaches of the procedures for conclusions, implementation and termination of employment contracts were discovered. A total of 4,848 infringements related to the regulation of working time and rest time were discovered, and 3,351 work remuneration infringements as well as 696 other infringements of labour laws were identified. The majority of such infringements (2,020) were observed in small enterprises with the number of employees ranging from 10 to 49. The data about infringements of the laws in 2010 according to the size of enterprises is presented in Figure 2.2.3-1.

Infringements of labour laws in 2010 according to the size of companies

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. Since 2007, the number of such infringements discovered by the State Labour Inspectorate did not increase. In 2010, this number dropped down and became even lower than that registered in 2007: 5,857 infringements in 2007, 6,545 – in 2008, 6,994 – in 2009, and 5,036 in 2010. In 2010, the number of remuneration infringements also decreased and reached the amount of 3,351 infringements, if compared to 2009, when this indicator was 4,798 infringements. The data about the character of infringements of labour laws discovered in 2006-2010 is presented in Fig. 2.2.3-2.
Character and number of labour infringements in 2006-2010

Data of the State Labour Inspectorate

**Illegal Work**

The summarized data for 2010 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 (5,180). In 2010, the State Labour Inspectorate discovered 623 illegally employed persons, and that is 17 percent more than in 2009 (531). In 2010, within the framework of prevention and control over illegal work, the State Labour Inspectorate carried out 1,720 inspections for illegal work. The inspections revealed 854 illegal workers, including 11 persons under age of 18 and 21 foreigners. Over 12 month of 2010, the Inspectorate drew up 252 records of administrative offences in respect of 477 illegal workers under Article 41-3 (Illegal Work) of the Code of Administrative Offences. The number of illegally employed workers discovered in 2006-2010 is presented in Figure 2.2.3-3.
The analysis of the data of the State Labour Inspectorate on the number of illegal workers identified in 2010 according to economy sectors reveals that the largest number of cases of illegal work was identified in the following economic activity sectors: construction – 30.33 percent, agriculture – 9.60 percent, wholesale/retail trade – 8.78 percent, hotels, restaurants – 7.14 percent. The following economy sectors remained the sectors of the highest risk: construction, agriculture, wholesale and retail trade, hotels and restaurants.

It is noteworthy that compared with 2009, there was a decline in the number of identified illegal workers in such sectors as construction (34.38 percent in 2009, 30.33 percent – in 2010), timber and wood manufacturing (7.40 percent in 2009, 5.62 percent – in 2010). The number of illegal workers considerably increased in agriculture – from 5.62 percent in 2009 to 9.60 percent in 2010, apparel manufacture – from 2.47 percent in 2009 to 4.68 percent in 2010. In other sectors there was a slight change in indicators of the cases of illegal work.

The majority of illegally employed persons were identified in enterprises (65.57 percent). 26.11 percent were employed by natural persons and 8.31 percent worked for farmers.

In 2010, the number of cases of identification of persons illegally employed by natural persons or farmers increased (33 percent more than in 2009).
Control of illegal work in 2011

Over the first five months of 2011, within the framework of prevention and control over illegal work, the State Labour Inspectorate carried out 1,589 inspections for illegal work. The inspections revealed 736 illegal workers in relation of which employers were issued 200 records of administrative offences regarding 341 persons in accordance with Article 41 of the Code of Administrative Law Violations (Illegal Work). The State Labour Inspectorate submitted 151 notifications to other state control institutions (State Tax Inspectorate, Financial Crime Investigation Service, etc) on suspicions regarding illegal activities. As of May, the number of inspectors of the State Labour Inspectorate exercising control of illegal work has been increased by 4-5 times. A total of 50-60 inspectors in 25-30 work groups perform control of illegal work. After the control of illegal work has been enhanced, i.e. with inspectors of the State Labour Inspectorate performing inspections after work as well as in the weekends, the number of cases of identification of illegal workers over the first five months of this year increased two-fold if compared to the same period in 2010 (361). Inspectors also issued twice as many records of administrative law offences to employers illegally employing workers as in the same period in 2010 (96).

The analysis of the number of illegal workers identified over the first 5 months of 2011 according to economic activity sector reveals that the largest number of cases of illegal work was identified in the following economic activity sectors: construction – 25 percent, wholesale (retail) trade – 12 percent, other – 9.90 percent, other community, social and individual services – 10 percent, forestry – 7 percent, accommodation and catering industries – 7 percent, agriculture – 6 percent.

The State Labour Inspectorate is planning to establish mobile groups in the major divisions (Vilnius, Kaunas, Šiauliai and Panevėžys territorial divisions), which will perform prevention of illegal work in and outside their county. After the establishment of specialised mobile groups which will control issues which are not related only to illegal work, other inspectors will not be put aside of other functions within the competence of the State Labour Inspectorate, and this will allow implementing all aims and objectives of the State Labour Inspectorate.
2.3. WORKING ENVIRONMENT

2.3.1. SAFETY AND HEALTH AT WORK

Safety and health at work means all preventive measures intended for the preservation of functional capacity, life and health of workers at work, which are applied or planned in all stages of work of an undertaking in order to protect the workers from occupational risks or to minimise this risk\textsuperscript{44}. The national status of safety and health at work for 2010, the improvement of legal acts in the field of labour policy in 2010-2011 as well as the measures implemented in 2010 in order to improve health and safety at work are described below.

2.3.1.1. Safety and Health at Work in Enterprises in 2010

According to the data of the State Labour Inspectorate of the Republic of Lithuania, in 2010, labour inspectors performed almost 9,000 inspections of health and safety at work. Violations of regulatory acts governing safety and health at work were identified in 62 percent of all the inspections, and violators were requested to eliminate these violations.

As result of non-conformity to requirements of regulatory acts governing safety and health at work, the inspected companies experienced the suspension of works in 404 cases in more than 1,000 of work places, prohibition to use work equipment in 456 cases and personal protective equipment in 17 cases.

If compared to 2009, in 2010, inspectors of the State Labour Inspectorate performed 2,000 less inspections of safety and health at work in enterprises. According to the data of the State Labour Inspectorate, the condition of safety and health at work in companies in 2010 was better than in 2009 and 2008: In 2009, violations of regulatory acts governing safety and health at work were identified in 67 percent of the inspected companies, and in 2008 – in 72 percent of the inspected companies.

Accidents at Work

In 2010, Lithuanian enterprises experienced 2,335 accidents at work directly related to work activities (hereinafter – accidents at work), out of which:

- 49 fatal accidents at work
- 126 serious accidents at work
- 2,160 minor accidents at work.

183.5 accidents at work fell per 100,000 workers, out of which 4.2 accidents at work were fatal and 10.7 were serious.

In 2010, the majority of fatal accidents at work occurred in enterprises operating in such fields of economy as agriculture, forestry and fishery (27 percent), transport, storage and communication (22 percent), processing industries (18 percent). The majority of serious accidents at work took place in and construction enterprises (26 percent), transport, storage and communication enterprises (20 percent)

\textsuperscript{44} The Republic of Lithuania Law on Safety and Health at Work (Official Gazette \textit{Valstybės žinios} 2003, No. 70-3170).
and processing enterprises (18 percent). In 2009, the majority of fatal and serious accidents at work occurred in enterprises involved in such economic activities as transport, storage and communication and processing industries as well as in construction enterprises. 65 percent of fatal and 75 percent of serious as well as 53 percent of minor accidents at work occurred to workers with working experience less than a year.

The majority of fatal accidents at work in 2010 were caused by transport means (20 percent), falls from height and falls into depth (10 percent) and falls of items, cargoes (10 percent). The majority of serious accidents at work were caused by falls from height and falls into depth (24 percent), road transport means (15 percent) and falls caused by other factors (9 percent). The key factors of injuries at work in 2009 were the same as in 2010: fatal accidents at work – road transport means, falls of items and cargoes; serious accidents at work – falls from height and other falls.

In 2010, the major share of fatal and serious accidents at work (39 and 34 percent respectively) took place in small enterprises (10-49 employees), and minor accidents at work were experienced by 40 percent of medium companies (50-249 employees). In 2007-2009, the majority of fatal accidents at work (about 39 percent) took place in small enterprises (10-49 workers), serious accidents at work (39-47 percent) – in medium enterprises (50-249 workers). The number of minor accidents at work was equal (40 percent each) in medium enterprises and large enterprises (500 and more workers).

While analysing the dynamics of serious and fatal accidents at work in 2005-2010 (see Figure 2.3.1.1-1), it was established that the number of fatal accidents at work per 100,000 workers was the highest in 2005 (9.6). In 2006-2009, this indicator dropped down to 4.2, and in 2010, it remained at the same level. 2006 saw the highest number of serious accidents at work per 100,000 workers (17.8), whereas in 2007-2009, this number dropped down to 9.2, and in 2010, it grew to 10.7.

The number of fatal and serious accidents at work per 100,000 workers in 2005-2010

Data of the State Labour Inspectorate
**Occupational diseases**

In 2010, the State Register of Occupational Diseases registered 472 cases of professional diseases among 313 persons. Men were diagnosed with 81 percent and women with 19 percent of all cases of diseases. 85 percent of occupational diseases were diagnosed to persons aged 50 years and more.

In 2009, a total of 846 cases of occupational diseases among 570 persons were registered. 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 2006–2010 decreased from 1,447 to 472. The number of people diagnosed with occupational diseases was decreasing respectively.

**The number of occupational diseases and the number of persons diagnosed with these occupational diseases in 2006-2010**

![Graph showing the number of occupational diseases and the number of persons diagnosed with these diseases from 2006 to 2010.](image)

**Data of the State Register of Occupational Diseases**

In 2010, the following occupational diseases prevailed in the register:
- Diseases pertaining to connective tissues and skeletal-muscular system (49 percent)
- Ear diseases (26 percent)
- Nervous system diseases (20 percent)

In 2009, these numbers were 47, 31 and 19 percent respectively.

As in the previous year, in 2010, the registered occupational diseases were mostly caused by physical factors, i.e. noise and vibration, (70 percent). 53 percent of occupational diseases were diagnosed to workers working for 31-40 years in a row. 62 percent of occupational diseases were diagnosed to operators and assemblers of equipment and machines, 24 percent – to qualified workers and craftsmen. In 2010, as in 2009, the majority of occupational diseases were diagnosed to workers of processing and construction industries (30 percent each).
2.3.1.2. Improvement of the legal framework in 2010-2011

In order to decrease the administrative burden imposed on business and facilitate business commencement procedures and taking into consideration the application practice of the current Law on Safety and Health at Work, the Law Amending Articles 25, 27 and 30 of the Law on Safety and Health at Work\(^45\) was adopted. After this Law came into effect on 1 March 2011, heads of companies do not have to report to the State Labour Inspectorate about commencement of operational activities of a company and its branches. The State Labour Inspectorate receives data about legal persons from the Register of Legal Entities, and inspectors of the State Labour Inspectorate participate in the work of the commission declaring constructions eligible for use. The Government of the Republic of Lithuania or an institution authorised by the Government does not establish competence requirements for companies providing services of trainings of workers in the field of safety and health at work. These institutions have to comply with the requirements established for providers of services of vocational training in the Law on Vocational Training of the Republic of Lithuania. The provision regarding the actions of employers while ensuring safety and health at work when two or more employers organise work in the same work place or workplaces was revised. In order to create conditions for safe implementation of hazardous works, the Law was supplemented with a provision that training, knowledge testing and procedures for the implementation of safe work of workers implementing hazardous works is governed by the laws as well as by other legal acts.

Taking into consideration the provision of Paragraph 16 of the Description of the Procedure for Drafting and Legitimising of Programmes of Formal Vocational Training\(^46\) stipulating that a programme aimed at the acquisition of a competence necessary for the implementation of a legally regulated work or function is developed in compliance with the procedure of the ministry governing the given field and the requirements established in this paragraph and bearing in mind the fact that the field of safety and health at work is coordinated by the Ministry of Social Security and Labour, a Description of the Procedure for Drafting and Legitimising Programmes in the Field of Health and Safety at Work\(^47\) was approved. This description obliges the State Labour Inspectorate to organise the development, renewal (amendment) and assessment of training programmes in the field of health and safety at work. The current health and safety at work training programmes can be applied only until 1 January 2013.

In order to solve practical problems with regard to the fact that, pursuant to the current legal acts, persons rescuing drowning persons, do not undergo obligatory training until they start working, and institutions organising the work of these persons can employ untrained persons who do not have any practical skills necessary for the implementation of the above functions, the List of Hazardous Works\(^48\) was supplemented by including the rescue of drowning persons. Persons rescuing drowning persons have a responsible and dangerous work. A rescuer must know and be able to rescue a drowning

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person as well as to avoid danger while rescuing a drowning person. These persons must also be trained how to render first aid to a rescued person. After the list of dangerous works is supplemented with persons rescuing drowning persons, only persons specially trained for this work in a training institution according to the Programme of Training of Swimmers and having a certificate confirming their right to work as a swimmer rescuer can work as rescuers.

In implementing Paragraph 3 of Article 12 of the Law on Safety and Health at Work, which stipulates that persons appointed by an employer, specialists of health and safety at work of a legal entity or natural persons performing functions or part of functions of a health and safety at work service, must meet qualification requirements established by the minister of social security and labour, the Description of Qualification Requirements for Specialists of Health and Safety at Work was approved. The description establishes the following: persons eligible to work as specialists of safety and health at work as well as their knowledge and skills; persons developing the content and scope of training programmes as well as the procedure for assessment of knowledge and skills; the procedure for the issue of the certificate confirming a safety and health at work specialist's knowledge and skills necessary for work in enterprises operating in a specific field of economic activities; and the procedure for qualification improvement.

In implementing Paragraph 12 of Article 7 of the Law on Safety and Health at Work of the Republic of Lithuania, which stipulates that legal and natural persons, who perform functions or part of functions of services of safety and health at work as per agreements with employers, pursuant to the procedure established by the minister of social security and labour, annually submit information to the State Labour Inspectorate about employers to whom they have rendered services of safety and health at work, and the number of specialists of safety and health at work who perform functions or part of functions of services of safety and health at work, the Description of the Procedure for Submission of Information by Legal and Natural Persons Who Perform Functions or Part of Functions of Services of Safety and Health at Work as per Agreements with Employers was approved. This description establishes the Form of Information Submitted by a Legal Entity and the Form of Information Submitted by a Natural Person.

With a view to harmonising the provisions of the Competence Requirements for Institutions Investigating Risk Factors with Directive 2006/123/EC of the European Parliament and of the Council of 20 December 2006 on service in the internal market, the Description of Competence Requirements for Institutions Investigating Risk Factors was approved. The description revokes attestation certificates for investigation of risk factors by institutions, and, pursuant to the provisions on services quality established in the directive, seeks to encourage professional risk assessment institutions to take independent measures of the quality assurance of services they provide. The description specifies that a legal entity, investigating professional risk factors, must obtain a valid Attestation Certificate for Risk Factor Investigation for the investigation of specific professional risk factors, or this entity must

51 OJ 2006 L 376, p. 36
be accredited for the investigation of specific professional risk factors, or this entity must meet the requirements established in this description.

Considering the fact that the position of the county governor and the administration of the county governor were eliminated on 1 July 2010 and the functions formerly performed by county governors were redistributed, the Procedure for Formation of County and Municipal Commissions on Safety and Health at Work\(^3\) was revised. It was established that representatives of institutions and authorities to county and municipal commissions on safety and health at work will be appointed by the chief state labour inspector of the Republic of Lithuania. He will appoint two representatives of county inspection divisions. The director of the State Public Health Service under the Ministry of Health will appoint one representative of a county public health care institution.

2.3.1.3. Implementation of Strategy for Safety and Health at Work for 2009-2012

The aim of the Strategy for Safety and Health at Work for 2009-2012\(^4\) is to reduce the number of accidents at work by improving the legal and organisational system of safety and health at work, which ensures the quality of work and retention of working capacity.

The 2009-2010 Plan of Measures for the Implementation of the Strategy of Safety and Health at Work for 2009-2012 in 2010 specifies the following:

– With a view to developing the research of accidents at work and prevention of occupational diseases in the filed of safety and health at work, small and medium enterprises were questioned with regard to their possibilities of renewing potentially hazardous equipment, and it was established that at present, in the context of the economic crisis, enterprises do not have financial possibilities for renewing their potentially hazardous equipment. However, it would be expedient to reconsider this issue with the economy recovering. With regard to the above, an analytic study “Problems of Diagnosis of Occupational Diseases in Lithuania” was conducted, and “Recommendations for Managing Psychological Violence at Work” were drafted.

– With a view to constantly educating and training employers and workers on possible occupational risk factors as well as on issues related to their identification, effect and consequences, especially in small and medium enterprises, recommendations for employers on how to organise a day of initiatives of safety at work were drafted and projects of a leaflet “Obligations of an Employer While Creating Safe and Health-Friendly Working Conditions in a Small and Medium Enterprise” were developed; concerned institutions were provided with information on safe transport operation; preventive videos “Napo” produced by the European Agency for Safety and Health at Work were distributed; seminars on issues of health and safety at work were organised for employers, specialists of health and safety at work, representatives of social partner organisations; a training programme was developed and a methodological training material “Assurance of Health and Safety at Work for Agricultural Workers” was published; trainings were organised in compliance with the above programme.


– With a view to creating an effective health and safety system for employers and employees, the State Labour Inspectorate forwarded information on the condition of safety and health at work in national enterprises and organisations to confederations of employers and employees via electronic means of communication, announced it in mass media and the Internet website of the State Labour Inspectorate. It also has drafted recommendations “Documentation and Investigation of Minor Accidents at Work”.

– With a view to increasing the prevention efficiency of health at work, the following publications were prepared: “Main Occupational Health Care Services” (policy, mission, system and recommendations of occupational health care services are described), and “The Role of Occupational Health Physicians in Health Care at Work”; the Description of the Programme for Professional Improvement of Occupational Health Care Specialists55 was produced; qualification improvement courses for occupational health care specialists were organised.

– With a view to implementing training projects of workers performing hazardous works, developing employers’ abilities to safely organise hazardous works and employees’ abilities to perform hazardous works in a safe manner, Instructions for Slingers and Crane Operators were produced; seminars on the safe use and maintenance of potentially hazardous equipment and training of workers for owners of equipment and inspectors of the State Labour Inspectorate were organised.

– With a view to further implementing the Strategy for Health and Safety at Work for 2009-2012, the Plan of Measures for 2011-2012 for the Implementation of the Strategy for Health and Safety at Work for 2009-201256 was approved. The plan provides for further improvement of legal measures ensuring the retention of health and safety at work. It also provides for measures aimed at improving the system of training, education, attestation and information as well as instructing workers on issues of health and safety at work; measures aimed at increasing the efficiency of prevention measures of health and safety at work and measures aimed at improving the safety of workers involved in hazardous works.

### 2.3.1.4. Conclusions

In 2010, labour inspectors discovered infringements of regulatory acts governing safety and health at work in 62 percent of the inspected companies. If compared with 2008 and 2009, the number of infringements in enterprises decreased. In 2009, infringements were discovered in 67 percent of inspected enterprises, and in 2008 – in 72 percent of inspected enterprises. The condition of safety and health at work in enterprises in 2010 is better than in 2009 and 2008.

In 2010, a total of 183.5 accidents at work fell per 100,000 workers, out of which 4.2 accidents at work were fatal and 10.7 were serious. In 2005-2010, the lowest number of serious and fatal accidents at work per 100,000 workers was recorded in 2009. In 2010, the number of serious accidents at work slightly increased. In 2009, the majority of fatal accidents at work occurred in enterprises occupied with such economic activities as agriculture, forestry and fishery, transport, storage and communication, and processing industries. The majority of serious accidents at work were recorded in construction enterprises as well as enterprises operating in the field of transport, storage and communication, and processing. The majority of people were injured by transport means, falls from heights of people and


items as well as falls of cargoes. Two thirds of accidents at works occurred to workers with working experience less than one year.

The number of occupational diseases registered in the country has been decreasing since 2007. In 2010, if compared to 2006, the number of occupational diseases as well as the number of persons diagnosed with professional diseases decreased threefold. The structure of occupational diseases is similar to the structure of 2009. Almost half of occupational diseases diagnosed in 2010 pertained to connective tissues and skeletal-muscular system. Ear diseases constituted a quarter of all the registered occupational diseases, nervous system diseases – a fifth of all diseases. 70 percent of occupational diseases were caused by physical factors (noise and vibration).

In the second half of 2010 and the first half of 2011, regulatory acts implementing the Law on Health and Safety at Work were drafted, regulatory acts were improved in order to decrease the administrative burden on business and solve practical problems.

The Strategy of Occupational Safety and Health for 2009-2012 was under implementation in 2010. With a view to decreasing the number of accidents at work and ensuring the quality of employees’ work and the preservation of their capacity for work, the legislation and organisational system of safety and health at work was improved and workers were trained on issues related to safety and health at work.
2.3.2. TECHNICAL SAFETY

2.3.2.1. Safety at Work with Potentially Hazardous Equipment

Monitoring of technical safety of potentially hazardous equipment and other work equipment is one of the integral parts of the prevention of accidents at work. In order to avoid accidents while working with potentially hazardous equipment, a great deal of attention in 2010-2011 was paid to the inspection quality of the technical state of this equipment and the licensing of legal persons providing services of constant technical supervision of this equipment.

After amendments to provisions of the Law on Monitoring Potentially Hazardous Equipment of the Republic of Lithuania were introduced (according to Directive 2006/123/EC of the European Union and of the Council of 12 December 2006 on services in the internal market), discriminative legal provisions were eliminated and equal business and competition conditions for foreign suppliers were ensured. These changes of the legislation provided Lithuania with possibilities of establishing two new institutions in charge of monitoring technical condition of equipment: “Inspecta”, UAB the founders and shareholders of which are a group of international companies Inspecta Group, and Lithuanian Germany Joint Stock Company TUVLITA Technical Control Office Service of the Lithuanian and German private company TUVLITA. In pursuance to Order No. A3-146 of 11 November 2010 of the Chancellor of the Ministry of Social Security and Labour, these accredited control institutions were granted the authorisations to inspect the technical state of tanks with hazardous substances, elevators, cableway installations designed to carry people, escalators, lifting equipment and recreational equipment.

At present, experts of 4 Lithuanian institutions authorised to perform inspections of the technical state of equipment perform 33,230 inspections of potentially hazardous equipment registered in the state register of potentially hazardous equipment.

Activity indicators of institutions authorised to perform inspections of technical condition of equipment are presented in Figure 2.3.2.1-1.

Activity indicators of authorised institutions

Data of the Ministry of Social Security and Labour

Figure 2.3.2.1-1
Taking into consideration the fact that the newly established institutions operated only for one month in 2010, the average number of inspections performed in this months by each institution are presented (Figure 2.3.2.1-2).

![Number of inspections performed by experts of authorised institutions in one month period](image)

Data of the Ministry of Social Security and Labour Figure 2.3.2.1-2

The inspection of different potentially hazardous equipment depends on the type of equipment, its construction, indicators under inspection and the number of performed procedures, therefore, the above indicators cannot be considered as objective indicators for the evaluation of the pace and quality of experts’ work. Apart from their main tasks, i.e. inspections of the technical state of equipment, the authorised institutions, operating as notified conformity assessment bodies, perform the assessment of conformity of lifts, lifting equipment, pressure vessels to requirements of technical regulations and sustainable standards. In 2010, the Technical Supervision Service evaluated the conformity of 36 lifts, 47 pressure vessels and 1 lifting device, the public institution Service on Supervision of the elevating gears, when inspecting the conformity of lifts to requirements of Annex X (G module) of the Technical Regulation “Lifts”, issued 5 certificates of conformity of lifts, and, and pursuant to Annex VI (Final Inspection) of the above regulation, 38 lifts conformity certificates of the final inspection.

The Technical Supervision Service, UAB “TUVLITA” Technical Control Office and “Inspecta”, UAB operate as accredited workers’ certification institutions and perform inspection of qualifications of welders, welding operators and solderers and issue relevant qualification confirmation certificates according to standards LST EN 287-1, LST EN 1418:1999 and LST EN 13133. One of the quality indicators of the authorised institutions is the absence of claims and appeals of equipment owners. Annual reports of the authorised institutions provide no information on the receipt of claims and appeals regarding improper technical inspections.

In continuation of licensing of legal persons rendering services of constant supervision of equipment launched on 1 July 2008, 13 licences were issued to various legal persons in 2010 and in the first half of 2011: 7 – for the constant supervision of lifts, 6 – for the constant supervision of lifting
equipment and 2 – for the constant supervision of escalators. The majority of licences grant the right to render constant services of supervision of potentially hazardous equipment of several groups. As the result of companies’ reorganisations and bankruptcies, licences of 4 legal persons were revoked.

The monitoring of licensed legal persons rendering services of constant supervision of potentially hazardous equipment was delegated to the State Labour Inspectorate, which, in 2010, while performing the target inspection “Monitoring of the Supervision of Lifts Performed by Licensed Companies Implementing Constant Supervision of Lifts” inspected 13 companies with licences to constant supervision of lifts. While performing the inspection, labour inspectors of the State Labour Inspectorate inspected 215 lifts under the supervision of the above companies and issued 81 requirements for the elimination of defined violations of requirements stipulated in “The Rules for the Use of Lifts”. This year, the State Labour Inspectorate has assumed an obligation to inspect activities of 48 licensed companies and submit information to the Ministry of Social Security and Labour.

In 2010, the number of potentially hazardous equipment registered in the State Register of Potentially Hazardous Equipment and acquired by Lithuanian legal and natural persons slightly increased, if compared to the previous year (the recording of potentially hazardous equipment was launched after the establishment of the register). In 2010, this number amounted to 956 items, whereas in 2009, this number totalled 2,520 items. The changes in the numbers of potentially hazardous equipment in 2008-2010 are presented in Table 2.3.2.1-1.

<table>
<thead>
<tr>
<th>Potentially Hazardous Equipment Registered in the Register of Potentially Hazardous Equipment in 2008-2010</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2008</strong></td>
</tr>
<tr>
<td>Recreational equipment</td>
</tr>
<tr>
<td>Gas combustible devices</td>
</tr>
<tr>
<td>Escalators</td>
</tr>
<tr>
<td>Boilers</td>
</tr>
<tr>
<td>Lifting equipment</td>
</tr>
<tr>
<td>Lifts</td>
</tr>
<tr>
<td>Cableway installations</td>
</tr>
<tr>
<td>Pressure vessels</td>
</tr>
<tr>
<td>Tanks</td>
</tr>
<tr>
<td>Pipelines</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Data of the State Register of Potentially Hazardous Equipment

A great many of factors, such as slow increase in the number of potentially hazardous equipment, licensing of legal persons rendering services of constant supervision of potentially hazardous equipment, qualitative and responsible inspections of technical state of equipment performed by experts of authorised
institutions and enhanced attention and monitoring of the State Labour Inspectorate contributed to the decrease in the number of accidents at work when working with potentially hazardous equipment. The data on accidents at work for the last five years is presented in Figure 2.3.2.1-3

Serious and fatal accidents at work in 2006–2010 while working with potentially hazardous equipment

Data of the State Labour Inspectorate

In 2010, as in 2009, none of workers working with potentially hazardous equipment died, although, the number of serious accidents at work grew from 3 cases in 2009 to 6 in 2010. 4 serious accidents took place while working with lifting equipment, 1 with tanks and 1 with lifts. These serious accidents were usually caused by organisational factors: improper operation of equipment, non-compliance with operation procedures, insufficient supervision while working with these equipment and repairing them. One serious accident while working with lifting equipment was partially caused by a technical reason: the lifting mechanism of the auto telescopic boom hoist, which was produced in 1987, went out of order, and the lifting platform suddenly came down. The worker standing on the lifting platform fell of it and suffered a severe injury. The commission of experts investigating this accident established that the accident was caused by the failure of the tracking system rod of the boom extension mechanism and uncontrolled extension of the boom. Owners of telescopic boom hoists, which were produced more than 15 year ago, were informed about the accident.

The drafting of legal acts regulating the supervision of potentially hazardous equipment was further continued. In 2010, the Rules for the Use of Lifting Cranes\(^\text{57}\) were drafted and approved, and, this year, it is planned to draft and approve the rules for the use of the following potentially hazardous equipment: mobile elevating work platforms, vehicle mounted hanging and stationary platform equipment, recreational equipment (amusement parks) and ferries wheels.

In the context of the economic crisis, owners of equipment do not have financial possibilities for renewing hazardous equipment, replacing old equipment with new models or performing modifications. A total of 2,868 lifts out of 7,000 lifts currently operating in Lithuania (i.e. 42 percent of all passenger lifts) were manufactured more than 25 years ago. Over the operation period mechanism of a lift wears out, and constructional materials suffer from the process of ageing. The Rules for the Use of Lifts stipulate that identification of threats and risk assessments of such lifts must be performed in accordance with recommendations of Standard LST EN 81-80 “Safety Rules for the Construction and Installation of Lifts. Existing lifts Part 80. Rules for the Improvement of Safety of existing passenger and goods passenger lifts”. Companies licensed to perform inspections of lifts submitted reports evidencing that the risk assessment of over 1,430 elevators, which were produced more than 25 years ago, was performed. However, the analysis of the risk assessment reports revealed that not all risk assessments achieved the established goal, i.e. to clearly define hazards and risks and provide measures for improvement of the safety level of lifts. Therefore, is foreseen to draft lift risk assessment recommendations for licensed companies and to arrange a cycle of seminars on issues of organisation of supervision of lifts, safety improvement and renewal of lifts for the owners of lifts in major Lithuanian cities.

In 2010-2011, an information campaign “Healthy Workplaces. Good for You. Good for Business” organised by the European Agency for Safety and Health at Work for safe technical supervision is being implemented. During the campaign, in 2010, the State Labour Inspectorate organised 2 cycles of seminars together with thematic consultations “Safe Technical Supervision” for employers and their representatives in 5 major cities of Lithuania: Vilnius, Kaunas, Klaipėda, Šiauliai and Panevėžys. The topic of the spring cycle of seminars was “Technical Supervision of Lifts and Lifting Equipment”, and the autumn cycle was concerned with “Technical Supervision of Wood Processing and Furniture Manufacture Equipment” (a total of 10 seminars). Specialists of the Ministry of Social Security and Labour and experts of the institutions authorised to perform inspections of technical state actively participated in the seminars and delivered speeches. In 2011, a cycle of seminars “Safe Technical Maintenance” was organised in 5 major cities of Lithuania. The cycle of seminars was aimed at the safe implementation of loading works and the use of cranes manipulators.

2.2.5.2. Free movement of goods

While performing the organisation of market surveillance of goods within the competence of the Ministry of Social Security and Labour (machinery, personal protective equipment, lifts, cableway installations, lifting equipment) and implementing the requirements of two regulations and a resolution of the European Union legislative package aimed at the regulation of the internal market of the European Unions (New Legislative Framework), specialists of the State Non Food Products Inspectorate under the Ministry of Economy and the State Labour Inspectorate performed inspections of conformity of the following goods to essential safety and health requirements established in technical regulations. In 2010, three target programmes of inspection of safety of goods were implemented:

- inspection of helmet safety for cyclers, skateboarders and skaters (PROSAFE EMARS II project);
- inspection of visible waistcoats and reflectors;
- inspection of machinery emitting noise outdoors.

In 2010, a project of safety of goods of the European Union Member States “Joint Market Surveillance Action on Helmets” was implemented. This project seeks to ensure that only safe helmets (for alpine skiers and snowboarders, horse riding helmets, etc) are placed on the EU market and that they comply with all safety requirements specified in legal acts. In pursuance of the above aim, 22 types of helmets were inspected. Two of these types were sent to a testing laboratory in Sweden (helmets for cyclers PROVEL X (the country of origin – Taiwan) and cycling helmets for children W-1A (country of origin – China). After all the testing, it was established that helmets of these types complied with all safety requirements of Standard EN 1078. All EU Member States submitted 40 helmets of various types for testing. 18 of these helmets did not meet standard requirements.

In the second half of 2010, conformity inspections of reflectors and protective waistcoats placed on the market were performed. 4 types of reflectors manufactured in China and Estonia were selected for testing. The results of the testing performed according to LST EN 13356 “Visibility Accessories for Non-Professional Use. Test Methods and Requirements” revealed that the coefficient of retro reflection of reflectors RV-203 (manufactured in China) did not comply with the requirement established in the standard. In IV Quarter, 8 additional types of reflectors and warning waistcoats were selected and submitted to the testing laboratory in order to assess the compliance with safety requirements. The testing revealed that the coefficient of regressive reflection of the protective waistcoat “Elio securite” (produced in China), hanging reflector “Vaiduokliukas” (produced in China) and hanging reflector b/k 2000128318733 (produced in Lithuania) was lower than the coefficient specified in standard safety requirements.

In the course of the implementation of a target programme “Inspection of Machinery Emitting Noise outdoors” in 2010, a total of 16 inspections were performed, during which 86 machinery and devices were selected and 8 templates of machinery emitted noise outdoors were completed.

**Personal Protective Equipment.** Over 2010, 116 PPE inspections were performed. In 2009, the number of inspections totalled 130 inspections. The violations of the requirements of the Technical Regulation **Personal Protective Equipment** were identified during 69 inspections, what makes 59.5 percent of all inspections (in 2009 – 44.6 percent). Primary inspections were performed in 97 enterprises, out of which 59 enterprises (60.8 percent) violated the regulations. Repeated inspections were performed in 18 companies, and violations were identified in 10 enterprises.

**Machinery** In 2010, in the course of the implementation of market surveillance of machinery, 206 inspections were performed. In 2009, this indicator reached a total of 195 inspections. Violations of the Technical Regulation **Machinery Safety** were identified during 86 inspections (41.8 percent of all the violations). In 2009, 73 inspections (37.4 percent of all inspections) revealed violations. The inspection revealed one hazardous product – portable chain saw BEBRAS, manufacturer – Zhejiang Zomax Garden Machinery Co. Ltd., China. The testing of this chainsaw was performed by the State Machinery Test Station, and it was established that the saw did not conform to the requirements of Paragraph 5.13.2 of Standard LST EN ISO 11681-1:2004 “Machinery for Forestry. Portable chain saw safety requirements and testing” and Paragraph 7 of the Technical Regulation **Machinery Safety** and Annex I “Essential Health and Safety Requirements” of the above regulation, therefore, the product was classified as hazardous.

The Enterprise and Industry Department of the European Commission drafted a Guide to Application of the Machinery Directive, which is aimed for manufacturers of the machinery, importers and distributors, notified bodies, institutions of health and safety at work, consumer right protection authorities and national administrations as well as market surveillance institutions. The Lithuanian version of the guide, the main aim of which is to clarify definitions and requirements of Directive 2006/42/EC for it to be equally interpreted and applied in all Member States of the European Union is available on the websites of the Ministry of Social Security and Labour and the State Labour Inspectorate.

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59 http://www.socmin.lt/index.php?-570017198

60 http://www.vdi.lt/index.php?1509781849
3.1. SUPPORT FROM THE EUROPEAN UNION STRUCTURAL FUNDS


The following objectives were pursued in the course of the implementation of Priority 1 “High Quality Employment and Social Inclusion” of the Operational Programme for the Development of Human Resources: to increase the adaptability of employees and enterprises to the market needs; to promote population employment and participation in the labour market; to enhance social inclusion.

With the financing of the development of human resources, the infrastructure of the labour market and social services was also financed. To that end, the funds allocated for the implementation of Priority 2 “Quality and Accessibility of Public Services: Health Care, Education and Social Infrastructure” of 2007–2013 Operational Programme for the Promotion of Cohesion were used. The main objectives of Priority 2 of the Operational Programme for the Promotion of Cohesion are to encourage better social integration of persons at social risk and socially excluded persons and their family members into the labour market and ensure the availability and quality of social services.

The administration of 20 measures of the Operational Programme for the Development of Human Resources and the Operational Programme for the Promotion of Cohesion was implemented by the Ministry of Social Security and Labour. A total of LTL 1.726 billion was allocated for the implementation of the above measures during the financing period 2007-2013 from the European Structural Funds.
In 2010–2011, the measures were implemented pursuant to the “Plan of Measures of the Operational Programmes for the Development of Human Resources and Promotion of Cohesion” approved in February 2010 by the Minister of Social Security and Labour. The plan was revised in April 2010 and March 2011 with regard to the situation in the labour market and the priorities specified by the Government of the Republic of Lithuania in 2011.

In the course of the implementation of the measures of the Operational Programmes for the Development of Human Resources and the Operational Programme for the Promotion of Cohesion, the following results were achieved in the period from 1 January 2010 to 1 May 2011:

1. 6 Descriptions of Project Financing Conditions were drafted and approved.
2. 2 calls for proposals were announced.
3. All Lists of regional projects of Stage 2 of the Measure “Development of Infrastructure of Non-Institutional Services” under the Operational Programme for the Promotion of Cohesion were approved.
4. 5 Lists of state projects were approved.
5. 88 projects Financing and Administration Agreements under the measures “Corporate Social Responsibility”, “Development of Computer Literacy Skills”, “Integration of Job-Seekers into the Labour Market”, “Establishment and Implementation of the Vocational Rehabilitation System for the Disabled” of the Operational Programme for the Development of Human Resources and under the measure “Development of Infrastructure of Non-Institutional Services” of the Operational Programme for the Promotion of Cohesion were signed. An amount exceeding LTL 280,000,000 from the EU Structural Funds was allocated for the implementation of these projects.
6. The implementation of 331 projects was further continued.

### Implementation Status of the Operational Programme for the Development of Human Resources and the Operational Programme for the Promotion of Cohesion for the 1 June 2011

<table>
<thead>
<tr>
<th>Total</th>
<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>
</tr>
</thead>
<tbody>
<tr>
<td>EU funds for measures administered by the Ministry of Social Security and Labour</td>
<td>LTL 1.876 billion</td>
<td>LTL 1.437 billion</td>
</tr>
<tr>
<td>Agreement signed: the number of projects under implementation and the cost of agreements (EU funds)</td>
<td>445 projects/LTL 1.317 billion</td>
<td>331 projects/LTL 1.027 billion</td>
</tr>
<tr>
<td>The share of EU Funds for agreements in all the funds allocated by the EU funds, percent</td>
<td>76.3</td>
<td>71.5</td>
</tr>
<tr>
<td>Agreements to be signed (EU Funds) in 2011 (million LTL)</td>
<td>160.0</td>
<td>80.0</td>
</tr>
<tr>
<td>EU funds paid to project executors million LTL/percent of all EU funds aimed at financing measures</td>
<td>825.7 /4.8</td>
<td>705 /54.8</td>
</tr>
<tr>
<td>EU funds recognised eligible for declaration to the European Commission, million LTL/percent of all EU funds aimed at financing measures</td>
<td>717 /41.5</td>
<td>600 /46.6</td>
</tr>
</tbody>
</table>

Data from the Ministry of Social Security and Labour  
Table 3.1-1
## Implementation of measures under Priority 1 “High Quality Employment and Social Inclusion” of the Operational Programme for the Development of Human Resources before 1 June 2011

<table>
<thead>
<tr>
<th>Measure</th>
<th>Measure implementation method</th>
<th>Amount of funds allocated for the measure (EU funds, million LTL)</th>
<th>Amount of funds allocated for projects under implementation and accomplished projects (EU Funds, million LTL)</th>
<th>Implementation plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of Human Resources in Enterprises</td>
<td>Tender</td>
<td>239.35</td>
<td>140.45</td>
<td>Call for proposals – II Quarter 2012</td>
</tr>
<tr>
<td>Promotion of Social Dialogue</td>
<td>Tender</td>
<td>20.0</td>
<td>-</td>
<td>Call for proposals – I Quarter 2011 and III Quarter 2011</td>
</tr>
<tr>
<td>Corporate Social Responsibility</td>
<td>State project planning</td>
<td>5.45</td>
<td>5.45</td>
<td></td>
</tr>
<tr>
<td>Reconciliation of Family and Work Commitments</td>
<td>Tender</td>
<td>40.3</td>
<td>36.08</td>
<td></td>
</tr>
<tr>
<td>Promotion of the Return of the Lithuanian Emigrants</td>
<td>State project planning</td>
<td>1.9</td>
<td>1.9</td>
<td>Measure implementation finished</td>
</tr>
<tr>
<td>Development of Human Resources in Public Sector</td>
<td>Tender</td>
<td>103.4</td>
<td>103.13</td>
<td></td>
</tr>
<tr>
<td>Development Skills of Computer Literacy</td>
<td>Tender</td>
<td>36.2</td>
<td>36.20</td>
<td></td>
</tr>
<tr>
<td>Promotion of Entrepreneurship</td>
<td>Financial engineering</td>
<td>50.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reorientation of Workforce in Rural Areas from Agriculture to other Activities</td>
<td>State project planning</td>
<td>60.0</td>
<td>30.60</td>
<td>Another list of state projects – III Quarter 2011</td>
</tr>
<tr>
<td>Upgrading Qualification Skills of Health Care Specialists Contributing to the Reduction of Morbidity and Mortality from Key Infectious Diseases</td>
<td>State project planning</td>
<td>60.0</td>
<td>59.93</td>
<td></td>
</tr>
<tr>
<td>Human Resources INVEST LT+</td>
<td>State project planning</td>
<td>30.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Integration of Jobseekers into the Labour Market</td>
<td>State project planning</td>
<td>570.6</td>
<td>422.96</td>
<td>Agreements on the remaining amount of support funds will be signed in August 2011</td>
</tr>
<tr>
<td>Establishment and Implementation of Vocational Rehabilitation System for the Disabled</td>
<td>State project planning</td>
<td>33.0</td>
<td>33.0</td>
<td></td>
</tr>
<tr>
<td>Establishment and Implementation of Vocational Rehabilitation Programmes for the Disabled, Training of Specialists</td>
<td>Tender</td>
<td>8.47</td>
<td></td>
<td>Call for proposals – IV Quarter 2011</td>
</tr>
<tr>
<td>Integration of Persons at Social Risk and Socially Excluded Persons into the Labour Market</td>
<td>Tender</td>
<td>173.0</td>
<td>107.42</td>
<td>Call for proposals – I Quarter 2011. The evaluation of proposals will be launched on 27 April 2011</td>
</tr>
<tr>
<td>Reduction of Discrimination and Prevention of Social Problems</td>
<td>Tender</td>
<td>5.0</td>
<td></td>
<td>Call for proposals – II Quarter 2011</td>
</tr>
</tbody>
</table>

*Data from the Ministry of Social Security and Labour*  
*Table 3.1-2*
3.1.1. PLANNING AND IMPLEMENTATION OF MEASURES UNDER THE OPERATIONAL PROGRAMMES FOR THE DEVELOPMENT OF HUMAN RESOURCES AND PROMOTION OF COHESION IN 2010–2011: CALLS FOR PROPOSALS, LISTING OF STATE PROJECTS AND SIGNING OF AGREEMENTS

Operational Programme for the Development of Human Resources

Measure “Corporate Social Responsibility”


The aim of the measure is to promote social awareness in business, improve corporate abilities to implement the principles of social responsibility in order to achieve competitiveness, create a safe and ecologically clean environment, strong social cohesion and transparent and ethical business practice.

In 2009, the implementation of the project “Promotion of Corporate Responsibility in Lithuania” under the United Nations Development Programme was accomplished. A total of LTL 450,000 were allocated for the implementation of the above project. 10 companies drafted and publicly announced their social reports; 25 corporate social responsibility advisors and counsellors were trained.

In June 2010, a two years’ project “VARTAI: Social and Environmental Business Innovations” was included into the List of state projects. It is implemented under the United Nations Development Programme in Lithuania. The total value of the project is LTL 5,000,000 from the European Social Fund.

During the implementation of the project, trainings of counsellors and advisors on corporate social responsibility issues are organised, surveys of the economic use and long–term effect of corporate social responsibility are conducted, the activities provided in Implementation Measures Plan for 2009–2011 of 2009–2013 National Programme for the Development of Corporate Social Responsibility are implemented. The project is planned to be accomplished in 2012.

Measure “Promotion of Entrepreneurship”

On 1 August 2010, UAB “Investicijų ir verslo garantijos” (INVEGA), which manages the Entrepreneurship Promotion Fund, and the tender winner consortium of 57 credit unions represented by the Lithuanian Central Credit Union signed a cooperation agreement, pursuant to which the Lithuanian

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Central Credit Union will implement the activities under the measure “Promotion of Entrepreneurship”. The Lithuanian Central Credit Union was obliged to ensure the provision of services and the training of persons starting up their own business as well as to provide assistance while drafting and implementing business plans.

The first training for persons intending to start up their business activities were launched on 8 September 2010, and the first loan was granted on 8 November 2010.

### Results achieved before 1 June 2011

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measure indicators</th>
<th>Accomplished before 1 June 2011</th>
<th>Accomplishment, percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Persons participating in training</td>
<td>5,000</td>
<td>3,294</td>
<td>66</td>
</tr>
<tr>
<td>Persons from priority groups participating in training (the disabled, the unemployed, elderly people and the youth below 29 years of age)</td>
<td>1,500</td>
<td>2,495</td>
<td>166</td>
</tr>
<tr>
<td>Amount of loans granted</td>
<td>1,200</td>
<td>77</td>
<td>6</td>
</tr>
</tbody>
</table>

*Data from the Ministry of Social Security and Labour Table 3.1.1-1*

The majority of loans were granted in the district of Vilnius (28 percent of all loans) and the district of Ukmergė (27 percent). 18 percent of all loans were issued in the district of Kaunas, and 9 percent each in districts of Druskininkai, Jonava and Ignalina.

**Measure “Human Resources INVEST LT+”**

The measure was approved in 2010 by the Resolution of the Government of the Republic of Lithuania⁶³. The aim of the measure is to improve workers and managers’ qualification, knowledge and skills in enterprises attracting direct foreign investment 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. Projects under this measure will be selected by means of state project planning. It is planned to allocate an amount of LTL 30,000,000 of EU funds and LTL 20,000,000 of applicants’ funds for the implementation of the measure.

Prospect applicants under the measure are private legal persons or subsidiaries of foreign companies.

The Description of Financing Conditions of the measure was approved in January 2011. It is planned that the List of state projects will be compiled before 1 June 2013, and the implementation of the projects will be launch by the end of 2011.

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Measure “Promotion of Social Dialogue”

The aim of the measure is to develop social partnership skills of employers, employers’ organisations and their associations, trade unions and their confederations, to improve collective labour relations, encourage conclusion of collective agreements, inform and educate members of trade unions and the public on the promotion of social dialogue.

In the course of the implementation of this Measure, social partner organisations will be encouraged to conclude territorial, sectoral and corporate collective agreements, to establish Health and Safety Committees in enterprises as well as to establish tripartite and bipartite councils and commissions in municipalities.

In February 2011, the Description of Financing Conditions of the First Call for Proposals under the Measure “Promotion of Social Dialogue” of the Operational Programme for the Development of Human Resources was approved. Representatives of employers and employees’ organisations will participate in the implementation of projects under this measure. A total amount of LTL 15,000,000 of the funds of the European Social Fund is planned to be allocated for projects under the first call for proposals. The maximum project value is expected to amount to LTL 1,000,000.

The second call for proposals is planned to be announced in III Quarter 2011. A total of LTL 5,000,000 are envisaged to be allocated for projects under this call for proposals. After the call for proposals is announced, projects to be implemented by employers’ organisations and trade unions will be selected.

Measure “Integration of Jobseekers into the Labour Market”

In 2010, the implementation of 4 projects under the Measure “Integration of Jobseekers into the Labour Market” of the Operational Programme for the Development of Human Resources was launched. LTL 140,000,000 from the European Social Fund was allocated for the implementation of these projects. It is expected that almost 53,000 unemployed persons and employees notified of redundancy will participate in these projects. The projects will also subsidise the employment of the disabled in social enterprises (over 1,800 persons) and provide subsidies to reimburse the costs on 110 assistants (body language translators), as well as organise trainings of employees of social enterprises belonging to target groups of persons.

It should be noted that a separate project was designed for the increase of the youth employment. Proper attention was paid to re-qualification of the unemployed with higher education, supported employment (employment through subsidies, working skills acquisition support, public works), work rotation. A new measure aimed at encouraging the territorial mobility of the unemployed was also financed.

Having regard to changes in the economic and social situation and the increase in the rate of unemployment, the distribution of the EU funds among the priorities under the Operational Programme for the Development of Human Resources by increasing amount of LTL 150,000,000 for the financing of measures under Priority 1 “High Quality Employment and Social Inclusion” administered by the Ministry of Social Security and Labour and respectively reducing the EU funds administered by the Ministry of Education and Science and the Ministry of Interior was approved by Minutes No. 23 (Paragraph 4.1.2) of the Discussion of the Government of the Republic of Lithuania of 31 March 2010. Having regard to the above, amending of the Operational Programme for the Development of Human Resources was proposed to the European Commission.
In March 2011, the European Commission approved the distribution of funds and respective changes in the Programme for the Development of Human Resources by allocating an additional amount of LTL 150,000,000 for the implementation of active labour market policy. On 3 March 2011, the Draft Resolution of the Government of the Republic of Lithuania “On the Amendment of Resolution No. 789 of 23 July 2008 of the Government of Lithuania on the Approval of the Annex to the Operational Programme for the Development of Human Resources” was drafted and submitted to concerned persons for harmonisation.

After the amendment of the Operational Programme for the Development of Human Resources is approved by the Government of the Republic of Lithuania, the re-distributed funds of the European Social Fund will be 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”.

**Measure “Reduction of Discrimination and Prevention of Social Problems in the Labour Market”**

The call for proposals under the Measure “Reduction of Discrimination and Prevention of Social Problems in the Labour Market” is planned to be announced at the end of June 2011. A total of LTL 5,000,000 is expected to be allocated for the financing of projects under this measure. The aim of the measure is the reduction of discrimination in the labour market, encouragement of gender equality and prevention of social problems, which is achieved by informing and educating the public.

Activities to be supported by this measure are as follows: creation and implementation of prevention measures (educational, informative, instructional and other similar measures) in order to avoid discrimination in the labour market on the grounds established in the Law on Equal Opportunities of the Republic of Lithuania; creation and implementation of social measures (educational, informative, instructional and other 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 (educational, informative, instructional and other similar measures) for the assurance of promotion of gender equality and equal opportunities for women and men in the labour market (economic activity).

**Measure “Integration of Persons at Social Risk and Socially excluded Persons into the Labour Market”**

The Measure “Integration of Persons at Social Risk and Socially excluded Persons into the Labour Market” is aimed at helping persons at social risk and socially excluded persons to integrate into the labour market in order to avoid their social exclusion. Under this measure, various social and vocational rehabilitation services are supported in financed projects as well as measures aimed at the development of social skills and motivation of persons at social risk and socially excluded persons for participation in the labour market thus encouraging them to refuse passive state monetary support and avoid poverty.
In February 2011, the third call for proposals under this measure was announced. It was aimed at unemployed persons at social risk experiencing social exclusion. LTL 65,700,000 of EU funds are planned to be allocated under this call for proposals. At the end of April 2011, the term for submitting proposals was over. A total of 150 proposals requesting over LTL 250,000,000 were received. The signing of project Financing and Administration Agreements is scheduled for September 2011.

**Measure “Establishment and Implementation of Vocational Rehabilitation Programmes for the Disabled and Training of Specialists”**

The announcement of the call for proposals under the Measure “Establishment and Implementation of Vocational Rehabilitation Programmes for the Disabled and Training of Specialists” is scheduled for December 2011. A total of LTL 10,000,000 from the European Social Fund is expected to be allocated for the financing of projects under this measure.

The measure is aimed at creating favourable conditions for the involvement of the disabled into the labour market by producing, testing and assessing innovative and efficient vocational rehabilitation programmes for the disabled. Under this measure, it is planned to support projects of institutions and organisations compliant with Requirements for Institutions Providing Vocational Rehabilitation Services approved by Order No. A1-159 of 31 May 2005 of the Minister of Social Security and Labour of the Republic of Lithuania (Official Gazette Valstybės žinios, No. 70-2543) and aimed at the development and implementation of new vocational rehabilitation programmes for the disabled, which will ensure the programme-cycle of professional rehabilitation (assessment of professional skills, vocational guidance and counselling, restoration of professional skills or development of new skills and support for persons seeking employment).

Project activities to be supported under this measure are as follows: elaboration, testing and evaluation of innovative vocational rehabilitation programmes for the disabled assuring the programme-cycle of vocational rehabilitation (assessment of professional skills, vocational guidance and counselling, restoration of professional skills or development of new skills and support for persons seeking employment); qualification improvement and training of specialists assessing working capacity and establishing the need for vocational rehabilitation services as well as of specialists providing vocational rehabilitation services.

**Operational Programme for the Promotion of Cohesion**

**Measure “Development of Infrastructure of Institutional Services”**

In May 2011, it is planned to approve the Description of Financing Conditions of projects under the Measure “Development of Infrastructure of Institutional Services” of Priority 2 “Quality and Accessibility of Public Services: Health Care, Education and Social Infrastructure” of 2007-2013 Operational Programme for the Promotion of Cohesion as well as the Lists of state projects.

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 stationary social services. In the course of project implementation,
current as well as newly establishing stationary institutions of social services will be constructed, reconstructed and repaired as well as provided with necessary equipment and furniture.

The measure implemented by means of state project planning will be allocated a total of LTL 148,000,000, out of which LTL 126,000,000 will originate from the EU structural funds, and LTL 22,000,000 – from the state budget.

Measure “Development of Institutions Providing Services to the Disabled, Including Vocational Rehabilitation Services” activity “Development of Centres of Translators of the Body Language”

In 2011, it is planned to launch the implementation of the activity “Development of Centres of Translators of the Body Language” of the Measure “Development of Institutions Providing Services to the Disabled, Including Vocational Rehabilitation Services” of the Operational Programme for the Promotion of Cohesion. It is envisaged that a total of LTL 8,000,000 of the EU structural funds and the state budget funds will be allocated for the implementation of this activity. In January and February 2011, meetings with heads of body language translators’ centres of Panevėžys, Kaunas, Šiauliai and Klaipėda took place. During the meeting, the planned projects and their implementation conditions were preliminary discussed. In III Quarter 2011, it is planned to approve the Description of Financing Conditions of projects under the above activity and the List of state projects as well as to invite the applicants included into the List to submit calls for proposals for support from the structural funds. The signing of agreements with future projects executors is scheduled for the beginning of 2012.

3.1.2. IMPLEMENTATION OF MEASURES UNDER PRIORITY 1 “HIGH QUALITY EMPLOYMENT AND SOCIAL INCLUSION” OF THE OPERATIONAL PROGRAMME FOR THE DEVELOPMENT OF HUMAN RESOURCES FOR 2007-2013

The Ministry of Social Security and Labour administers 16 measures under Priority 1 “High Quality Employment and Social Inclusion” of the Operational Programme for the Development of Human Resources for 2007-2013. 331 projects were allocated financing under the implemented measures. Under the measures of Priority 1 of the Operational Programme for the Development of Human Resources 33 projects were accomplished before 1 May 2011. 10 projects were suspended and 298 projects are further implemented.

The total amount allocated for projects under implementation reached LTL 1.22 billion, out of which LTL 1.03 billion originated from the EU funds.

Over 2010, Financing and Administration Agreements regarding the implementation of 28 projects under the following four measures under Priority 1 “Corporate Social Responsibility”, “Development of Computer Literacy Skills”, “Integration of Jobseekers into the Labour Market” and “Establishment and Implementation of Vocational Rehabilitation System of the Disabled” were signed. The total value of these projects amounts to LTL 249,800,000. The financing allocated under the concluded agreements
amounted to LTL 232,800,000, out of which LTL 200,600,000 originated from the European Union funds.

As the data presented in Table 3.1.1—1, Priority 1 “High Quality Employment and Social Inclusion” of the Operational Programme for the Development of Human Resources is implemented through 3 objectives.

11 measures administered by the Ministry of Social Security and Labour are aimed at the implementation of Objective 1 “To Increase the Adaptability of Employees and Enterprises to the Labour Market Needs”. The total amount of financing of the projects implemented under these measures reaches LTL 500,200,000 (LTL 413,730,000 are allocated by the European Union funds). While implementing 5 out of 10 measures, the financing is allocated through a tendering procedure, whereas, the remaining 5 projects are financed through a procedure of state project planning and selection.

The measures of this objective are aimed at retaining people in the labour market, encouraging more active training, developing the supply of quality labour force and improving public administration. For this reason the majority of project participants of these measures projects under Objective 1 (about 45 percent) are people with higher university education.

Usually, the major part of projects under implementation and the funds allocated for this implementation of these projects are allocated for the Measure “Development of Human Resources in Enterprises”. Project activities under the measure are aimed at qualification improvement and knowledge and skills development of corporate employees and managers by encouraging their adaptability to the corporate needs and changes in the labour market. According to calculations performed by project executors, over 26,500 people will participate in these projects. As on 1 May 2011, project executors used more than LTL 115,900,000 for project activities.

A similar scheme of aims and objectives is aspired by implementing the Measure “Development of Human Resources in Public Sector”, however, the target group of these projects includes employees of public sector institutions and enterprises. Over 40,000 persons of this target group are planned to be included into trainings. A particular attention of projects under this measure is paid to the trainings which are necessary for a systematic qualification upgrading of employees of specific institutions as well as introduction of new and effective methods of work. In the course of the project implementation, the training involved 33,800 persons, whereas, project executors used LTL 75,300,000, which had been recognised eligible for declaration to the European Commission.

The target group of 7 projects implemented by the means of state project planning under the Measure “Upgrading Qualification Skills of Health Care Specialists Contributing to the Reduction of Mortality from Key Non-Infectious Diseases” has been narrowed to health care specialists contributing to the reduction of mortality from key non-infectious diseases. Over 20,400 specialists upgrade their qualification, improve knowledge and skills through the provision of special professional and common knowledge and skills related to professional activities in order to ensure high quality health care services. The number of persons participating in the training, which is specified in the obligations of project executors of the Operational Programme for the Development of Human Resources, was exceeded by 28 percent. According to the data submitted by executors, the amount of LTL 13,400,000 was recognised eligible for declaration to the European Commission. The above amount was used for the participation in the training of 7,400 persons.
Computer literacy is one of the key skills for persons willing to actively participate in the labour market. Notwithstanding the status in the labour market, trainings under the Measure “Development of Computer Literacy Skills” will be organised for working persons, the unemployed, economically inactive residents except for pupils and students. 22 project executors plan the activities at the national level in order to train over 59,000 persons on computer literacy skills, i.e. twofold more than the number provided for in the Annex to the Operational Programme for the Development of Human Resources. The projects under the measure were launched in 2010. Since then, over 5,500 persons participated in trainings. A total of LTL 1,700,000 were used for project activities.

**Number of persons participating in project trainings of measures of the objective “To Increase the Adaptability of Employees and Enterprises to the Labour Market Needs” of Priority 1 “High Quality Employment and Social Inclusion” of the Operational Programme for the Development of Human Resources before 1 May 2011**

The Measure “Reconciling Family and Professional Life” is aimed at creating favourable conditions for economically active working-age population (employed persons or jobseekers) to reconcile family and professional commitments. The aims of 22 projects implemented under this measure are to provide persons with difficulties in reconciling family and professional commitments with the main services of care of children, the disabled, elderly people and family members, to encourage, consult and train...
unemployed persons as well as provide them with employment intermediation services. In the course of implementation of project activities, representatives of employers, employees and municipalities are also educated, trained and consulted, thus encouraging the creation of favourable places of work and the distribution of family commitments. Over 600 persons participated in these trainings before 1 May 2011. 28 percent of the funds allocated for these projects, i.e. LTL 13,500,000, were used for the implementation of these and other project activities.

Via the financing of the project “The Promotion of the Reorientation of Rural Labour Force from Agricultural to Other Activities in Lithuania” of the Ministry of Agriculture of the Republic of Lithuania, the measure aimed at the enhancement of the abilities of agricultural workers and other rural residents of integration into the labour market in Lithuania as well as at the encouragement of rural residents who have withdrawn from agricultural activities to participate in alternative agricultural activities was implemented. Almost 10,000 persons used this possibility and participated in trainings. An amount of LTL 13,200,000 was used for information provision, counselling, encouragement, training courses, seminars, qualification improvement or re-qualification. This amount was recognised eligible for declaration to the European Commission.

### Appropriation of the funds allocated for the implementation of measures of the objective “To Increase the Adaptability of Employees and Enterprises to the Labour Market Needs” of Priority 1 “High Quality Employment and Social Inclusion” of the Operational Programme for the Development of Human Resources before 1 May 2011

![Diagram of Appropriation of funds](image.png)

- Certified eligible expenditures
- Total project expenditure as per project financing and administration agreements
- Financing allocated for the measure

Data of the Ministry of Social Security and Labour

Figure 3.1.2-2
In summary, it can be stated that the number of persons participating in trainings of the objective measures under the agreements signed with project executors reaches 165,488 persons or 82.7 percent of the amount established in the operational programme, whereas the number of persons participating in trainings providing and improving professional qualification, special professional knowledge and skills reached 90,835 persons or 75.7 percent of the amount established in the annex to the Operational Programme for the Development of Human Resources.

A total of LTL 500,200,000 was allocated for the project implementation under the Objective “To Increase the Adaptability of Employees and Enterprises to the Labour Market Needs” as per obligations assumed by project executors. LTL 413,700,000 of the above amount originate from the European Union funds. A total of LTL 235,400,000 out of the funds allocated for project implementation were recognised eligible for declaration to the European Commission (LTL 188,300,000 are EU funds).

The implementation of Objective 2 “To Promote Population Employment and Participation in the Labour Market” of Priority 1 is the most rapid out of the three objectives of the priority. The major share of the funds allocated for the implementation of the above objective is re-allocated by means of project planning. More than 91 percent of these funds are allocated for the Measure “Integration of Jobseekers into the Labour Market”, which is implemented by the Lithuanian Labour Exchange and all 10 territorial labour exchanges by implementing national projects of active labour market policy. 9 projects under this measure were financed before the end of the reporting period. 3 of these projects have been accomplished.

In 2010, after the labour market needs were evaluated, the Law on Support for Unemployment was amended by introducing young people under 29 years of age into the list of additionally supported persons in the labour market. By implementing of this law, a project promoting youth employment was financed by the European Social Fund.

In the course of implementation of project by the Lithuanian Labour Exchange, more than 24,400 unemployed persons and persons facing future unemployment were involved into informal education programmes and vocational training programmes. 21,500 project participants acquired professional qualification and 79,500 persons participated in employment promotion programmes. As of data of 1 May 2011, the total rate of employment after participation in project activities totalled 34.6 percent.

The remaining part of the funds aimed at the implementation of the measures of the objective is aimed at two measures for the creation and development of the system of vocational rehabilitation of the disabled, the training of specialists and vocational rehabilitation of the disabled. The Measure “Establishment and Implementation of Vocational Rehabilitation System of the Disabled” financed by means of state project planning is implemented by state institutions responsible for vocational rehabilitation of the disabled and their integration into the labour market. By the end of the reporting period 4 projects under this measure were financed. Activities of 1 of these projects were accomplished before 31 December 2010, and currently, final settlements with implementing authorities are implemented. A tender for the implementation of measure “Establishment and Implementation of Vocational Rehabilitation Programmes for the Disabled, Training of Specialists” will be preliminary announced in IV Quarter 2011. The results achieved through the implementation of these projects show that 944 disabled persons out of 2000 planned project participants participated in vocational rehabilitation measures, and 27 percent of these persons found employment.
The following measures are directly related to Objective 3 “To Enhance Social Inclusion” of Priority 1: “Integration of Persons at Social Risk and Socially Excluded Persons into the Labour Market” and “Reduction of Discrimination and Prevention of Social Problems”. The implementation of the first measure was launched.

Since the launch of the implementation of the Measure “Integration of Persons at Social Risk and Socially Excluded Persons into the Labour Market” 3 calls for proposals for project implementation were announced. 67 projects were financed under the first two calls for proposals. The total cost of these projects reaches LTL 107,400,000. Applications under the third call for proposals are under the assessment procedure.

The target groups of projects under this measure cover the following persons: convicted persons, persons released from places of imprisonment, the disabled, persons addicted to psychoactive substances, women returning into the labour market after a long break, families at social risk, etc. By 1 May 2011, over 6,000 persons at social risk participated in project activities. These included: almost 1,500 persons convicted or released from places of imprisonment, almost 1,000 disabled persons, over 600 persons addicted to psychoactive substances.

Psychologists, psychiatrists, social workers, pedagogues and consultants work with persons addicted to psychoactive substances. Seeking to improve the social integration of the above persons, their resistance to negative phenomena is developed as well as training services are provided. These activities are implemented by the projects of the European Social Funds and financed by the Measure “Integration of Persons at Social Risk and Socially Excluded Persons into the Labour Market”. The second exceptional call for proposals under this measure, aimed at the rehabilitation and integration into the labour market of persons belonging to the target group of persons addicted to psychoactive substances was announced. During this call for proposals, project executors assumed an obligation to provide services to about 1,000 project participants.

Persons released from places of imprisonment face a number of problems, which complicate their life. Motivational measures, development of their skills and active job seeking activities financed by the European Social Fund help reduce these persons’ social exclusion.

Work with this target group is launched with the latter being in places of imprisonment and immediately after they are released from such places. These projects are implemented by project executors who receive financing through a tendering procedure. These project executors are from places of imprisonment and the Prison Department. Budgetary and non-governmental institutions who have won tenders under the Measure “Integration of Persons at Social Risk and Socially Excluded Persons into the Labour Market” deal with problems of integration into the labour market of persons who have been released from places of imprisonment.
3.1.3. IMPLEMENTATION OF MEASURES OF PRIORITY 2 “QUALITY AND ACCESSIBILITY OF PUBLIC SERVICES: HEALTH CARE, EDUCATION AND SOCIAL INFRASTRUCTURE” OF 2007-2013 OPERATIONAL PROGRAMME FOR PROMOTION OF COHESION


Implementation of measures under Priority 2 “Quality and Accessibility of Public Services: Health Care, Education and Social Infrastructure” of the Promotional Programme for Promotion of Cohesion before 1 May 2011

<table>
<thead>
<tr>
<th>Measure</th>
<th>Implementation method of the measure</th>
<th>The amount of the funds aimed at the implementation of the measures (EU funds, LTL million)</th>
<th>Agreements signed</th>
<th>Amount of the agreements signed (EU funds, LTL million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modernisation of the infrastructure of territorial labour exchanges of the Lithuanian Labour Exchange</td>
<td>State project planning</td>
<td>77.0</td>
<td>1.0</td>
<td>73.4</td>
</tr>
<tr>
<td>Objective 3: “To ensure better compatibility between supply and demand of vocational training, improve the qualification of labour force and encourage the integration of economically inactive persons into the labour market”</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of infrastructure of non-institutional social services</td>
<td>Regional project planning</td>
<td>152.97</td>
<td>103.0</td>
<td>140.6</td>
</tr>
<tr>
<td>Development of institutions providing services to the disabled (including vocational rehabilitation services)</td>
<td>State project planning</td>
<td>83.0</td>
<td>10.0</td>
<td>75.8</td>
</tr>
<tr>
<td>Development of the infrastructure of institutional social services</td>
<td>State project planning</td>
<td>126.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Objective 4: “To encourage better social integration of persons at social risk and socially excluded persons and their family members as well as their integration into the labour market”</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Data from the Ministry of Social Security and Labour  
Table 3.1.3-1
The measure administered by the Ministry of Social Security and Labour “Modernisation of the Infrastructure of the Territorial Labour Exchange” was contributed to the measure implemented in 2010-2011 under Objective 3 “To ensure better compatibility between supply and demand of vocational training, improve the qualification of labour force and encourage the integration of economically inactive persons into the labour market” of Priority 2 “Quality and Accessibility of Public Services: Health Care, Education and Social Infrastructure” of the Operational Programme for Promotion of Cohesion. Another measure “Modernisation of the Infrastructure of the Vocational Training System” was planned for the implementation of this objective. Under this measure, it was planned to develop and renew the infrastructure of vocational rehabilitation in order to supply vocational training programmes meeting the labour market demands thus improving the qualification of labour force and encouraging the integration of economically inactive persons into the labour market. However, in 2010, part of the funding allocated for the implementation of the Measure “Modernisation of the Infrastructure of the Vocational Training System” together with planned activities of the measure were delegated to the Ministry of Education and Science by an Order of the Government of the Republic of Lithuania. The other part of the funding was re-allocated for the implementation of the new Measure “Development of the Infrastructure of Institutional Services” of Objective 4 of Priority 2.

The implementation of the Measure “Modernisation of the Infrastructure of Territorial Labour Exchanges of the Lithuanian Labour exchange” is aimed at improving the quality of services provided by territorial labour exchanges of the Lithuanian Labour Exchange to employers, jobseekers and persons pursuing a professional career as well as enhancing the variety of these services. In October 2008, the financing and administration agreement of the project “Development of the Infrastructure of Territorial Labour Exchanges in 2007-2010” drafted by the Lithuanian Labour Exchange under the Ministry of Social Security and Labour was signed. The amount of the financing allocated for the implementation of this project reaches LTL 86,350,000, out of which LTL 73,400,000 are allocated by the EU funds, and the funds allocated by the project executors amount to LTL 12,950,000. By the end of 2010, all the project activities (construction or reconstruction and equipment of all planned 12 buildings of territorial labour exchanges of the Lithuanian Labour Exchange in Mažeikiai, Kaišiadorys, Kelmė, Plungė, Kaunas, Telšiai, Varėna, Palanga, Zarasai, Šalčininkai, Joniškis and Biržai) were accomplished.

At the end of 2011, the financing from the EU funds is planned to be allocated to the new project aimed at investing into the modernisation of the infrastructure of Utena Territorial Labour Exchange. The implementation of this project will last until 2013.

Before 1 May 2011, two measures “Development of the Infrastructure of Non-Stationary Services” and “Development of Institutions Providing Services (Including Vocational Rehabilitation Services) to the Disabled” were contributed to the implementation of Objective 4 “To encourage better social integration of persons at social risk and socially excluded persons and their family members into the labour market” of Priority 2 of the Operational Programme for the Promotion of Cohesion.

In implementation of the first measure, new day social care centres, crisis centres (women, family), houses of independent living and houses of temporary accommodation, centres of psychological support, family support centres, child day care centres and institutions providing mixed services, which provide non-stationary social services, were established and the old ones were modernised.

This measure is implemented by means of region project planning: decisions regarding projects to be financed are adopted by the 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, which they offer to partially finance from the EU structural funds, and draft and approve the lists of regional projects.

The amount of the financing allocated for the implementation of this measure reaches LTL 152,970,000 of the Regional Development Fund, and LTL 26,990,000 originate from the state budget or municipal budgets. In 2009-2010, financing was allocated for the implementation of 103 projects of development of the infrastructure of non-stationary social services. The cost of the signed Financing and Administration Agreements reached a total of LTL 167,650,000, out of which LTL 140,610,000 originated from the EU funds.

The major part, i.e. 35.9 percent of all these projects under implementation, is aimed at the modernisation and development of institutions providing mixed services (See Table 3.1.3-1). These institutions provide various non-stationary social services. A great deal of all projects under implementation, i.e. 30.1 percent, is aimed at the establishment and development of institutions providing integrated social services for adult members of families at social risk and their children.

3.2. OTHER EU SUPPORT

3.2.1. EUROPEAN REFUGEE FUND

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 Refugee Fund, as approved by the Resolution of the Government of the Republic of Lithuania. The aim of the Programme of the European Refugee Fund is to support and encourage the efforts of the Member States while receiving refugees and displaced persons and to be responsible for the consequences of reception of refugees.

In 2010, the Ministry of Social Security and Labour further continued successful administration of the annual programmes of the European Refugee Fund.

In Lithuania, the funds of the European Refugee Fund are invested in the following activity fields:

1. Improvement of reception conditions and asylum procedures.
2. Integration of foreigners granted asylum in the Republic of Lithuania.
3. Practical cooperation between Member States in order to develop, monitor and evaluate the national asylum policy.

In 2010, 4 projects of the annual programme of the European Refugee Fund for 2009 were implemented.
Improvement of reception conditions and asylum procedures

In 2010, Vilnius Archbishop Caritas and two partners – the Foreigners Registration Centre of the State Border Guard Service and the Lithuanian Red Cross Society – further continued the activities of the day centre “Kultūrų įkalnė”. Due to efforts of the above organisations, the day centre was established in 2008 under the Foreigners Registration Centre in Pabradė. The centre organised courses of the Lithuanian language, information technologies for asylum seekers in order to facilitate their integration and encourage their communication. It also hosted information meetings with representatives of the hospital and the neighbourhood; social events, sport exercises. In the centre, foreigners worked with a social pedagogue and social workers. It provided humanitarian aid (food products, vital hygiene means, clothing, medicine and vitamins).

Integration of foreigners granted asylum in the Republic of Lithuania

The main aim of an efficient integration process is to reduce the dependence of third-county nationals granted asylum on the state support. The project of the Refugee Reception Centre in Rukla is aimed at solving main problems of the integration into the labour market of foreigners granted asylum, applying necessary active integration measures, distributing information on this target group to the public, enhancing cooperation with labour market participants, especially with employers.

In the course of implementation of this project, foreigners granted asylum obtained new qualifications, working experience and enhanced their knowledge. Agreements regarding training in the work place and employment of 10 foreigners granted asylum for the period of at least three months (testing period) were signed with five enterprises.

Trainings on business establishment and production of business plans, related individual consultations performed in accordance with the developed methodology, trainings on labour law, motivation promotion and individual consultations in the Refugee Reception Centre encouraged business competences of foreigners granted asylum.

The majority of foreigners granted asylum lives in the city of Kaunas and the surroundings: some of them have recently arrived from the Refugee Reception Centre in Rukla, others have been participating in the integration programme for some time, and the integration period of the remaining of them has already finished. The Lithuanian Red Cross Society is further developing its activities in the Centre of Refugee Integration Support in Kaunas. Apart from social, legal, psychological consultations and other services, the centre is also aimed at the improvement of linguistic skills, organisation of leisure activities for children, summer camps for children and other similar activities. In the course of the project implementation, joint exercises with Lithuanian children from the Caritas day centre for children “Vaikų stotelė” were organised. These activities encouraged intercultural education, tolerance, reduced manifestations of xenophobia, and provided children of various cultures with a possibility of better understanding of Lithuania and each other. A summer camp “Mažas Didelis žmogus” was organised.

In the course of the implementation of the Lithuanian Red Cross Society project, material support aimed at vital needs was provided to vulnerable foreigners granted asylum (large families, disabled persons, single women).

The project of Equal Opportunities Ombudsman Service was implemented together with the Association of Tolerant Youth. The improvement of refugee integration was implemented by two methods: information provision to the public by trying to form a tolerant public attitude in order to
facilitate refugee reception procedures and help them integrate, and training of refugees on the most necessary aspects of successful integration, i.e. understanding of the Lithuanian public and culture and other social competences. The training programme “Competence Development School” was drafted, and trainings aimed at increasing women and children’s independence, developing their abilities to perceive and use the received information, successfully solve everyday problems and develop verbal and non-verbal communication skills were organised according to the above programme.

An animation social advertising “Own between strangers” was created and announced via the Lithuanian National Television. Posters of the animation social advertising were presented in 7 major cities of Lithuania on show cases or bus stops. A cycle of 10 internet informative broadcasts was developed. This advertising informed the public about the integration of persons granted asylum and encouraged the public to be tolerant in respect of these persons.

Practical cooperation between Member States in order to develop, monitor and evaluate the national asylum policy

According to this action of the European Refugee Fund, for the first time 2 projects for support allocation were selected in 2010. 6 projects of the European Refugee Fund Programme 2010 were launched on 1 January 2011.

In March 2011, the European Refugee Fund Programme for 2011 was harmonised with the European Commission and approved by Order No. A 1-212 of 26 April 2011 of the Minister of Social Security and Labour the Republic of Lithuania. The announcement of the call for proposals under the European Refugee Fund Programme for 2011 is scheduled for II Quarter 2011. LTL 2,510,000 of the European Refugee Fund are planned to be allocated for the financing of the projects.

A total of LTL 18,000,000 are planned to be allocated for the implementation of the multiannual European Refugee Fund Programme for 2008-2013 (approximately LTL 13,000,000 out of this amount is allocated by the European Union).

The number of agreements signed under the annual programmes of the European Refugee Fund and the amount of support from the European Refugee Fund

![Graph showing the number of agreements and total amount of support from 2008 to 2011.](image-url)
The Ministry of Social Security and Labour of the Republic of Lithuania is an authority responsible for the implementation of the “Programme of the European Fund for the Integration of Third-Country Nationals” in Lithuania, as approved by the Resolution of the Government of the Republic of Lithuania. The aim of the programme is to support the efforts made by the Member States in enabling third-country nationals of different economic, social, religious, linguistic and ethnic backgrounds to fulfil the conditions of residence and to facilitate their integration into the European societies.

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.
- 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 the Member States across the different levels and departments of government.

The abovementioned 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 the projects which encourage third-country nationals to learn the Lithuanian language, provide knowledge on the Lithuanian history, culture and the conditions of life as well as the conditions of learning and employment in Lithuania. The programme of 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 the long-term (2007-2013) and annual programmes drafted by a Member State and approved by the European Commission. A total amount of LTL 25,900,000 (out of which LTL 19,600,000 are allocated by the European Union) will be allocated for the long-term programme implemented through annual programmes. The total cost of the European Fund for the Integration of Third-Country Nationals Annual Programme 2007 reached LTL 2,900,000. The amounts allocated for the implementation of the European Fund for the Integration of Third-Country Nationals Annual Programme 2008 and Annual Programme 2009 were almost equal, i.e. about LTL 3,100,000 per each programme. The amount allocated for the implementation of the European Fund for the Integration of Third-Country Nationals Annual Programme 2010 is LTL 3,500,000, and 2011 – LTL 3,700,000.

In the course of the implementation of the European Fund for the Integration of Third-Country Nationals Programme in Lithuania, four calls for proposals were announced and the preparation for the fifth call for proposals for Annual Programme 2011, which is scheduled for II Quarter 2011, was
commenced. After the assessment of the submitted applications as per the announced calls for proposals for Annual Programmes of 2007, 2008 and 2009, 51 projects received financial support. At the end of 2009, the implementation of the European Fund for the Integration of Third-Country Nationals Annual Programme 2007 was finished. In June 2010, the implementation of Annual Programme 2008 was accomplished, and the accomplishment of Annual Programme 2010 is scheduled for June 2011.

In 2010, projects of the **European Fund for the Integration of Third-Country Nationals Annual Programme 2008 under Priority 1** were implemented. In the course of the project implementation, training programmes for third-country nationals were developed and trainings were organised. Discussions for third-country nationals on the Lithuanian culture, traditions and history were organised, TV and radio broadcasts were broadcasted, leaflets were published, events (photography exhibitions of artists from third countries, forums, cultural activities) were organised for members of the Lithuanian public and third country nationals. A methodological issue on the fundamentals of mentorship was drafted, and a situation analysis was performed. A programme for mentors was developed. It allowed training 22 mentors.

In 2010, projects of the **European Fund for the Integration of Third-Country Nationals Annual Programme 2008 under Priority 2** were implemented. In the course of project implementation, an interactive data base was developed. It is an information portal distributing information about the needs of third-country nationals, measures of integration and other related instruments or documents. Introductive seminars for third-country nationals and conferences for representatives of state institutions were organised in order to present the interactive data base developed during the project implementation. A theoretical and empirical research presenting advantages and disadvantages of integration measures into business, an analysis of normative act, the level of preparation of large, medium and small business to employ third-country nationals, the interrelation of third-country nationals’ need and opportunities in the integration process were performed. The conclusions of the research are presented on the Internet website. A methodology “Business Integration of Third-Country Nationals: Needs and Opportunities” was drafted. Third-county nationals were instructed and a book was produced pursuant to this methodology. A lobbying strategy for the elimination of integration drawbacks was developed. Presentations of the theoretical and empirical research and the lobbying strategy and methodology “Business Integration of Third-Country Nationals: Needs and Opportunities” to the public, politicians and foreign partners were organised.

In 2010, projects of the **European Fund for the Integration of Third-Country Nationals Annual Programme 2008 under Priority 3** were implemented. In the course of the project implementation, an informal education programme “Enhancing Intercultural Competences of the Public Sector Seeking to Facilitate the Integration of Third-Country Nationals” for public administration employees and specialists and a programme “Corporate Socialisation and Integration of Immigrants” for corporate employees responsible for employment of persons (immigrants) were developed. Under these programmes, trainings for employees of the public sector and enterprises responsible for employment of persons (immigrants) were organised, after testing trainings and expert assessments of programmes were performed, informal education programmes were revised. The revised informal education programmes were transferred as remote programmes, a methodological seminar for specialists and corporate employees was organised and a methodological issue was issued.
In 2010, projects of the European Fund for the Integration of Third-Country Nationals Annual Programme 2009 under Priority 1 were implemented. In the course of the project implementation, training programmes and methodological measures for third-country nationals on the Lithuanian history, ethnic culture and traditions, values and attitudes (practical text books, the Lithuanian language for beginners and advanced learners, historical, cultural and tolerance aimed educational programme, programme of fundamentals of legal and social education, a Lithuanian language programme by applying information and communication technologies and methodological materials according to these programmes, training programmes of business Lithuanian aimed at urgent business and public situations) were developed and training for third-country nationals were organised. A programme of small business organisation and management conditions in Lithuania and methodological materials were drafted, a specialised training programme aimed at developing business skills of third-country nationals and video clips as per this programme focusing on urgent business and public situations were developed. Educational trips and discussions on the themes of the programmes were organised, methodological materials for the trainings were produced pursuant to the above educational programmes, an experiment research (“secret services provider/consumer”) was organised, a competition of the most interesting story “I am the buyer” and a round table discussion “Lithuanian Consumption Culture and Third-Country Nationals” were organised. A book aimed of good practice and success aimed for universities and research and development enterprises was published, seminars and conferences on the process of attracting scientists from third-countries were organised, mentor programmes were developed and a seminar on this theme was organised. A training programme for teachers of Lithuanian schools was developed, and seminars were organised as per this programme. Methodological guidelines for teachers were produced, events, meetings and public activities with third-country nationals were organised. A competition of drawings-posters was organised. TV broadcasts were produced. A programme and informative material “Welcome” on the theme of informal education in educational institutions were produced and trainings in general education schools were organised. A documentary was created.

In 2010, projects of the European Fund for the Integration of Third-Country Nationals Annual Programme 2009 under Priority 2 were implemented. In the course of the project implementation, a survey of employed third-country nationals and employers (management personnel of individual institutions) was conducted and a discussion in the focus group with employers’ representatives discussing the development possibilities of the integration process of third-country nationals into the labour market and enhancing the results of the surveys were organised.

In 2010, projects of the European Fund for the Integration of Third-Country Nationals Annual Programme 2009 under Priority 3 were implemented. In the course of the project implementation, trainings on intercultural communication, equal opportunities policies, condition of foreigners’ legal status in national and international law, international relations and diplomacy were organised for employees of municipalities, a methodological issue was issued and a final conference was organised. Regional social partnership networks for the improvement of emigrants’ integration were developed, meetings–seminars of these networks were organised, recommendations for developers of the immigration policy system were drafted and an information issue on regional social partnership networks was issued.
3.2.3. THE 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 cause significant damage to the regional or local economy.

The key aim of the EGF is the development of individual labour market measures 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 the Member States requesting support. Considering the complicated situation, the Regulation was amended in June 2009. The scope of the amended regulation now includes workers dismissed as the result of the global financial and economic crisis. The following amendments have been made to the regulation as well the number of dismissed workers has been cut down to 500, the share of the EGF financing has been upped to 65 percent for the period until the end of 2011, and the implementation period has been prolonged for up to 24 months.

In 2010-2011, projects were implemented under 4 applications submitted by the Ministry of Social Security and Labour to the European Commission for support from the European Globalisation Adjustment Fund for the support of workers dismissed from AB “Snaigė” (the project was launched in August 2009 and will last until July 2011), and in September 2009, support for workers dismissed from companies occupied with construction, manufacture of furniture and manufacture of wearing apparel (the projects were launched in October 2009 and will last until October 2011). European Union authorities have approved all applications for the EGF support.

In the course of project implementation, the measures established in the Law on Support for Employment of the Republic of Lithuania and the measures established in the Description of conditions and rules for usage of Funds of the European Globalisation Adjustment Fund contribution approved by the Resolution of 19 August 2009 of the Government of the Republic of Lithuania were applied: Temporary Financial Aid; Employment Incentives; Job-search allowances; Entrepreneurship promotion; Support for improving qualifications.

The applications specify that about 2,400 dismissed persons registered with local labour exchanges will have the possibility of getting support. These persons were dismissed from the following companies:
- “Snaigė” – 480 persons
- Construction of buildings – 806 persons
- Manufacture of furniture – 636 persons
- Manufacture of wearing apparel – 491 persons

The applications specify the following amounts of support:
- “Snaigės” – LTL 1 371 365,84
- Constructions of buildings – LTL 5 943 560,15
- Manufacture of furniture – LTL 3 517 011,72
- Manufacture of wearing apparel – LTL 2 780 729,74

Pursuant to the amended regulation, the EGF allocates 65 percent of the requested support (until the end of 2011). The remaining share of the support originates from the Employment Fund of Lithuania.
The year of 2010 may be called a period of regular savings and new challenges. Economic and financial difficulties increased unemployment leading to the reduction of income in the State Social Insurance Fund budget, resulting subsequently in the deficit of this budget. Particularly complicated financial situation of the country demanded for taking solutions aimed at retaining the possibility of paying social insurance benefits to the insured persons in the case of insured accidents. It was therefore of utmost importance to address the issues of financial security for the current period and develop the future model of social protection system to ensure financial sustainability of the State Social Insurance Fund budget in the future. It may be firmly stated, that the year of 2010 was a period of challenges for the social security system.

4.1. FINANCES OF THE STATE SOCIAL INSURANCE FUND

4.1.1. THE STATE GUARANTEES DISBURSEMENT OF SOCIAL INSURANCE BENEFITS ON TIME

Until 2008 the State Social Insurance Fund (“SODRA”) budget was not only balanced, but surplus. The rapidly growing Lithuanian economy within the period of five previous years and the created gross domestic product influenced greatly the accumulation of reserves within this budget. However, the global economic crisis, rocking the economies of the world, hit the Lithuanian economy as well, therefore in 2008 the State Social Insurance Fund budget was in low supply and became deficit.
This deficit of 2008 was covered from the accumulated State Social Insurance Fund reserve, which was almost entirely used-up during the year of 2008.

Hence, as in 2009, as in 2010, apart from the collected state social insurance contributions, it was necessary to look for other funding sources for the State Social Insurance Fund, in order to disburse timely state social insurance benefits without disturbances. For this purpose within the year of 2010 short-term loans in the amount of LTL 1,108 billion and long-term loans of LTL 1, 57 billion were taken to ensure the funding, management and administration of state social insurance pensions, sickness and maternity benefits, unemployment benefits, and payments in the case of health problems and accidents at work or occupational diseases.

Also, in 2010 the State Social Insurance Fund budget received assignments from the national budget of the Republic of Lithuania in the amount of LTL 238,2 million, and other state financial resources for compensating state social insurance benefits, transferable to the accumulative pension funds. This amount was by LTL 167,5 million less than in 2009.

In 2010 the State Social Insurance Fund Board under the Ministry of Social Security and Labour was two times granted loans pursuing to ensure the timely disbursement of social insurance benefits to the insured persons (see Table 4.1.1-1), whereas in 2009 the Government granted such loans to the State Social Insurance Fund Board (SSIFB) even six times.

### Loans granted to the State Social Insurance Fund Board under the Ministry of Social Security and Labour in 2010

<table>
<thead>
<tr>
<th>Date and number of Governmental Resolution</th>
<th>The amount of means borrowed on behalf of the Government and allocated to the SSIFB, the interest rate and the purpose of using</th>
<th>Loan repayment</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 September 2010. Nr. 1269 (Official Gazette., 2010, No. 107-5511)</td>
<td>The amount of the loan up to LTL 375 million until 20 December 2015 for the annual interest rate of 5.351 percent aimed at balancing monetary flows of the State Social Insurance Fund budget</td>
<td>The repayment of the loan starts on 20 January 2013 and shall be repaid in instalments every month</td>
</tr>
<tr>
<td>22 December 2010, No. 1791 (Official Gazette, 2010, No. 152-7744)</td>
<td>The amount of the loan up to LTL 980 million until 20 December 2020 for the annual interest rate of 4.911 percent aimed at balancing monetary flows of the State Social Insurance Fund budget</td>
<td>The repayment of the loan starts on 20 January 2018 and shall be repaid in instalments every month</td>
</tr>
</tbody>
</table>

*Data of the Ministry of Social Security and Labour  
Table 4.1.1-1*

The State Social Insurance Fund budget of 2010, tariffs and amounts of state social insurance contributions by different types of insurance were approved in the Republic of Lithuania Law\(^64\) of 9 December 2009 on the approval of 2010 indictors for the State Social Insurance Fund budget, according

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to which the outcome of the current year of 2010 was that the expenditure exceeded income by LTL 2,707 billion. However, according to the available actual data, the outcome of the State Social Insurance Fund budget of 2010 was slightly bigger – expenditure exceeded income by LTL 2,781 billion.

The forecasted outcome of State Social Insurance Fund budget for the years of 2011, 2012, 2013 and 2014, as predicted according to the planned objectives of the state macroeconomic indicators and assuming that currently applied legal provisions for regulating income and expenditure of this fund shall not be amended, would be negative. The risk exists, that annual deficit of LTL 1-2 billion would be formed during the period of 2011–2014, due to external risk factors.

4.1.2. INDICATORS DESCRIBING THE PERFORMANCE OF THE 2010 STATE SOCIAL INSURANCE BUDGET

In 2010 the state warranted timely disbursement of all kinds of state social insurance benefits without disturbances, because the Government took corresponding decisions aimed at reducing the amount of the budget deficit and ensure thus the implementation of state obligations. However, the State Social Insurance Fund finished the year of 2010 with a negative net annual outcome – the expenditure exceeded income by LTL 2 billion 780 million 873.1 thousand.

The calculated revenue of the budget in 2010 amounted to LTL 10,486 billion, i.e. exceeded the planned amount by LTL 600,5 million or 6.1%. The revenue of 2010 was planned considering the announced forecasts of the Ministry of Finance anticipating the reduction of the average wage by 8.7%. In comparison with 2009, the reckoned income decreased by LTL 870,3 million, or by 7.7%. The largest share of the revenue, LTL 9,821 billion, consisted of the reckoned state social insurance contributions paid by the insurers and the insured persons, which in comparison with 2009 decreased by 8.3%. Contributions of insurers amounted to LTL 7,61 billion, including contributions from royalties in the amount of LTL 50,2 million, and contributions of the insured persons amounted to LTL 2,212 billion, including LTL 21,6 million of contributions from royalties.

The level of the implementation of the 2010 plan of contributions from insurers and the insured persons was conditioned by the following:
- the number of persons insured by all types of social insurance reduced by 65,2 thousand (5.5%) in comparison with 2009;
- the average wage of persons insured by all types of social insurance amounted to LTL 1712,6, or reduced by LTL 70,8 (4.0%) as compared with the previous year;
- contributions to health insurance were introduced to officials (insured by the social insurance on pensions and insurance against unemployment), subsequently, the amount of reckoned contributions exceeded the planned amount by LTL 81,1 million;
- the amount of reckoned contributions was by LTL 7,2 million less than planned because of the smaller number of persons insured with the state means;
- contributions from royalties were by LTL 28,1 million less than planned. Contributions of authors, sportsmen and performers related with the insurer through labour relations were by LTL 24,9 million higher than planned, and of individuals not related with the insurer through labour relations were by LTL 53 million lower than planned;
The amount of reckoned state social insurance contributions from self-employed persons reached LTL 161.3 million, or 95.2% more than in the previous year, as a result of smaller state social insurance contributions paid by self-employed persons in 2009, i.e. under the privileged tariff.

The reckoned expenditure of the 2010 Fund budget amounted to LTL 13,267 billion. In comparison with the year of 2009, it decreased by LTL 968.5 million, or by 6.8%. Main reasons influencing the reduction of expenditure in 2010 were the decreased numbers of insured persons and the reduction of the average wage, as well as the application of provisions of the new Provisional Law\(^ {65}\) concerning the recalculation and disbursement of social insurance benefits, stipulating the reduced payment of pensions, sickness and maternity benefits, and social insurance benefits in the case of unemployment and accidents at work. Main social insurance expenditure is given in Table 4.1.2-1 below.

**Basic social insurance expenditure in 2010 and comparison with 2009**

<table>
<thead>
<tr>
<th>Type of expenditure</th>
<th>Reckoned amount, in mln. LTL</th>
<th>Percentage (%) of the total expenditure</th>
<th>Difference from the 2010 plan</th>
<th>Comparison with 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensions</td>
<td>7 659.9</td>
<td>57.7</td>
<td>0.3 %, or LTL 24.3 million more than planned</td>
<td>7.3%, or LTL 601.7 million less than in 2009</td>
</tr>
<tr>
<td>Sickness and maternity benefits</td>
<td>1 722.2</td>
<td>13.0</td>
<td>1.6 %, or LTL 27.4 million more than planned</td>
<td>18.8 %, or LTL 398.6 million less than in 2009</td>
</tr>
<tr>
<td>Social insurance against unemployment</td>
<td>Reckoned according to the tariff of the contribution LTL 272.6 million. The total amount of the expenditure reached LTL 491.8 million.(^ {66})</td>
<td>3.7</td>
<td>91.9 %, or LTL 235.5 million more than planned</td>
<td>21.8 %, or LTL 137.2 million less than in 2009</td>
</tr>
<tr>
<td>Accidents at work and occupational diseases</td>
<td>43.2</td>
<td>0.3</td>
<td>Used 86.9% of the planned means</td>
<td>19.1 %, or LTL 10.2 million less than in 2009</td>
</tr>
<tr>
<td>Means transferred to the compulsory health insurance fund</td>
<td>2 295.8</td>
<td>17.3</td>
<td>13.7 %, or LTL 277.1 million more than planned</td>
<td>3.4 %, or LTL 74.8 million more than in 2009(^ {67})</td>
</tr>
<tr>
<td>Means transferred to the pension funds</td>
<td>328.2</td>
<td>2.5</td>
<td>6.2 %, or LTL 21.8 million less than planned</td>
<td>24.3 %, or LTL 105.6 million less than in the previous year(^ {68})</td>
</tr>
</tbody>
</table>


\(^{66}\) Full amount of the requested Employment Fund means was additionally transferred because of the rapidly increasing unemployment in the country.

\(^{67}\) In 2010 SODRA started the administration of health insurance contributions deducted from state social insurance benefits.

\(^{68}\) In 2010 the tariff of contributions for the accumulated pensions was 2%. From 1 January 2009 this tariff was 3%, and from 1 July to 31 December 2009 it accounted for 2%.
4.2. IMPROVEMENT OF THE STATE SOCIAL INSURANCE SYSTEM

4.2.1. GUIDELINES FOR THE RECONSTRUCTION OF THE STATE SOCIAL INSURANCE AND PENSIONS SYSTEM

Considering the complicated financial situation of the country and aiming at retaining the possibility of regular monthly disbursements of state social insurance pensions to the beneficiaries, the Government was forced to take appropriate decisions, including the decision of cutting maternity (paternity) benefits. Subsequently, following the procedure set in the Provisional Law on recalculating and disbursing social benefits, social insurance pensions, state pensions, maternity benefits, child benefits, social insurance benefits against unemployment, accidents at work and other benefits were reduced until the beginning of 2012. As it may be seen from the earlier mentioned decisions, various methods were applied for reducing budgetary deficits aimed at ensuring the performance of governmental obligations.

During several subsequent previous years the State Social Insurance Fund (hereinafter – the Fund) budget was unbalanced (in deficit), leading therefore to discussions concerning the urgency of establishing the State Social Insurance Fund budget reserve for rational use, and eliminating the risk of political will, when state social insurance benefits are unreasonably increased from the means of this budget before elections.

So far the Fund had no problems related to solvency, as it made use of short-term and long-term loans from the banks and the Finance Ministry for timely performance of its obligations. Balance of the taken and unpaid loans for 31st December 2010 amounted to LTL 5 688,1 million, including LTL 4 580,0 million from the Ministry of Finance.

Active discussions were taking place until mid-2011 concerning the reconstruction of the state social insurance and pensions system, where great attention was also given to the improvement of funding and administration of the State Social Insurance Fund. As the outcome of the discussions, Guidelines for the reconstruction of the State social insurance and pensions system were approved and enforced on the 1st of June this year. Referring to the Guidelines, the Government approved on 9th June 2011 the Plan of Measures for the implementation of the Guidelines, providing for the introduction of the procedure on the use of the State Social Insurance Fund reserve, and for legalising mutual relations between the budget of the Fund and the state budget, stipulating that only contributions used following the provisions of legal acts regulating the state social insurance shall be reckoned as the income of the Fund.

Aiming at taking decisions concerning the streamlining of administration and future funding sources, various administration costs of the Fund were accordingly considered. Subsequently, the long-term forecast of the existing state social insurance and pension's system reconstruction and the process of the reconstruction should be discussed at Parliament of the Republic of Lithuania (called the Seimas) every four years, stipulating in the law financial and administrative measures needed for financial sustainability of the state social insurance and pensions system and for ensuring the adequacy of benefits.
In the case of unbalanced State Social Insurance Fund budget of 2010, the Government and the Seimas analyzed all possible alternatives on reducing the financial burden of the country. Three key ways were defined – saving of expenditure, increasing taxes (contributions) and borrowing, shifting the burden of state obligations onto the future generations. The issue of increasing taxes was raised, but in the absence of consensus, the discussions were postponed for the unlimited period of time.

Another proposal of saving – the reduction of maternity and paternity benefits through the reduced duration of payments or by reducing the amount of the benefit itself.

4.2.2. MATERNITY AND PATERNITY IN LITHUANIA

The Seimas adopting the Republic of Lithuania Provisional Law on Recalculating and Disbursing Social Benefits, enforced from 1st January 2010, indicated in the preamble motives conditioning the enactment of such socially sensitive decision in the sphere of social policy – the constantly increasing deficit in the budgets of the state and the State Social Insurance Fund as a result of the economic crisis, urgent need of stabilizing the growth of such deficit in the above budgets and balancing monetary flows, pursuing to protect socially vulnerable groups of persons, and ensure timely disbursement of benefits. Simultaneously consideration was given to the existing practice formulated by the Republic of Lithuania Constitutional Court concerning the reduction of benefits during the period of economic crisis – authorising to reduce benefits in such proportion that is relevant for ensuring vitally important interests of the society and protecting other constitutional values of the state.

Constitutional Court has repeatedly clarified under which conditions social insurance benefits (case law on pensions) may be reduced, i.e. in the case of an extraordinary situation in the country (economic crisis, calamity, etc.), when there is an objective lack of means needed for the disbursement of benefits (pensions). The reduced pensions may be paid only temporarily, i.e. only until the state is under the conditions of extraordinary situation (Constitutional Court Judgements of 23 April 2002, 25 November, 2002, 4 July 2003, and 13 December 2004).

Reduction of maternity (paternity) benefits was aimed at managing the growing deficit of public finances and limiting the growth of indebtedness ensuring thereby the timely disbursement of state social insurance benefits, resulting firstly from the principles of legitimate expectations for protection and legal certainty, as well as security. Through the willpower of the lawgiver this particular mechanism of reducing maternity (paternity) benefits was chosen, when individuals receiving higher or several benefits shall contribute by a larger extent to the elimination of consequences resulting from difficulties, since the jurisprudence of the Constitutional Court has repeatedly mentioned the principle of proportionality. It should be noted that, for example, maternity and maternity (paternity) benefits have been increased referring to the number of children born at the same time, also maternity (paternity) benefits to the recipients entitled to maternity or maternity (paternity) benefits in the case of the birth of another child were paid both benefits simultaneously. Referring to the principle of proportionality the defined legal measures are necessary in the democratic society and are appropriate for achieving the legitimate and generally important objectives (balance shall be observed between objectives and measures); they shall not restrict freedoms of individuals more than needed for reaching the objectives.
Considering the interpretation of the Constitutional Court stating that the objective of social security is to ensure a decent living for a larger group of individuals in need of such protection, obligation of an individual himself to take care of his own welfare, not relying only on the social protection warranted by the state, the lawgiver, adopting the discussed provisions of the Provisional Law, disclosed and enforced one of the aspects of the constitutional social solidarity principle, that individuals receiving higher social benefits shall have an obligation to contribute more to the balancing of the Fund budget, i.e. by reducing on a larger scale social benefits paid to such persons, yet protecting guarantees of the most socially vulnerable groups of persons.

Sickness and maternity social insurance expenditure in 2010 were by 18.8 % (LTL 398,6 million) less than in 2009 (see Table 4.2.2-1). Reduction of expenditure in this type of insurance was conditioned by the legal regulation of the amended provisions in the Law on Sickness and Maternity Social Insurance, and the Provisional Law on Recalculating and Disbursing Social Benefits, according to which maternity (paternity) benefits were reduced by 10% from 1st July 2010, i.e. maternity (paternity) benefit until one year of age of a child – 90%, and from the age of one to two years – 75% of the compensated wage. The maximal compensated wage was also reduced from 5 to 4 amounts of the insured income in the current year.

### Sickness and Maternity Social Insurance Expenditure in 2009–2010 (in million Lt)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Sickness and Maternity social insurance</td>
<td>1722,2</td>
<td>2120,8</td>
</tr>
<tr>
<td>Compulsory state social insurance</td>
<td>1722,2</td>
<td>2120,8</td>
</tr>
<tr>
<td>Sickness benefits</td>
<td>330,5</td>
<td>630,1</td>
</tr>
<tr>
<td>Maternity benefits</td>
<td>197,8</td>
<td>258,7</td>
</tr>
<tr>
<td>Maternity (paternity) benefits</td>
<td>1165,9</td>
<td>1197,8</td>
</tr>
<tr>
<td>Including: maternity (paternity) benefits until one year of age of a child</td>
<td>567,2</td>
<td>701,7</td>
</tr>
<tr>
<td>Maternity (paternity) benefits for a child from one to two years of age</td>
<td>598,7</td>
<td>496,2</td>
</tr>
<tr>
<td>Occupational rehabilitation benefits</td>
<td>0,013</td>
<td>0,014</td>
</tr>
<tr>
<td>Paternity benefits</td>
<td>27,9</td>
<td>34,2</td>
</tr>
<tr>
<td>Voluntarily state social insurance</td>
<td>0,001808</td>
<td>0,0026</td>
</tr>
<tr>
<td>Sickness benefits</td>
<td>0,001808</td>
<td>0,0009</td>
</tr>
<tr>
<td>Maternity benefits</td>
<td>–</td>
<td>0,0017</td>
</tr>
</tbody>
</table>

Data of the Social Security and Labour Ministry Table 4.2.2-1

The state shall create such social protection system, which could help to maintain living conditions corresponding with human dignity, and if needed, provide the necessary social assistance to individuals. It should be noted that the amount of paternity benefits paid during the period of paternity vacation,
but no longer than until a child reaches one month of age, was not reduced during the period of crisis and remained in the amount of 100% of the compensated wage of an individual. Also the amount of maternity benefit was not reduced, which remained in the period of crisis 100% of the compensated wage.

4.2.2.1. Maternity before 1st July 2011 and after

Article 39 of the Constitution of the Republic of Lithuania stipulates that the state takes care of families raising and bringing up children at home, and provide assistance to them in the legally set procedure. The Law provides for a paid leave to employed women before the childbirth and afterwards, favourable working conditions and other privileges. Therefore, Constitution is directly empowering the state to ensure the possibility for working women to make use of a paid pregnancy and childbirth leave, which is enforced in the provisions of the Republic of Lithuania Labour Code and the Law on Sickness and Maternity Social Insurance.

It should be noted that the obligation of the state in protecting families raising and bringing up children at home, and providing assistance to them in the legally set procedure as stipulated in the Constitution is not related just to the participation of individuals in the system of the state social insurance. Referring to the Republic of Lithuania Law on Benefits to Children each newly born child is entitled to the once-off payment in the amount of LTL 1430, as well as child benefits in the set amount are paid monthly to poor families for each child, considering the number of children in the family.

From the social insurance aspect maternity benefits are paid for the period of pregnancy and childbirth leave. Pregnant women are paid maternity benefit from the 30th week of pregnancy for the period of 126 calendar days. Women, who did not use up the entitlement to pregnancy and childbirth leave (from the 30th week of pregnancy) before the childbirth, are paid maternity benefit for the period of 56 calendar days after the childbirth, and in the case of a complicated childbirth or in the case of giving birth to more than one child – for the period of 70 calendar days. Women having premature childbirth within the 22-30 week of pregnancy are entitled to maternity benefit for the period of 28 calendar days after the childbirth; if the child lives on for 28 days and longer, the benefit is paid for the period of 126 days after the childbirth. In the case of a complicated childbirth or in the case of giving birth to more than one child, the benefit is paid for 14 days additionally.

Taking into consideration that after 1st July 2011 the amounts of newly allocated social insurance maternity (paternity) benefits were changed, discussions were raised whether maternity leave is compulsory or not, since currently a pregnant woman (at the time of the 30th week of pregnancy or later) is given an e-certificate for pregnancy and childbirth leave by the attending doctor of a health care institution. The possibility of making use of the special pregnancy and childbirth leave on the basis of the said certificate as stipulated in the Republic of Lithuania Labour Code is assessed as the right, but not the duty, therefore the woman herself decides whether to practice this right or not. In this case the woman, who was issued an e-certificate for pregnancy and childbirth leave, decides to take the pregnancy and childbirth leave, she is entitled to this type of leave – seventy calendar days before the childbirth, and fifty six calendar days after the childbirth.

Contrariwise than in the case of child care leave, pregnancy and childbirth leave cannot be provided in parts, therefore, if a woman decided to take the leave it is given in full, despite the fact of actually used days before the childbirth. In the case a woman decided to skip pregnancy and childbirth leave, the entitlement to the child care leave starts from the day of birth of a child. It should be noted that referring to the provisions of the Labour Code, employee intending to take such leave shall inform the employer in writing no later than fourteen days in advance. Only an employee released for child care leave and meeting other requirements set in par 1 of Article 19 in the Law on Sickness and Maternity Social Insurance, is entitled to the maternity (paternity) benefit.

Specialists from various spheres assess the duration of child care leave ambiguously. Opponents state that such procedure providing comfort for a woman cuts the branch on which she is supposed to sit in the future. Nowadays it is very dangerous to drop out from the labour market for a long time. Women returning from such leave cannot compete with employees without such a brake. Long child care leave have been criticized also because that it does not financially encourage women to work and discriminates other women willing to reconcile family and carrier responsibilities. But the supporters of this procedure prove that the longer the child stays with the mother, the healthier she or he grows. Subsequently, provisions of the Law on Sickness and Maternity Social Insurance enforced from 1st July 2011 provide for the possibility of choice. Procedure enforced from 1st July 2011 shall be applied only for the newly allocated social insurance benefits: maternity (paternity) social insurance benefit shall be paid for the period of child care leave from the end of pregnancy and childbirth leave until the child reaches two years of age; considering the chosen period for the payment of the benefit, the amount of maternity (paternity) benefit is changing (70% and 40% of the benefit from the compensated amount of the wage of the recipient in the case of the disbursement of the benefit for two years, or 100% of the benefit from the compensated wage of the recipient in the case of the disbursement of the benefit for one year).

Moreover, another problem was revealed during the period of 2010-2011, preventing one of the parents actually raising and bringing up children from material provision of them, when the other of the parents receiving maternity (paternity) benefits and granted the child care leave does not take care of the child in question and does not provide means for the maintenance. For this purpose corresponding legal acts to the law were amended in 2011 (Regulations of the Sickness and Maternity Benefits) stipulating that in such cases, when a person, who has exercised his/her entitlement to the child care leave, but does not actually take care of a child and does not provide financially, the payment of the benefit shall be interrupted on the grounds of the court judgement regarding the fact of neglect.

4.2.2.2. Simplified procedure for sick persons to get sickness benefits

Amendments to the Law on Sickness and Maternity Benefits71 concerning the reduction of the amount of sickness benefits were enforced since the 1st of May 2009 and were supposed to be valid until 31st December 2010. Considering the high level of deficit in the budget of the state social insurance fund, the enforced reduction remains valid for the indefinite period.

Sickness benefit from the State Social Insurance Fund budget means is paid from the third day of temporary incapacity, except in the case of nursing a sick family member and in the case of taking

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71 The Republic of Lithuania Law amending and supplementing Articles 9, 10, 14, 21-1, and 24 of the RL Law on Sickness and Maternity Social Insurance (Official Gazette, 2009, No. 49 – 1941).
tissues, cells or organs for transplantation with the purpose of donorship, when sickness benefit is paid from the first day of temporary incapacity. The amount of the benefit from the 3rd to the 7th day of the temporary incapacity (inclusively) accounts for 40%, and from the 8th day of the temporary incapacity – for 80% of the compensated wage of the beneficiary. Sickness benefit for nursing a family member or looking after a child is paid from the means of the State Social Insurance Fund budget from the first day of temporary incapacity in the amount of 85% of the compensated wage of the recipient, and 100% of the compensated wage of the recipient for the donors of tissues, cells and organs. In the case of sickness of the insured person, for the first two days of incapacity, as before, the employer pays from 80% to 100% of the average wage of the employee.

From 1st July 2010 certificates of incapacity as well as pregnancy and childbirth certificates were supposed to be universally issued by the health care institutions only through the electronic system for managing certificates “EPTS”. The State Social Insurance Fund Board under the Ministry of Social Security and Labour compensated actual costs of health care institutions for acquiring safe electronic signature formation equipment not exceeding the amount of LTL 100 for one issued safe electronic signature formation equipment.

Following the introduction of this EPTS system at health care institutions, doctors treating individuals need substantially less time for issuing an electronic certificate, as there is no need to fill in forms in handwriting, but just enter some data on the defined temporary incapacity of an individual or pregnancy and childbirth leave; e-certificates do not require to be verified by the stamp of the institution. E-certificate is for one period of temporary incapacity, which is verified by the e-signature of the doctor only once and does not require any other completion. Therefore, a sick person may apply for the disbursement of a sickness benefit to the indicated bank account before the extinction of the sickness. Territorial offices of the State Social Insurance Fund Board are directly notified by the health care institutions about the issued incapacity or pregnancy and childbirth certificates to the insured persons, and the insured person has only to apply for the sickness benefit. Moreover, for the purpose of reducing the amount of paper files and reports at health care institutions, the EPTS system provides doctors with the possibilities of forming various reports on the issued e-certificates at their institutions.

4.2.3. SOCIAL ASPECT OF ACCIDENTS AT WORK

One of the types of social insurance is the social insurance of accidents at work and occupational diseases. The State Social Insurance Fund budget allocates means for the payment of the following social insurance benefits related to accidents at work and occupational diseases:

- **sickness benefit because of the accident at work, on the way to or from work, or an occupational disease:** such benefits are paid in the amount of 100% of the compensated wage to the insured person in the case of temporal incapacity through the recognised insured event. The compensated wage for calculating sickness benefit shall not exceed the sum of 4 amounts of the insured income in the current year applicable for the month of defining temporal incapacity;
- **the lump sum compensation for the lost working capacity:** the amount of such compensation in the case of lost working capacity up to 20% shall be 10% of the 24 months compensated wage.
In the case the insured person lost more than 20%, but less than 30% of the working capacity, he/she is entitled to 20% of the 24 months compensated wage lump sum compensation. In the case the lost working capacity is recognised as indefinite, a lump sum compensation of triple amount is paid;

✓ **periodic compensation for the lost working capacity:** such compensations shall be granted in the case the insured person has lost 30% and more of the working capacity. Compensations shall be disbursed on a monthly basis. The amount of the compensation is related to the lost working capacity of the insured person, the average monthly insured income and the insured income applicable in the current year of the month for which such periodic compensation is paid;

✓ **the lump sum insurance benefit to the insured person in the case of his/her death through the insured event:** such benefit in the case of death of the insured person amounts to the sum of 100 current year insured incomes value, applicable in the month of the insured event resulting in the death of the insured person. It shall be paid to the family members of the deceased person in equal shares and shall be equal to a periodical compensation for the lost working capacity divided by the number of dependants increased by one;

✓ **periodic insurance benefit to the insured person in the case of death of his/her family members.**

In 2010 the State Social Insurance Fund budget disbursed LTL10,2 million less for insurance benefits because of accidents at work than in 2009, as the Republic of Lithuania Provisional Law on Recalculating and Disbursing Social Benefits was adopted in 2010, alongside with the high unemployment rate and reducing wages in the country (see Table 4.2.3-1).

### Expenditure of social insurance of accidents at work and occupational diseases in 2009–2010 (in million LTL)

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>For social insurance of accidents at work and occupational diseases</td>
<td>43,2</td>
<td>53,4</td>
</tr>
<tr>
<td>Benefits for sickness through accident at work, on the way to-from work or occupational diseases</td>
<td>14,2</td>
<td>16,6</td>
</tr>
<tr>
<td>Lump sum compensation of the lost working capacity</td>
<td>1,8</td>
<td>2,3</td>
</tr>
<tr>
<td>Periodic compensation of the lost working capacity</td>
<td>19,2</td>
<td>23,1</td>
</tr>
<tr>
<td>Lump sum insurance benefit in the case of the death of the insured person</td>
<td>6,6</td>
<td>6,6</td>
</tr>
<tr>
<td>Periodic compensation in the case of the death of the insured person</td>
<td>1,5</td>
<td>1,8</td>
</tr>
<tr>
<td>Means allocated for preventive measures against accidents at work and occupational diseases</td>
<td></td>
<td>2,9</td>
</tr>
</tbody>
</table>

*Data of the Ministry of Social Security and Labour*  
*Table 4.2.3-1*
In 2007, 2008 and 2009 a certain part of contributions for social insurance against accidents at work and occupational diseases was allocated to companies for preventive measures against accidents at work and occupational diseases, however, in 2010 means for preventive measures were not allocated, as in 2009 already not all allocated means were used for this purpose, because employers, who were supposed to co-finance preventive measures against accidents at work and occupational diseases ensuring thus safe working conditions for their employees, allocated much less means for this purpose because of the crisis.

The tariff of social insurance contributions against accidents at work and occupational diseases among the insurers paying the highest and the lowest tariff of the contribution was changing in the current year from 0.18% (III group) to 0.9% (I group), and in previous years the social insurance tariff was changing from 0.28% to 1.0% (see Table 4.3-2).

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>I group</td>
<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>II group</td>
<td>0.44</td>
<td>0.41</td>
<td>0.4</td>
<td>0.33</td>
<td>0.38</td>
</tr>
<tr>
<td>III group</td>
<td>0.28</td>
<td>0.28</td>
<td>0.28</td>
<td>0.18</td>
<td>0.18</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour

As may be seen from Table 4.2.3-2, the tariff of the social insurance contribution against accidents at work and occupational diseases paid by the insurer is not high. If there were no accidents at work in the company of the insurer within the period of three years, the tariff of 0.18% of the monthly contribution from the wage fund is applied. In the case of increasing numbers of violations or accidents at work in a company, the insurer is transferred to a higher tariff group (0.38% or 0.9%). In 2011 contributions of 0.9% are paid by 190 insurers, and of 0.38% - by 191 insurer, while the remaining larger part of insurers are paying contributions of 0.18%. The average percentage of contributions paid by all insurers accounts for 0.2%.

From 2011 new provisions of the Law on Social Insurance against accidents at work and occupational diseases are applicable, purporting to more objective attribution of the insurers to tariff groups of social insurance against accidents at work and occupational diseases, encouraging employers to improve working conditions for their employees and assess more additional criteria, such as:

- labour means;
- correspondence of working conditions to the requirements set in the legislation on health and safety of employees at work;
- violations of legal acts on health and safety of employees at work identified by the State Labour Inspectorate;
- the severity of accidents at work and the number of aggrieved insured persons thereafter in such incidents;
- the number of aggrieved insured persons through acute occupational diseases at the company;
- the number of accidents at work in performing dangerous operations and the ratio of employees performing dangerous operations;

The opinion of the Ministry of Social Security and Labour is that the most effective measure for encouraging prevention of accidents at work and occupational diseases is the creation of safe and healthy working conditions for employees. Therefore, in differentiating the tariff of social insurance contribution against accidents at work and occupational diseases, the aim was to encourage employers in creating safer and better working conditions. Differentiation of the tariff of social insurance contribution against accidents at work and occupational diseases, defining that insurers, in the company of which many violations of legal acts on health and safety at work were identified, as well as lethal and severe accidents at work had occurred, should pay the highest tariff of the contribution, and it would be more socially fair with respect to other insurers (i.e. such insurers, in the company of which no lethal and severe accidents at work had occurred and no violations of legal acts on health and safety at work were identified).

In 2009-2010 the Ministry has formed a working group for elaborating the amendments (approved in 2011) to the Methodology on attributing insurers to the tariff groups of social insurance against accidents at work and occupational diseases. Referring to the provisions of this Methodology, insurers will be attributed to a corresponding tariff group of social insurance against accidents at work and occupational diseases by assessing nonconformity to the set requirements in the legislation on labour means, working conditions and health and safety at work (according to the assessment of work stations submitted by insurers), and by violations of health and safety legal acts as identified by the State Labour Inspectorate; also by the number of accidents at work in performing dangerous operations, the ratio of employees performing dangerous operations in the company, etc.

Supposedly, the assessment of such additional criteria may lead to the formation of four tariff groups of social insurance contributions against accidents at work and occupational diseases instead of the previous three groups. The fourth tariff group of social insurance contributions against accidents at work and occupational diseases (with the highest tariff of the contribution) will be meant for insurers, who have made most violations in observing the requirements of health and safety at work and in the activities of which severe or lethal accidents at work had occurred. According to the new procedure the group of insurers paying the lowest tariff will be Group I, and the group of insurers paying the highest tariff will be Group IV.
4.2.4. ELECTRONIC SERVICES – IT IS PRACTICALLY UNNECESSARY TO GO TO “SODRA”

Since the beginning of 2010 the number of calls to the general information telephone number 8 700 70080 of SODRA increased by several times because of the amendments to the main legal acts regulating the state social insurance, resulting in the consumption of all means allocated for consultation under the contract before the expiry of the term and subsequent termination of the provision of this service under the complicated budgetary conditions of the State Social Insurance Fund. However, specialists of SODRA continued to provide consultation services to the clients concerning the issues of social insurance by phone and otherwise.

Most of SODRA services to the residents were transferred to the electronic space of the internet. Through the electronic system (EGAS) residents may get information on the calculated and paid benefits, the acquired social insurance period, submit electronic applications for benefits or for issuing paper certificates/references. It is also possible to submit a request through the electronic system concerning the conclusion of agreement on voluntary social insurance, allow access to other persons for viewing personal information, for example for credit or insurance companies.

EGAS provides six services that require a qualified electronic signature, and the remaining eleven services can be provided through electronic internet banking systems. For example, electronic signature is required in submitting application for granting maternity (paternity) and many other benefits, but for the sickness benefit electronic banking system data is enough. Residents may find this system at the internet address [https://gyventojai.sodra.lt](https://gyventojai.sodra.lt) and use it free of charge. The implementation of this system is funded by the European means.

On 1st February 2010 the terms and data of the SAM report on the insured persons within the reference period were amended. It has been defined that insurers shall fill in the SAM report and annexes to it on the amounts of income calculated per calendar month for the insured person, from which social insurance contributions are calculated (except for income gained from sports and/or performance or against royalties) and submit to the territorial SODRA offices every month no later than the 15th day of the calendar month (earlier such reports were supposed to be submitted by the insurers on a quarterly basis).

Aiming at simplifying the provision of data, the list of annexes to the SAM report was amended: insurers, who are filling in the SAM report each month, are not requested to submit annex SAMF4 “Financial Statement on the Budget means of the State Social Insurance and Health Insurance Funds”. Financial Statement is filled in through information technologies referring to the information submitted by the insurer – it facilitates the financial accountability of the insurers. Insurers may compile the financial statement through EDAS every month. Provision of data on a monthly basis reduces the probability of errors and the need of correcting them. Moreover, insurers are no longer requested to provide various references to the insured persons on monthly income concerning the calculation of different benefits. Thus, the possibility of calculating state social insurance and other benefits more exactly and with expedition has been introduced.

Introduction of such amendments was relevant, because the implementation of the Republic of Lithuania Provisional Law on Recalculating and Disbursing social insurance and the Law on Sickness and Maternity benefits requires for the calculation of social insurance benefits referring to the insured income of the insured person.
SAV reports on self-employed persons shall be submitted by personal companies, general partnerships, limited partnerships, persons involved in individual activities, except for persons working under business licences, farmers and their partners, family (household) business participants.

4.2.5. NEW CATEGORIES OF THE INSURED PERSONS

Since 1\textsuperscript{st} January 2009 new categories of the insured persons were introduced in the system of the state social insurance, such as farmers and their partners, and persons involved in the activities of sports and performances. The procedure of paying contributions for persons working under royalties was also changed.

However, the applicable legal regulation since 1\textsuperscript{st} January 2010 causes a lot of problems for insurers, who work with persons through royalties, because different taxation tariffs and bases shall be applied for the authors. It has been established that an individual receiving royalty, who has any labour relations, shall be insured with all types of social insurance and shall pay contributions (31% by the insurer, and 9% by the insured person) from the sum of the full royalty amount. Whereas individuals, who have no labour relations, but receive royalties, shall pay contributions (29.7% by the insurer, and 9% by the insured person) only from one half of the royalty amount, and shall be insured by three types of the state social insurance: pensions, sickness and maternity, and health insurance. The correct calculation of the royalty often depends on the fact, whether the person receiving the royalty properly informs the insurer. In most cases not just overpayment of the amount of the royalty with regards to the author is observed, but also the underpayment of social insurance contributions. Therefore insurers, who lack information about the insured persons, meet with problems and their administrative burden is subsequently increasing in calculating state social insurance contributions. Considering such reasons the Ministry of Social Security and Labour initiated amendments of legal acts aimed at defining, that the payment of state social insurance contributions for authors should be related to the fact, whether the author receives the royalty from the insurer with whom he has labour or corresponding relations, or has no labour relations, i.e. the state social insurance contributions in this case would be calculated in the same procedure as for individuals gaining income from sports or performance activities.

In 2010 changes were introduced also with regards to the state social insurance of farmers. From 1\textsuperscript{st} January 2009 natural persons involved in individual farming (farmers and their partners) became payers of the personal income tax, and health and social insurance contributions. Pursuing to simplify the administration of such taxes, an indicator of the economic unit of an agricultural holding, expressed in the European size unit (ESU) was selected for classifying agricultural holdings (farms) by groups. However, referring to the new and the enforced Regulation of the Commission No 1242/2008/EC, economic size of an agricultural holding is related not with the European size units (as used to be under the Commission Decision 85/377/EC), but with the standard production of the agricultural holding expressed in euros. Since 1\textsuperscript{st} January 2011 farmers and their partners, income of which during the taxing period are taxed with personal income tax under the Law on Personal Income Tax, shall pay social insurance contributions from the taxable income, whereas farmers and their partners, income of which during the taxing period are not taxed with the personal income tax – from the minimal monthly wage. Comparing the principles applied in 2010 of imposing social insurance contributions on residents...
involved in agricultural activities, the key difference in the current amendments is that the taxable base of such residents is defined not by the economic size of an agricultural holding, but by the fact, whether residents are paying personal income tax during the taxing period or not.

A new group of persons – individuals having the status of artists – was involved into the state social insurance system as from 1\textsuperscript{st} January 2011. Such persons shall pay state social insurance contributions from one half of the royalty amount, and in the case their contributions during the calendar year from the paid amount during the taxing period were lower than the amount of twelve minimal monthly wages (MMW), then the missing amount up to 12 MMW of the taxable base shall be paid from the Programme of Social Protection of Artists. Thus compensation of a certain part of state social insurance and health insurance contributions for persons having the status of artists has been established.

4.3. CHANGES IN THE SYSTEM OF PENSIONS

4.3.1. TEMPORARY MEASURES IN THE SPHERE OF PENSIONS WITHIN THE PERIOD OF ECONOMIC DIFFICULTIES

The National Covenant\textsuperscript{72} between the Government of the Republic of Lithuania and social partners – the largest trade union organisations, business, employers and pensioners organisations - was signed on 28 October 2009. The Government undertook by this Covenant to implement measures of financial consolidation. Among such measures was the reduction of pensions, following temporarily and in a differential way the key goal – the timely disbursement of benefits - in such a way that beneficiaries of lowest pensions were protected, whereas beneficiaries of higher pensions and other income took solidary the larger burden of the reduction. For the implementation of this Covenant the Republic of Lithuania Provisional Law on the Recalculation and the Disbursement of social benefits was adopted (hereinafter – the Provisional Law)\textsuperscript{73}. The Provisional Law was enacted on 1 January 2010 supposedly for the period of two years, i.e. until 31 December 2011. Referring to this Law the state social insurance pensions were recalculated as from 1 January 2010 for the period of two years by increasing the basic part of the pension up to 120% of the basic amount of the state social insurance pension and applying the lower amount of the insured income of the current year. The approved amount of the insured income of the current year to be used for recalculating pensions within the period of the effectual Provisional Law was LTL 1 170. The amount of the supplement for the years in service remains unchanged in recalculating pensions. Given the amount of the recalculated pension according to the Provisional Law is lower than the fixed marginal threshold, compensatory supplement, equal to the difference between the amount of the state social insurance pension threshold and the amount of the recalculated state social insurance pension, shall be paid to an individual.

\textsuperscript{72} http://www.lrvk.lt/lt/veikla/nacionalinis-susitarimas/

\textsuperscript{73} The Republic of Lithuania Provisional Law on the Recalculation and the Disbursement of social benefits (Official Gazette., 2009, No.: 152-6820; 2011, No. 132-6717).
From 1 January 2010 provisions of the Provisional Law were not applied for state social insurance old age pensions, early old age pensions, retirement pensions, disability pensions in the case of the lost working capacity of 60-70%, which are lower than the threshold amount set in the law (LTL 650), state social insurance pensions for orphans (survivors) and disability pensions in the case of the lost working capacity of 45-55% (III group disability pensions), which are lower that one half of the threshold amount (LTL 325). According to this Law pensions shall not be recalculated also for individuals receiving disability pensions granted for the lost working capacity of 75-100% (I group disability pensions). Whereas old age pensions of all other beneficiaries with the defined high level of special needs are due for recalculation, provided the amount of such pensions exceeds the amount of LTL 650.

According to the provisions of the Law on Social Integration of the Disabled\textsuperscript{74}, applicable from 1 July 2005 for persons, who have reached the retirement age, the level of working capacity (disability) is not defined, but the level of special needs is defined instead. Subsequently, provisions of the Provisional Law were not applied only for those disabled persons, who are receiving disability pensions because of the lost working capacity of 75-100% (I group disability pensions). Pursuing that individuals with similar disabilities, but receiving different types of pensions were treated equally, the Law amending and supplementing the Provisional Law was enforced from 1 December 2010\textsuperscript{75}. According to the provisions of this Law, pensions in full amount without reduction are paid to individuals with the recognised high level of special needs and receiving state social insurance old age pensions.

Also, following the enactment of this amendment to the Law, pensions to individuals with lost working capacity of 45-55% (III group disability level) shall be recalculated only in the case the amount of the pension exceeds the marginal threshold (LTL 650), whereas before the enactment of the law on disability, disability pensions in the case of the lost working capacity of 45-55% (III group disability level) were recalculated, if the amount of such pensions exceeded one half of the marginal threshold (LTL 325).

The Provisional Law stipulates also for additional reduction of old age and retirement pensions and compensations for particular working conditions of persons receiving insured income – the recalculated pensions and compensations for them shall be additionally reduced referring to the insured income of the previous calendar month. Pensions and compensations to such persons shall be reduced in a progressive way, considering the amount of the insured income. Pensions shall not be additionally reduced for persons the insured income of which is less than LTL 100. Given the insured income of an individual reaches LTL 4 200 per month and more, 30% of the recalculated pension is then paid to the person.

Following the enactment of the amendments to the Provisional Law since 1 December 2010, pensions shall not be reduced to persons, who are receiving old age pensions and who are insured with the compulsory state social insurance according to the provisions in paragraphs 2, 6, 7, 9, 10, 11 and 12 of Article 2 in the Law on State Social Insurance Pensions\textsuperscript{76}, as to persons having insured income, i.e.\textsuperscript{74} The Republic of Lithuania Law on Social Integration of the Disabled (Daily “Lietuvos aidas”, 1991, No. 249, Official Gazette, 1991, No. 36-969, Official Gazette, 2004, No. 83-2983).

\textsuperscript{75} The Republic of Lithuania Law amending and supplementing Articles 1, 5, 7, and 8 of the Provisional Law on recalculating and disbursing social benefits (Official Gazette, 2011, No. 132-6717).

persons gaining income through royalties, if they receive this income without an employer, as well as to persons involved in individual activities under business licence.

With the enforcement of the Provisional Law state social insurance widows’ pensions, as additional pensions, shall be due to recalculation applying a corresponding ratio, calculated according to the formula referred to in Annex 1 to the Law. If an individual receives the widows’ pension in the amount of LTL 70, the applied ratio accounts for 0.95, i.e. the pension is paid in the amount equal to 95% of the previous amount of the pension. Given the widows’ pension is higher than LTL 70 and less or equal to LTL 200, a lower ratio calculated according to the formula shall be applied, etc. Provided a person receiving widows’ pension receives in addition also a state pension (pensions), this ratio shall be then defined according to the total sum of such pensions.

Considering that the Provisional Law stipulated the reduction of benefits to the most sensitive social groups, this Law has also provided for developing of a compensatory mechanism with regards to the unpaid part of the reduced pensions. The Government of the Republic of Lithuania approved the Concept of the compensation in the Resolution on the “Approval of the Procedure of the Concept concerning the Compensation of the reduced state social insurance old age and disability pensions”77 and commissioned the Ministry of Social Security and Labour to prepare the Draft Law based on the provisions of the approved in this Resolution Compensation Concept together with the draft of the State Social Insurance Fund Budget of 2012 and submit it to the Government of the Republic of Lithuania before 15 October 2011. The Draft Law shall be aimed at regulating the compensation procedure of the state social insurance old age and disability pensions, suggesting the proportional compensation of the lost income resulting from the reduced state pensions. The Compensation Concept defines the key requirements for the compensation procedure, principles of compensation and economic conditions for starting the compensation thereafter. Lost income of the beneficiaries of pensions resulting from the reduced state social insurance old age and disability pensions will be compensated not through the introduced obligation to return the reduced amount during a certain period of time, but through the mechanism of increasing state social insurance old age and disability pensions after restoring the previous amounts before the reduction. It is scheduled that during the period of 5 years from the start of the compensation the average pension of individuals, to whom pensions were reduced, will be no less than by 5% higher than the previous pension in 2008. Pursuing for a fair compensation, a more rapid rate of increasing pensions will be applied for senior beneficiaries of pensions, introducing as well an additional ratio for persons, to whom pensions were additionally reduced because of the insured income.

77 The Republic of Lithuania Government Resolution No 968 of 1 July 2010 concerning the “Approval of the Procedure of the Concept concerning the Compensation of the reduced state social insurance old age and disability pensions” (Official Gazette, 2010, No. 82-4333).
4.3.2. AMENDMENTS TO THE LAW ON STATE SOCIAL INSURANCE PENSIONS

By the end of 2009 the Seimas of the Republic of Lithuania approved several significant amendments to the Law on State Social Insurance Pensions (hereinafter – the Law on Pensions)\(^78\). All these amendments were related to the urgent need of reducing expenditure from the State Social Insurance Fund budget.

One of the above amendments is relevant for individuals, who acquired the entitlement to the pension after 1 January 2010. Prior to the enforcement of the amendments to the Law on Pensions, a provision was applicable stipulating that the additional part of the pension shall be calculated only according to one part of the formula for individuals, who will acquire the entitlement to the pension after 1 January 2010, i.e. referring to the entire record of the working period and the income of the person received only after 1 January 1994. However, the Seimas of the Republic of Lithuania, considering the difficult economic situation, decided by the end of 2009 to postpone the enforcement of this amendment until 1 January of 2012.

Since November 2007, when the Republic of Lithuania Law on the Payment of a part of the state social insurance old age and disability pensions\(^79\) was adopted (hereinafter – the Law on the Payment of a part of pensions), legal background was created for disbursing a limited part of the pension to employed pensioners receiving insured income. The payment procedure for the part of the unpaid pension was defined in the Description of the Procedure for disbursing the amounts of the part of the state social insurance old age and disability pensions\(^80\), approved by the Government of the Republic of Lithuania on 26 February 2008. For individuals, to whom the unpaid amounts under this Description\(^81\) were pending, the payment date was changed in the Amendment to the Republic of Lithuania Law on the Payment of a part of the state social insurance old age and disability pensions\(^82\). The pending unpaid amounts are planned to be paid in June 2012.


\(^79\) The Republic of Lithuania Law on the Payment of a part of the state social insurance old age and disability pensions (Official Gazette, 2007, No. 120-4880).

\(^80\) The Republic of Lithuania Government Resolution No 144 of 26 February 2008 concerning the „Approval of the Description of the Procedure for disbursing the amounts of the part of the state social insurance old age and disability pensions“ (Official Gazette, 2008, No. 24-874).

\(^81\) The Republic of Lithuania Government Resolution No 1334 of 21 December 2008 concerning the amendment of the Republic of Lithuania Government Resolution No 144 of 26 February 2008 concerning the „Approval of the Description of the Procedure for disbursing the amounts of the part of the state social insurance old age and disability pensions“ (Official Gazette, 2008, No. 146-5875).

\(^82\) The Republic of Lithuania Law No XI-530 on the amendment of Article 5 of the Law on the Payment of a part of the state social insurance old age and disability pensions (Official Gazette, 2009, No. 151-6777).
4.3.3. RECONSTRUCTION OF THE PENSION SYSTEM

Searching for ways how to balance income and expenditure of the State Social Insurance Fund budget in the short term period, issues were raised concerning further vitality of the entire system, its financial sustainability, and sufficiency of benefits and the transparency of the system. Inter-institutional working group was initiated following the Order of the social security and labour Minister of 20 October 2009 for analyzing the existing situation and drafting proposals concerning the reconstruction of the state social insurance and pensions system, with the view of making it sustainable and vital. The outcome of the working group is the prepared Draft Concept of the Reform of the state social insurance and pensions system, where the main problems of the social insurance and pensions system are identified and suggestions for the reform provided. It is suggested to implement the reform in two stages: addressing in the first stage the issues that do not require for a long transitional period; and suggestions for the second stage are related with the issues of long-term financial sustainability of the system. The prepared Draft Concept of the Reform of the state social insurance and pensions system, according to which the short-term and further future of the social insurance and pensions system will be designed, was approved on 15 June 2010 in the Republic of Lithuania Government session. The Government of the Republic of Lithuania commissioned the Ministry of Social Security and Labour and the Ministry of Finance to work out the long term measures for the implementation of the Reform Concept, discuss them with the society and submit to the Republic of Lithuania Government. For the implementation of this assignment an inter-institutional working group has been organised with the objective of submitting final proposals to the Minister of Social Security and Labour concerning the implementation of the long-term measures of the reform. The working group has discussed, which method of calculating pensions would give a better reflection of the relation between contributions and benefits, and at the same time would encourage people to participate in the system of social insurance remaining longer in the labour market [the Concept offers two versions – a system of record units (points), or a system of virtual accounts (Notional defined contribution)].

Also the enlargement of the basis for the funding of pensions was discussed, by moving gradually to the new basic pension or the national pension, funded from the national budget, leading thereto to the gradual reduction of the social insurance tariff on pensions. The model of disability pensions was discussed, too, that such pensions would not be aimed at as a permanent income source. Discussions concerning the reform of the pension system were held with the representatives of trade unions, experts of the social sphere, representatives of the associations of the disabled, pensioners, and families, State Social Insurance Fund Board, politicians, the Board of Social Affairs, trade unions of pedagogues, representatives from the academic society of the Mykolas Riomeris University and experts from the Social Research Institute.

Pursuing to start the foreseen pension reform in approval of all political forces, the Committee of Social Affairs and Labour initiated the Draft Resolution of the Seimas concerning the “Approval of Guidelines for the Reform of the state social insurance and pensions system” (hereinafter – the Guidelines)\(^3\). As from the autumn of 2010, when the first version of this Resolution was registered, hearings and discussions were organised in the factions of the Seimas, and in the spring of 2011 the

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\(^3\) Resolution No XI-1410 of the Republic of Lithuania Seimas concerning the “Approval of Guidelines for the Reform of the state social insurance and pensions system” (Official Gazette, 2011, No.66-3103).
Guidelines were discussed at the Republic of Lithuania Seimas. The Guidelines, adopted on 24 May 2011, define the main directions for the reform of the system of social insurance and pensions, pursuing for the sustainable social system, capable of ensuring the implementation of the solidarity principle, encouraging private accumulation of pensions, and more effective performance of administrative institutions of the system. The objective is also raised to ensure that income of the present and future pensioners were adequate and sustainable, and the ratio of the average pension and the average wage would not decrease in the future. Calculation of old age pensions has been also defined, either according to the system of virtual accounts (Notional defined contribution), or by the record units (points). The Government of the Republic of Lithuania will decide later, which system to choose, and submit it to the Republic of Lithuania Seimas for discussions. The Guidelines provide that several social insurance benefits shall not be paid with regards to the same insured event. The objective is to relate all benefits to the contributions paid by the residents. It is suggested that basic pensions, allocated instead of the main social insurance pension, as well as social insurance widows’ pensions and social assistance pensions, were disbursed from the state budget. It is suggested in the Guidelines that the Government of the Republic of Lithuania approved the Plan of measures for the implementation of the Guidelines, and submit to the Seimas accordingly the required draft legal acts, the enforcement of the majority of which is planned from the next year.

Though the Guidelines do not mention the extension of the pre-retirement age, this step is among the essential issues pursuing for the financial sustainability of the system in the future. Yet in 2010 the Government has submitted to the Republic of Lithuania Seimas the Draft Law concerning the amendments to the Law on Pensions, suggesting to make the retirement age equal as for men as for women, increasing it gradually up to 65 years of age. The Draft Law provides for starting increasing the retirement age from 2012, increasing annually by 4 months per year for women, and by 2 months per year for men. This proposal was approved by the Seimas of the Republic of Lithuania on 9 June 2011\textsuperscript{84}.

### 4.3.4. ANALYSIS OF THE PENSION ACCUMULATION SYSTEM

The pension accumulation system, which started in 2004, covered 1 051 826 individuals in 2011 (according to the data of 16 May). In 2010 pension accumulation agreements were signed by 42 123 persons, and within the period of 2011 (before 16 May 2011) – by another 17 944 persons. They may accumulate means for their future pensions in 29 pension funds of the second level, managed by 9 managing companies (7 investment management companies and 2 life insurance companies). In comparison with the dynamics of signing agreements in the previous years, the number of new signatories has decreased and remains steady for two years in turn (compare: 96 553 new agreements in 2007, 78 272 new agreements in 2008, 43 000 new agreements in 2009, 42 123 pension accumulation agreements in 2010). Such reduction of the signed new agreements is related with the fact that the majority of persons, who could participate in the pension accumulation system, have signed pension accumulation agreements during the first four years; new agreements in recent years are signed by ingoing individuals to the labour market. As each year before, new pension accumulation agreements

\textsuperscript{84}The Republic of Lithuania law on amending and supplementing Articles 21, 25, 33, 56, 57, 67 of the Law on State Social Insurance Pensions and Articles (Official Gazette, 2011, No.77-3723)
will be signed before 1 July, and for the newcomers to the labour market – until 1 October. In the legally set procedure such agreements shall come into force since 1 January of the next year.

Considering the scope of emigration and the level of unemployment in Lithuania, approximately one third of all pension accumulation agreements are inactive, i.e. about one third of pension accumulation participants are currently jobless and do not pay state social insurance contributions, subsequently, means are therefore not transferred into their accounts.

After three years from the enforcement of the pension accumulation agreement, the participant of the pension accumulation system acquires the right to change the manager of pension funds. In 2010 pension accumulation companies were changed by 38 773 persons, and pension accumulations funds – by 6 676 persons. Deductions may be currently applied for persons changing pension accumulation companies in relation to the closing of the account and the transfer of means. The deducted amount may not exceed 0.2 % of the accumulated means, if the manager is changed once per calendar year. In the case of changing pension fund managers more often, the fee may increase up to 4% of the transferred amount.

The amount of LTL 3 679 million was transferred to pension funds during the accumulation period of 2004 – 2010. Each year, while forming the State Social Insurance Fund budget, compensation of the state social insurance contributions transferable to pension accumulation funds is defined in the Republic of Lithuania Law on the approval of budget indicators of the State Social Insurance Fund. In 2009 – 2010 the amount of means transferable to pension funds was correspondingly decreasing to 0.5% and 0.4% of the GDP. For compensating state social insurance contributions to be transferred to pension accumulation funds in 2010, the amount of LTL 350 000 thousand was allocated from the Republic of Lithuania state budget and other national monetary sources.

Implementing the Republic of Lithuania Government Programme and pursuing to ensure adequate means for the performance of current obligations of the State Social Insurance Fund, the tariff of the part of the state social insurance contributions transferable to pension funds remains reduced up to 2 % of the wage of an employee in 2011 as well. According to the applicable legal regulation, the Government of the Republic of Lithuania, following the statement of the end of economic difficulties, will have to submit proposals to the Republic of Lithuania Seimas concerning the increase of the tariff of the accumulated contribution and gradual restoration of it to the previous level, i.e. up to 5.5% of the insured income of the insured person. However, assessing the existing obligations of the State Social Insurance Fund to the present recipients of benefits, the reduced number of insured persons within the period of economic difficulties and the level of the insured income, the need of the budget to serve and cover debts, the possibility of suspending the increase of the pension accumulation tariff in the future is discussed. Such decision would allow for using more of the collected social insurance contributions for the needs of the present pensioners. But such decision would not be favourable for the participants of the pension accumulation system, in particular senior persons and individuals receiving lower income, because, as a result of a low tariff of the contribution, the accumulated amount of means in the pension fund will not be sufficient to ensure future pension. Subsequently, discussing the directions of the future reform of the pension system, possibilities are also discussed of changing the existing procedure of

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funding the system of accumulative pensions. One of the proposals to be discussed yet before taking the decision is to leave the currently applied 2% tariff of the accumulative contribution; if an individual himself would undertake to transfer to the pension fund an additional contribution in the amount of 2% from the wage, then the state could transfer for such person an additional incentive contribution of 2% from the average wage to the pension fund. Such funding procedure would be introduced gradually, i.e. it is suggested to start (from 2013) with 1% contribution paid by an individual and with similar contribution paid by the state from the average wage of the country. Later (from 2016) it is suggested to introduce the earlier mentioned scheme of funding (2+2+2). Such proposals were approved by the Government of the Republic of Lithuania in the session of 27 June 2011. The adoption of such decision would lead to creating of the possibility for the participants of the accumulative pension system for accumulating more means for the future pension and ensure an adequate amount of the annuity of the pension.

Discussing the future pension reform and aiming at reducing the risk of participants in the pension accumulation system resulting from the wrongly chosen pension fund (e.g. in the case young persons chose a pension fund with rather conservative investment scheme, there is risk that means in the pension fund will increase poorly, and if participants in the pre-retirement age chose pension funds with aggressive investment schemes, they may lose substantially as a result of the economic cycle), the possibility of introducing the life cycle fund model is discussed. Introduction of such model would allow the participants of the pension accumulation system to participate in the pension fund corresponding to their age, i.e. pension funds would ‘get older’ together with the participants: managers of pension funds would gradually change the management strategy of the funds towards more conservative investment. Such model would allow for increasing the management efficiency of the pension funds, since the capital of younger participants should be managed in such a way as to increase it, and of senior persons – as to protect what has been accumulated during the life time.

Though the pension accumulation system exists only for 7 years yet, according to the data of 1 April 2011, benefits from pension funds were paid already to 5 905 pensioners. Since the accumulation period was rather short for accruing big amounts, only 20 annuity agreements are signed at present – for quite a few beneficiaries the accrued pension capital was paid by lump sum or periodic benefits.

At present an individual, who has reached the retirement age, may receive the pension benefit from the accrued capital in the way of a lump sum, in periodic payments (the latter type of pension is available only under certain conditions) or by the way of pension annuity. If the basic pension annuity calculated according to the methodology approved by the Insurance Supervision Commission is lower than 0,5 of the state social insurance basic pension (hereinafter – the basic pension), the accrued means may be disbursed to a person as a lump sum or in periodic benefits. If the calculated basic pension annuity is equal or higher than 0,5 of the basic pension, the person is obliged to acquire the pension annuity at the life insurance company to be paid lifelong. In the cases, when the calculated basic annuity is higher than 3 basic pensions, the person is obliged to acquire the pension annuity and receive the remaining amount of means as a lump sum or a periodic benefit. An individual has the right to postpone the disbursement of benefits for an unlimited period. The payment of benefits may start no earlier that the person in question reaches the retirement age as set in the law. Currently applicable legal regulation reveals certain limitations, as for example, the choice for pension benefits is rather limited, without any exceptions for persons sick with fatal illnesses; marginal amounts of lump
sum payments are rather large (sums up to LTL 26,6 thousand /for men/ and up to LTL 37,6 thousand /for women/ may be disbursed as lump sum benefits without the security of using such means for the needs of pensioners); expediency of the enforcement of the legal right of participants to postpone the beginning of the acquisition of the annuity for the unlimited period is rather doubtful, since conditions are therefore created for the appearance of “information asymmetry” effect (i.e. a probability exists that insurance companies estimating the price of the pension annuity, will refer to the precondition, that a person, who has reached the retirement age and applied to the company concerning the acquisition of the pension annuity, expects to live long (whereas a person, who thinks he is not going to live long, will not acquire pension annuity, hoping to leave the acquired amount for the successors), and that would lead to a higher price of the pension annuity); the process of selling pension annuities is not yet adequately regulated (products are not standardized – it is difficult to compare them, there is a possibility of influencing the decision of the potential pension annuity buyer concerning the choice of the payer of the pension annuity, the amount of the commissioner payment due to insurance mediators is not limited), etc.

Considering the above the Ministry of Social Security and Labour is planning in the nearest future to submit to the Government of the Republic of Lithuania an amendment to the Law on the Accumulation of Pensions, which would allow the improvement of the applicable payment system of pensions. The Draft Law on amending the Law on the Accumulation of Pensions, which is currently in the final stage of drafting and coordination, suggests the following:

1) provide for the possibility of receiving benefits from pension funds to persons, to whom early retirement pension is granted and paid;

2) pursuing for more rational use of the cumulated means in the accumulative pension system and regulating the process of selling annuity pensions, define clearly the conditions under which an individual would be entitled to get a lump sum, a periodic benefit or an annuity;

3) introduce an electronic system for selling annuities, which would allow a person, who has reached the retirement age, to compare by standardized types of annuities the products offered by life insurance companies and choose the most appropriate. Such system would make the procedure for acquiring annuities rather simple, transparent and acceptable for the applicants.

More information on the activities of pension funds, investment outcomes, the applied deductions and other relevant information may be found on the internet, at the following address: www.vpk.lt.

With the intention of taking the right decision concerning the choice of a pension accumulation company, an individual may use information provided on the internet page www.pensijusistema.lt and compare the results of all existing pension funds in Lithuania and the applied amounts of administrative fees. This website provides addresses and contact details of all companies providing pension accumulation services and respective supervising institutions, also detailed statistical information on the pension accumulation system.
4.4. STATE SOCIAL ASSISTANCE BENEFITS

In order to ensure the minimum source of living for persons who, in the case of disability or old age, are not entitled to receive benefits from the budget funds of the State Social Insurance Fund, they are provided with state support in the form of social assistance benefits under the Law on State Social Assistance Benefits\(^\text{86}\). In the period from 2006 to 2009, state budget expenditure on these benefits grew each year. This trend indicates that the number of persons who fail to acquire the required record of state social pension insurance during their career has been increasing in society. However, the year 2010 saw the decline in the need for funds (Illustration 4.4-1), yet this was conditioned to a large extent by the application of the provisions of the Provisional Law on the Re-calculation and Payment of Social Benefits\(^\text{87}\). In accordance with this Law, in 2010 and 2011, some social assistance benefits (relief compensations paid to persons of working age with working capacity and target compensations for nursing and attendance (assistance) expenses) were reduced by 15 per cent. As a result of the application of the provisions of the above-mentioned Law, the amount of almost LTL 75 million was saved in 2010. This ensured the timely payment of social assistance benefits to orphans, the disabled and recipients of these benefits who have attained the pensionable age.

Growth in state budget funds used for the payment of state social assistance benefits in the period from 2006 to 2010

Data of the Ministry of Social Security and Labour

Illustration 4.4-1


Funds allocated for disabled people’s special needs of a permanent nursing or attendance (assistance) make up a considerable portion of the expenditure on state social assistance benefits (64 per cent in 2010). These benefits are directly related to the assessment of special needs for the disabled. Since 1 July 2010, special needs for persons who have attained the pensionable age have no longer been assessed by consultancy commissions of doctors from primary health care institutions, but rather by the Disability and Working Capacity Assessment Office under the Ministry of Social Security and Labour. This institution has a clearly regulated decision-control mechanism, which, supposedly, helps to avoid unfounded cases of the assessment of special needs. This measure also partially helped to reduce the need for state budget funds, since in the fourth quarter 2010, as compared to the same period of 2009, the number of recipients of target compensations for nursing and attendance (assistance) expenses fell by almost 7 per cent. This also conditioned a slight decline in the total number of recipients of social assistance benefits (Illustration 4.4-2).

During the period of economic recession, the problem of the misuse of target compensations for nursing and attendance (assistance) expenses rose to the surface. It was noticed that the assessment of special needs, and target compensations are frequently sought as an additional permanent source of income, rather than for the acquisition of nursing or attendance means and services.

The interinstitutional working group set up by the order of the Minister of Social Security and Labour was operating in the period from 2010 to 2011. It drew up a draft concept of the reform of the special needs scheme and the development of services for the disabled. One of the proposals made by the working group was to ensure by legislation a possibility of controlling the use of target compensations for nursing and attendance (assistance) expenses and, if possible, of replacing these benefits with direct services.
4.5. STATE PENSIONS AND SUPPORT FOR VICTIMS

4.5.1. CHANGES IN STATE PENSION SCHEME

Since the amendments to the Law on State Pensions\textsuperscript{88} came into force on 1 January 2011, state pensions of the first and second degree for merits of the Republic of Lithuania have no longer been granted (the payment of pensions granted before this date continues). Consequently, state pensions of the first and second degree are now granted only to freedom fighters, volunteer servicemen, mothers who gave birth and raised as well as properly brought up 7 and more children, and honorary donors. The data of the Ministry of Social Security and Labour indicates that, in 2010 and in the first quarter of 2011, six state pensions of the first degree were granted to volunteer servicemen, 390 state pensions of the second degree were awarded to persons with the legal status of the freedom fighter and 71 were provided for mothers with 7 and more children. Last year, a state pension of the second degree was also granted to the first honorary donor.

In order to eliminate the duplication of benefits when two pensions are paid, since 2011 two orphan’s pensions have no longer been granted to persons entitled to the state social insurance orphan’s pension and the state orphan’s pension; only one pension of their choice has been paid. Children of deceased recipients of state pensions of the first and second degree, victims’ state pensions and officers’ and servicemen’s state pensions have to choose between the two orphan’s pensions.

Number of recipients of and expenditure on state pensions
in the period from 2009 to 2010

<table>
<thead>
<tr>
<th>Type of pension</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of recipients</td>
<td>Expenditure (thousand LTL)</td>
</tr>
<tr>
<td>State pensions of the first and second degree</td>
<td>8,164</td>
<td>44,086</td>
</tr>
<tr>
<td>Victims’ state pensions</td>
<td>87,134</td>
<td>186,005</td>
</tr>
<tr>
<td>Officers’ and servicemen’s state pensions</td>
<td>14,073</td>
<td>144,131</td>
</tr>
<tr>
<td>Scientists’ state pensions</td>
<td>2,670</td>
<td>16,065</td>
</tr>
<tr>
<td>Judges’ state pensions</td>
<td>70</td>
<td>1,114</td>
</tr>
<tr>
<td>Total</td>
<td>112,111</td>
<td>391,401</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour

\textsuperscript{88} Law Amending Articles 3, 4, 5, 6, 7 and 10 of the Law on State Pensions of the Republic of Lithuania (\textit{Official Gazette}, 2010, No. 82-4309)
The need for state budget funds to pay state pensions (state pensions of the first and second degree, victims’, scientists’, judges’, officers’ and servicemen’s state pensions) decreased by 16.5 per cent in 2010, compared to 2009. More than LTL 60 million was saved by implementing the measures for stabilising the state budget, i.e. by re-calculating state pensions granted and limited under the main laws and by paying them in accordance with the Provisional Law on the Re-calculation and Payment of Social Benefits of the Republic of Lithuania. In addition, the number of victims of the war and occupation falls every year.

4.5.2. SUPPORT FOR VICTIMS

The state provides support for members of the resistance movement, families of the killed members of the resistance movement and other most unfortunate victims of occupation in the form of compensations and other lump-sum benefits.

In the period from 2010 to 2011, the granting of lump-sum benefits has continued to members of the resistance movement, families of the killed members of the resistance movement, persons who were injured during mandatory military service in the Soviet Army and during the response operation to the accident at the Chernobyl Nuclear Power Plant.

In order to preserve the rights (to compensations) of persons who have attained the pensionable age, who participated in the response operation to the accident at the Chernobyl Nuclear Power Plant, which were gained before this age, the Ministry has drawn up a draft resolution amending the Resolution of the Government of the Republic of Lithuania. This draft resolution proposes establishing that participants who have attained the pensionable age are also entitled to claim the above-mentioned compensation, if, before this age, their level of working capacity was related to their participation in the response operation to the accident at the Chernobyl Nuclear Power Plant. These compensations are currently granted only to persons who have submitted a valid working capacity level assessment certificate. Since 1 July 2005, the level of working capacity has been assessed only for persons of working age, and working capacity level assessment certificates have been valid until the pensionable age accordingly. Therefore, a participant in the response operation to the accident at the Chernobyl Nuclear Power Plant who has attained the pensionable age loses the right to compensation.

Under the Law on State Support for Members of the Armed Resistance Movement, the payment of lump-sum benefits has continued to injured members of the armed resistance movement – volunteer servicemen. The amount of these benefits is directly linked to harm caused to persons’ health, i.e. the level of injury incurred in armed resistance fights, during interrogation or imprisonment. Moreover, volunteer servicemen are buried for funds from the state budget (the benefit equal to 20 basic social benefits (LTL 2,600) is granted). In 2010, municipal administrations granted 48 benefits for the deceased volunteer servicemen. These benefits were not reduced even in the period of economic recession in 2010 and 2011.

It should be emphasised that lump-sum benefits are granted not only to injured volunteer servicemen, but also to families of members of the resistance movement against the occupations, who perished in the fight for the freedom and independence of Lithuania, during imprisonment and a subsequent exile. The provision of this support is regulated by the Law on State Support for Families of the Killed Members of the Resistance Movement against the 1940–1990 Occupations\(^{91}\). It specifies persons entitled to the lump-sum benefit and conditions for granting these benefits. The level of the benefit is linked to the circumstances of the perish of a member of the resistance movement against the occupations. It is also laid down in the above legislation that levels of lump-sum benefits are indexed, under the procedure established by the Government, to the annual inflation each year. In 2007, a calculated average annual inflation stood at 5.7 per cent, in 2008, at 10.9 per cent, and, in 2009, at 4.5 per cent. The levels of these benefits grew accordingly. Since the Law came into force in 1998, the levels of these benefits have increased by 36 per cent by 2011.

Levels and dynamics of compensations for the killed members of the resistance movement in the period from 2008 to 2011

| Circumstances of the perish (death) of a member of the resistance movement | Level of compensation (LTL) and a change (%), compared to previous years |
|---|---|---|---|---|
|  | 2008 | 2009 | 2010 | 2011 |
| - Volunteer servicemen who perished in an armed clash, during detention, arrest or undercover operations or punitive actions carried out by occupation authorities, if the perish or death of the person is related to his/her resistance activities, who were killed or died during interrogation before the verdict was passed, or who were sentenced to death and subsequently executed | 22,275 (+3.7 per cent) | 23,545 (+5.7 per cent) | 26,111 (+10.9 per cent) | 27,286 (+4.5 per cent) |
| - Volunteer servicemen who died during imprisonment after the verdict was passed and fighters for freedom who perished in an armed clash, during detention, arrest or undercover operations or punitive actions carried out by occupation authorities, if the perish or death of the person is related to his/her resistance activities, who were killed or died during interrogation before a verdict was passed, or who were sentenced to death and subsequently executed | 16,706 (+3.7 per cent) | 17,658 (+5.7 per cent) | 19,583 (+10.9 per cent) | 20,464 (+4.5 per cent) |
| - Fighters for freedom who were killed or died during imprisonment after the verdict was passed | 13,366 (+3.7 per cent) | 14,128 (+5.7 per cent) | 15,668 (+10.9 per cent) | 16,373 (+4.5 per cent) |
| - Members of the resistance movement against the occupations who perished or died in exile after imprisonment (this amount was indexed only in 2011, as it was established in 2008 by the amendment to the Law on State Support for Families of the Killed Members of the Resistance Movement against the 1940–1990 Occupations\(^{92}\)) | 10,000 | 10,000 | 10,000 | 10,450 (+4.5 per cent) |


In 2010, LTL 1,338,600 in state budget funds was used to pay these benefits and 143 persons (families) received support for 112 persons who died, perished or were injured. In total, in the period from 1999 to 2010, LTL 65.9 million in state budget funds was allocated for lump-sum benefits as state support for families of the killed members of the resistance movement and for injured members of the armed resistance movement as well as for the burial of volunteer servicemen. The support was provided for 4,410 families.

The amount of funds used to pay benefits to members of the armed resistance movement in 2010 was 2.4 times less as compared to 2009. It should be stressed that the number of granted lump-sum benefits has been decreasing, since the granting of these benefits is directly related to an appropriate legal posthumous status, recognised by the Genocide and Resistance Research Centre of Lithuania, and to circumstances of the perish (death). The lion’s share of allocated funds (89 per cent) was used to pay lump-sum benefits to families of the killed members of the resistance movement against the 1940–1990 occupations.

The payment of lump-sum compensations continued to persons who were injured during compulsory military service in the Soviet Army and to the families of persons who were killed during this service (or later died of a disease related to this service). Lump-sum compensations are granted under the Law on Social Support for Persons Injured during Mandatory Military Service in the Soviet Army and for Families of Persons Killed in the Army (22-07-1945–31-12-1991)\(^93\). In 2010, LTL 18,900 in state budget funds was used to pay lump-sum compensations. Municipal administrations granted lump-sum compensations to 5 persons. As compared to 2009, the number of recipients of these benefits and state budget expenditure considerably decreased: the number of benefits diminished 3 times (in 2009, the number of recipients totalled 15 persons), while expenditure fell 4.5 times (in 2009, expenditure amounted to LTL 86,300). While the Law was in force, i.e. from 1995 to the end of 2010, the total amount of LTL 34.22 million was paid to persons whose health was damaged during military service in the Soviet Army and to the families of persons who were killed during this service. The support was provided in 4,432 cases.

In 2010, the payment of compensations continued to defenders of Independence who became victims of USSR aggression between 11 and 13 January 1991 and later, and to their families for heating of the dwelling, hot water, cold water and sewage, gas, solid and liquid fuel, electric energy, a subscription fee for the landline telephone and other services. These compensations are paid under the Law on Compensations for Defenders of Independence who Became Victims of USSR Aggression between 11 and 13 January 1991 and Later, and for their Families\(^94\). Recipients of the compensations are families of the killed, defenders of Independence who were recognized as incapable or partially capable for work (before 1 July 2005, as invalids) as a result of USSR aggression carried out between 11 and 13 January 1991 and later, and their families as well as defenders of Independence who were seriously or less seriously injured.

Data provided by municipal administrations shows that, in 2010, on average 549 persons and families who became victims of USSR aggression between 11 and 13 January 1991 and later used state support per month. The amount of LTL 487,600 was allocated for compensations to defenders of Independence and their families.


5.1. FAMILY POLICY

The aim of family policy is to develop and implement measures with a view to creating the conditions for families to act as an autonomous, responsible, firm, stable and active institution, able to independently carry out its functions. Changes of economic environment and mentality observed in the country and openness to the changes ongoing in Europe and worldwide transform public attitude towards family, its place and role. Many areas relevant to the family are influenced by the continuing global economic crisis, which has caused a decrease in family’s income and contributed to the strengthening of negative demographic tendencies.

Lithuania has encountered similar demographic problems like the majority of European countries: shrinking birth rate, ageing society, decreasing number of marriages, increasing number of divorces, growing number of children living with one of the parents, and falling number of population.

When shaping and implementing family policy the above referred challenges should be considered, legal and organisational measures targeted at the creation of a family-friendly environment, which would prompt positive demographic tendencies, should be developed.

The activities related to family policy implemented in 2010 and being implemented in 2011 could be structured as follows: implementation of different programmes relevant to family welfare and a family-friendly environment, improvement of the legal framework, and support for projects aimed at revealing the family value.
5.1.1. PROGRAMMES FOR THE CREATION OF A FAMILY-FRIENDLY ENVIRONMENT

Seeking to improve accessibility of pre-school education and child care services, increase the diversity of curricula and services, as well as choice of opportunities for parents, the Programme for the Development of Pre-school and Pre-primary Education 2011–2013\(^\text{95}\) was approved in March 2011. The implementation of this programme should significantly contribute to the creation of a family-friendly environment and strengthening of positive parenthood.

The creation of favourable conditions for family business also highly contributes to the consolidation of family and increasing of employment of family members. In 2010, the Ministry of Economy implemented an interinstitutional project “Verslo laiptai” (“Business stairs”). During the implementation, integrated proposals concerning the improvement of a business environment were prepared with a view to promoting family business. The major of them concern the following: applying tax relieves to family business, regardless of the legal form, when declaring income and filling in a family business tax refund form, developing a new legal form of a legal entity’s business (minimum authorised capital, limited liability, simplified accounting), introducing the electronic accounting programme for persons engaged in individual activities, etc. A project of 12 integrated proposals was drafted and submitted to institutions for coordination.

In 2010, measures promoting an average family farming (business) were also developed and implemented, and the opportunities for receiving support were expanded. With regard to applicants seeking lower support (up to LTL 150,000), a more attractive simplified procedure for the provision of support was developed: the application form was simplified, the period for evaluation of applications and payment requests was shortened, a possibility for submitting payment requests together with applications was provided, simplified rules for the implementation of several measures were approved, new continuing training programmes of agricultural business development, orientated to an average family farming, are being developed.

In the area of the improvement of housing conditions, with a view to creating more favourable conditions for families and individuals to buy, construct, reconstruct or rent housing, the Special Financing Programme of State Support for the Acquisition of Residential Houses or Apartments\(^\text{96}\) has been implemented.

In implementing this programme in 2010, almost LTL 24 million from the state budget was used, of which LTL 9.99 million for state support for the acquisition of housing (including subsidies for paying part of the housing loan, paying loan insurance premiums, compensating for preferential interest) and LTL 14 million for funding of the Programme for the Development of Subsidised Housing Stock\(^\text{97}\).


approved by the Government. According to the data from banks and municipalities, 6,444 persons used state support for the acquisition or rental of housing in 2010.

In 2010, during the implementation of the Programme for the Development of Subsidised Housing Stock, the subsidised housing stock of municipalities was supplemented with 154 housing units, which afterwards were rented under preferential conditions at the procedure prescribed by law to persons who could not independently acquire housing under market conditions. Individuals and families eligible for the rental of subsidised housing were provided with 831 housing units.

The improvement of housing conditions for families was also affected by the Special Programme for the Modernisation of Multi-Apartment Buildings – 357 multi-apartment buildings were renovated according to this programme. State support of LTL 137.8 million was allocated for modernisation; LTL 27.745 million of this amount were allocated in 2010. In the same year, state support was provided to 8,507 families.

Labour market measures and improvement of working conditions also highly contribute to family welfare. These measures are discussed in the chapter on labour market, labour relations and working conditions.

In 2010, the Measures for the Implementation of the National Demographic (Population) Policy Strategy in the Area of Family Welfare 2008–2010\(^98\), aimed at creating a family-friendly environment and family welfare were implemented. The measures were targeted at increasing the employment of youth and helping family members balance their family and professional responsibilities. With a view to achieving this aim, services provided in pre-school education establishments and active labour market policy measures were developed, and the Operational Programme for the Development of Human Resources financed from the European Social Fund was implemented. Non-formal training programmes were developed in order to provide assistance to parents seeking to return to the labour market after a child care leave and help young persons more actively integrate in the labour market.

Seeking to ensure child care, education, their security and occupation, the legal framework concerning the protection of child rights was improved, the system for supporting non-formal education services in municipalities was developed, by providing better opportunities for children’s socialisation and civic education.

Seeking to create a family-friendly environment and family welfare, joint responsibility of the community and institutions for children’s education was encouraged, information forming a positive attitude towards marriage and families raising children was prepared and disseminated through mass media, awareness about the changes and relevant issues of monetary support for families and social services was raised; the programme of preparing for a family and sexual education aimed at educating a mature and moral personality and preparing young people for family life was implemented; non-governmental organisations working in the area of family welfare were supported. With the view of reducing the threat posed by risky sexual behaviour to public health and fertility, schools implemented programmes for pupils, professional development courses for teachers were organised, social assistance aimed at returning the victims of risky sexual behaviour and victims of prostitution into society was provided.

In order to form equal rights and duties in a family and public life, dissemination of a favourable attitude towards family and sharing of family responsibilities in mass media was promoted, the creation of family-friendly workplaces was encouraged through implemented projects, by ensuring qualitative and full participation of employees in the labour market.

5.1.2. IMPROVEMENT OF THE LEGAL FRAMEWORK

Seeking to establish a legal framework ensuring consistency, conceptuality and long-term continuity of family policy as well as integrity and coordination of actions, a draft Framework Law on Family Policy has been prepared and submitted for coordination. The draft aims to establish the principles of shaping and implementation of family policy, the general provisions of the formation of family policy and management of family policy.

The draft law defines the concepts of “family”, “family policy”, “family organisations”, “organisations working with families”, lists state and municipal institutions and agencies which shape and implement family policy, and sets forth their competence. In shaping and implementing family policy, the opinion of families and scientists’ recommendations should be taken into consideration, and public involvement in the solution of family policy issues should be guaranteed.

In order to support effective measures protecting persons against domestic violence, the Law on Protection against Domestic Violence was drafted and adopted in the Seimas on 26 May 2011. The purpose of the law is to protect natural persons from domestic violence, which is attributed to public acts due to harm done to society, quickly respond to threats, apply protective measures with regard to the victim of abuse, provide adequate assistance and undertake preventive measures.

The law lays down legal mechanisms of protection against domestic violence, covering preventive education measures, protective measures with regard to the victims of abuse (an obligation to the abuser to temporarily move out of the place of residence, not to approach or communicate with the victim or look for any contacts with the victim), management, organisation and provision of assistance, defines concepts, and stipulates the rights, duties and responsibility of the abuser and the victim.

This legal act is aimed at encouraging people to live in concord and solve problems in a conflict-free manner, ensuring that in any case of violence the abuser is immediately subject to measures which safeguard the victim, and guaranteeing opportunities for the victim to receive adequate assistance.

With a view to creating physical, social and economic conditions, which consolidate families and help ensure their full functioning, the order of the Minister of Social Security and Labour approved the Plan of Measures for the Implementation of the National Demographic (Population) Policy Strategy in the Area of Family Welfare 2011–201399. The plan provides for measures aimed at increasing youth employment, reconciling professional activity and family responsibilities, developing child care and education services, increasing child security and opportunities for the choice of housing, ensuring equal rights, duties and opportunities for men and women in public and family life, etc.

5.1.3. SUPPORT FOR INITIATIVES OF ORGANISATIONS WORKING WITH FAMILIES

The process of shaping and implementing family policy seeks to more effectively use the potential of non-governmental organisations. The activities of non-governmental organisations in implementing family policy are important in several aspects: these organisations significantly contribute to the formation and implementation of family policy, exactly know family needs and seek to provide adequate assistance; furthermore, the activities of non-governmental organisations are often an expression of family initiatives and their intention to share best practices.

In 2010, in order to reveal and strengthen the potential of non-governmental organisations, a tender for the selection of projects of non-governmental organisations working in the area of family welfare was organised. 99 projects were submitted for the tender. The decision was made to co-finance 15 projects.

The implementation of the above projects seeks to strengthen families and ensure their full functioning as well as provides integrated services: individual psychological, social and legal consultations, sessions of groups of civic or spiritual-psychological education or the formation of parenthood skills, sessions for spouses, lectures for engaged couples, afternoon meetings with families, etc.

In 2010, project implementers organised 2,877 different events for families, which were attended by 7,536 families and 5,107 engaged couples.

In 2011, 61 organisations have filed applications for the tender for the selection of projects of non-governmental organisations working in the area of family welfare; 16 projects have been selected for financing.

5.1.4. ACTIVITIES REVEALING THE FAMILY VALUE

The creation of a family-friendly environment concerns not only material aspects, but also a favourable public attitude towards family, which covers a favourable public attitude towards child raising and family creation as well as the state’s attention to the solution of family related issues. A favourable public attitude and respect to family creates the atmosphere contributing to people’s wish to have family and children. Self-help and community of families, dissemination of best family practices and a social dialogue are important and significant factors. Formation of a positive image of family in society and dissemination of information about harmonious family life open up for the public opportunities created by family, contribute to better perception of family needs in various areas of public life, first and foremost in workplaces, also in recreation, science and other areas.

With the view of achieving the above goals, a competition “Harmonious Family” was organised in 2010. The competition aimed at finding harmonious families and showing them to society as an example of

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cherishing family values. 37 families from all over Lithuania participated in the competition in 2010. Families competed in five nomination categories: “For cherishing of family traditions”, “For concord of generations”, “For community”, “For caring of the weakest family members”, “For creativity which unites family”. The winners were selected by the commission set up from families which took part in the competition in the previous year. Visitors of the website www.darni-seima.lt could vote for the families they admired, enter their comments and wishes to the participants. The winners were awarded during the ceremony marking the International Day of the Family at the Seimas of the Republic of Lithuania.

On 13 May 2011, on the eve of the International Day of the Family, a competition “Harmonious Family 2011” was announced. This year, families are invited to write in a free form about their best practice, thus disseminating it to other families.

In 2010 and 2011, the Family Ambassador Project was continued. In 2010, eight new family ambassadors were announced. Family ambassadors are harmonious and sociable families whose life and works spread the knowledge of the family value and significance for an individual and society and who speak on the issues relevant to families in mass media. Information about family ambassadors is published on the ministry’s website at www.socmin.lt.

The media is constantly urged to write about a family ambassador, the participants of the “Harmonious Family” competition, or to search for good examples of harmonious families and present their stories to the public.

In 2010, the cycle of debates “Family – Society – State” on the issues relevant to family and family policy was organised. The aim of the debates was to provide an opportunity for society to listen to different views as well as reasoned and competent opinion on family related issues. The topics of debates were as follows: “Work puts family in the background and one can do nothing with this”, “Can society do without marriage?”, “Good relations don’t need much effort”, “The state too much interferes in family affairs”. The participants of debates, experts of different fields (lawyers, scientists, economists, psychologists, philosophers, entrepreneurs, etc.), relatively took two opposite positions and tried to argumentatively defend them. After each debate session the media published articles about the key insights in family policy. Video recording of the debates is available at http://www.youtube.com/user/SADMinisterija.

In promoting joint responsibility of communities and institutions for children’s education, information forming a positive attitude towards marriage and families raising children was prepared and disseminated through mass media. The media also informed about the changes of monetary support for families and social services as well as other relevant issues. The Ministry of Social Security and Labour through news agencies BNS and ELTA disseminated information about non-governmental organisations working in the area of family welfare whose projects won the tenders for financing. Non-governmental organisations encouraged families to foster mutual assistance and responsibility, ensure secure alternation of generations, create new legal, social and economic conditions guaranteeing full functioning of families.

Seeking to honour and acknowledge mothers of many children, candidacies of mothers of many children for the award of the Medal of the Order for Merits to Lithuania have been submitted annually to the President of the Republic of Lithuania to mark a Mother’s Day since 2004. Awards are presented to mothers who have given birth, raised and well brought up seven or more children. In 2010, the medal was presented to 43 mothers; in 2011, 45 mothers have received the award.

The family is considered to be the basis of the nation, the source of people's spiritual stability and full-fledged life. Therefore, the formation and implementation of family policy further seeks to create necessary legal, social, economic, cultural and other conditions which strengthen the family and foster its stability and full-fledged functioning.
5.2. CASH SOCIAL ASSISTANCE FOR FAMILIES AND CHILDREN

Cash social assistance is one of the measures which affects the reduction of poverty and social exclusion as well as strengthens the family institution. Effective provision of cash social assistance to residents is one of the key actions which are essential in order to control the crisis. Ensuring this kind of assistance protects the most vulnerable social groups and mitigates social consequences of the economic decline, which are felt during the economic stabilisation period as well. Yet, it is necessary even during the economic crisis that state support provided to families raising children and poor residents does not lead to negative social consequences and does not distort the principles of the social solidarity system, but rather is targeted at the full functioning of family or an individual in society.

5.2.1. FAMILY AND CHILD BENEFITS

Families raising children have been provided with state assistance stipulated in the Law on Child Benefits\(^\text{102}\). This assistance is provided from the state budget, and appropriations are administered by municipal administrations.

The Law provides for the following lump-sum and monthly social benefits:

1. Benefits for children raised in families:
   - a lump-sum child benefit (birth or adoption grant);
   - a child benefit;
   - a benefit to a conscript's child.
2. Benefits for children under guardianship (curatorship):
   - a guardianship (curatorship) benefit;
   - a lump-sum settlement grant.
3. A lump-sum pregnancy grant.

As of 1 August 2008, the amount of benefits has been related to the basic social benefit (hereinafter referred to as BSB), i.e. an indicator used for defining and calculating social security benefits, amounting to LTL 130\(^\text{103}\).

5.2.1.1. Payment of child benefits to families raising children

Seeking positive demographic changes and promoting adoption in Lithuania, a lump-sum child benefit equalling 11 BSB, i.e. LTL 1,430, is paid at birth or having adopted a child.

The lump-sum child birth benefit is paid in relation to each born child; therefore, at the birth of twins or triplets the amount of the benefit is subject to the number of children born. Where a family adopts a baby (under one year of age), it shall receive both a birth benefit and an adoption benefit.


As of 1 July 2004, a child benefit has been paid without regard to the amount of income received by family, but with regard to the number of children growing in the family. After the economic crisis started, having evaluated the financial resources of the state and seeking economical and efficient use of taxpayers’ funds, a child benefit in relation to family income has been paid since 1 March 2009. Payment of a child benefit subject to family income is a measure that ensures state assistance for low-income families raising children.

The right to apply for a child benefit is also granted if the family income decreases, as compared to the previous calendar year, thus ensuring continuity of payment of a child benefit to families receiving social allowances and free meals for pupils. A child benefit in relation to family income is granted for a period of 12 months.

Verification of the submitted data on income, when applying for a child benefit, is performed according to the data from the information system databases of institutions.

With a view to solving the financial problems of the state related to the control of the economic decline and with regard to reduced revenue to the state budget, the Republic of Lithuania Temporary Law on Recalculation and Payment of Social Benefits\(^{104}\) came into effect on 1 January 2010 and changed the conditions of payment of a child benefit, as stipulated in the Law on Child Benefits. The law establishes that a child benefit in the amount of 0.4 BSB (LTL 52) shall be paid to children from two to seven 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 (hereinafter referred to as SSI)\(^{105}\), i.e. LTL 525. A benefit shall be 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, i.e. the family has to meet the criteria of the “family” concept, according to which the family includes children until 18 years of age and majors until 24 years of age, provided they are studying. Children from birth to the age of two years shall be granted and paid a monthly benefit in the amount of 0.75 BSB (LTL 97.5), provided that parents do not receive a social insurance maternity (paternity) benefit or this benefit does not exceed LTL 525.

These provisions help mitigate the consequences of the economic decline for those families raising children which have encountered serious socioeconomic problems: low-income families and recipients of social allowances or social assistance to pupils. Children older than 7 years of age from low-income families, who study at school, are also provided with state social assistance for pupils. The temporary procedure for the payment of child benefit (the provisions of the law stay valid until 31 December 2011) is one of measures which help guarantee the stability of the state finance system. In 2010, the state expenditure on the payment and administration of child benefits decreased by about 3.7 times, as compared to 2009, which enabled saving LTL 341.9 million per year.

Each child of a conscript is paid a monthly benefit in the amount of 1.5 BSB (LTL 195) during the service of the child's father.

A pregnant unemployed woman, who is not eligible for the state social insurance maternity benefit, is granted a lump-sum benefit amounting to 2 BSB (LTL 260) no sooner than 70 days before the baby is due.

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\(^{104}\) Republic of Lithuania Temporary Law on Recalculation and Payment of Social Benefits (Official Gazette Valstybės žinios, 2009, No. 152-6820)

5.2.1.2. Payment of benefits for children under guardianship (curatorship)

State attention and benefits for children under guardianship (curatorship) have not decreased during the crisis.

A child whose guardian is a natural or legal person, including state and municipal child care institutions, is paid a monthly guardianship (curatorship) benefit amounting to 4 BSB (LTL 520) during the period of guardianship.

Upon the expiration of the child's guardianship (curatorship) due to the age of majority, emancipation (recognition of legal capacity by the court) or contracting a marriage, the child continues receiving the above benefit if he or she is studying in a secondary, vocational or higher school for the duration of studies, but no longer than until he or she reaches the age of 24 years. This benefit is not paid to persons who enrol in an establishment of the same school group more than twice. A person at the age of majority whose parents (single parent) are (is) deceased has the right to receive a guardianship (curatorship) benefit for the duration of studies, but no longer than until he or she reaches the age of 24 years.

Where the recipient of a guardianship (curatorship) benefit receives an orphan's pension and/or maintenance, the amount of benefit equals the difference between the benefit amounting to 4 BSB (LTL 520) and the amount of the said orphan's pension and/or maintenance.

The guardian (foster parent) of the child receives a monthly guardianship (curatorship) benefit of 2 BSB (LTL 260) for the child who receives maintenance (free accommodation and meals) in a dormitory of a general education school or a vocational school on a full-time basis or working days.

Upon the expiration of the child's guardianship (curatorship), former children under guardianship (curatorship) until 25 years of age are entitled to apply for a lump-sum settlement grant, if they are not maintained in a state or municipality financed institution. 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 construction 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. The law specifies a term of 24 months for using this benefit.

Having regard to the fact that the number of persons who wish to take care of children deprived of parental care has lately decreased and seeking to promote the establishment of social families and ensure financing of social families as legal entities for the provision of social care, a guardianship (curatorship) benefit in the amount of 8 BSB (LTL 1,040) has been paid for children living in social families as of 1 January 2009. Pursuant to the legal acts governing the activities of social families, a child who has been established the need for a short- or long-term social care in a social family shall be granted 50 per cent of the full amount of a guardianship (curatorship) benefit, i.e. LTL 520. Another part (less than 50 per cent) of the guardianship (curatorship) benefit is used for ensuring the activities of a social family. This procedure 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.

The provisions of the Temporary Law on Recalculation and Payment of Social Benefits guarantee equal conditions for supporting children raised in families and children under guardianship (curatorship) in families: a child under guardianship in a family shall be entitled to a child benefit, if the biological child raised in the same family receives the benefit or, if the family raises or takes care of only one child, the right to the benefit depends on the income received by adult family members. A child under guardianship is included in the number of children raised by guardians, yet the benefits granted to him or received income are not calculated when evaluating the income received by the guardian family.

5.2.1.3. Other types of social assistance

Families with children are provided with support not only in a form of social benefits. Poor families are provided with other types of cash social assistance (social benefits, compensations for heating, cold and hot water, free meals for children in schools, assistance for pupils in the preparation for school, discounts on kindergarten fees, etc.).

Where a permanent resident of Lithuania dies or a stillborn baby is born, the person taking care of the funeral receives the funeral grant of 8 BSB (LTL 1,040) established in the Law on Assistance in Case of Death.

5.2.2. Cash social assistance for poor families and single residents

The implementation of the provisions of the Law on Cash Social Assistance for Poor Families and Single Residents of the Republic of Lithuania 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 social benefits in order to ensure minimum funds to meet their basic physiological needs as well as compensations covering heating and hot and cold water expenses (hereinafter referred to as compensations) as partial reimbursement for dwelling maintenance. It is evident that the need for cash social assistance has been growing during the economic decline. Therefore, under these conditions, efficient provision of cash social assistance to socially vulnerable groups of the population is the most important measure for reducing poverty and social exclusion.

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. Applicants for social assistance are required to first and foremost provide themselves with all possible income that they can obtain on their own. 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.

107 Republic of Lithuania Law on Assistance in Case of Death (Official Gazette Valstybės žinios, 1993, No. 73-1371)
108 Republic of Lithuania Law on Cash Social Assistance for Poor Families and Single Residents (Official Gazette Valstybės žinios, 2003, No. 73-3352; 2006, No. 130-4889)
109 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 Valstybės žinios
Cash social assistance for poor residents is calculated with regard to the basic amount of SSI set by the Government of the Republic of Lithuania. As of 1 August 2008, the amount has been LTL 350 per person per month. When SSI is increased, the amount of provided cash social assistance increases.

When a family or a single resident applies for cash social assistance, the value of property possessed by all family members is totalled up, excluding low-valued property which does not exceed the amounts laid down in the law.

Families and single permanent residents of the Republic of Lithuania who receive per capita income not higher than the amount of SSI established by the Government are entitled to a social benefit. The amount of social benefit equals to 90 per cent of the difference between the amount of SSI per family or single resident and the monthly income per family or single resident.

Families or single residents are compensated for the heating of a dwelling where they have declared their place of residence. One family member or a single resident is compensated for the expenses for heating of 38 m², and every remaining family member – for heating of 12 m² of his or her dwelling. The compensation for the established floor area of a dwelling guarantees assistance for poor residents living in medium-sized dwellings.

A family or a single resident pay for the heating of a dwelling not more than 20 per cent of the difference between earned income and SSI for a family (an individual). The remaining amount of the expenses related to heating is compensated from the funds of the state budget. This principle of calculation of the compensation safeguards residents from the increase in the cost resulting from the rise in energy prices and public utility bills.

Each poor resident is guaranteed a compensation for 1.5 m³ of hot running water and 2 m³ of cold running water used per month. The portion of the expenses for cold water exceeding 2 per cent of the income of a family or a single resident and the portion of the expenses for hot water exceeding 5 per cent are compensated.

Municipalities have the right to replace cash social assistance provided to families and single residents who fail to perform their obligations with another type of social assistance (by purchasing foodstuffs, organising free meals, providing clothing and goods, cards designed for purchasing foodstuffs, etc.), 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 of a family or a single resident 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 the law (to award lump-sum benefits; to compensate for the dwelling maintenance expenses that are not specified in the law; to compensate for the expenses for heating of a larger useful floor area than the norm established by the law; to cover dwelling indebtedness, etc.).

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

Lithuanian residents who participate in the scheme of modernisation of multi-dwelling buildings are provided with the opportunity to renovate their dwelling, insulate it thermally, thus saving and efficiently using energy resources and reducing heat consumption. Seeking to intensify the processes of renovation (modernisation) of multi-dwelling buildings and ensuring the participation of poor residents as well as their concern with the problems of thermal insulation of houses, the provisions of the Law
on Cash Social Assistance for Poor Families and Single Residents stipulate state assistance for poor residents with regard to credit and interest. The credit and interest are reimbursed during the credit repayment period fixed in the credit contract by transferring the amount to the administrator of objects of common use at the procedure prescribed by legislation.\textsuperscript{110}

Furthermore, seeking a more targeted provision of cash social assistance, the provisions of the Law on Cash Social Assistance for Poor Families and Single Residents were specified in 2010. The law, which took effect on 1 February 2011, specifies the provisions concerning state support by reimbursing of a credit and interest to poor residents, i.e. without indicating any specific programmes for the renovation (modernisation) of multi-dwelling buildings, it is established that all owners of the flats of a multi-dwelling building who had or have implemented any state and/or municipality supported project of the renovation (modernisation) of a multi-dwelling building are entitled to state support by reimbursing of a credit and interest.

The amendments to the law also provide for a possibility to receive cash social assistance in cases of late payment of wages and social benefits. Where wages and social benefits are paid at least one month behind time, when calculating income of residents, who apply for cash social assistance, wages and social benefits are included in the amount of income for those months when they were paid. Hence the conditions have been created for poor residents to receive cash social assistance when they are in need of it, after evaluating their actual material situation.

\textbf{5.2.3. Social Assistance for Pupils}

Seeking to support families raising school-age pupils and develop healthy diet habits of pupils at school in accordance with the Law on Social Assistance for Pupils,\textsuperscript{112} pupils from low-income families are entitled to free meals and assistance for pupils in the preparation for school.

Having regard to family income (provided that the average income per family member per month does not exceed the amount of 1.5 SSI (LTL 525)), pupils are entitled to free meals and assistance for the acquisition of school supplies.

Taking into consideration the living conditions of families, pupils are also granted free meals in other cases established by the municipality, which takes the decision regarding the granting of cash social assistance for pupils, if the average income per family member per month is smaller than the amount of 2 SSI (LTL 700).

If pupils are entitled to free meals in the last month of a school year, they are entitled to free meals at summer day camps organised in schools during summer holidays.


\textsuperscript{111} Law Amending Articles 7, 12 and 15 of the Republic of Lithuania Law on Cash Social Assistance for Poor Families and Single Residents (Official Gazette \textit{Valstybės žinios}, 2010, No. 153-7797)

\textsuperscript{112} Republic of Lithuania Law on Social Assistance for Pupils (Official Gazette \textit{Valstybės žinios}, 2006, No. 73-2755; 2008, No. 63-2382)
Having regard to the rapidly increasing number of families entitled to social assistance for pupils and having evaluated limited financial resources of the state, keeping to the amendments to the Law on Social Assistance for Pupils, a general type of social assistance for pupils, i.e. free meals, without distinguishing the specific types of free meals, has been established as of 1 January 2010. Pursuant to the Description of the Procedure for the Provision of Free Meals to Pupils at School, the founder of the school has the right to decide on the type(s) of free meals – lunch, meals in summer day camps organised in schools, breakfast or afternoon meal – to be provided to pupils in their founded school.

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 per cent of the funds allocated for social assistance for pupils 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 – from LTL 3.38 to LTL 4.68 for preparing lunch, from LTL 1.56 to LTL 2.6 for preparing breakfast or afternoon meal, and from LTL 7.8 to LTL 9.1 for meals in summer day camps organised in schools.

Pupils are provided with free meals at school that they attend, irrespective of their place of residence. County governor administrations (until 1 July 2010) and the Ministry of Education and Science administer the provision of free meals for pupils in public schools, while municipal administrations administer the provision of free meals for pupils in their founded schools and in private schools founded in the territory of the municipality.

Assistance for the acquisition of school supplies is provided in cash, except cases where a pupil is raised in a family at social risk. At the beginning of a new school year, assistance for the acquisition of school supplies per pupil amounts to LTL 156. It is subject to the place of residence, irrespective of the school a pupil attends. Municipal administrations are responsible for the organisation of this type of assistance.

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 free meals only to pupils from low-income families as of 1 January 2011.

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

The overall amount of benefits paid for a family or cohabitants and children by the state as well as assistance of other types amounted to LTL 1,061.3 million in 2010, which is an increase by LTL 15.8 million (1.5 per cent), as compared to 2009.

113 Law Amending Articles 3, 4, 5, 7, 9, 12, 13 and 14 of the Republic of Lithuania Law on Social Assistance for Pupils (Official Gazette Valstybės žinios, 2009, No. 153-6886)
115 Law Amending Article 9 of the Law Amending Articles 1, 5, 6, 7, 8, 10, 11 and 14 of the Republic of Lithuania Law on Social Assistance for Pupils (Official Gazette Valstybės žinios, 2009, No. 149-6027)
In 2010, as compared to the previous year, the structure of expenditure on social assistance changed. According to the data presented in Figure 5.2.4-1, the major share of expenditure on social assistance (59.6 per cent) in 2010 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-dwelling building, and interest for persons entitled to the compensation for heating expenses, which are granted on the basis of family income and property. In 2009, this type of social assistance made 26 per cent of all funds allocated for support. Benefits to families or cohabitants raising and/or fostering children accounted for 24.6 per cent of all funds allocated for social assistance (57.5 per cent in 2009). Structural changes in the expenditure on cash social assistance have been determined by the growth of the number of recipients of social benefits, caused by increased unemployment and falling income of residents, and payment of child benefits only to children from low-income families.

**Distribution of expenditure on social assistance in 2010**

- **LTL 43.4 million; 4.1%**
- **LTL 9.8 million; 0.9%**
- **LTL 632.6 million; 59.6%**
- **LTL 114.1 million; 10.8%**
- **LTL 260.9 million; 24.6%**
- **LTL 0.5 million; 0.05%**

- Benefits to families or cohabitants raising and/or fostering children
- Cash social assistance for poor residents from the state budget
- Cash social assistance from municipal budgets
- Funeral grant
- Free meals for pupils and assistance for the acquisition of school supplies
- Assistance for independence defenders aggrieved during the events of 11-13 January 1991 and the following aggression of the USSR and their families

*Data from the Ministry of Social Security and Labour*  
*Figure 5.2.4-1*

According to the data from Table 5.2.4-1, the expenditure on benefits to families or cohabitants raising and/or fostering children decreased by 56.6 per cent to LTL 260.9 million in 2010, as compared to 2009. On average 152,000 children (24 per cent of all children in Lithuania) received a child benefit per month in 2010, whereas the number of recipients in 2009 was 495,300 (78.3 per cent of all children in Lithuania). The decrease in the number of recipients of this benefit and expenditure on this benefit has been determined by the fact that as of 1 March 2009, a child benefit has been paid with regard to family income.

In the first quarter of 2011, on average 107,300 children received monthly child benefits, and on average every month approximately LTL 7.3 million were allocated for the payment of the benefits.
Recipients of benefits paid to families, cohabitants and children and other types of assistance as well as relevant expenditure in 2009 and 2010

<table>
<thead>
<tr>
<th>No.</th>
<th>Benefits</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number of recipients (thousand)</td>
<td>Expenditure (LTL million)</td>
</tr>
<tr>
<td>Total (1+2+3+4)</td>
<td>x</td>
<td>1,045.5</td>
<td>x</td>
</tr>
<tr>
<td>1.</td>
<td>Benefits to families or cohabitants raising and (or) fostering children, of which</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1.</td>
<td>A lump-sum child benefit</td>
<td>34.2</td>
<td>47.1</td>
</tr>
<tr>
<td>1.2.</td>
<td>A lump-sum pregnancy grant</td>
<td>6.6</td>
<td>1.7</td>
</tr>
<tr>
<td>1.3.</td>
<td>A child benefit</td>
<td>495.3</td>
<td>469.2</td>
</tr>
<tr>
<td>1.4.</td>
<td>A benefit to a conscript's child</td>
<td>0.002</td>
<td>0.001</td>
</tr>
<tr>
<td>1.5.</td>
<td>A guardianship (curatorship) benefit</td>
<td>12.4</td>
<td>68.2</td>
</tr>
<tr>
<td>1.6.</td>
<td>A lump-sum settlement grant</td>
<td>2.8</td>
<td>14.9</td>
</tr>
<tr>
<td>2.</td>
<td>Allowances and other forms of assistance for poor residents, of which</td>
<td></td>
<td>400.7</td>
</tr>
<tr>
<td>2.1.</td>
<td>A social allowance</td>
<td>73.5</td>
<td>190.7</td>
</tr>
<tr>
<td>2.2.</td>
<td>Compensations for heating and cold and hot water expenses</td>
<td>130.3</td>
<td>79.1</td>
</tr>
<tr>
<td>2.3.</td>
<td>Cash social assistance upon the decision of municipalities</td>
<td>x</td>
<td>2.6</td>
</tr>
<tr>
<td>2.4.</td>
<td>Reimbursement for a credit, taken out for the renovation (modernisation) of a multi-dwelling building, and interest for persons entitled to heating compensations</td>
<td>0.3</td>
<td>0.04</td>
</tr>
<tr>
<td>2.5.</td>
<td>Cash social assistance from municipal budgets</td>
<td>x</td>
<td>10</td>
</tr>
<tr>
<td>2.6.</td>
<td>Free meals to pupils</td>
<td>136</td>
<td>97.4</td>
</tr>
<tr>
<td>2.7.</td>
<td>Assistance for the acquisition of school supplies</td>
<td>134</td>
<td>20.9</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>0.2</td>
<td>0.4</td>
</tr>
<tr>
<td>4.</td>
<td>A funeral grant</td>
<td>41.7</td>
<td>43.3</td>
</tr>
</tbody>
</table>

Data from the Ministry of Social Security and Labour

Table 5.2.4-1
On average 12,500 children received a guardianship (curatorship) benefit per month in 2010, and LTL 69 million were spent for the payment of this benefit (LTL 815,900 more than in 2009). In 2010, as compared to 2009, the number of recipients of child guardianship (curatorship) benefits increased by 1 per cent (from 12,400 to 12,500 children). The increase in the expenditure on this type of benefit was determined by the fact that a guardianship (curatorship) benefit for children living in social families has been increased from 4 to 8 BSB (from LTL 520 to LTL 1,040) as of 1 January 2009. As a result, support for social families, as a more favourable form of child guardianship (curatorship), is ensured in the context of falling number of families wishing to take care of children.

Dynamics of recipients of child benefits and expenditure in 2000–2010

In the first quarter of 2011, LTL 17.2 million were spent for the payment of guardianship (curatorship) benefits; the average number of recipients per month amounted to 12,600 persons.

During 2010, as compared to 2009, the number of recipients of the settlement grant shrank from 2,800 to 2,600. LTL 13.8 million were allocated for the payment of this grant in 2010.

In the first quarter of 2011, a lump-sum settlement grant was paid to 1,200 persons, and the expenditure on the payment thereof amounted to LTL 2.8 million.

The expenditure on cash social assistance for poor residents increased by 2.3 times in 2010, as compared to 2009. In 2010, LTL 642.4 million were spent for the payment of social benefits, compensations for heating and water expenses, reimbursement of the credit, taken out for the renovation (modernisation) of a multi-dwelling building, and interest for persons entitled to the compensation for heating expenses, as well as cash assistance from municipal budgets, which are granted to poor residents on the basis of their income and property. The funds distributed as follows: LTL 510.6
million – social benefits; LTL 116.5 million – compensations for heating and water expenses; LTL 1.2 million – reimbursement of the credit, taken out for the renovation (modernisation) of a multi-dwelling building, and interest for persons entitled to the compensation for heating expenses. LTL 9.8 million were allocated from municipal budgets for supporting residents.

Article 4(2) of the Republic of Lithuania Law on Cash Social Assistance for Poor Families and Single Residents lays down that up to 2 per cent of the funds allocated for social benefits and compensations may be used for cash social assistance specified in Article 22(3) of the law. In 2010, LTL 4.3 million were spent for this type of social assistance.

The growth in the expenditure on cash social assistance for poor residents has been caused by the increased number of recipients of social benefits and compensations for heating and water expenses as well as the amount of this type of assistance, which was affected by the increased unemployment rate (according to statistical estimates, the unemployment rate was 17.1 per cent in QIV 2010), decreased income of residents and the growth in the expenses for dwelling maintenance.

According to Table 5.2.4-2, on average 181,300 persons (5.4 per cent of permanent residents of Lithuania) received social benefits per month in 2010. As compared to 2009, the number of persons increased by 2.5 times i.e. from 73,500 persons in 2009 to 181,300 persons in 2010.

In 2010, the average amount of a monthly social benefit per capita increased by 8.6 per cent, as compared to 2009, i.e. from LTL 216.1 to LTL 234.7.

On average 235,800 persons received social benefits (7.3 per cent of permanent residents of Lithuania) per month of the first quarter of 2011; on average, one family member received a social benefit amounting to LTL 235.3 per month (expenditure on social benefits per capita accounted for LTL 206.2).

**Recipients of social benefits and relevant expenditure in 2000–2011**

<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 allowances per resident (LTL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000 m.</td>
<td>115</td>
<td>3,3</td>
<td>89</td>
<td>25,3</td>
</tr>
<tr>
<td>2001 m.</td>
<td>117</td>
<td>3,4</td>
<td>88</td>
<td>25,2</td>
</tr>
<tr>
<td>2002 m.</td>
<td>117</td>
<td>3,4</td>
<td>90</td>
<td>25,9</td>
</tr>
<tr>
<td>2003 m.</td>
<td>119,5</td>
<td>3,5</td>
<td>94,3</td>
<td>27,2</td>
</tr>
<tr>
<td>2004 m.</td>
<td>83,5</td>
<td>2,4</td>
<td>69,4</td>
<td>20,1</td>
</tr>
<tr>
<td>2005 m.</td>
<td>54,1</td>
<td>1,6</td>
<td>52,8</td>
<td>15,4</td>
</tr>
<tr>
<td>2006 m.</td>
<td>37,8</td>
<td>1,1</td>
<td>43,8</td>
<td>12,9</td>
</tr>
<tr>
<td>2007 m.</td>
<td>36,6</td>
<td>1,1</td>
<td>52,4</td>
<td>15,5</td>
</tr>
<tr>
<td>2008 m.</td>
<td>37,3</td>
<td>1,1</td>
<td>78,9</td>
<td>23,4</td>
</tr>
<tr>
<td>2009 m.</td>
<td>73,5</td>
<td>2,2</td>
<td>190,7</td>
<td>56,9</td>
</tr>
<tr>
<td>2010 m.</td>
<td>181,3</td>
<td>5,4</td>
<td>510,6</td>
<td>153,4</td>
</tr>
<tr>
<td>2011 m.*</td>
<td>235,8</td>
<td>7,3</td>
<td>666</td>
<td>206,2</td>
</tr>
</tbody>
</table>

* Forecasted figures according to the information of QI 2011

Data from the Ministry of Social Security and Labour Table 5.2.4-2
In 2010, 47.3 per cent more funds were spent on compensations for heating and water expenses than in 2009; the expenditure increased from LTL 79.1 million to LTL 116.5 million.

During the heating season, within one month of 2010, on average 166,500 persons (5 per cent of the Lithuanian population) received compensations for heating expenses. In 2010, as compared to 2009, the number of persons who received compensations for heating expenses per month increased by 27.8 per cent (from 130,300 to 166,500 persons). The average amount of compensation for heating expenses per capita per month in 2010 was approximately LTL 95.3 with the centralised heating system, and LTL 102.1 when heating with other types of energy and fuel.

In the first quarter of 2011, 219,200 persons (6.8 per cent of the Lithuanian population) received compensations for heating expenses.

Within one month of 2010, on average 45,900 persons received compensations for cold water expenses. As compared to 2009, the number of recipients of compensations for cold water expenses increased by 58.8 per cent (from 28,900 to 45,900 persons). The average amount of the compensation for cold water expenses per capita per month was LTL 5.3.

Within one month of the first quarter of 2011, on average 54,700 persons received compensations for cold water expenses. The average amount of the compensation for cold water expenses per capita per month was LTL 5.

Within one month of 2010, on average 88,700 persons received compensations for hot water expenses. As compared to 2009, the number of recipients of compensations for hot water expenses increased by 26.9 per cent (from 69,900 to 88,700 persons). The average amount of the compensation for hot water expenses per capita per month was LTL 18.5 in 2010.

Within one month of the first quarter of 2011, on average 112,100 persons received compensations for hot water expenses. The average amount of the compensation for hot water expenses per capita per month was LTL 19.

In 2010, expenditure on funeral grants paid in case of death amounted to LTL 43.4 million, the grant was paid to 41,700 persons; in the first quarter of 2011, expenditure accounted for LTL 11.4 million, the grant was paid to 10,900 persons.

In 2010, as compared to 2009, expenditure on social assistance for pupils (free meals, assistance for the acquisition of school supplies, administration of social assistance for pupils) fell from LTL 121.2 million to LTL 117.8 million (2.8 per cent).
According to the data from Figure 5.2.4-3, in 2010, about 144,400 pupils from low-income families (approx. 34 per cent of all pupils) received free lunch at school, of which 8,300 pupils (2 per cent of all pupils) received free breakfast or afternoon meal. Approximately 11,500 pupils (2.7 per cent of all pupils) received free meals at the summer day camps organised by schools during summer holidays.

In 2010, as compared to 2009, the number of pupils who received free meals grew from 136,000 to 144,400 (6 per cent); however, a decrease in the number of pupils who received free breakfast or afternoon meal was recorded – from 85,000 to 8,300 pupils (90 per cent). This decrease was caused by the provision, which took effect on 1 January 2010, entitling to free breakfast or afternoon meal only in exceptional cases. This in turn led to a decrease in expenditure on free meals: according to Figure 5.2.4-4, in 2010, as compared to 2009, expenditure fell from LTL 97.4 million to LTL 91.1 million (6.5 per cent).

In 2010, LTL 23 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 10 per cent (LTL 2.1 million) more than in 2009. In 2010, assistance for the acquisition of school supplies was provided to more than 147,500 pupils (about 34.6 per cent of all pupils) studying according to pre-primary or general education curricula. LTL 156 were allocated per pupil. In 2010, as compared to 2009, the number of recipients of assistance for the acquisition of school supplies grew by 9.7 per cent from 134,400 to 147,500.

The increase in the number of pupils who received social assistance was determined by a difficult economic and financial situation in the country, the growing unemployment rate and falling income of residents.
In 2010, as compared to the previous year, expenditure on administration of social assistance for pupils grew from LTL 2.9 million to LTL 3.7 million (27.6 per cent).

During the first quarter of 2011, approximately 149,000 pupils from low-income families received free meals at school (35 per cent of all pupils), comparing to 144,000 pupils in the first quarter of 2010. LTL 30.2 million were spent on free meals (food products), which is 27 per cent of all funds allocated for the provision of free meals for pupils.

A difficult economic and financial situation in the country has continued to increase the number of pupils provided with free meals at school and the funds allocated for this type of assistance.

### 5.2.5. 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 the economic decline seeking to avoid, eliminate or mitigate deprivation.

Having regard to the current financial resources of the state and seeking that assistance be as targeted as possible and able to perform its main function, i.e. guarantee minimum income for poor residents, help families bring up children and motivate people to work, rather than live on state social benefits, the state has envisaged to reorganise the cash social assistance system, improve the legal framework and revise the amounts of social benefits.

Starting with 2012, the system of cash social assistance for poor residents will be reorganised – there is a proposal to transfer cash social assistance for poor residents to municipalities as an independent
function (currently, it has been the function of the state (assigned by the state to municipalities)), by financing it with the funds from municipal budgets, and to involve local communities in the process of providing social assistance.

The decision to basically reorganise the system of cash social assistance for poor residents has been made in pursuit of its efficiency, by strengthening the power of municipalities in providing assistance, guaranteeing that cash social assistance is more targeted and just in respect to those who are actually in need of it, and that the issues of granting social assistance to poor residents are tackled as close to their place of residence as possible. This systemic reform and the new principles of granting cash social assistance to poor residents established in the law will enable municipalities together with local communities to more effectively carry out this function. The funds allocated for cash social assistance will be used more rationally, preventing potential abuse, and municipalities will be more concerned with retaining people’s wish to work in order to help families avoid a poverty trap.

The conditions of payment and amounts of benefits are established with regard to economic changes and the financial resources of the state. After the economic situation improves in the country, payment of child benefits as stipulated in the Law on Child Benefits will be improved. With a view to establishing a mechanism of the payment of a guardianship (curatorship) benefit, which meets the needs of a child under guardianship (curatorship), amendments will be drafted having consulted child rights specialists, representatives of organisations of guardians (foster parents) and benefit specialists.

In the near future, as the economic growth gains impetus in the country, the state is expected to have more possibilities to support families and allocate more funds for social security from the state budget.
5.3. CHILD RIGHTS PROTECTION TENDENCIES

5.3.1. CHILDREN PLACED UNDER GUARDIANSHIP

5.3.1.1. General statistics

According to the data from the Department of Statistics, 653,700 children (19.5 per cent of the total number of population) lived in Lithuania in 2009, of whom 11,130 children were placed under guardianship (foster care), which accounts for 1.7 per cent of the total number of children in Lithuania. It should be noted that the total number of children under guardianship (foster care) has been decreasing since 2006: 13,337 children in 2006; 12,910 children in 2007; 12,306 children in 2008; 11,608 children in 2009; 11,130 children in 2010.

The number of children deprived of parental care, who have been placed under guardianship, has also been decreasing: 3,006 children in 2006; 2,824 children in 2007; 2,691 children in 2008; 2,175 children in 2009; 2,145 children in 2010.

The proportion of children deprived of parental care per year and the total number of children placed under guardianship (foster care)

Data from the State Child Rights Protection and Adoption Agency Figure 5.3.1.1-1
The distribution of children placed under guardianship (foster care) in 2010 was as follows: by gender: boys – 5,635, girls – 5,495; by age: 0–3 years old – 859 children, 4–6 years old – 1,033 children, 7–9 years old – 1,732 children. The biggest number of children under guardianship (foster care) was recorded in the age groups of 10–14 years (4,264 children) and 15–17 years (3,242 children). The number of children from these two groups constitutes 67.4 per cent of all children placed under guardianship (foster care).

In 2010, 2,145 children were deprived of parental care, i.e. 30 children less than in 2009. The difference in the gender distribution is not considerable: 1,061 boys and 1,084 girls. Many children deprived of parental care are placed under: temporary guardianship (foster care) – 95 per cent, and permanent guardianship (foster care) – 5 per cent. In 2010, as compared to 2009, the number of cases of temporary guardianship increased by 12 per cent, whereas the number of cases of permanent guardianship fell by 50 per cent. A bigger number of children deprived of parental care live in urban areas (1,160) than in rural areas (989); however, the comparison of these figures with the total number of children living in urban areas (18.6 per cent) and rural areas (21.3 per cent) shows that children from urban areas become more often deprived of parental care than children from rural areas. The distribution of the number of children deprived of parental care by age groups is as follows: 30 per cent – below 3 years of age, 15.5 per cent – 4–6 years of age, 15 per cent – 7–9 years of age, 26 per cent – 10–14 years of age, 13.5 per cent – 15–17 years of age. The major share of children who were deprived of parental care in 2010 (649) fall in the age group of 0–3 years, and 557 children – in the age group of 10–14 years.

5.3.1.2. Children in the child guardianship (foster care) system

Children are deprived of parental care due to various reasons. The analysis of the reasons of 2010 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 1,443 children were deprived of parental care in 2010, which is 64 per cent of all children deprived of parental care. The second reason was that parents or a single parent were temporarily incapable of taking care of the child because of the parents’ (or the father’s or the mother’s) illness, arrest, imposed sentence, or due to other compelling reasons. Due to the said reason, 411 children were deprived of parental care in 2010, which is 19 per cent of all children deprived of parental care.

Other important reasons were as follows: the death of parents or a single parent (7 per cent of all children deprived of parental care); children were separated from their parents at the procedure prescribed by laws (3 per cent); parental authority was restricted for an unlimited period of time (4 per cent). During the accounting period, the number of cases of restriction of parental authority decreased by 35.4 per cent (402 cases in 2008, 127 cases in 2009, 82 cases in 2010). Generally, the majority of children were deprived of parental care due to improper conduct of parents, neglect, improper care and their inability to create a safe environment for children.

In 2010, until care was established for children, many of them lived with one of their parents (787), both parents (619), or mother when no data about the father was available (524). 140 children
lived with their close relatives or other persons, 61 children lived in the hospital (maternity home) and 12 children were found in baby drop boxes.

**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 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>
<th>Number of children over 2008</th>
<th>Number of children on 31 December 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before the establishment of guardianship (foster care), the child lived with both parents</td>
<td>619</td>
<td>2,758</td>
<td>569</td>
<td>2,948</td>
<td>654</td>
<td>3,004</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>787</td>
<td>3,084</td>
<td>747</td>
<td>3,250</td>
<td>928</td>
<td>3,533</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>524</td>
<td>2,383</td>
<td>506</td>
<td>2,635</td>
<td>553</td>
<td>2,512</td>
</tr>
<tr>
<td>Before the establishment of guardianship (care), the child lived in a non-biological family</td>
<td>140</td>
<td>2,507</td>
<td>226</td>
<td>2,536</td>
<td>387</td>
<td>2,441</td>
</tr>
<tr>
<td>Nobody raised the child (the child was found)</td>
<td>12</td>
<td>16</td>
<td>1</td>
<td>15</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Before the establishment of guardianship (foster care), the child lived in the hospital (maternity home)</td>
<td>61</td>
<td>219</td>
<td>67</td>
<td>221</td>
<td>61</td>
<td>223</td>
</tr>
</tbody>
</table>

*Data from the State Child Rights Protection and Adoption Agency*  
Table 5.3.1.2-1

In 2010, 653 of 2,145 children deprived of parental care were aged under three. More than half of them (441, i.e. 67.5 per cent) were placed in social care institutions. Nine children under three years of age were placed in social families, whereas care in families was established for 209 minors. A big share of children aged 10–14 deprived of parental care are placed in social care institutions (281, i.e. 43 per cent). It should be noted that these trends have been stable for four years already. The analysis of the
trends shows that children of the age group of 0–3 years are more often taken out of families in order to ensure a safe environment. Children aged 10–14 are more often placed in social care institutions, because the traumas they have suffered determine the disorders of their behaviour, emotions and social development. With the view of reducing the number of children under 3 years of age taken out of families, in the context of the crisis, mothers with children, in particular children aged under three, have been provided with integrated services since 2008: short-term accommodation, social assistance, psychologist and lawyer consultations.

5.3.2. SOCIAL WORK WITH FAMILIES AT SOCIAL RISK

At the end of 2009, according to the data from the State Child Rights Protection and Adoption Agency (hereinafter referred to as the Agency), the register of families at social risk recorded 10,904 families at social risk raising 23,335 children.

As compared to 2009, the number of families at social risk and children raised therein included in the register of families at social risk in 2010 decreased and was the smallest over six recent years. The analysis of the data of the period between 31 December 2005 and 31 December 2010 shows that the number of families at social risk in Lithuania fell by 42 per cent, and the number of children raised therein – by 40 per cent.

Number of families and children included in the register of families at social risk over a year in 2005–2010

![Data from the State Child Rights Protection and Adoption Agency](image_url)

Figure 5.3.2-1
The analysis of the data concerning the area and the number of families at social risk included in the register shows that over 2010 the number of families in urban areas is bigger than in rural areas (903 and 802 respectively). However, according to the data as of 31 December, the number of families at social risk in rural areas was 35 per cent bigger than in urban areas (6,601 and 4,303 respectively).

In 2010, like every year, child rights protection offices indicated alcohol abuse as one of the major reasons for increasing social risk in families (53 per cent). The second reason is the lack of social skills. The smallest share of families at social risk are the families who improperly use assistance received or the families where permanent care has been established for children and parental authority has been temporarily restricted.

The decline in the number of families at social risk could have been determined by several factors:

1. The development of social services in municipalities and social workers working with families at social risk in municipalities since 2007. In 2010, the number of these workers was 688 and they had a considerable influence on the decrease in the number of families at social risk. Social workers not only inform and consult families on the issues of social assistance, but also provide the services of developing and maintaining social skills. They also provide social and psychological assistance in addressing various family problems.

2. Services provided by child day centres (hereinafter referred to as CDC). In 2010, 179 CDC received co-financing (162 CDC in 2009; 169 CDC in 2008; 151 CDC in 2007). The number of CDC operating in rural areas has been growing. In 2010, 36 per cent of 179 financed projects were implemented in rural areas (35 per cent in 2009) and 64 per cent – in urban areas. Children from families at social risk could attend the centre on average 5 times per week and stay there on average 6 hours per day.

Approximately 5,400 children visited CDC in 2010, as compared to around 5,800 children in 2009, of whom 4,900 children (5,100 in 2008) received social and educational services on a continuous basis. Like in 2009, primary school pupils (aged 7–11) constituted the biggest share (42 per cent) of children in these centres. The problem of organising leisure for pre-school children from problem families and ensuring safety of small children in families still remained. Due to financial difficulties and insufficient number of institutions, families at social risk very often do not have the opportunity to take their small children to the kindergarten and they do not receive social services provided by CDC and other institutions.

3. Having regard to the tendency of an increasing number of emigrants over several years, an assumption could be made that the decrease in the number of families at social risk and children raised therein has been determined by emigration of families from Lithuania or, according to municipal child rights protection offices (hereinafter referred to as CRPO), due to very frequent cases when families at social risk resettle in another municipality without having informed the specialists of CRPO about the address of their new place of residence. Thus, the specialists are likely to lose track of the family.
5.3.3. CHILD CARE

5.3.3.1. Child care in families

According to the data from the State Child Rights Protection and Adoption Agency, in 2010, 6,654 children were placed under guardianship (foster care) in 4,536 families of guardians (foster parents), which accounts for 60 per cent of the total number of children under guardianship (foster care).

Child care in families is usually classified according to the child’s relationship to the guardian (foster parent). Grandparents constituted the biggest group of guardians in the family; however, it should be noted that, as compared to 2009, the number of families with non-relative guardians has been growing. In 2010, non-relative families constituted 33 per cent of all guardian families (30 per cent in 2009).

Distribution of children under guardianship and guardian families by relationship in 2009 and 2010

In 2010, 907 children were placed under guardianship in the family. 834 families took care of 2 children, 208 families – 3 children, 51 families – 4 children, 16 families – 5 children and 13 families – 6 and more children.

In 2010, 594 guardians were dismissed (355 in 2009; 561 in 2008; 386 in 2007; 233 in 2006; 302 in 2005). Such a big number of dismissed guardians in 2010 was caused by the fact that, after the Republic
of Lithuania Law on Social Families\textsuperscript{116} became effective on 1 July 2010, CRPO had to turn to court regarding dismissal of a natural person from the position of a guardian and appointment of a social family, as a legal entity, a guardian, although actually the place of child care has not changed. It should be noted that 65.2 per cent of all dismissal reasons were returning of children to their biological families (64 per cent in 2009). More and more children have been returning into their biological families due to improved social work with families at social risk, the requirements that temporary care cannot last for an unlimited period of time, and more active involvement of social partners in the supervision of guardianship.

In 2010, 24 families were dismissed from guardianship (foster care): 17 families improperly fulfilled their obligations, and 7 families failed to guarantee the protection of interests of children.

5.3.3.2. Child care in social families

Republic of Lithuania Law on Social Families (Official Gazette \textit{Valstybės žinios}, 2010, No. 25-1176) took effect as of 1 July 2010. The law defines a social family as a legal entity which takes care of six to twelve (including their own) children. The total number of children may be bigger due to keeping of siblings together or smaller if the child under guardianship is disabled.

The purpose of the activities of social families is to ensure the implementation and protection of the rights and legitimate interests of children under guardianship (foster care) in social families by providing these children with the living conditions necessary for their physical, mental, spiritual, moral and social development and the family environment necessary for the welfare of these children in order to adequately prepare for independent life in a family and society.

In 2010, 43 social families operated in Lithuania and they took care of 303 children (aged 7–17) deprived of parental care.

The effective Law on Social Families is expected to encourage guardians (foster parents) to establish new social families, thus improving socialisation processes of children deprived of parental care.

5.3.3.3. Child care at child care homes

In 2010, there were 100 child care institutions in the country: 5 infant homes, 7 state child care homes, 55 municipal child care homes, 10 municipal child care home groups, 4 child care homes for children with disability, and 19 non-governmental child care homes.

According to the data of 2010, 4,173 children lived in child care institutions. It should be noted that the number of children placed under guardianship (foster care) in institutions has been decreasing as of 2008. If comparing the statistical data of the last two years, the number of children placed under guardianship (foster care) decreased by about 5 per cent, i.e. 218 children, at the end of the period.

At the end of 2010, 4,173 children lived in child care homes (1,211 under temporary guardianship (foster care) and 2,962 under permanent guardianship (foster care)), i.e. 37.5 per cent of all children deprived of parental care.

\textsuperscript{116} Republic of Lithuania Law on Social Families (Official Gazette \textit{Valstybės žinios}, 2010, No. 25-1176)
The biggest number of children under guardianship (foster care) in institutions at the end of 2010 included children aged 10–18 (2,179 children), i.e. 52 per cent of all children living in care homes. It is important to note that it is difficult to find guardians (foster parents) or adoptive parents for this age group.

The number of cases when the child is separated from the parents for several times and again returned to the family has been growing. In 2010, 48 cases when the same child was established guardianship (foster care) for two or more times a year were recorded. It should be noted that the above cases of establishing guardianship (foster care) in institutions for the same child for several times do serious harm to the child's development. A child who is deprived of parental care for several times feels unsafe and often blames himself/herself. These situations may have a great negative influence on the child's behavioural, emotional and social development.

It should be noted that in 2010, 807 children returned from child care institutions to their parents, 299 children were replaced the form of guardianship (foster care) with guardianship (foster care) in families or social families, 337 children were adopted.

5.3.3.4. Child guardianship (foster care) at parents’ request

In recent years, the number of emigrants from Lithuania has been rapidly growing; it jumped high in 2008–2010. According to the official statistical data, the number of people who left the country in 2010 3.8 times exceeded the number of emigrants in 2009. The data from the Department of Statistics indicate that in 2010, 83,500 residents declared emigration; 19,988 residents in 2009; 17,015 residents in 2008; 13,853 residents in 2007; 12,602 residents in 2006. Often families intending to get employment abroad leave their children behind in the care of their immediate family or friends. In 2010, according to the data from municipal child rights protection offices, 2,026 children (1,044 girls and 1,022 boys) were established care in Lithuania as a result of the departure of their parents to foreign countries. 1,641 children were established care at their parents’ request over a year. Most often, children aged 10–14 (676) and 15–17 (530) are left. The comparison of the data of several previous years leads to the conclusion that the legal framework has been arranged – the procedure for the establishment of child guardianship at parents’ request has been defined in the Regulations of Temporary Child Guardianship (Foster Care) approved by the order of the Minister of Social Security and Labour of 28 May 2007. Activeness of child rights protection offices and media attention prompted emigrating parents to more often realise the need to leave their children with statutory representatives; therefore, the number of cases of the establishment of guardianship has considerably grown: 343 children were established guardianship due to their parents’ emigration at the end of 2006; 916 children in 2007; almost triple the number of children (1,952) in 2008; and 2,019 in 2009.

5.3.4. ASPECTS OF REORGANISATION OF THE CHILD CARE SYSTEM

With the view of ensuring the child’s right to live in a family and reducing the number of children under guardianship (foster care) in child care institutions, the Ministry of Social Security and Labour started implementing the PRIDE training programme for guardians (foster parents) and adoptive parents in the country. Project tenders concerning the services of searching, training, selecting and consulting guardians (foster parents) and adoptive parents and providing them with assistance were organised in 2008–2010. In 2010, 25 projects valued at LTL 500,000 were co-funded. 275 persons seeking to become guardians (foster parents) and 129 families seeking to adopt a child took part in the training according to the PRIDE programme for guardians (foster parents) and adoptive parents.

56 PRIDE trainers have been currently training future guardians (foster parents) and adoptive parents in Lithuania. In 2010, 10 new PRIDE specialists were trained to work with prospective guardians (foster parents) and adoptive parents and provide qualified assistance to guardian or adoptive families.

Seeking consistent and methodical provision of services and assistance for the families of guardians (foster parents) and adoptive parents, a rolling programme for the training of guardians and adoptive parents was adapted and published. The programme was targeted at training PRIDE specialists to provide assistance to the families of guardians (foster parents) and adoptive parents.

In 2010, with a view to reducing the number of children under guardianship (foster care) in child care homes and referral of children under 3 years of age to child care institutions, the Ministry of Social Security and Labour organised a tender for projects regarding the provision of integrated services to the child and mother (father) in a critical situation. 16 organisations received co-financing for providing complex assistance to 213 families in a critical situation – in total 780 persons, of whom 483 children, 230 mothers, 67 fathers. The major share of all 483 children who took part in the projects in 2010 were children under 3 years of age (28 per cent). Thus, the abovementioned projects focused on the reduction of cases of separating children of this particular age group from their families.

Optimisation of the network of child care institutions

In implementing the Concept of Decentralisation and Deconcentration of Certain Functions Fulfilled by Central Governance Institutions\(^\text{118}\), the Plan of Transfer of the Functions of the Founder of State Child Care Institutions to Municipalities, the List of State Child Care Institutions Transferred to Municipalities\(^\text{119}\) and the Plan of the Optimisation of the Network of Child Care Institutions\(^\text{120}\) were approved.

The Plan of the Optimisation of the Network of Child Care Institutions establishes two stages of optimisation, i.e. as of 2010, the number of places in child care institutions should not exceed 60 and work with children in these institutions should be organised according to the family-based principle;


as of 2015, the number of children in social families of child care institutions should not exceed 8 (12 before 2015), with a view to integrating a child at social risk or under guardianship (foster care) into society. In 2010, according to the data from the Ministry of Social Security and Labour, 27 out of 100 child care institutions have more than 60 places.

As of 1 July 2010, in relation to the implementation of the Plan of the Optimisation of Child Care Institutions, pursuant to the provisions of the amended Republic of Lithuania Law on Social Services passed by the Seimas of the Republic of Lithuania on 22 April 2010, the rights of ownership of 25 state child care homes have been transferred to municipalities and the rights of ownership of 7 child care homes have been transferred to the Ministry of Social Security and Labour.

In implementing the abovementioned plan, the infrastructure of child care homes should be modernised. In 2011–2013, the Ministry of Social Security and Labour plans to use the funds from the European Union Cohesion Fund for supporting investment projects concerning reorganisation of child care homes, which seek to ensure high quality of provided social services, children’s rights and a safe environment through the modernisation and reconstruction of already operating non-governmental and municipal child care homes.

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122 Law Amending and Supplementing Articles 2, 9, 10, 11, 13, 19, 26, 30, 34, 36, 38 and 39 of the Republic of Lithuania Law on Social Services and Repealing Article 12 (Official Gazette Valstybės žinios, 2010, No. 53-2598)
5.3.5. ORGANISATION OF ADOPTION

5.3.5.1. Register of children subject to adoption

According to the data from the State Child Rights Protection and Adoption Agency as of 31 December 2010, 1,944 children were included in the general register of children subject to adoption: 1,116 boys and 829 girls. 739 children subject to adoption were included individually, and 1,205 together with siblings, i.e. in groups.

In 2010, the register included 108 children less than in 2009 (426 children: 219 boys and 207 girls).

The number of eldest children has been falling, because only in particular cases the eldest children are taken out of families. Social work with families at risk has been improving: minors have been attending day centres, school social pedagogues have been working with them, social workers have been visiting families. Therefore, active social work usually leads to reduced risk for a child to be separated from parents, improved social skills of parents, hence preventing children from being included in the guardianship system.
5.3.5.2. Register of citizens of the Republic of Lithuania, residing in the Republic of Lithuania, wishing to adopt children

In 2010, 136 families (individuals) wishing to adopt children were included in the register of citizens of the Republic of Lithuania residing in the Republic of Lithuania (hereinafter referred to as the Register of Citizens of the Republic of Lithuania). The comparison of the data from 2003 until 2010 shows an evident growth in this figure in 2010. If comparing the data of the Register of Citizens of the Republic of Lithuania in 2009 and 2010, the figure increased by 11 per cent. This could be positively affected by a common programme for training adoptive parents and guardians, implemented in the country.

Families (individuals) included in the register in 2010 indicated that they wished to adopt children with minor or curable health disorders, yet the major share of them would like to adopt healthy children. Nevertheless, there has been a tendency of families becoming more flexible in relation to children’s health. It should be noted that families included in the Register of Citizens of the Republic of Lithuania in 2007 indicated that they wished only healthy children, and this request prevailed both in 2008 and 2009.

5.3.5.3. Children adopted by citizens of the Republic of Lithuania permanently residing in Lithuania


<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Children Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>57</td>
</tr>
<tr>
<td>1999</td>
<td>43</td>
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<tr>
<td>2000</td>
<td>37</td>
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<td>2006</td>
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<td>2008</td>
<td>101</td>
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<tr>
<td>2009</td>
<td>110</td>
</tr>
<tr>
<td>2010</td>
<td>109</td>
</tr>
</tbody>
</table>

Data from the State Child Rights Protection and Adoption Agency

In 2010, 92 families (spouses) adopted 102 children deprived of parental care, 4 single persons adopted 4 children deprived of parental care, and either one of the spouses adopted 3 children. In 2009, 93 families (spouses) and 10 single persons adopted 110 children. The biggest number of single persons (single mothers) who adopted children deprived of parental care was recorded in 2007 (16 persons), and the smallest number of these persons was recorded in 2004 and 2010 (4 children each year). As compared to 2009, the number of children deprived of parental care and adopted by single persons (single mothers) fell by 42 per cent. In 2010, 10 families adopted 2 children each. As compared to 2009, this figure grew by 18 per cent.
5.3.5.4. **Register of citizens of the Republic of Lithuania permanently residing in a foreign country and foreign nationals wishing to adopt children**

According to the data as of 31 December 2010, 231 families wishing to adopt children from Lithuania were included in the Register of Citizens of the Republic of Lithuania Residing in a Foreign Country and Foreign Nationals Wishing to Adopt Children (hereinafter referred to as the Register). It is the smallest figure in this register since 2004. This decrease in the number of families has been caused by the fact that the opportunities to adopt small children are poor. In recent years, families which agree to adopt school-age children have been applying for adoption in Lithuania; however, the adoption of elder children is not acceptable to all families. Furthermore, this requires greater psychological flexibility from prospective parents and particularly good preparation of families for adoption. Not all families are capable of accepting school-age children and ensure their adequate adaptation in a new environment. Good preparation of families for adoption, active involvement of authorised adoption organisations in the process of adopting children with special needs and the shorter procedure of adopting elder children most often encourage families to adopt elder children.

5.3.5.5. **Children adopted by citizens of the Republic of Lithuania permanently residing in a foreign country and foreign nationals**

In 2010, citizens of the Republic of Lithuania residing in a foreign country on a permanent basis and families of foreign nationals adopted 115 children, including 56 boys and 59 girls. The number of children adopted in 2010, as compared to the recent years, considerably shrank. In 2009, 88 families of foreign nationals adopted 146 children.

Although the number of children adopted by citizens of the Republic of Lithuania residing in Lithuania has been increasing in recent years (in 2008, citizens of the Republic of Lithuania adopted 101 children; in 2009 – 110 children; in 2010 – 109 children), foreign nationals have been still adopting more children. The main reason is the preparation of these families to adopt children with special needs, in particular elder children, and adopt siblings.

**Number of children adopted by citizens of the Republic of Lithuania residing in a foreign country on a permanent basis and foreign nationals in 2006–2010**

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>125</td>
<td>148</td>
<td>108</td>
<td>146</td>
<td>115</td>
</tr>
</tbody>
</table>

*Data from the State Child Rights Protection and Adoption Agency*  
*Table 5.3.5.5-1*
5.3.5.6. Improvement of adoption conditions for the citizens of the Republic of Lithuania permanently residing in Lithuania

In 2010, in implementing the Plan of Measures for the Implementation of the Programme of the Government of the Republic of Lithuania 2008–2012 and seeking to promote adoption of elder children in Lithuania, the Ministry of Social Security and Labour drafted and, upon approval from the Government, submitted to the Seimas of the Republic of Lithuania the following documents for deliberation:

- draft Law Amending and Supplementing Articles 170, 178, 179, 180 and 184 of the Republic of Lithuania Labour Code (principal draft) (XIP-2859);
- draft Law Amending Articles 5, 6 and 17 of the Republic of Lithuania Law on Sickness and Maternity Social Insurance (secondary draft) (XIP-2860);
- draft Law Amending Articles 1, 6 and 7 of the Law Amending Articles 5, 6, 16, 18, 19, 20 and 21 of the Republic of Lithuania Law on Sickness and Maternity Social Insurance (secondary draft) (XIP-2861).

The draft legislation submitted to the Seimas seek to create more favourable conditions for the initial adaptation of adopted children, regardless of their age, in the families of adoptive parents immediately after adoption and to create the conditions for families conducive to the adoption of elder children. Having adopted elder children, families would have a three-month child care leave, during which they would be compensated for part of their lost work-related income at the prescribed procedure, hence they could focus on the development of mutual relations with adopted children immediately after adoption. Moreover, a possibility of a three-month child care leave for adoptive parents, ensuring compensation for part of lost work-related income, is supposed to affect an increase in the number of adopted elder children. About 40 children older than two years have been lately adopted annually. One of the adoptive parents would have the right to a three-month child care leave after the court decision regarding adoption takes effect.

5.3.6. PREVENTION OF ABUSE OF CHILDREN

With a view to reducing the incidence of abuse of children, among children and in their families, Order No. A1-2 of the Minister of Social Security and Labour of 3 January 2011 approved the National Programme for the Prevention of Abuse of Children and Assistance to Children 2011–2015 (hereinafter referred to as the Programme) and the Plan of Measures for the Implementation of the Programme. This Programme basically continues the implementation of the activities and measures of the National Programme for the Prevention of Abuse of Children and Assistance to Children 2008–2010.

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The Programme aims at forming public intolerance to abuse of children, providing for complex instruments to eliminate causes of abuse, developing a system of assistance and preventive measures for children who have suffered from abuse and their family members, as well as reducing the incidence of child abuse. The measures of the Programme are designed for the prevention of abuse and bullying of children who are likely to suffer or who have suffered from psychological, physical and sexual abuse and neglect at school, as well as their families.

### 5.3.6.1. Overview of the situation of violence against children in Lithuania


![Change in the number of abused children in 2004–2010](image)

Comparing the data of the period 2007–2010, the majority (53 per cent) of all cases of abuse was physical abuse, although in recent years, its manifestation has considerably shrunk. The analysis of the data shows that the number of cases of sexual and psychological abuse has grown. An assumption could be made that annually increasing percentage of cases of abuse is related to making this issue public. Media has been releasing more information on various forms of abuse, which contributes to the formation of a more aware society. It should also be noted that the decrease in the number of cases of abuse has been influenced not only by raising public awareness and rally of society, but also by specialist training and implementation of various abuse programmes at schools, introduction of a child helpline,
and appearance of social workers working with families at social risk. Furthermore, more children who have suffered from abuse and their family members are supposed to have been asking for help more often and receiving it from different institutions which provide assistance to victims of abuse.

The analysis of gender distribution of abuse indicates that girls suffer from sexual abuse more often than boys, whereas boys more often suffer from physical abuse. In 2008–2010, as many girls as boys suffered from psychological abuse. Although psychological abuse may be attributed to the most latent forms of abuse, the number of reports of cases of psychological abuse of children has been increasing. The number of cases of sexual abuse of both girls and boys, which has been growing every year, is also of great concern.

In 2008–2010, physical abusers of children were mainly adult family members or close relatives. The number of cases of abuse by minor strangers also increased. Children suffered psychological abuse mainly from adult family members and close relatives (857 cases). As usual, sexual abusers were mainly adult and minor strangers (185 and 103 cases respectively). However, data show an annual increase in the number of cases of sexual abuse of children by adult family members or close relatives (84) and the number of cases of sexual abuse by minor family members or close relatives (69).

Children aged 10–14 mostly suffered from abuse in 2008–2010; this age group has remained a factor of greater risk among victims of abuse since 2008. The average age of both boys and girls who have suffered from abuse is 11 years.

5.3.6.2. Organisation of assistance for abused children

Municipalities have been organising assistance for abused children in Lithuania. In cases of child abuse, assistance for children and their families is provided by specialists of different specialisations and from different institutions: child rights protection offices of municipal administrations, law enforcement institutions, health care institutions, social workers of neighbourhoods, social pedagogues and psychologists working at school, specialists of non-governmental organisations.

In 2008–2010, highly qualified specialists of the field provided complex assistance to 1,803 abused children (1,264 families) through different projects. The data of this period show that services were mostly provided to victims of indirect abuse, who are included in the age group of greater risk of abuse (10–14 years of age).

In 2010, within the framework of the Programme, psychological aid services were provided by phone to residents calling to psychological aid services, the telephone number whereof contains the prefix 800 (toll-free line). Assistance provided by phone by psychological aid services is often the only way for persons who are in need of assistance and find themselves in a critical situation to overcome their problems. It should be noted that the number of children, young people, women and elderly people in a critical situation has been growing every year.

In 2010, there were five operating telephone lines, which join the activities of 11 services. With the number of answered calls increasing and seeking to strengthen the services which provide psychological aid by phone, in 2010, the system of providing assistance by phone was reorganised so that the child who calls for help not only receives psychological consultation, but also, if necessary, the child’s problem is solved in an integrated manner by involving into the process municipal child rights protection offices and other institutions which provide social services.
5.3.7. Activities of the Children’s Maintenance Fund

Pursuant to Article 38 of the Constitution of the Republic of Lithuania, it is “the right and duty of parents to bring up their children to be honest people and faithful citizens and to support them until they come of age”. Article 3.204 of the Civil Code of the Republic of Lithuania\(^\text{126}\) entered into force on 1 January 2002 providing that the state shall maintain underage children receiving no maintenance from their parents or adult close relatives, who are in a position to maintain the child, for more than a month. In 2006, in implementing the aforementioned provision of the Civil Code and having evaluated the circumstances, the Law on Children’s Maintenance Fund of the Republic of Lithuania\(^\text{127}\) was adopted and took effect on 1 January 2008. The purpose of the law is to ensure the child’s right to social security and to guarantee the state’s commitment to pay a fixed maintenance allowance to a child in the presence of the grounds stipulated in this law. Pursuant to the law, children who receive no maintenance from their parents may be paid social allowance not exceeding 1.5 BSB (LTL 195) per month. The state thereby acquires the right to require that the persons who are liable to provide child maintenance would repay to the state the child maintenance allowance paid by state. The Children’s Maintenance Fund (hereinafter referred to as the Fund), operating since 1 January 2008, was established while observing Article 27(4) of the United Nations Convention on the Rights of the Child\(^\text{128}\). It stipulates that States Parties shall take all appropriate measures to secure the recovery of maintenance for the child from the parents or other persons having financial responsibility for the child, both within the State Party and from abroad.

In 2008–2009, 30,579 applications for the allowance from the Children’s Maintenance Fund were received. In its first year of activity (2008), the Fund received 17,970 applications for allowance, as compared to 7,570 applications in 2009 and 5,039 applications in 2010. Around 22 children have been constantly paid allowances from the Fund. In 2010, the Children’s Maintenance Fund received LTL 33,413,700 from the state budget for the payment of allowances. Seeking to increase the responsibility of parents who do not fulfil their duty to maintain their minor children due to subjective reasons, the Administration of Children’s Maintenance Fund under the Ministry of Social Security and Labour started implementing its statutory right to demand to initiate pre-trial investigation regarding criminal liability of a debtor for avoiding to pay child maintenance under the court decision or the child (children) maintenance agreement approved by the court. In 2010, 204 requests to initiate this kind of pre-trial investigation were drafted and filed.

\(^\text{126}\) Civil Code of the Republic of Lithuania (Official Gazette Valstybės žinios, 2000, No. 74-2262; 2000, No. 77, 80, 82)

\(^\text{127}\) Law on Children’s Maintenance Fund of the Republic of Lithuania (Official Gazette Valstybės žinios, 2006, No. 144-5464)

5.4. YOUTH POLICY IMPLEMENTATION IN LITHUANIA

Lithuanian youth policy is aimed at young people (aged 14–29) which in 2010, according to the data from the Department of Statistics, accounted for 803,000, i.e. 24 per cent of the country’s population.

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 public life. The implementation of youth policy in 2010 focused on the importance of long-term continuity of youth policy. In both 2009 and 2010, main focus was shifted to the fact that, in shaping and implementing national youth policy, it is very important to envisage and implement integrated measures contributing to the development of youth opportunities in various areas. Youth policy is interinstitutional, covering many areas listed in Article 4 Law on Youth Policy Framework of the Republic of Lithuania\(^{129}\); 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 key priority in youth policy in 2010 on the national level is drawing up and approval of the National Youth Policy Development Programme for 2011–2019.

The National Youth Policy Development Programme for 2011–2019\(^{130}\) 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 within the coming nine years. 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.

The strategic aim of the programme is to create a favourable environment (conditions) for a valuable life and self-expression of a young person in Lithuania. The 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.

\(^{129}\) Law on Youth Policy Framework of the Republic of Lithuania (Official Gazette Valstybės žinios, 2003, No. 119-5406)

The Plan of Measures for the Implementation of the National Youth Policy Development Programme\textsuperscript{131} has been approved with a view to implementing the aims and objectives of the programme. The measures, envisaged in the plan, will be implemented by the Ministries of Culture, National Defence, Health, Education and Science, Foreign Affairs, and other ministries, the Drug, Tobacco and Alcohol Control Department, the Department of Physical Education and Sports under the Government of the Republic of Lithuania, the Lithuanian Labour Exchange under the Ministry of Social Security and Labour, and the Department of Youth Affairs under the Ministry of Social Security and Labour within the limits of their competence.

5.4.1. OUTCOMES OF PROGRAMMES IMPLEMENTED WITHIN THE FRAMEWORK OF YOUTH POLICY IN 2010

The number of young people participating in the measures implementing youth policy has increased by one per cent, as compared to 2009. The share of young people involved in the activities of various youth organisations of the total number of young people in Lithuania accounted for 12 per cent in 2010.

The development of youth policy in municipalities and the implementation of the Programme for the Development of Youth Policy in Municipalities in 2010–2012\textsuperscript{132} seek to set up and strengthen municipal youth affairs councils (currently, they have been set up in 55 municipalities) as well as to ensure the quality of their activities. The programme aims at developing youth policy in municipalities through consistent implementation and strengthening of the activities of youth and youth organisations in regions, and the improvement of qualifications of youth affairs coordinators. In implementing the measures of the programme, a new version of the model job description of a municipal youth affairs coordinator has been drafted and approved. The new version more specifically enumerates the functions of a youth affairs coordinator, thus seeking to more effectively ensure the function of youth policy implementation on the local level.

In 2010, like in 2008 and 2009, the measures of the National Programme for the Development and Promotion of Youth Entrepreneurship\textsuperscript{133} were implemented. In implementing the programme, in the period between 2008 and 2010, entrepreneurship education measures were developed, introduced and improved; youth and young farmers were encouraged to start and develop a business; monitoring of the situation of youth entrepreneurship and entrepreneurship promotion was performed. The economics and entrepreneurship programme was included in school curricula and pupils’ training companies aiming at youth entrepreneurship education at school were established. In 2010, ten organisations which


implemented projects educating youth entrepreneurship through practical craft activity and promoting employment in the summer season were supported (LTL 45,000).

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 were reinforced: in 2010, 62 programmes and projects targeted at the strengthening of youth organisations were financed; they were directly attended by 29,000 persons, and indirectly – as many as 168,000 persons (i.e. 21 per cent of all young people). Moreover, 48 conferences, seminars and other events related to youth policy as well as 13 international events focused on youth and persons working with youth were organised.

The activities of youth organisations and organisations working with youth, associated with the implementation of the above mentioned youth policy programmes, were financed from the state budget.

The proportion of received and sponsored applications as well as requested and allocated funds in 2010

<table>
<thead>
<tr>
<th>No.</th>
<th>Tenders called in 2010</th>
<th>Received applications</th>
<th>Sponsored applications</th>
<th>Fund demand, LTL</th>
<th>Allocated funds, LTL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Tender for financing of the target programme of youth coordination activities and youth policy development</td>
<td>1</td>
<td>1</td>
<td>617,142.48</td>
<td>180,000.00</td>
</tr>
<tr>
<td>2.</td>
<td>Tender for the development of the potential of youth organisations and institutional support</td>
<td>23</td>
<td>21</td>
<td>1,589,802.00</td>
<td>352,400.00</td>
</tr>
<tr>
<td>3.</td>
<td>Tender for the development of regional youth activities and strengthening the potential of the councils of regional youth organisations</td>
<td>15</td>
<td>15</td>
<td>506,846.00</td>
<td>141,300.00</td>
</tr>
<tr>
<td>4.</td>
<td>Tender for financing of the programmes of open youth centres</td>
<td>17</td>
<td>10</td>
<td>401,478.25</td>
<td>104,000.00</td>
</tr>
<tr>
<td>5.</td>
<td>Tender for financing of youth entrepreneurship education and promotion projects</td>
<td>74</td>
<td>14</td>
<td>359,541.80</td>
<td>57,800.00</td>
</tr>
<tr>
<td>6.</td>
<td>Tender for financing of the projects promoting youth voluntary activities</td>
<td>2</td>
<td>1</td>
<td>19,000.00</td>
<td>9,500.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>132</td>
<td>62</td>
<td>3,493,810.53</td>
<td>855,000.00</td>
<td></td>
</tr>
</tbody>
</table>

Data from the Department of Youth Affairs under the Ministry of Social Security and Labour Table 5.4.1-1
The EU Youth in Action programme (2007-2013) was further implemented in 2010. The objectives of the programme 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.

In 2010, five tenders were organised and funds were allocated to 143 projects. 2,678 young people directly participated in the Youth in Action programme; 999 people with fewer opportunities were involved. The share of people with fewer opportunities of the total number of participants in the Youth in Action programme increased by 11 percentage points (instead of planned 5 percentage points).

Results of the Youth in Action programme in 2007–2010

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of persons participating in the Youth in Action programme</th>
<th>Number of persons with fewer opportunities participating in the Youth in Action programme</th>
<th>Number of projects funded under the Youth in Action programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>2028</td>
<td>134</td>
<td>143</td>
</tr>
<tr>
<td>2008</td>
<td>2290</td>
<td>996</td>
<td>160</td>
</tr>
<tr>
<td>2009</td>
<td>2988</td>
<td>728</td>
<td>116</td>
</tr>
<tr>
<td>2010</td>
<td>2678</td>
<td>999</td>
<td>143</td>
</tr>
</tbody>
</table>

Data from the Agency of International Youth Cooperation

Like in the previous years, Eurodesk, a European youth information network, which provides high quality information to youth about mobility in Europe and the opportunities of financing young people's initiatives, continued its activities in 2010. The information portal of the network coordinated by the Lithuanian Youth Council (www.eurodesk.lt), which provides information about the situation of youth in Europe, youth activities, problems and solutions, was visited by almost 300,000 visitors; the website announced 438 news and information releases; and 419 e-mail or phone enquiries were answered.
5.4.2. IMPLEMENTATION OF YOUTH POLICY IN 2011

The process of shaping and implementation of youth policy in 2011 seeks 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 2011 are 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 envisions the provision of information and counselling services so that, when choosing their profession, young people make 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. In 2011, youth awareness and participation will be promoted through the development of a structural dialogue with young people on relevant issues. The structural 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 (structural 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, are also 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.

Youth awareness and promotion of active participation is the priority for 2011, and this priority is related to youth participation, a youth policy priority of Poland, Denmark and Cyprus starting the presidency of the Council of the European Union in the second half-year of 2011.

6.1. EQUAL OPPORTUNITIES AND NON-DISCRIMINATION

The implementation of the policy of equal rights in the country is aimed at providing all groups of people with equal opportunities to fully participate in public life by adhering to the principles of equal opportunities.

In 2010 and 2011, the implementation of the measures of the National Antidiscrimination Programme for 2009–2011 (hereinafter referred to as “the Programme”) continued. The Government of the Republic of Lithuania assigned the task of coordinating the implementation of the Programme to the Ministry of Social Security and Labour.

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

The analysis of the received reports on the implementation of the Programme measures and the information submitted by the institutions leads to the conclusion that all participating institutions acknowledge the importance of this Programme and the necessity to extend it, therefore, the Ministry of Social Security and Labour initiates drafting of the Plans of Interinstitutional Activities to Promote Non-discrimination for 2012–2014. The Ministry invited all interested institutions and non-state organisations involved in the protection of human rights to participate in the drafting of the Plan. The aim of this Plan is to ensure the implementation of the provisions set out in Article 29 of the Constitution of the Republic of Lithuania, which establish the equality of persons and the prohibition of restrictions on human rights and of granting a person privileges on the grounds of gender, race, nationality, language, origin, social status, faith, convictions or views, to conduct an integrated examination of manifestations and causes of discrimination in all areas of public life, to develop respect for a human being, legal consciousness in society, mutual understanding, tolerance on the grounds of gender, race, nationality, language, origin, social status, faith, convictions or views, age, sexual orientation, disability, ethnicity and religion, and to create more favourable conditions for non-state organisations protecting human rights to engage in their activities.

The United Nations Convention on the Rights of Persons with Disabilities and its Optional Protocol (hereinafter referred to as “the Convention”) represent another significant document on equal rights. In order to properly implement the provisions of the Convention and its Optional Protocol which were ratified in 2010, the Government of the Republic of Lithuania adopted a Resolution on the Implementation of the United Nations Convention on the Rights of Persons with Disabilities and its Optional Protocol (hereinafter referred to as the “Resolution”) that lays down the mechanism for implementing the Convention, taking into account the provisions of Article 33 of the Convention.

By the above Resolution, the functions of the governmental institution or the so-called central implementing authority in Lithuania are assigned to the Ministry of Social Security and Labour.


Other public authorities (the Ministry of Education and Culture, the Ministry of Transport and Communications, the Ministry of Health, the Ministry of Environment, the Ministry of Economy, the Ministry of Justice, the Ministry of Foreign Affairs, the Ministry of the Interior, the Ministry of Culture, the Department of Physical Education and Sports under the Government of the Republic of Lithuania, the Department of Statistics, the Information Society Development Committee under the Ministry of Transport and Communications and also the Ministry of Social Security and Labour) within their competence were assigned responsibility for the implementation of the provisions relating to an appropriate area of activity.

Assignment of the coordination mechanism is not mandatory for the countries that ratified the Convention. By its Resolution, the Government of the Republic of Lithuania, nevertheless, assigned the Ministry of Social Security and Labour the coordination function, since the latter coordinates the issues concerning the implementation of the social integration of the disabled.

It is also laid down that, in Lithuania, the functions of the independent mechanism for encouraging, protecting and controlling the implementation of the Convention are performed by the Office of Equal Opportunities Ombudsperson in conjunction with the Council for the Affairs of the Disabled under the Ministry of Social Security and Labour. They monitor the implementation of the rights of the disabled and aim to eliminate violations of the rights of the disabled (by both investigating complaints and submitting proposals for and comments on improvements to legislation and its practical implementation).

Persons with disabilities and organisations representing them are involved in the control process of the implementation of the Convention through the Council for the Affairs of the Disabled. Representatives from the organisations of the disabled actively participate in the Council’s activities. A clause was added to the Council regulations laying down that the Council for the Affairs of the Disabled submits proposals and recommendations concerning the implementation of the Convention to the Minister of Social Security and Labour. It is established that, in the Council for the Affairs of the Disabled, public authorities are represented by Vice-Ministers. It is also laid down that the Equal Opportunities Ombudsperson or his/her authorised person participates in Council meetings by right of the observer. Thus, the Office of Equal Opportunities Ombudsperson and the Council for the Affairs of the Disabled are able to exchange information on the implementation of the Convention provisions, to identify problems and aim to remove obstacles to a proper implementation of the Convention.

After the ratification of the Convention, in order to properly implement its provisions, new measures were added to the Plan of Implementing Measures of the National Programme for the Social Integration of the Disabled for 2010–2012\(^\text{138}\). These new measures were proposed by interested institutions in conjunction with non-governmental organisations within their competence and under relevant articles of the Convention. This document was approved by the order of the Minister of Social Security and Labour.

6.2. SOCIAL INTEGRATION OF THE DISABLED

The 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.

The system of the social integration of the disabled comprises the provision of medical, professional and social rehabilitation services, satisfaction of special needs by taking special assistance measures, support for the employment of the disabled, the provision of social support, granting and payment of pensions and benefits from the State Social Insurance Fund, granting and payment of benefits from the Compulsory Health Insurance Fund, the provision of education services, ensuring of equal opportunities to participate in a cultural and sports life as well as other areas of public life.

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

6.2.1. KEY DISABILITY INDICATORS

Data of the Ministry indicates that, in 2010, 267,511 persons in the country received work incapacity (invalidity) pensions or benefits (men made up 48 per cent of recipients and women accounted for 52 per cent).

Despite the fact that the total number of disabled persons fell by 1,500, as compared to 2009, tendencies of the distribution by level of disability remained similar to those in the previous year. Illustration 6.2.1-1 shows that persons with a 30–40 per cent level of working capacity made up the largest share of the disabled. These persons accounted for as much as 57 per cent (154,130) of all disabled people. Persons with the highest level of disability, i.e. a 0–25 per cent level of working capacity, made up 13 per cent of all disabled people. In 2010, the disabled with a 45–55 per cent level of working capacity totalled 63,639, accounting for 24 per cent of all disabled persons. The number of disabled children under 18 years of age was equal to 15,737, making up 6 per cent.
Most often persons of working age are recognised as disabled due to diseases of the blood circulation system, the connective tissue, the skeleton and the muscle system and malignant tumours. The most severe disability is most frequently caused by tumours, disease of the blood circulation system and mental and behavioural disorders.

Mental and behavioural disorders, congenital defects of formation, deformations, anomalies in chromosomes and diseases of the nervous system are the main causes of disability of children.
The data shown in illustration 6.2.1-2 confirms that growth tendencies of the number of the disabled stabilised in 2010 and the number of disabled people slightly decreased. The number of persons recognised as disabled for the first time which started to fall in 2009 declined further in 2010 and reached 15,656. This means that the number of people who were recognised as disabled for the first time was smaller by approximately 6,000, compared to 2009.

Although about 183,000 disabled persons of working age lived in Lithuania in 2010, only 46,000 people with disabilities worked. Consequently, the employment indicator of the disabled still remains low. This was influenced by the country’s economic situation and partly by unwillingness of the disabled to work.

These circumstances require the creation of preconditions for a proper and effective provision of social security measures for disabled persons and for seeking their ability to work, restoration of self-sufficiency and integration into society.

6.2.2. IMPLEMENTATION OF THE PROGRAMME FOR THE SOCIAL INTEGRATION OF THE DISABLED

The aim of the Programme for the Social Integration of the Disabled (hereinafter referred to as “the Programme”) is to accelerate the social integration of the disabled and to ensure the rights of people with disabilities by developing the rehabilitation, services and employment of the disabled, the accessibility of the surroundings to them, public awareness and their medical, social and technical service.

When implementing the Programme, in 2010, the Projects of Services for the Disabled in the Community and the Projects of the Support for Activities of Associations of the Disabled were financed – they were allocated LTL 14,136,100 and 3,997,100 respectively.

262 Projects of Services for the Disabled in the Community carried out and coordinated by 20 associations of the disabled and their partners were selected for funding in a contest.

When implementing the Projects of Services for the Disabled in the Community, according to the nature of disability and problems of disabled people represented by associations, the rights of the disabled were represented, information and consultation services for disabled people were provided, psychological support for the disabled and their family members was organised and offered, services of increasing self-sufficiency, constant cultural and sports services were provided, social services were offered (information, consultation, transport organisation, sociocultural services, organisation of personal hygiene and care, home help, accommodation in the house of a self-sufficient life, day social care, short-term and long-term social care), activities to increase the motivation for involving the disabled in the labour market and the search for jobs for disabled persons were supported and services of work assistants for the disabled were provided.
The data shown in illustration 6.2.2-1 confirms that the implemented projects of the social integration of the disabled focused primarily on the social integration of persons with physical disabilities, and to this end LTL 7,295,500 was allocated from the state budget. Meanwhile, LTL 3,406,400 was allocated for the social integration of mentally handicapped persons.

Data of the Ministry indicates that, in total, more than 67,000 disabled people took part in the projects of the Programme for the Social Integration of the Disabled. 25 per cent of them were persons with severe disabilities.

As part of the Programme, 21 Projects of the Support for Activities of Associations of the Disabled were financed. They were selected in a contest and implemented by the association of the disabled. The amount of LTL 3,997,100 was used for the implementation of these projects. When implementing the Projects of the Support for Activities of Associations of the Disabled, the rights of disabled people were protected and represented, conferences, seminars, training and round-table discussions were organised, and other activities were undertaken.

In 2011, LTL 13,225,000 was allocated to the Projects of Services for the Disabled in the Community and LTL 4,000,000 to the Projects of the Support for Activities of Associations of the Disabled.

In the view of the Ministry of Social Security and Labour, the applicable procedure for funding the Projects of Social Rehabilitation Services for the Disabled in the Community does not ensure equal...
access for the disabled to funds and services in regions. Disabled people live throughout the country and it is important that they are able to receive necessary services suiting the content of social rehabilitation, regardless of these persons’ place of residence.

The analysis and assessment of the services provided for the disabled in the community lead to the conclusion that there is lack of services improving the quality of life of disabled people and lack of projects planning constant activities and services that have a great impact on the quality of life of people with severe disabilities. In order to take care of disabled persons who live not only in large cities, but also in the most remote areas of the country, the Ministry of the Social Security and Labour plans as of 2012 to decentralise the procedure for funding the Projects of Social Rehabilitation Services for the Disabled in the Community and hand over the organisation of the implementation of the projects to municipalities which would organise the selection of projects, finance projects and control the implementation of projects. Municipalities are institutions that, being the closest to the disabled, know perfectly well their situation, the need for services for the disabled and abilities of non-governmental organisations to provide services for disabled people. State budget funds would be evenly distributed to municipalities, taking into account the number of disabled persons living in a specific municipality.

By taking steps to decentralise financing, the Ministry of Social Security and Labour seeks to increase access to services for the disabled, to ensure an evener distribution of funds among regions, to promote cooperation between municipalities and non-governmental organisations working for the disabled, to encourage participation of umbrella NGOs in the monitoring of evaluation and selection of projects, to guarantee transparency of processes and to use state budget funds allocated for social rehabilitation services for the disabled more efficiently.

In 2011, the range of applicants was expanded by enabling not only associations of the disabled to submit projects of social rehabilitation services for the disabled in the community, but also other non-governmental organisations concerned with the social integration of disabled people: charity and support funds, religious societies and communities, and public bodies (with the exception of public bodies founded by a state or municipal institution). This enables disabled people to make use of services as close to their place of residence as possible and encourages service providers to be active and cooperate with municipalities. Also in 2011, representatives of municipalities who assessed projects submitted for the 2011 contest, thus gaining experience, were involved in the commissions for the evaluation and selection of projects.

The cooperation of municipalities with organisations concerned with the social integration of the disabled will be strengthened until 2012 by stimulating municipalities to set up standing commissions on the issues of the disabled.
6.2.3. PROVISION OF TECHNICAL AIDS FOR RESIDENTS

In 2010 and 2011, the implementation of the instrument “To acquire and provide technical aids for disabled persons” of the Programme for the Social Integration of the Disabled continued. The instrument is implemented not only by providing the disabled with technical aids (hereinafter referred to as “TA”), but also by repairing them. The 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 the social integration of the disabled, activities and projects aimed at improving medical, social and professional rehabilitation of disabled people, and to guarantee the provision of TA for residents to satisfy special needs.

In 2010 and 2011, the Centre carried out provision activities for people with disabilities in all its territorial units: in Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys, Alytus, Utena, Telšiai, Marijampolė and Tauragė.

In order to use funds as efficiently as possible, the Centre organised the return of unused TA and their renewal for a repeated use and organised receipt of the used movement TA support.

Persons 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.

The amount of LTL 7,700,000 was allocated from the state budget for the provision for residents in 2010. When implementing this instrument, the disabled were provided with movement, sight and hearing technical aids and electric wheelchairs, repairs to movement TA and an individual tailoring to the needs of the disabled were organised, receipt of TA support was organised, applications from persons for reimbursement of TA acquisition expenses were accepted and persons were included in the waiting list and reimbursements were paid.

In 2010, 25,205 persons in the country were provided with TA, were issued with 41,506 aids and were paid 311 reimbursements for 73 wheelchairs of active type, 17 scooters, 73 mobile telephones (talking), 3 portable magnifiers, 2 table clocks, 2 monoculars, 2 closed television systems, 14 FM systems and 125 mobile telephones (vibrating). In 2010, 17,016 movement TA were returned to the Centre. 13,824 of them were issued for a repeated use.

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 liquid.

The assessment of returned and repeatedly issued TA shows that the need for TA of adults was satisfied by 77 per cent and that of children by 70 per cent.

It is important to emphasise that, on 1 January 2011, updated Particulars of the Procedure for Providing the Disabled with Technical Aids and for Reimbursing Expenses of the Acquisition of these Aids139 (hereinafter referred to as “the Particulars of the Procedure for the Provision for the Disabled”) came into effect. Amendments to the Particulars of the Procedure for the Provision for the Disabled were

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drafted after the evaluation of persons’ needs, requests and proposals submitted by non-governmental organisations of the disabled, and real 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. Taking into account the supply in the market, lower prices of aids and funding possibilities, amounts of reimbursements for aids acquired by persons were reduced and terms of the use of aids were lengthened. Also opportunities for persons to acquire aids in more diverse ways were expanded. Since 1 January 2011, depending on the type of an aid, disabled people have been able to obtain an aid offered by the Centre in the municipal institution in their place of residence or in a territorial unit of the Centre, to acquire it at their own expense from suppliers and receive reimbursement of acquisition expenses and acquire an aid, which will be reimbursed for by the Centre, in the enterprise. For example, disabled people have been able to acquire anti-bedsore mattresses and receive reimbursement of acquisition expenses, “talking” sight aids: body thermometers, wrist watches, table clocks, kitchen scales, electronic calculators and wire telephones. Another way of providing people with aids that cannot be acquired at the Centre is to purchase them at persons’ own expense and obtain reimbursements of aid acquisition expenses from the Centre. The amounts of reimbursements are set in the Particulars of the Procedure for the Provision for the Disabled. These are the following movement, sight and hearing aids: scooters, monoculars, mobile telephones (talking), portable electronic magnifiers, television systems, mobile telephones (vibrating). The major novelty of TA provision for persons is that a person will be able to acquire, through enterprises, a wheelchair of active type, a wheelchair for tetraplegics, a satellite-controlled manual wheelchair for persons under 18 years of age, a portable electronic recording device for braille users, magnifying software, screen reading software, a speech synthesizer and a FM system.

A person who wishes to obtain reimbursement of expenses of TA acquisition through the enterprise has to apply to the territorial unit of the Centre and submit necessary documents. Authorised by the Director of the Centre, employees of the Centre’s territorial unit will, within 15 days after the day of the submission of all necessary documents, issue a note confirming the person’s right to receive reimbursement of acquisition expenses of a new TA and provide a list of enterprises to which the person may apply to acquire technical aids. The person may apply to an enterprise only with this note and an enterprise will issue the person with the desirable TA only after receiving this note. If the price of the aid is higher than that set in the Particulars of the Procedure for the Provision for the Disabled, the difference between the prices will be paid to the enterprise by the person. If the price is lower, the full price set by the enterprise will be reimbursed.

It should be emphasised that a person may acquire TA only from the enterprises with which the Centre has concluded contracts. The way of provision through enterprises offers a person himself considerable opportunities to choose an aid suited to his needs.

An important novelty is that additional payments apply to manually or automatically regulated beds and foot tricycles. In order to acquire these aids, persons will have to pay the Centre 10 per cent of the price of a new aid or of its remaining value calculated on the day of issue of the aid. A 10 per cent additional payment does not apply only to aids received as charity. These funds received from persons will be used for the repair of movement TA and the acquisition of other TA. Experience shows that manually or automatically regulated beds and foot tricycles are not always allocated and used...
purposefully. People wait to receive these aids for a long time, therefore, the introduced amendments are expected to place greater responsibility on persons for the use and allocation of the aids, and to improve the very provision.

The procedure for the provision for the disabled is constantly improved and, taking into account suggestions and needs of disabled persons, and financial possibilities of the state budget, lists of technical aids are updated and supplemented with new modern aids.

In 2011, the amount of LTL 8,000,000 was allocated from the state budget for the implementation of this instrument. This year, persons are expected to be provided with sight TA. New types of aids – information technology products for visually impaired persons – are due to be included in the list of sight TA and groups of movement TA whose acquisition will be reimbursed to the disabled are to be expanded.

6.2.4. PROVISION OF FINANCIAL AIDS FOR DISABLED STUDENTS

In accordance with the Particulars of the Procedure for Providing Disabled University Students with Financial Aids approved by the Government of the Republic of Lithuania140 (hereinafter referred to as “the Particulars of the Procedure”), the following financial aids were provided for disabled students in 2010:

– A monthly target benefit equal to 50 per cent of the state social insurance basic pension to satisfy special needs;
– A target benefit for each semester for a partial reimbursement of study expenses equal to 3.2 basic social benefits established by the Government of the Republic of Lithuania for state university students whose studies are partially financed from the state budget of the Republic of Lithuania or not financed.

The amount of LTL 1,963,500 was used for the implementation of the instrument. All planned instruments were implemented and planned results were achieved.

In accordance with the Particulars of the Procedure for Providing Disabled University Students with Financial Aids, in 2010, aid was granted to 1,135 disabled students attending 38 universities, including 999 (88 per cent) disabled students from 27 state universities and 136 (12 per cent) disabled students from 11 non-state universities. 1,135 disabled students were paid benefits to satisfy special needs and 564 disabled students were paid target benefits for a partial reimbursement of study expenses.

In 2011, LTL 2,300,000 was allocated from the state budget for the implementation of this instrument. During the first quarter 2011, applications from 36 universities for financial aid for disabled university students were submitted for the spring semester of the 2010–2011 academic year.

6.2.5. PROGRAMME FOR TAILORING 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 Tailoring Housing for People with Disabilities for 2007–2011 (hereinafter referred to as “the Programme”)\(^{141}\). The Programme aims to enable the disabled to move more freely and to actively participate in the process of education and profession acquisition, in the labour market and public life.

The amount of LTL 2,742,700 was used for the implementation of the Programme. When implementing the Programme, works to tailor housing for disabled persons were carried out, information on housing tailoring was collected, accumulated and disseminated, the general computer accounting system for housing tailoring was administered and associations of the disabled were involved in the control and supervision of the implementation of the Programme.

Before 1 April 2010, 57 town and district municipalities received 602 applications from the disabled for housing tailoring which met the basic requirements for tailoring housing for people with disabilities. In 2010, the Programme for Tailoring Housing for People with Disabilities was implemented by 55 municipalities. Municipalities carried out works to tailor housing to special needs of the disabled. Representatives from the associations of the disabled participated in the work of the Commissions for Tailoring Housing for People with Disabilities and exercised supervision of housing tailoring. 255 dwellings were tailored to the needs of the disabled, including 138 dwellings for persons with very clear movement and self-service dysfunctions, 97 dwellings for persons with clear movement and self-service dysfunctions and 20 dwellings for persons with average movement and self-service dysfunctions.

Dynamics of the number of dwellings tailored for the disabled in the period from 2007 to 2010

Data of the Ministry of Social Security and Labour

In accordance with the Particulars of the Procedure for Financing Tailoring of Housing for People with Disabilities\footnote{Order No. A1-111 of the Minister of Social Security and Labour of the Republic of Lithuania of 19 April 2007 on the Approval of the Particulars of the Procedure for Financing Tailoring of Housing for People with Disabilities (Official Gazette, 2007, No. 47-1822; 2010 No. 35-1681).}, housing tailoring expenses are covered from state and municipal budgets in parts: 80 per cent from the state budget and 20 per cent from the municipal budget for persons with very clear and clear movement and self-service dysfunctions, and 50 per cent from the state budget and 50 per cent from the municipal budget for persons with average movement and self-service dysfunctions.

**Funds for the implementation of the Programme for Tailoring Housing for People with Disabilities for 2007–2011 in the period from 2007 to 2010**

<table>
<thead>
<tr>
<th></th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>State budget funds</td>
<td>3,893.2</td>
<td>7,764.1</td>
<td>3,710.3</td>
<td>1,742.7</td>
</tr>
<tr>
<td>Municipal budget funds</td>
<td>1,051.78</td>
<td>1,939.95</td>
<td>1,172.99</td>
<td>983.67</td>
</tr>
<tr>
<td>Total</td>
<td>4,944.98</td>
<td>9,704.05</td>
<td>4,883.29</td>
<td>3,726.37</td>
</tr>
</tbody>
</table>

*Data of the Ministry of Social Security and Labour*  
*Table 6.2.5-1*

In 2010, municipalities tailored 235 dwellings (of 255 tailored dwellings) for persons with very clear and clear movement and self-service dysfunctions. The share of state budget funds makes up 80 per cent of funds necessary for housing tailoring.

The amount of LTL 2,940,000 was allocated from the state budget for the implementation of this Programme in 2011. 130 dwellings are expected to be tailored for disabled people.

### 6.2.6. PROFESSIONAL REHABILITATION PROGRAMME

In order to restore or increase a disabled person's working capacity, professional competence and capability for participating in the labour market, the implementation of the Professional Rehabilitation Programme and provision of professional rehabilitation services continued in 2010 and 2011. Professional rehabilitation services are currently provided by 11 establishments.

In 2010, the amount of 11,539,000 was allocated for the implementation of the measures of the Professional Rehabilitation Programme. 489 persons for who the need for professional rehabilitation services was established were registered in territorial labour exchanges. During this period, 554 persons (including 252 women) were sent to take part in the Professional Rehabilitation Programme. Disabled people usually chose vocational training programmes for the accountant, organiser of the enterprise work, administrator of small business and business organiser, producer of fine wooden articles and artistic leather articles, manicurist and chiropodist.
In 2010, the Professional Rehabilitation Programme was completed by 287 persons; 151 of them (37 per cent) found employment.

In order to more efficiently and more purposefully use the funds allocated for the implementation of the Professional Rehabilitation Programme, in early 2011, the Particulars of the Criteria for Identification of the Need for Professional Rehabilitation Services and Rules for Providing and Funding Professional Rehabilitation Services were modified, i.e. the tariff on a day’s participation in the Professional Rehabilitation Programme was reduced from 1 basic social benefit, when a person with the established level of basic working capacity (or capacity) of 0–25 per cent participates in the Programme, 0.9 basic social benefit, when a person with the established level of basic working capacity (or capacity) of 30–40 per cent participates in the Programme, to 0.8 basic social benefit when a person with the established level of basic working capacity (or capacity) of 45–55 per cent participates in the Programme. In order to strengthen the person's motivation and responsibility, the duty is also established to reimburse the territorial labour exchange for its expenses of the implementation of the Professional Rehabilitation Programme, if the person terminates the Professional Rehabilitation Programme on his/her initiative, does not comply with the terms and conditions of the contract for the participation in the Professional Rehabilitation Programme with the establishment providing professional rehabilitation services or does not participate in the Professional Rehabilitation Programme without a justifiable reason for more than 3 working days.

In 2011, the amount of LTL 10,410,000 was allocated for the implementation of this Programme's measures. In the first quarter 2011, 170 persons for who the need for professional rehabilitation services was established were registered in territorial labour exchanges. During this period, 69 persons (including 32 women) were sent to take part in the Programme. This year the Programme was completed by 75 persons; 5 of them found employment immediately after the completion of the Programme.

In order to implement long-term goals of the development of the professional rehabilitation system (to improve the legal base of the professional rehabilitation system, to increase access to and diversity of professional rehabilitation services and to enhance the quality of professional rehabilitation services), which are set in the Strategy for the Development of Professional Rehabilitation Services for 2007–2012, in cooperation with the Lithuanian Labour Exchange, the Service of Establishing Disability and Capacity for Work and the Department for the Affairs of the Disabled, the 2010 Plan of Measures for Implementing the Strategy for the Development of Professional Rehabilitation Services for 2007–2012 was approved.


6.3. SOCIAL INTEGRATION OF OTHER GROUPS OF PERSONS

Data of the Migration Department under the Ministry of the Interior indicates that over the last eleven years more than 4,000 foreigners have applied for asylum in Lithuania. Over 125 persons were granted refugee status in Lithuania and approximately 400 persons are currently provided an additional protection.

In order to help refugees and foreigners who received asylum to independently live and work in Lithuania and not to be recipients of benefits, but rather become full members of the community, the social integration of foreigners who received asylum is implemented.

The Programme for the Return of Political Prisoners and Exiles as well as their Family Members to Lithuania for 2008–2012 is another area requiring close attention. The Programme aims to ensure support for persons who were unlawfully repressed during occupations and for families of their children, and to enable them to come back to Lithuania to permanently live here and to integrate into the country’s life.

This section gives below an overview of the implementation of these programmes and measures in 2010 and 2011.

6.3.1. SOCIAL INTEGRATION OF FOREIGNERS GRANTED ASYLUM

Research shows that society still has a negative attitude towards refugees. Research conducted this year by the market analysis and research group RAIT indicates that almost a third of Lithuanian residents would not like refugees to become citizens of Lithuania. 18 per cent of the respondents would not like to see refugees in Lithuania in general. 47 per cent of residents would not like to let out a dwelling to refugees and 33 per cent would not like to live in the neighbourhood with refugees.

Approximately 200 refugees and 100 asylum seekers, the majority of who are formed by women and children, are currently residing in Lithuania. The social integration of foreigners who received asylum in Lithuania and asylum seekers into the local community is the most sensitive element of the Lithuanian asylum system. Eleven years’ practice of the implementation of the integration programme in Lithuania showed that refugees’ psychological problems and insufficient knowledge of the community which persons are integrated into are major obstacles to successful integration.

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

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Illustration 6.3.1-1 provides detailed information on foreigners who took part in the social integration programme for 2010 in the territories of municipalities.

2010 statistics on foreigners granted asylum who are participating in the social integration programme in municipalities

<table>
<thead>
<tr>
<th>District</th>
<th>Kaunas</th>
<th>Lentvaris</th>
<th>Švenčionių</th>
<th>Jonava</th>
<th>Vilnius</th>
<th>Klaipėda</th>
<th>Elektrėnai</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>23</td>
<td>6</td>
<td>2</td>
<td>15</td>
<td>25</td>
<td>1</td>
<td>50</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour

Illustration 6.3.1-1

During 2010, the Refugees Reception Centre provided support for 89 foreigners – 49 adults and 40 children, including 12 unaccompanied underage foreigners. Individual plans of activity for foreigners were drawn up. For 72 foreigners, social integration at the Centre was extended for objective reasons. 14 children of pre-school age attended classes in the children's occupation room and 7 children were educated at home. During 2010, 495 Lithuanian language lessons were provided. They were attended by 49 adult foreigners. Five tests in the Lithuanian language were organised. A partial examination in the Lithuanian language at the Centre was passed by 17 foreigners. Classes for minors' groups of mutual support were organised aimed at bringing together unaccompanied minors of different nationalities and religions who live at the Centre. Seminars were also held for employees of municipal and non-governmental organisations, other institutions and establishments who are working in the field of the social integration of foreigners granted asylum. Different cultural events to encourage awareness of other cultures were organised.

In 2011, the amount of LTL 436,000 was allocated for the implementation of this programme. In the first quarter 2011, 34 foreigners who received asylum, including 1 unaccompanied minor, used support for integration at the Centre. One foreigner was born at the Centre. During this period, 126 Lithuanian language lessons were provided. They were attended by 16 foreigners. Two foreigners were learning independently. Three foreigners found employment.
6.3.2. Programme for the Return of Political Prisoners and Exiles as well as their Family Members to Lithuania for 2008–2012

In 2010 and 2011, 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 for the social integration of exiles who came back to Lithuania for permanent residence is provided in accordance with the Particulars of the Procedure approved by Order No. 151 of the Minister of Social Security and Labour of the Republic of Lithuania of 21 November 2002 on the Approval of the Particulars of the Procedure for Adopting Measures of State Support for the Relocation and Social Integration of Political Prisoners and Exiles as well as their Family Members Returning to Lithuania for Permanent Residence (hereinafter referred to as "the Particulars of the Procedure").

In 2010, the amount of LTL 420,600 was used for the integration of political prisoners, exiles and their family members who came back to Lithuania and for the provision of state support, including granting of settlement allowances, reimbursement of relocation expenses and provision of training.

Illustration 6.3.2-1 shows the use of state budget appropriations for the relocation and social integration of returning persons by a measure of support.

Use of state budget appropriations for the relocation and social integration of returning persons in 2010 (LTL)


Order No. 151 of the Minister of Social Security and Labour of the Republic of Lithuania of 21 November 2002 on the Approval of the Particulars of the Procedure for Adopting Measures of State Support for the Relocation and Social Integration of Political Prisoners and Exiles as well as their Family Members Returning to Lithuania for Permanent Residence.
Support was provided for 273 persons (exiles and their family members who came back to Lithuania). The amount of LTL 145,847 was used for maintenance expenses, repair works and other maintenance needs of the temporary accommodation facility for returning exiles; 61 families (162 persons) are currently residing in the facility. The amount of LTL 169,999 was used for relocation expenses and settlement; 65 persons received support. LTL 44,230 was spent on Lithuanian language courses and adaptation measures; support was provided for more than 46 persons. The amount of LTL 59,524 was allocated to and used for Vilnius secondary boarding school “Lietuvių Namai”: support was given to cover organisation expenses of cultural events (awarding of school-leaving certificates and the celebration of the 1st of September, events to mark the 20th anniversary of the school, Christmas and New Year celebrations) and to improve conditions of everyday life. LTL 1,000 was used for the dissemination of information and public relations. In 2011, the amount of LTL 1,852,000 was allocated for the implementation of this programme.
6.4. SOCIAL SERVICES AND SOCIAL WORK

6.4.1. OVERVIEW OF SOCIAL SERVICES

In 2010, there were about 760 establishments of different subordination providing social services. According to the data from the Department of Statistics under the Government of the Republic of Lithuania, these establishments regularly provided social services to 91,200 persons with disability, elderly persons, children deprived of parental care, individuals and families at social risk and other persons. Approximately 27,600 individuals and 4,800 families were provided with social services at home. Moreover, 161,400 persons used common social services (free catering, provision with essential items, personal hygiene products, and transport services).

Recipients of social services in 2010

- Recipients of common social services: 57%
- Visitors of day centres: 25%
- Recipients of social services at home: 10%
- Recipients of institutional social care: 5%
- Recipients of social services at temporary lodging houses and independent living homes: 3%

Data from the Department of Statistics

Major share (57 per cent) of recipients of social services used common social services, one-fourth of recipients attended day centres, every tenth recipient received assistance at home. Institutional social care was provided to 5 per cent of recipients of social services; about 3 per cent of recipients used the services provided by temporary lodging houses, crisis centres or independent living homes.
In 2010, infrastructure of social services changed. The key changes were related to the county reform and the transfer of the rights and duties of founders of certain social care institutions, which previously belonged to counties, municipalities and the Ministry of Social Security and Labour.

Having implemented the county reform, 25 former county child care homes and 4 old people's homes were transferred to municipalities. The Ministry of Social Security and Labour became the authority implementing the rights and duties of founders of 28 care institutions for adults with disability. The number of state (former county) care institutions for old people decreased: 3 former social care homes for elderly people (Padvariai, Utena, Zarasai) were reorganised into care institutions for adults with disability. Authorities implementing the rights and duties of founders of child care establishments: the Ministry of Social Security and Labour became the authority implementing the rights and duties of founders of only 7 child care homes of 32 former state (county) care homes; the number of child care homes, the rights and duties of founders whereof have been implemented by municipalities, increased respectively.

6.4.2. CHANGES IN THE REGULATION OF SOCIAL WORK

- **New methodical centres of social work**
  
  In 2011, the list of methodical centres of social work\(^{147}\) was supplemented with the following three institutions: Jonava District Social Services Centre, Kaunas Panemunė Old People's Home, public institution Trakai Centre of Occupation for People with Disability. 51 methodical centres of social work have been currently operating.

- **Professional development of social workers and assistants to social workers**
  
  At the end of 2010, the Descriptions of the Procedure for Professional Development of Social Workers and Social Worker Assistants and the Procedure for the Assessment of Social Workers were specified and approved\(^{148}\).

  The Description of the Procedure for the Assessment of Social Workers provides for an opportunity for social workers who have education equivalent to social work to be assessed. It also specifies the activities of a local commission for the assessment of social workers; whereas at the beginning of 2011, the composition of sub-commissions of a local commission for the assessment of social workers was revised.

- **Amendments to the procedure for the assessment of social workers**
  
  Having eliminated regional labour market training and counselling services, in which 7 local commissions for the assessment of social workers functioned, a local assessment commission was formed of 6 local sub-commissions (Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys, Alytus) which, like


previously, will assess social workers closer to their places of residence or work. This local assessment commission, like former assessment commission, will be technically supported by the Authority for Administration of Social Care Institutions under the Ministry of Social Security and Labour.

- **Requirement of education for social workers**

  As of 1 July 2011, as stipulated in the Law on Social Services, only persons who have acquired higher (university or non-university) education in social work or equivalent education shall be entitled to the position of a social worker.

  The requirement of education for social workers has been set forth since 2006. With a view to creating possibilities for social workers to retrain free of charge, in the period from 2009 until 2011 the funds from the EU Structural Funds were used (until 1 July 2011) for the national retraining of social workers who have acquired education (university or non-university), other than social work or equivalent education. Before 1 October 2010, the project was coordinated by the Lithuanian Labour Market Training Authority under the Ministry of Social Security and Labour; after 1 October 2010, having reorganised this body – by the Authority for Administration of Social Care Institutions under the Ministry of Social Security and Labour. According to the plans of 2009, the project funds had to be used for free retraining of about 510 social workers by 1 July 2011. The project value amounts to LTL 2.5 million.

  The work of some persons in the position of a social worker is not related to social work (calculation of benefits, allowances, compensations, reception and examination of applications for support for pupils, implementation of professional or artistic occupation, etc.); some workers are categorised as social workers, yet, according to the content of activities (job description), they have been working as assistants to social workers or specialists of other fields (care of disabled persons, catering, provision of personal hygiene services, cleaning of premises, etc.).

  A similar situation has been lately observed in the day centres for the disabled, child day centres and institutional social care establishments, in which some of the positions of social workers have been categorised as a social worker-occupation specialist. The above workers have been working with the disabled, children and elderly persons, by organising their leisure and conducting different fine arts, music, sports, etc. sessions. Their functions are not identical to the functions of a social worker and cannot be attributed to the functions fulfilled by non-formal education specialists (pedagogues).

  Seeking to clarify and differentiate positions of social workers and activities of social work, the List of Positions of Specialists Engaged in Social Work\(^\text{149}\) has been supplemented. It regulates the position of an occupation specialist of a social services institution, by attributing it to social workers. Occupation specialists of social services institutions shall not be subject to the requirement for education, as applied to social workers.

  Social workers are prepared by most universities and colleges. About 900 social workers are prepared annually.

  According to the data of June 2011 collected by the ministry, the requirement for higher education in social work or equivalent education applies to 3,196 social workers. About 84 per cent (2,697 persons) had higher education in social work or equivalent education, sought it or found it irrelevant (pre-retirement age persons). 56 per cent (1,786 persons) had higher education in social work or equivalent education, 21

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per cent (684 persons) sought to acquire it, whereas 7 per cent (227 persons) were pre-retirement age persons. About 16 per cent (approx. 500 persons) do not have the required education and do not qualify as exceptions provided for in the Law on Social Services. Part of these workers (about 11 per cent) were offered other positions (neighbourhood specialist, social benefits specialist, occupation specialist of a social services institution, assistant to social worker, etc.).

6.4.3. SPECIAL TARGET GRANTS FOR SOCIAL SERVICES FROM THE STATE BUDGET

Pursuant to the Law on Social Services (Official Gazette Valstybės žinios, 2006, No. 17-589), social care in respect of persons with a severe disability and social attendance in respect of families at social risk shall be financed from special target grants of the state budget to municipal budgets (hereinafter referred to as state grants).

Fund demand in respect of provision of social care for persons with a severe disability is established taking into account the information presented by municipalities about the forecasted number of residents with a severe disability from their territory, who will receive social care, and estimated fund demand. The fund demand is estimated by using the amount of 7.2 basic social benefits (BSB), fixed in the Methodology for Financing Social Services and Calculating Funds (Official Gazette Valstybės žinios, 2006, No. 110-4163), for the provision of social care to one person with a severe disability per month. The fund demand is estimated having regard to the tendencies of the changing number of persons with a severe disability within the last three years, by carrying out a comparative analysis of the number of persons with a severe disability who were provided, planned to be provided or not provided with but necessary social care services, and evaluating efficiency of the funds allocated for social care of persons with a severe disability.

With regard to the fact that municipalities have been expanding the infrastructure of social services by organising the provision of new, qualitatively more effective social care services, the demand for state grants for the provision of social care for persons with a severe disability has been growing every year (in 2008–2010, around 20 per cent per year).

In 2010, LTL 36,199,300 (of which LTL 1,054,000 for administrative expenses) were allocated to municipalities for ensuring social care of persons with a severe disability; in 2011, LTL 41,729,300 (of which LTL 1,215,000 for administrative expenses). 15 per cent more state grants were awarded for the performance of this function in 2011 than in 2010.

The fund demand in respect of the provision of social attendance to families at social risk is estimated according to the number of positions of social workers who provide social attendance. The funds are allocated for remunerations and social insurance contributions.

The positions of social workers are distributed having regard to the number of families and children at social risk, residing in the territory of municipality, and the territorial distribution of municipalities.

LTL 13,962,600 were allocated for the remuneration and social insurance contributions of 630.5 positions of social workers in 2010 and 2011 each year.
6.4.4. STATE INSTITUTIONS OF SOCIAL SERVICES

In implementing the county reform, the Ministry of Social Security and Labour took over 3 social care institutions for children and youth with disability, 28 care institutions for elderly people and adults with disability, and 7 child care institutions. The rights and duties of founders of these institutions have been implemented by the Ministry of Social Security and Labour (hereinafter referred to as state institutions of social services) and administered by the Authority for Administration of Social Care Institutions under the Ministry of Social Security and Labour (hereinafter referred to as the Authority). In implementing the set activity goals, the Authority performs the following key functions: coordinates the activities of social care institutions; carries out the analysis and evaluation of services provided by social care institutions, their prices, staff composition, number of recipients of services, use of funds and fund demand; provides methodical aid to institutions; organises referral of persons to social care institutions; examines residents’ complaints regarding referral to social care institutions; submits proposals to the Ministry of Social Security and Labour, etc.

- **Target number of places and staff structure**

  On 1 July 2010, 31 state institutions of social care for adults with disability and elderly persons, children and youth with disability and special social care homes had 6,843 target places, and 7 child
care homes – 534 places. It should be noted that the Strategy for the Reorganisation of State Social Care Institutions\(^\text{150}\) stipulates that not more than 4 persons should live in a room, and the capacity of a care institution should not exceed 300 places. Since not all county governor administrations, being founders of social care institutions, have satisfied these requirements, the Authority for Administration of Social Care Institutions under the Ministry of Social Security and Labour has analysed the situation in social care institutions and submitted to the ministry proposals regarding the reduction of the target number of places in state social care institutions. The target number of places in state social care institutions has been approved by the order of the Minister of Social Security and Labour\(^\text{151}\). Due to the abovementioned requirements, the target number of places in social care institutions for adults was reduced by 100, children and youth with disability – by 20, child social care institutions – by 29 places.

**Target number of places in state institutions of social services**

![Graph showing the target number of places in social care institutions](image)

*Data from the Authority for Administration of Social Care Institutions under the Ministry of Social Security and Labour Figure 6.4.4 – 1*

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\(^{151}\) Order No. A1-398 “On the Approval of the Target Number of Places in Social Care Institutions and Staff Structure” of the Minister of Social Security and Labour of 1 September 2010.
The same order assigns heads of social care institutions to approve the structure of social care institutions and the list of staff positions (the number of employees who directly provide social care should not be smaller than 80 per cent of the entire staff of an institution), and, having regard to the size of an institution and groups of recipients of services, establishes the ratio of staff and residents and the fixed number of positions of deputy head of an institution.

The proportion of the staff structure (employees who directly provide social care and employees who work indirectly) has been established in compliance with the requirement of the Methodology for Financing Social Services and Calculating Funds\(^{152}\) stipulating that the remuneration, state social insurance contributions, professional development and business trip expenses of the administrative, economy and service staff of a social care institution should not account for more than 20 per cent of the entire payroll of a social care institution. Social care institutions should be primarily orientated to the recipients of services and quality of provided services, rather than maintenance of their economy. In 2010, according to the data submitted by institutions, employees who directly deal with residents in state institutions of social care accounted for approx. 61 per cent of all staff of an institution. In implementing the above order, heads of care institutions should consider the issue of the need of some economic functions fulfilled in the institution and, if they cannot refuse these functions, seek more economic solutions.

With a view to creating equal conditions for the provision of high quality services, a common ratio of staff and residents differentiated according to recipients of services and the size of an institution has been set for social care institutions: 0.65 position for one resident in social care institutions for adults with up to 99 places, 0.55 position, when the number of places is 100 to 150, 0.5 position, when the number of places exceeds 150; 0.9 position for one resident in care institutions for children with disability, children and youth with disability and the infant division of A. Bandza infant and child care home; 0.7 position for one resident in child social care institutions.

As of 1 January 2011, the maximum permissible number of deputy heads of an institution has been set – 2 deputy heads (1 deputy head in institutions with up to 150 places, and 2 deputy heads in larger institutions).

- **Financial norms for catering and medicaments**

  Seeking to ensure the quality of social care in state social care institutions and having regard to the Recommended Day Norms for Nutrition and Energy Value approved by the Minister of Health, the Day Financial Norms for Catering and Medicament Expenses in Social Care Institutions\(^{153}\) have been approved. In the period when social care institutions were administered by county governor administrations, the financial norms for catering fluctuated from LTL 9 to LTL 14 in individual institutions. With a view to unifying the financial norms for catering and medicaments and having regard to the fact that social care institutions differently organise catering services (some institutions have kitchens and prepare meals, while other institutions buy catering services), the proposal concerns approving of common day financial norms for food product expenses per resident in all institutions.

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– LTL 9.5, and allowing institutions to use LTL 4.5 from the funds of the Special Programme for the organisation of additional food expenses and/or catering.

The day norm for medicaments fluctuated from LTL 0.70 to LTL 2.80. The day financial norm for medicaments in 2011 – LTL 1.7 per person, and additional up to LTL 1 per person from the funds of the Special Programme.

- **Prices of social care**

  Keeping to the Methodology for Financing Social Services and Calculating Funds\(^{154}\), the financial norms for catering and medicament expenses, as well as expenses on bedclothes and clothing have been revised annually with regard to the information on the prices of consumer goods and services published by the Department of Statistics under the Government of the Republic of Lithuania. Pursuant to these norms, social care institutions have to revise prices of social care.

  These prices are approved by the head of an institution, having previously coordinated them with the authority implementing the rights and duties of founder, i.e. the Ministry of Social Security and Labour.

  Estimated prices of social care presented by social care institutions are evaluated and the conclusions regarding validity of prices are submitted to the Ministry of Social Security and Labour by the Authority for Administration of Social Care Institutions.

- **2011 annual activity plans of institutions**

  Following the Strategic Planning Methodology, approved by Resolution No. 817 of the Government of the Republic of Lithuania of 6 June 2002, social care institutions, like other budgetary institutions, draft annual activity plans. Social care institutions drafted their annual activity plans referring to the form proposed by the Ministry of Social Security and Labour. The 2011 activity plans of institutions were approved by the order of the Minister of Social Security and Labour\(^{155}\).

- As of May 2011, Veisiejai special social care home has been allowed to provide social care for adults with disability; the same right has been granted to Marijampolė special social care home as of June 2011.

  When accommodating elderly persons, Veisiejai social care home gives priority to persons who suffered from occupant authorities of the Nazi Germany. Taking into consideration the fact that the number of these persons is falling, hence vacancies in care homes, the institutions have been granted the right to receive persons with disability, yet keeping the right of priority for persons who suffered from German occupant authorities. Marijampolė special social care home gives priority to elderly and disabled clergymen from Lithuanian dioceses as well as secular church workers.


6.4.5. PROGRAMME FOR THE MODERNISATION OF INFRASTRUCTURE OF INSTITUTIONAL SOCIAL CARE ESTABLISHMENTS

As of 2015, only licensed social care institutions will have the right to provide social care. Long-term, short-term and day social care will be licensed. Institutional social care establishments, day social care centres, crisis centres, lodging houses, psychosocial rehabilitation centres and institutions for drug addicts, which provide day social care at home, will have to obtain licenses.

One of the key conditions for licensing is compliance with social care standards. These standards set forth the principal requirement – with regard to individual needs and legitimate expectations to ensure targeted assistance, based on mutual trust of workers and recipients, the guarantee of the human right to dignity, etc.

Seeking to ensure life quality for the residents of social care homes and create the conditions for institutions to prepare for licensing, the Ministry of Social Security and Labour initiated the implementation of a measure aimed at the modernisation of infrastructure of institutional social services from the European Union Structural Funds. The purpose of the measure is to ensure the provision of high quality services to elderly persons, persons with disability and children in institutional social care establishments as well as a safe environment through modernisation of existing or establishment of new institutions of social services.

In total, LTL 148 million were allocated for the measure, which is implemented through state projects, of which LTL 126 million were the European Union funds and LTL 22 million were allocated from the state budget. Project funding may constitute up to 100 per cent of expenses of eligible projects.

In implementing this measure, the Programme for the Modernisation of Infrastructure of Institutional Social Care Establishments and the List of Potential Projects of Stage 1 have been drafted and approved.

Applicants of projects envisaged in the list may receive financing from the European Union funds according to the List of State Projects. The List of State Projects is compiled keeping to the Description of the Conditions for Financing of Projects, with regard to the recommendations submitted by the Commission for Planning and Selection of State Projects having evaluated preliminary applications of institutions. The Description of the Conditions for Financing of Projects envisages special requirements which will have to ensure the quality of provided services and social welfare according to modern living standards. Applicants, whose projects are included in the List of State Projects, will prepare applications for EU funding and file them with the Central Project Management Agency (hereinafter referred to as CPMA), which will evaluate applications. The final decision concerning project financing will be


made by the Ministry of Social Security and Labour, basing on the CPMA evaluation report. A trilateral agreement on project financing and administration will be signed between the CPMA, the Ministry of Social Security and Labour and the applicant. In 2011, project selection is planned to be announced under this measure and the List of Projects of Stage II is planned to be drawn.

To sum up, considerable attention has been paid to the quality of social services and ensuring human rights in respect of persons living in social care institutions. Seeking to find the most adequate model of infrastructure of social care institutions and analyse the potential of reorganisation of social care institutions and decentralisation of services, working groups have been working and experts have been consulted. Higher requirements have been set not only for social care institutions and specialists working therein, but also their leadership. Assessment of heads of social care institutions should start in 2015; the assessment procedure should be developed in 2011. The Rules for Licensing of Social Care Institutions should also be drafted in the same year.

6.5. ACTIVITIES OF COMMUNITIES AND NON-GOVERNMENTAL ORGANISATIONS

6.5.1. GENERAL TRENDS

The situation of Lithuanian communities and non-governmental organisations in 2010–2011 is related to major changes in the policy of the development of communities and non-governmental organisations (NGOs). In implementing the provisions of the Government’s Programme, works with a long-term positive impact on the strengthening of our country’s civil sector, modernisation of the shaping and implementation of public policy on both the national and local level have been commenced.

The economic crisis of recent years has become a challenge to Lithuanian NGOs and communities: on the one hand, the budgets of state and municipal programmes designed to finance NGO activity projects have shrunk, which truly aggravated both support for small local initiatives and continuity of the activities of services-oriented organisations. On the other hand, conditions for non-governmental organisations to participate in measures financed from the European Union structural funds have been improved and new measures aimed at strengthening the non-governmental sector have been designed (Norwegian and Swiss financial support mechanisms). A positive outcome is that the importance of major NGOs working in the area of poverty reduction has come to light in public domain – despite the economic crisis, the number of those wishing to donate and participate in voluntary activities, in particular large social campaigns, has not fallen.

An increasing number of Lithuanian residents have been showing better understanding of volunteering and expressing positive views towards it. A representative survey of Lithuanian residents “Attitudes towards Voluntary Activities”, conducted by the “Vilmorus” market research centre upon the commission from the European Commission Representation in Lithuania on 11–21 February 2011, shows that 34 per cent of the country’s residents have participated in voluntary activities. These activities
more attract younger people (45 per cent of respondents under 29 years of age have been volunteers), employed specialists with higher education (48 per cent), and high-income residents. It should be noted that 35 per cent of the respondents who have never been volunteers said that they would like to participate in this kind of activities in the future.

The processes of association of NGOs and communities should also be evaluated positively. At the beginning of 2010, a coalition of twelve national NGO associations started its activities. Members of the coalition agreed to cooperate seeking the development of the NGO sector and to strengthen the foundations of the third sector in creating civil society. Cooperation also covered the regulation of NGO law, the shaping of NGO policy and its implementation mechanism, the improvement of the tax system and other issues related to the third sector. In the spring of 2010, the Lithuanian Union of Local Community Organisations (LULCO) was established with the aim of coordinating the activities of local community organisations, representing and defending common interests of both rural and urban community organisations in the authorities. The founders of LULCO are the representatives of three community associations: the Association of Vilnius Communities, the Lithuanian Rural Communities Union and the Association of Kaunas Community Centres.

6.5.2. IMPROVEMENT OF THE LEGAL FRAMEWORK

At the beginning of 2010, the Concept of the Development of Non-Governmental Organisations and the Plan of Measures were approved by the resolution\textsuperscript{158} of the Government of the Republic of Lithuania and started to be implemented.

Coordination of the non-governmental organisation and community development policy has been assigned to the Ministry of Social Security and Labour. This task falls within the competence of the Communities Affairs Division, which has been a structural unit of the Social Inclusion and Communities Department as of 1 November 2010.

The Commission on Coordination of Non-Governmental Organisation Affairs\textsuperscript{159}, composed of representatives from different state institutions, the Association of Local Authorities and the non-governmental sector, has been approved. When forming the Commission on Coordination of NGO Affairs, after intensive discussions an agreement was reached that non-governmental organisations (representatives of their biggest associated structures) delegate members to the commission. This action was meant to recognise the importance of association and self-regulation of non-governmental organisations in cooperation with the public sector. The commission is the key body of consultation, which helps consider the projects of measures envisaged in the NGO Development Concept, perform monitoring of the implementation of these measures and raise other issues relevant to the non-governmental sector. All these actions and procedures must prompt and accelerate processes which could actually improve the conditions enabling non-governmental organisations and communities to


\textsuperscript{159} Resolution No. 722 “On Setting Up of the Commission on Coordination of Non-Governmental Organisation Affairs and the Approval of Its Regulations” of the Government of the Republic of Lithuania of 7 June 2010 (Official Gazette \textit{Valstybės žinios}, 2010, No. 69-3447)
properly carry out their principal mission to encourage citizens to take part in public life and use the available potential to solve concrete problems.

In 2011, in implementing the measures of the Concept of the Development of Non-Governmental Organisations, the Ministry of Justice has prepared a draft Law on Financing and Control of Non-Governmental Organisations, which seeks to define the concept of a non-governmental organisation, regulate subjects which can participate in the takeover of public functions and establish the criteria of NGOs applying for state and municipal budget funds, stipulate that agencies established by the state and municipalities could not use the funds and privileges granted to NGOs, strengthen representation of the non-governmental sector, legitimate areas of activity useful to society and encourage NGOs to provide services in these areas, lay down clear and transparent principles of NGO financing, procurement and evaluation of services provided by subjects creating public benefit, and the basis of responsibility.

In 2011, in implementing the Plan of Measures of the Concept of the Development of Non-Governmental Organisations, a draft Law on Voluntary Activities\(^\text{160}\) has been prepared. The Seimas of the Republic of Lithuania passed the Law on Voluntary Activities on 22 June 2011. This law has been prompted by the necessity to promote voluntary activities as socially useful activities, create favourable conditions for the development of voluntary activities and solve practical problems related to the status of a volunteer, organisation of voluntary activities, compensation of expenses related to voluntary activities (travel, catering, accommodation), etc.

The law presents the definition of voluntary activities, enabling to identify its key attributes, i.e. a free will of a person who performs voluntary activities, the gratuitous aspect of this type of activities, usefulness of activities to society and the role of the organiser of voluntary activities. This legal act enumerates and discusses the principles of voluntary activities, lays down the requirements for a volunteer, defines the rights and duties of volunteers and organisers of voluntary activities, the procedure for the organisation of voluntary activities, i.e. establishes cases when the organiser of voluntary activities has to conclude a written contract of voluntary activities with the volunteer, stipulates the provision establishing a possibility for the organisers of voluntary activities to insure a volunteer in insurance companies or compensate for insurance premiums to a volunteer at the procedure prescribed by legislation. The legal act also establishes the complete list of basic expenses associated with the performance of voluntary activities, which may be compensated to a volunteer by the organiser of voluntary activities, and provides for a possibility to recognise participation in voluntary activities as the experience of a volunteer’s practical work and/or training, or consider such activities as social activities according to the general education plans.

The law does not seek to regulate all volunteering in a broad sense – voluntary assistance by individuals to neighbours, other community members, etc.

\(^{160}\) Republic of Lithuania Law on Voluntary Activities (Official Gazette \textit{Valstybės žinios}, 2011, No. 86-4142)
6.5.3. DEVELOPMENT OF COMMUNITIES AND NON-GOVERNMENTAL ORGANISATIONS

One of the most important tasks of the development of the non-governmental sector is the necessity to create preconditions for greater independence of non-governmental organisations and communities (as well as social entrepreneurship) so that these organisations and their activities less depend on direct support from the governmental sector and more on common interests, goals or contribution of members of the community interrelated by the place of residence, expressed in the form of both moral and material support as well as voluntary activities.

Seeking long-term establishment of the non-governmental sector and increase in quality of its activities, favourable conditions for non-governmental organisations and communities to participate in the provision of social services should be created. It is an important objective of municipality policy – to see not only their own established agencies, but also non-governmental organisations and communities able to provide services necessary to their community members and having the required competences and resources.

During the implementation of the NGO Development Concept and its Plan of Measures, the Programme for the Development of the NGO Sector 2011–2013 has been prepared. It envisages strengthening of NGO cooperation, information and activity coordination mechanisms, carrying out a comprehensive survey of the NGO sector (in particular emphasising NGO contribution to the growth of the country’s economy) and reinforcing regional development of voluntary activities. In cooperation with the Ministry of the Interior, the programme integrates the ministry’s newly planned measure of the Operational Programme for Human Resources Development 2007–2013 “Cooperation and partnership of the public and non-governmental sector”.

In implementing the priority of the Government of the Republic of Lithuania “Developing services to family and increasing their accessibility: developing the activities of community centres, increasing flexibility and accessibility of social services provided to families taking care of disabled or elderly family members”, the Programme for the Social Development of Communities 2011–2013 has been prepared. Drafters of the programme actively consulted the Lithuanian Union of Local Community Organisations (LULCO), joining both urban and rural community organisations. These consultations have been envisaged in the cooperation agreement signed between the ministry and LULCO. The key measures of the programme are targeted at the development of community information exchange and cooperation networks, strengthening of community organisation competences to work in the social sphere and become municipality partners in the provision of social services to community members, as well as the promotion of community entrepreneurship and efforts to involve as many volunteers as possible into their activities. Co-financing of the activities is planned to be granted to more than


200 successfully functioning communities, whose example and experience should encourage the development of other communities.

Particular attention was paid to non-governmental organisations when preparing the description of the financing conditions of projects under the measure of the Operational Programme for Human Resources Development 2007–2013, aimed at integration of persons at social risk and socially excluded persons in the labour market. Acknowledging that non-governmental organisations are mostly capable of reaching, motivating and taking care of persons in need of assistance and seeking to encourage them (in particular communities) become involved in social activities, the provision has been stipulated that the applicants may be only non-governmental and community organisations, which may actually invite partners to provide integrated services. LTL 66 million have been allocated for the third stage of this measure; around 150 applications have been received.

With a view to promoting participation of elderly people in social life, the Ministry of Social Security and Labour has been implementing the programme aimed at supporting the activities of NGOs representing the elderly since 2005. The programme seeks that elderly persons more actively join non-governmental organisations, participate in cultural and political life, and encourages their involvement in various national and municipal advisory councils. The creation of non-governmental organisations and elderly people's clubs, where people of the same and different generations with similar interests could socialise, exchange information and share experience is also promoted. A particularly important aspect of the activities of elderly people is the development of voluntary activeness so that these people can help each other and engage in the activities which they find attractive and corresponding to their abilities and inclinations.

6.5.4. EUROPEAN YEAR OF VOLUNTARY ACTIVITIES PROMOTING ACTIVE CITIZENSHIP

The Council of Europe has announced 2011 the European Year of Voluntary Activities Promoting Active Citizenship (hereinafter referred to as the European Year of Voluntary Activities).

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, which organises Lithuania’s participation in the activities of the European Year and is responsible for the drafting and implementation of the National Programme of the European Year.

The overall goal of the European Year of Voluntary Activities is to encourage and support (primarily through sharing experience and best practices) the efforts of the Community, Member States, local and regional authorities to create the conditions for civil society conducive to volunteering in the European Union (EU) and to increase the visibility of voluntary activities in the EU.

The Ministry of Social Security and Labour, in consultation with various organisations, has prepared the National Programme of the European Year of Voluntary Activities Promoting Active Citizenship 2011 with the aim of creating the conditions conducive to volunteering, promoting voluntary activities and emphasising their importance.

Two priorities of the Year of Voluntary Activities have been set: promotion of elderly people’s involvement in voluntary activities and development of youth voluntary activities. These target groups
have been chosen with regard to the fact that the number of elderly people involved in voluntary activities is small in Lithuania (about 7 per cent); therefore, it is important to form a volunteering culture of the elderly and change their negative attitude towards voluntary activities. Youth volunteering has been given more attention in Lithuania than other areas of voluntary activities; however, organisations lack competences to recruit volunteers and plan their tasks. The implementation of the above priorities is expected to increase the number of elderly volunteers and strengthen the potential of youth volunteering.

Three main directions of the national programme could be distinguished:

- improvement of the legal environment of voluntary activities;
- building of competences of volunteers and organisations (as well as communities) in organising voluntary activities;
- increasing the visibility of voluntary activities through the dissemination of best practices of volunteers and organisations and presentation of volunteering as an attractive activity significant for social welfare.

The programme pays considerable attention to the ability of organisations to organise and strengthen voluntary activities, because in the long run the welfare of the country’s residents, in particular poverty stricken and socially excluded people, depends not only on the activities of public authorities, but also cohesion of society and involvement of NGOs and communities in the solution of local social problems.
7.1. ACTIVITIES RELATED TO LITHUANIA’S MEMBERSHIP IN THE EUROPEAN UNION

After Lithuania joined the European Union (hereinafter referred to as the EU) efforts have been taken to make sure that Lithuanian interests should be taken into account when EU legislation (regulations, directives, decisions, recommendations, opinions, EU Council conclusions or other decisions) is adopted, and that the EU legislation should be successfully and efficiently implemented in Lithuania. This Chapter will mostly deal with one of the key institutions of the EU, the EU Council (hereinafter referred to as the Council), which is the main decision-making body in the EU. The Council, together with the European Parliament (hereinafter referred to as the EP), is responsible for the law-making in the EU.

7.1.1. MOST RELEVANT ISSUES ON THE EU AGENDA WITH REGARD TO SOCIAL AND EMPLOYMENT POLICY

7.1.1.1. EU Presidency Initiatives

The EU Presidency is the presidency of one Member State (hereinafter referred to as the MS) in 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. No important political or legal decisions can be taken without the approval of the Council, in which the governments of the EU Member States are represented.
The EU Presidency plays a key role in organising the operation of the Council, in particular by promoting the legal and political decision-making process. For a period of six months the Presidency presides over the meetings and sets the overall political agenda.

During the first six months of 2010 the EU Presidency was held by Spain. The information about the initiatives taken by the Presidency is provided in the Social Report of the Ministry of Social Security and Labour of 2009–2010.

The second semester of the 2010 EU Presidency was taken over by Belgium, which identified five key priorities: 1) sustainable growth and competitiveness; 2) improvement of social cohesion; 3) a transition to the green economy; 4) consolidation of the European area of freedom, security and justice and 5) increasing the role of the EU in the area of peace and security.

With regard to employment, Belgium paid much attention to the implementation of the Europe 2020 strategy. In line with it, the Presidency put a special emphasis on the following priority areas: 1) stimulation of green jobs and greening of all jobs; 2) promotion of a work and ageing society pact; 3) promotion of inclusive labour market; 4) promotion of labour market flexibility and the balance of employment guarantees (flexicurity).

In the area of social protection, Belgium highlighted the importance of the open method of co-ordination (a new means of EU governance applied in the EU public policy areas where EU bodies have no exclusive competence or common competence shared among the EU Member States but it seeks certain jointly agreed EU objectives and priorities) in implementing the Europe 2020 strategy and hence followed-up on the application of the open method of co-ordination in the following three areas: pensions, social inclusion and health. It also highlighted that the Europe 2020 strategy had set a very clearly defined target: to make sure that by 2020, at least 20 million fewer Europeans were in or at risk of poverty or social exclusion. With this in mind, the Belgium Presidency invited the European Council and employment ministers to sign a declaration whereby MS made commitments to fight poverty. It also organised debates on how to ensure adequate, sustainable and safe pension systems, social benefits and minimum income in Europe, how to fight child poverty, provide social services of general interest, protect equal rights of the disabled, deal with the issue of homelessness and the role of the European Social Fund in the fight against poverty.

In the area of non-discrimination, Belgium followed-up on the analysis of opportunities for the implementation of a proposal for a Council directive concerning the implementation, on the national and European level, of the principle of equal treatment of individuals without distinction of religion or belief, disability, age or sexual orientation.

What concerns the youth, Belgium drafted a resolution on youth work. Within the context of the “European Year for Combating Poverty and Social Exclusion”, a paragraph of this resolution was dedicated to the accessibility to this sector for children and young people who live in poverty. Following the Commission’s proposal on the youth employment, the Presidency held debates and analysed measures to increase the opportunities for youth employment, education and training.

In the area of gender equality, Belgium initiated Council conclusions concerning the indicator chosen by the Beijing action plan (UN global conference 1995), i.e. differences in pay between men and women and the Commission proposal concerning the gender equality strategy (2010–2015). The

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Presidency supported the idea of adopting a directive concerning implementation of measures aimed at promoting the improved health and safety of pregnant workers and those having given birth.

The EU Presidency of the first semester of 2011 will be assumed by Hungary, which has highlighted four key priorities: 1) growth, jobs and social inclusion; 2) consolidation of achievements, a stronger EU in the future (cohesion, transport policy, regional policy, etc.); 3) citizen friendly EU (a free movement of people, enlargement of the Schengen area to include Bulgaria and Romania; self-employment and migration under the Stockholm programme); 4) responsible enlargement and prospects: negotiations with potential EU members (in particular Croatia), and neighbourhood policy.

In the employment area, the Presidency puts a great emphasis on the implementation of the Europe 2020 strategy: assessment and implementation of the national reform programmes and creation of jobs. The European semester (a new monitoring and coordination instrument operating on the EU level to be used for implementation of the Stability and Growth Pact and the Europe 2020 strategy) will be launched under which the Commission will provide the first annual growth survey and accompanying communications assessing the macro-economic and employment situation in the EU. As a result of a very high level of youth unemployment, Hungary pays much attention to the flagship initiatives under the Europe 2020 strategy: “New Skills and Jobs” and “Youth on the Move”.

With regard to social protection, the Presidency will highlight the impact of flexicurity on the demographic situation and will present the proposal to announce 2014 as the Family Year. In the context of demographical challenges, Hungary will focus on such initiatives as the Decision on the European Year of Active Ageing and Intergeneration Solidarity (2012). Within the framework of the Europe 2020 strategy flagship initiative, European Platform against Poverty, the Presidency intends to contribute to formulating priorities for the fight against poverty, by putting a special emphasis on child poverty.

What concerns non-discrimination, the Presidency pursued implementation of the European Disability Strategy (2010–2020). In accordance with the trio Presidency programme and the trio declaration on the importance of the social and economic integration of the Roma adopted by the Second Roma Summit in Cordoba (Spain 2010), the Presidency will pay special attention to make sure that EU guidelines are adopted with regard to the national strategies for the integration of the Roma.

With respect to the youth, Hungary will continue a dialogue on youth employment and will evaluate the results of the first 18-month work-cycle. The Presidency aims to further develop the issue of youth participation and active citizenship and will address the question of how voluntary activities can contribute to democracy in local communities.

In the area of gender equality, the priorities of the Presidency are the improvement of the European Pact for Gender Equality based on the new Strategy for Equality between Women and Men (2010–2015), as well as further revision of the proposal with respect to the directive of the European Parliament and of the Council, amending Council directive 92/85/EEC, on the introduction of measures to encourage improvements in the health and safety at work of pregnant workers and workers who have recently given birth or are breastfeeding.

The priorities and initiatives pursued by the aforementioned presidencies are reflected in Chapter 7.1.2 on EU Council Meetings below.
7.1.1.2. Commission Activities

The Commission Work Programme 2010, and the association information, is presented in the 2009-2010 Social Report of the Ministry of Social Security and Labour\(^{164}\).

The Commission Work Programme 2011\(^{165}\) highlights the following five key political priorities:
1) dealing with the economic crisis and building the momentum of the recovery;
2) restoring growth for jobs by accelerating the Europe 2020 reform agenda;
3) building an area of freedom, justice and security;
4) launching negotiations for a modern EU budget;
5) pulling the EU’s weight on the global stage.

At the end of 2010, the Commission proposed two Europe 2010 flagship initiatives: “New Skills and Jobs” and a “Platform against Poverty”. A number of concrete measures designed to promote inclusive growth will be set out in 2011. In close co-operation with social partners, the Commission will table a legislative proposal to improve the implementation of Directive 96/71/EC on posting of workers. It will also seek to revise the Working Time Directive, the purpose of which is to update the directive to new realities prompted by the development of work organisation and to have a clearer definition of its implementation, in particular where it relates to the issue of on-call times.

The Commission paid attention to the increasing speed of population ageing which should be accompanied by a number of short- and long-term pension system tasks. A comprehensive review of the inadequate and inconsistent system of the European political co-ordination and regulation should be undertaken in order to have the EU adequately support MS and contribute to their efforts to ensure adequate and sustainable pensions to its citizens. On 12 July 2010, the Commission adopted a document which is important for all the EU MS, a Green Paper on adequate, sustainable and safe European pension systems. The purpose of it is to launch comprehensive consultations to be able to identify the biggest problems faced by the pension systems in the EU MS and examine the means in which the EU could support the MS efforts in creating adequate and sustainable pension systems. The Commission will take concrete measures, which will be identified after the consultations started in 2010, to help Member States ensure to their citizens sustainable pensions of a decent amount.

In 2011, the European Commission chose to develop the following priority initiatives:
- development of a legislative proposal concerning posting of workers;
- revision of the working time directive;
- development of a white paper on pensions.

\(^{164}\) http://www.socmin.lt/index.php?-1351634479

7.1.2. EU COUNCIL MEETINGS

As a follow-up to the overview of decisions adopted by the EU Council on Employment, Social Policy and Youth Policy and presented in the 2009–2010 Social Report\(^{166}\), please find below updated information about the key meetings which took place in 2010 and the first half of 2011 and the decisions they adopted.

7.1.2.1. Employment and Social Policy Council

The 3019\(^{th}\) Council meeting of Employment, Social Policy, Health and Consumer Affairs, held on 7-8 June 2010\(^{167}\), discussed the following key issues:


On 3 March 2010, the Commission published a communication “Europe 2020. A strategy for smart, sustainable and inclusive growth”. The communication puts forward mutually reinforcing priorities for a smart, sustainable and inclusive EU economic growth for a future decade. The progress will be measured by five quantitative indicators agreed by the European Council. They include employment, research and development, energy and climate change, reduction of social exclusion and education on the European level.

In line with the agreed Community targets and local economic features and priorities, the Member States were tasked to set national targets, the attainment of which in 2010 will help achieve the targets on the EU level. On the basis of the EC recommendations and the integrated guidelines of the EU policy on economic growth and employment, each of the Member States also identified the main structural obstacles in seeking smart, sustainable and inclusive economic growth. These measurable targets set on the national level and the main structural reforms in seeking them and removing the obstacles for economic growth are presented in the national reform programmes of the Member States. They summarise the strategic documents which will serve as guidelines for states to fulfil their commitments.

In pursuance of the aforementioned EU commitments, Lithuania developed a draft National Reform Programme\(^{168}\). It summarises the structural reform undertaken to remove the obstacles for the economic growth and in attaining national quantitative indicators (targets) in the context of the Europe 2020 strategy. The draft Lithuanian National Reform Programme makes an overview of the areas evaluated by the quantitative targets, the projections for 2015 and 2020 and priority action directions planned to achieve the targets. The Programme also outlines the main measures foreseen or undertaken in the implementation of these indicators and presents a summary of related strategies, their implementation periods, funding and responsible bodies.

\(^{166}\) http://www.socmin.lt/index.php?-1351634479


Indicator of Increasing Employment.

In implementing the inclusive growth priority of the Europe 2020 strategy, Lithuania will seek to achieve that each resident willing and able to work has the opportunity to fully use his or her labour potential and secure an adequate subsistence level through work at any stage of his or her life. The national target of Lithuania is to achieve, by 2020, i.e. by the expiry of the Europe 2020 strategy, employment level of 72.8% among the population aged 20–64. This employment target has been set in consideration of development in employment and unemployment in Lithuania during 2000–2009 and the forecasts for 2014 as well as taking into account the threats arising from demographic trends and labour force migration, and opportunities opened up by the potential economic growth169.

Reduction of Social Exclusion.

By 2020, Lithuania has made a commitment to reduce the number of individuals living at risk of poverty or social exclusion from 984,000 to 814,000 people, i.e. by 170,000 individuals. This figure includes the population suffering from severe material deprivation and/or people with income lower than 60% of the average disposable income and/or individuals living in jobless households or where members have very limited employment. The main preconditions for reducing poverty and social exclusion are successful policies of social exclusion prevention, employment promotion, social protection and health policies based on the fairness of health service provision.170

The debate of the ministers was held on the basis of the following documents:

Europe 2020. A new Strategy for Jobs and Economic Growth: The target of promoting EU social inclusion, in particular through the reduction of poverty171. The ministers agreed on the aggregate indicators of poverty (a combination of three indicators), which is defined as the number of people who 1) are at-risk-of-poverty and/or 2) suffer from material deprivation and/or 3) live in a jobless household. They also agreed on the quantitative target of poverty reduction (20 million). Furthermore, they envisaged a mid-term review of the targets and obtained results. The ministers agreed that MS can freely set their national targets on the basis of the most adequate indicators taking account of their national circumstances and priorities.

- The Council also agreed on a Proposal for a Council Decision on the Guidelines for the Employment Policies of the Member States. Part II of the Europe 2020 Integrated Guidelines172. The guidelines give precise guidance to the Member States on development and implementation of their national reform programmes, reflecting interdependence and in line with the Stability and Growth Pact.

- The Council was presented with the Contribution by the Employment Committee on Europe 2020173 and the Contribution by the Social Protection Committee on Europe 2020 Strategy174.

169 http://www.ukmin.lt/lt/strategija/2020Europa/NRP_EN.pmd
170 http://www.ukmin.lt/lt/strategija/2020Europa/NRP_EN.pmd
The 3039th Council meeting of Employment, Social Policy, Heath and Consumer Affairs, held on 21 October 2010 discussed the following key issues:

The Council adopted the guidelines for the employment policies of the Member States, which give guidance to the Member States on development and implementation of the national reform programmes, reflecting interdependence and in line with the Stability and Growth Pact. The employment policy guidelines form one part of the integrated guidelines, the other part being the broad guidelines for the economic policies of the Member States. The integrated guidelines contain five EU headline targets, of which three belong to the guidelines for the employment policies of the Member States and concern labour market participation, the fight against social exclusion and poverty, and the quality and performance of education and training systems. The headline target for the labour market seeks to increase to 75%, by 2020, the labour market participation of women and men aged 20-64 through greater participation of young people, older workers and low-skilled workers and better integration of legal migrants. The headline target for social inclusion and combating poverty aims to lift at least 20 million people out of the risk of poverty and exclusion.

The Council held political debates and agreed on the conclusions on the Governance of the European Employment Strategy within the context of Europe 2020 and European Semester. During political debates, MS noted that the labour market policy is related to a macro-economic, education and social policy and therefore efforts should be made to ensure a better combination of these policy directives, promote closer co-operation among respective agencies and acknowledged that a clear-cut monitoring is necessary to measure the progress made in seeking the targets set in employment guidelines and select the key indicators of main areas. The ministers highlighted that it was not necessary to compare the achievements of each MS and that efforts should be taken to make sure that monitoring would help MS in selecting the most effective means of solving their national employment problems and hence the exchange of best MS practices is essential with that respect. With regard to major bottlenecks holding back growth and employment in the national labour, reforms should be undertaken on the following: qualifications, movement in the labour market, participation in the labour market, situation of target groups such as young/old people, women, less qualified people and migrants, making work attractive.

In its conclusions on the governance of the European Employment Strategy the Council highlights the readiness to use its competence with regard to employment and labour market policy and actively contribute to the successful implementation of the Europe 2020 strategy and the European semester; notes that employment and labour market policy is the main part of the reform and recognises the necessity to lay down their clear implementation.

The Council approved the Opinion of the Social Protection Committee on the social dimension of the Europe 2020 strategy and held political debates on the topic. The Opinion of the Social Protection Committee states that the Employment, Social Policy, Health and Consumer Affairs Council has a key role in the social dimension of Europe 2020 and its governance. The document speaks about monitoring progress towards the EU social inclusion and poverty reduction target; monitoring implementation of

social aspects of the integrated guidelines; conducting open method of co-ordination to monitor the social situation and the development of social protection policies; providing its commitment to foster positive interaction between the open method of co-ordination and the future flagship initiative.

The 3039th Council meeting of Employment, Social Policy, Health and Consumer Affairs, held on 6-7 December 2010\(^\text{179}\), discussed the following key issues:

The ministers exchanged their views about the employment policies in implementing Europe 2020 strategy. The ministers spoke about the implementation of the Europe 202 strategy, its monitoring and the European semester in particular. Bearing in mind the interrelation between the employment policy and macroeconomic policy the Council of Employment, Social Policy, Health and Consumer Affairs will present the Spring Council with the main guidelines for employment policy. This discussion was based on the documents presented below:

- The ministers listened to the EC presentation of the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions “An Agenda for new skills and jobs. A European contribution towards full employment”\(^\text{180}\). The Agenda lays down the means for attainment of employment target of the Europe 2020 strategy; the main trends are to reduce the level of unemployment and promote creation of jobs. The agenda is expected to encourage economic growth, increase the level of employment by creating more and better jobs, promote modernisation of the labour market and social security systems and ensure that the benefit of the economic growth reaches all the EU MS.
- The ministers learned about the conclusions of the Presidency on the Commission flagship initiative “Youth on the Move” and “An Agenda for new skills and jobs”\(^\text{181}\).
- The ministers adopted the Council conclusions on the Employment policies for a competitive, low-carbon, resource-efficient and green economy\(^\text{182}\), and approved the Opinion of the Employment Committee on the Employment dimension of tackling environmental challenges\(^\text{183}\), which proposes to transform industrial and economic structures into a competitive, low-carbon, resource efficient and green economy. The Opinion states that a short, medium- and long-term vision of the skills needs and availability of workers are essential for supporting and developing a low-carbon and green economy. To achieve the goals of the Europe 2020 strategy, interlocking policies are crucial: environmental, economic, education, social and employment policies should be consistent with each other and mutually reinforcing.
- The ministers also adopted conclusions on the impact of an ageing workforce and population on employment policies\(^\text{184}\), which lay down the importance of participation, by older people, in the labour market and provide for the principles of operation and initiatives that would contribute to a better use of a potential of older people. MS, along with the EC, are

invited to: fight stereotypes, discrimination, and implement an integrated policy (adequate work organisation, flexible working time arrangements, good working conditions, bigger investment into human capital, career management, providing assistance in returning to the labour market, modernisation of insurance systems, gender equality, exchange of best practices, etc.).

- With regard to the European semester\textsuperscript{185}, the Council adopted the Joint Opinion of the Employment Committee and the Social Protection Committee on the Joint Assessment Framework and Employment Performance Monitor\textsuperscript{186}. This analytical tool will offer opportunities to monitor how MS implement employment guidelines and the progress they achieve in attaining EU and national main targets in the context of the Europe 2020 strategy, hence strengthening the effectiveness of the European Employment Strategy in the context of the European semester and the new governance structure. As one of the new elements of the governance structure the Council also adopted the Opinion of the Employment Committee on the Conclusions of the “Light” country examination\textsuperscript{187}. The situation in each of the states was examined on the basis of the draft national reform programmes which the MS submitted in November. The Opinion specifies priority areas for labour market policy reforms: increasing labour market participation, promotion of targeted activation and skills policies, ensuring a sufficient provision of education and training opportunities, facilitating occupational and geographical mobility and identification of a policy directly contributing to job creation.

The ministers adopted two conclusions on gender equality. The purpose of the conclusions of the Implementation of the European Commission's Strategy for equality between women and men 2010-2015\textsuperscript{188} is to express support for the Commission strategy for equality between men and women 2010–2015 (hereinafter referred to as the Strategy) and the actions proposed by the Commission to implement the Strategy. Attention is paid to five priority areas of the Strategy: equal economic independence; equal pay for equal work or work of equal value; equality in decision-making; dignity, integrity and an end to gender-based violence; horizontal issues, including gender roles, legislation, improvement of institutional governance and tools. It reaffirms the importance of establishing a close link between the European Commission's Strategy for equality between women and men and the Europe 2020 Strategy and better governance. The purpose of other conclusions is to strengthen the commitment and step up action to close the gender pay gap and review the implementation of the Beijing Platform for Action\textsuperscript{189}. They invite the MS to adopt or pursue a comprehensive set of measures to tackle the full range of causes of the gender pay gap linked to labour market inequalities between women and men and coordinating the actions of all relevant key actors, particularly the social partners, at all levels.

The ministers adopted conclusions on the Social dimension in the context of an integrated Europe 2020 Strategy\textsuperscript{190}, in which MS are encouraged, in close cooperation with the Commission, to

continue their work on the definition of national targets and policy measures to reduce poverty and social exclusion. Until April 2010 the Member States developed national reform programmes on the basis of which strategic targets will be implemented. Bearing that in mind, the document highlights the necessity to carry out monitoring of the effectiveness of the Europe 2020 strategy and develop relevant and reliable indicators in a timely manner.

The 3073rd Council meeting of Employment, Social Policy, Health and Consumer Affairs, held on 7 March 2011, discussed the following key issues:

In preparation for the European Council on 24–25 March, the Council conducted an exchange of opinions on the basis of the questionnaire developed by the Presidency and in line with the information presented in the Annual Growth Survey (hereinafter referred to as the AGS), the European Platform Against Poverty and the Joint Employment Report.

During the debates the MS mentioned that the AGS accurately identified the key employment aspects, welcomed the inclusive approach developed by it (highlighted the importance of interrelation between reduction of poverty, increasing of employment and economic growth), yet underlined that the AGS provided for a number of reforms which were of equal value and the value-added of Commission flagship initiatives had not been sufficiently explained and too little attention was paid to social protection and the policy of integration in the labour market. The MS identified the main obstacles for attaining the defined employment and social exclusion targets, i.e. the current budgetary constraints, structural labour market problems (a gap between the needs and qualifications, the youth unemployment, little inclusion in the labour market) and demographical challenges. According to the Member States, immediate measures to attain the targets include the creation of favourable conditions for new quality jobs, better projection of labour market needs, reduction of the tax burden on the labour market, seeking efficiency of social security systems and their sustainability.

The ministers exchanged their views on the basis of the following documents:

- The Annual Growth Survey. Advancing the EU’s comprehensive response to the crisis, which starts the new cycle of the EU economic governance and the first coordination semester of the European economic policy. In the document the Commission follows an integrated approach to economic recovery and examines the key measures in the context of Europe 2020 strategy, encompassing three main areas: 1) the need for rigorous fiscal consolidation for enhancing macroeconomic stability; 2) structural reforms for higher employment and 3) economic growth enhancing measure. Seeking to achieve recovery in the short-term, to keep pace with the main competitors and prepare the EU to move towards its Europe 2020 objectives, the Commission has identified ten priority actions to be undertaken in three main areas. The action indicated in the labour market area: making work more attractive; reforming pensions systems; getting the unemployed back to work; balancing security and flexibility. A more thorough analysis which is used as the basis for the Commission evaluations is provided in three reports attached to the AGS, one of them is the Joint Employment Report. It makes an overview of the situation of employment and
the labour market related policy, presents key guidelines for development of the MS national reform programmes and the possible measures to be undertaken to increase employment. The MS will have to take into account the recommendations provided in the AGS when developing their final stability/convergence programmes and national reform programmes which were due by the end of April 2011. Based on the AGS, the Spring Council will develop guidance and conclusions for economic policy recommendations.

- The ministers adopted the Joint Employment Report and Council conclusions on the Joint Employment Report in the context of the Annual Growth Survey 2011: political guidance on employment policies, which highlight that labour market reforms are on their own insufficient to generate labour demand. There is a need for a stronger economic growth, more employment-friendly business environment, driven by innovative and high value-added economic activities Fiscal consolidation should go hand in hand with restoring economic growth and increasing employment; yet despite the fiscal constraints, social safety nets should ensure support for those most in need.

- The Council agreed on the general approach towards the Guidelines for the employment policies of the Member States, which suggest that the guidelines for Member States’ employment policies set out in the Annex to Council Decision of 21 October 2010 should be maintained for 2011 and that MS should consider them when implementing employment policy. The employment guidelines adopted in 2010 should remain stable until 2014 to ensure a focus on implementation. The employment guidelines should also form the basis for the establishment of the Joint Employment Report sent annually by the Council and the European Commission to the European Council.

- The Council adopted conclusions on the European Platform against Poverty and Social Exclusion: a European framework for social and territorial cohesion, in which MS are invited to proceed with developing and implementing their national policies to reduce poverty and social exclusion, taking into account of the approaches and areas of action defined by the Platform; these actions should be associated with a more effective use of structural funds to support social inclusions, social innovations, strengthening of partnership at all levels, encouragement of the social economy and application of active inclusion principles.

- The Council adopted the conclusions developed by the Social Protection Committee on the Assessment of the social dimension of the Europe 2020 Strategy: 2011 report of the Social Protection Committee. Europe 2020 strategy identifies the fight against poverty and social exclusion as one of give main targets to be attained. EU heads of state and governments have committed to lift at least 20 million people out of poverty and social exclusion. The conclusions made by the Social Protection Committee acknowledge that fulfilling this objective requires ambitious national targets set by the MS. A rapid return
to growth, well-designed employment and education policies, a reform of social security systems are crucial to reduce poverty and social exclusion.

The Council adopted conclusions on the European Pact for Gender Equality (2011–2020)\textsuperscript{200}, which reaffirm the EU commitments to eliminate gender gap in the areas of employment, education and social protection, promote a better work-life balance and combat all forms of violence against women.

The Council got familiar with the Commission staff working paper: Report on the progress on Equality between women and men in 2010\textsuperscript{201} and exchanged views on the first conclusions with regard to the document Towards adequate, sustainable and safe pension systems: Report on the consultation on the Green Paper\textsuperscript{202}. During the debates all the ministers highlighted the importance of avoiding to apply one size-fits-all approach with regard when carrying out any improvements to the current EU pension system and that a subsidiarity principle should be fully complied with, bearing in mind the variety of national social security systems determined by a variety of economic activity results and demographical trends. The majority of MS stated that the extension of a pension age is an important measure for ensuring sustainability of pension system yet it is important to offer opportunities for people to participate in the labour market and improve the balance between work and family.

On 12 July 2010, the Commission adopted a Green Paper on adequate, sustainable and safe European pension systems. The purpose of it is to launch comprehensive consultations to be able to identify the biggest problems faced by the pension systems in the EU MS and examine the means in which the EU could support the MS efforts in creating adequate and sustainable pension systems. The document takes an integrated approach towards economic and financial market policies and recognises the links between the tasks of pension systems with the main EU strategies, makes an overview of the key changes that occurred in the pension systems of the Member States, the main challenges and associated issues. Member states, social partners and other interested parties could submit their opinion to the European Commission by 15 November 2010.

Having analysed and summarised the opinions, the European Commission will develop a Whitepaper which will summarise the guidelines of proposed reforms.

7.1.2.2. EU Council of Education, Youth, Culture and Sports

As a common practice, the meetings of the EU Council of Education, Youth, Culture and Sports (hereinafter referred to as the Council) are attended by several ministers from each of the EU MS because they deal with the issues covering four areas: education, culture, sports and youth policy. The remit of competence of the Ministry of Social Security and Labour lies with the youth policy issues.

During the 3046\textsuperscript{th} Council Meeting of Education, Youth, Culture and Sports, held on 18-19 November 2010,\textsuperscript{203} representatives of the MS governments adopted a Resolution of youth work\textsuperscript{204}, which highlights that MS and society should strengthen the role of youth work in society and create conditions to make sure and youth work is fully developed in a qualitative way. Youth work is encouraged

for its positive social impact because it can: promote social participation, voluntary and community engagement, strengthen social commitment, responsibility and active citizenship. The resolution states that while implementing the Europe 2020 strategy of smart, sustainable and inclusive growth, it is important to acknowledge that youth work plays a crucial role in non-formal learning opportunities to all young people.

The meeting adopted the Council conclusions on access of young people to culture, which welcomed final report of the study commissioned by the Commission about the access of young people to culture, highlighted the importance in seeking effective cooperation between the field of youth and the field of culture. Moreover, they mentioned the importance of the knowledge, promotion and visibility of culture and that the access of young people to culture was about an experience of self-expression, personal development and openness to other cultures. In the conclusions the Commission and MS were asked to examine all the recommendations provided for in the final report on access of youth to culture, i.e. the following: facilitate access of all young people to culture, reducing related obstacles; promote and encourage the development of creative partnerships and contacts between the youth, culture, education and other stakeholders; exchange experiences, practice and information among stakeholders on all levels; promote access of young people to culture as a means of promoting social inclusion, equality as well as combating discrimination.

The Council listened to the information presented by the Presidency about the policy agendas of the EU, Council of Europe and the United Nations with respect to children, youth and child rights and adopted conclusions on the European and International Policy Agendas on Children, Youth and Children Rights, in which MS are encouraged to co-operate and take an active role in this field and in the future international meetings at both expert and ministerial meetings dealing with children’s rights.

On the basis of the document Urban Youth and Europe presented by the Presidency a policy debate took place during which the ministers underlined that the economic crisis had a particularly painful impact on the urban youth and that it contributed to a high level of youth unemployment. Seeking to help them, measures should be taken to deal with the issue of unfinished school education and to facilitate a transition from education to work activities. Apart from this, the ministers informed that projects offering leisure activities and sports to urban youth render positive results.

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7.1.3. FULFILMENT OF LITHUANIA’S EU COMMITMENTS

The Ministry of Social Security and Labour (hereinafter referred to as the Ministry) consistently pursues the EU membership commitments in the area of social policy and employment. Following the positions of the Republic of Lithuania which have been drafted in advance and coordinated with interested parties, the staff of the Ministry regularly take part in the activities of the EU institutions in considering the EU draft legislation and discussing the opportunities and practice of its implementation. Taking into account the newly adopted EU directives and other legislation, the plan on the transposition of the EU directives and implementation of the law is constantly updated and the national legislation is developed to have the provisions of the EU directives transposed into the Lithuanian legal system.

During 2010 and the first half of 2011, the staff of the Ministry of Social Security and Labour and the Attaché of Social Security and Labour under the Permanent Representation of Lithuania in the EU were actively involved in the meetings of the EU Council working parties, and committees and presented Lithuania’s position with respect to the issues considered. They took part in the meetings of the Working Party of Youth Matters, the Employment Committee (hereinafter referred to as EMCO), Social Protection Committee, Output Gaps Working Group and Ageing Working Group of the Economic Policy Committee. Among the most important matters discussed was the debate on the Communication from the Commission and the Europe 2020 strategy as well as the implementation of amendments to the Regulation on coordination of social security systems.

Moreover, the Ministry staff took an active part in the committee meetings organised by the Commission monitoring the implementation of strategies and programmes, fulfilment of financial commitments as well as discussing other relevant issues. Most of the meetings were coordination meetings of the governing bodies of the European Social Fund and technical working groups, Administrative Commission on Coordination of Social Security Systems and European Community Initiative Equal. In addition, they took part in the meetings of the following committees and working groups: Expert Working Party on Personal Protective Equipment, Advisory Committee on Social Protection of Migrant Workers, Advisory and Technical Committee on Freedom of Movement of Workers, Advisory Committee on Employee Safety and Health, Common Committee on Solidarity and Management of Migration Flows, EMCO Indicators’ Working Group and the Indicators’ Working Party of the Social Protection Committee, Advisory Committee on approximation of legislation of the Member States relating to machinery, Implementation Committee of the Community Action to prevent violence against children, youth and women (Daphne Programme of 2007–2013), High Level Working Party on Joint Social Responsibility Issues, High Level Working Group of Member States’ Representatives on Disability, High Level Expert Working Party on Demographical and Family Issues, High Level Expert Working Party on Anti-Discrimination. Furthermore, Lithuanian representatives took part in the meetings of management boards of the European Foundation for the Improvement of Living and Working Conditions, the European Agency for Safety and Health at Work and the European Institute for Gender Equality.

In taking part in the activities of the aforementioned working groups and committees, the staff of the Ministry of Social Security and Labour, within their remit of competence, also participate in the process of developing the positions of the Republic of Lithuania when a proposed draft EU-level legal act is considered in the country and the relevant national position is developed. During one week
they have to develop and co-ordinate with other bodies more than twenty positions making sure that when EU legislation (regulation, directive, decision, recommendation, opinion Council conclusions or other decision) is adopted, the Lithuanian interests should be taken account and that the adopted EU legislation should successfully and effectively implemented in Lithuania. The positions of the Republic of Lithuania are coordinated in online by using the special Lithuanian EU membership information system LINESIS. The purpose of the system is to register and manage the EU documents, work with the positions of the Republic of Lithuania, register reports received from the EU institutions, coordinate the transposition of the EU law into the national law.

Plans for the transposition of the EU directives and implementation of law are developed using a special information system of Lithuania’s membership in the EU, LINESIS. The system registers the stages of transposition of legislation and its implementation. Taking into account the newly adopted EU directives and other legislation, the plan on the transposition of the EU directives and implementation of the law is constantly updated and the national legislation is developed to have the provisions of the EU directives transposed into the Lithuanian legal system. The departments of the Ministry co-operate to develop proposals for the transposition and implementation of the EU legislation which are registered and stored in the LINESIS database. In addition, the EU legislation is subject to review. There is a constant monitoring of implementation of registered measures: on a monthly basis, the Ministry submits standardised information on the implementation of the measures to the European Law Department under the Ministry of Justice.


Within its line of competence, the Ministry of Social Security and Labour notifies the European Commission about the adopted national legislation implementing the directives and other EU legislation via the electronic notification base (NIM) on national implementing measures.

7.1.4. CO-ORDINATION OF EU SOCIAL SECURITY SYSTEMS

7.1.4.1. New Regulations on the Co-ordination of Social Security Systems


One of the key innovations introduced by the new regulations is the transition to the electronic exchange of information. For the internal communication, the competent institutions of the Member

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States are still using paper E-forms which provide all the information necessary to identify and verify the person's entitlement to benefits. The Member States can use the paper E-forms forms until 1 May 2012, i.e. by the end of the transition period. Later on they will be obliged to exchange the information electronically. This will be performed through an electronic exchange of social security information (hereinafter referred to as the EESSI). In this system, E-forms will be replaced by structured electronic documents (hereinafter referred to as SEDs). The purpose of SEDs is correspondence between competent institutions whereas the information relevant to persons will be specified in portable documents. The total number of documents issued to persons is ten, including the European Health Insurance Card:

Structured Electronic Documents used in the Social Security Area

<table>
<thead>
<tr>
<th>SED series</th>
<th>Social Security Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>A series SED</td>
<td>Legislation applicable</td>
</tr>
<tr>
<td>P series SED</td>
<td>Pensions</td>
</tr>
<tr>
<td>F series SED</td>
<td>Family benefits</td>
</tr>
<tr>
<td>S series SED</td>
<td>Sickness and maternity benefits</td>
</tr>
<tr>
<td>DA series SED</td>
<td>Accidents at work and occupational diseases</td>
</tr>
<tr>
<td>U series SED</td>
<td>Unemployment</td>
</tr>
<tr>
<td>R series SED</td>
<td>Recovery</td>
</tr>
<tr>
<td>H series SED</td>
<td>Horizontal issues</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour

The new regulations include provisions requiring that Member States should communicate with each other, exchange good administration practice and expertise in general to facilitate the application of the Community law. Moreover, these provisions include an effective exchange of information between institutions and nationals, as well as the duty of employers to provide precise information in a timely manner. During the first years of coming into effect of the new regulations, the European Commission, along with the Member States, paid much attention to public awareness-raising about new rules of social security system co-ordination. A new website of the European Commission was launched which provides information about the principles of social security system co-ordination, the allocation of social security benefits and their calculation. The website also includes links to the websites of individual Member States which provide general information about the conditions of allocating social security benefits in a respective state.

Pursuant to the new regulations, a list of national social security institutions was developed (a reference to the list is made in the aforementioned website of the European Commission on co-

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ordination of social security systems). It contains information about the competent institutions, as well as contact details, of all the EU Member States, EEA and Switzerland which operate in the fields of health, pension, unemployment and family benefits.

In 2010, the European Commission updated a publication on “EU provisions on social security. Your rights when moving within the European Union”. The guide provides a comprehensive overview of the EU provisions of social security system co-ordination and explains the rights of a person as a worker, tourist, student, unemployed or other non-active person, pensioner or a national of a third country.

With regard to the new amendments to the regulations in the application area of law, the EU Administrative Commission for the Coordination of Social Security Systems (hereinafter referred to as the Administrative Commission), adopted a two-part practical guide “The legislation that applies to workers in the European Union, EEA and Switzerland”. The guide is intended for specialists working with regulations, employers, willing to post their workers in another Member States and workers interested in their rights and duties. The first part of the guide deals with posting of workers, whereas the second part deals with insurance matters of employees and self-employed persons in several Member States.

The electronic versions of these publications are available on the websites of the European Commission or the Ministry of Social Security and Labour.

Apart from information-sharing activities, there were active debates about the implementation of regulations and Member States provided proposals about the amendment of regulations. The Administrative Commission adopted several decisions. For example, on 16 December 2010, it adopted a decision explaining the application of the principle of aggregation of insurance periods. It lays down that in application of the aggregation of insurance periods, all periods gained according to the legislation of another Member State should be taken into account, irrespective of their type. This decision is important in calculating pensions according to the provisions of the regulations.

On 24 November 2010, Regulation (EU) No 1231/2010 of the European Parliament and of the Council was adopted which extended Regulation (EC) No 883/2004 and Regulation (EC) No 987/2009 to nationals of third countries who are not already covered by these regulations solely on the ground of their nationality. The new regulation of third country nationals came into effect on 1 January 2011 and replaced Regulation (EC) No 859/2003, yet it should be noted that Regulation (EU) No 1231/2010 will not be valid for the United Kingdom and Denmark. This means that in relations with the United Kingdom Regulation (EC) No 859/2003 will apply and Denmark will not apply the provisions of social security system co-ordination to third country nationals.

7.1.4.2. Statistical Data about Implementation of the EU Regulations on Coordination of the Social Security System

The Foreign Benefits Office of the State Social Insurance Fund Board (hereinafter referred to as the Foreign Benefits Office) is a competent institution responsible for awarding pensions and determining applicable legislation in compliance with the provisions of the regulations on the co-ordination of the EU social security systems. From 1 June 2010 to 31 May 2011, the Foreign Benefits Office received

6,618 requests to award or extend state social insurance pensions on the basis of the aforementioned regulations. The requests included the following:
- old-age pensions (3933 requests);
- survivors or orphans' pensions (496 requests);
- work incapacity (invalidity) pensions (2189 requests).

The other Member States of the EU and the European Economic Area received 2273 requests from Lithuania to award pensions according to the regulations. The requests concerned the following:
- old-age pensions (1317);
- survivors or orphans' pensions (269);
- work incapacity (invalidity) pensions (687 requests).

During the aforementioned period, 393 certificates E 104LT on the aggregation of insurance periods were issued, 11,041 requests were received for determination of legislation applicable and 9,126 E 101 LT form or A1 certificates were issued.

The number of applications for family benefits received and forwarded to other Member States totalled 4,526, whereas the number of applications for death grants and temporary incapacity for work amounted to 389.

Persons receiving unemployment benefits in Lithuania and leaving for the other EU or EEA in a search for work and foreign job-seekers coming to the Republic of Lithuania and receiving employment benefits in the other EU and EEA countries, are issued E 300-series forms or U-series SEDs. From 1 June 2010 to 31 May 2011, the number of certificates issued with respect to employment benefits (E 301, U1 PD, U002 SED) totalled 333. Persons who received these documents (or the documents were sent upon a direct request of appropriate institutions) left for the following countries: Ireland (119 persons), United Kingdom (46), Spain (38), Norway (30), Germany (20), Poland (12), Denmark (11), France (10), Sweden (8), Belgium (6), Iceland (6), Estonia (5), Austria (3), Cyprus (1); another 18 persons failed to specify the country of their destination.

During the aforementioned period, labour exchange offices issued 81 certificates on their or their family members' income (E 302, U004 SED). Persons who received these documents (or the documents were sent upon a direct request of appropriate bodies) left for the following countries: Norway (65), Spain (8), United Kingdom (3), Iceland (2), Ireland, Italy, and Germany (1 each).

The number of employment period certificates (E 301, U1 PD, U002 SED) received from the other Member States by Lithuanian territorial Labour Exchange offices totalled 359. The forms received from the other countries totalled the following: Ireland (142), United Kingdom (71), Spain (32), Netherlands (17), Iceland (14), Latvia and Sweden (10 each), Denmark (9), Poland (7), Greece, Italy, Cyprus (6 each), Norway, France, Finland (5 each), Portugal, Germany (3 each), Czech Republic, Estonia (2 each), Austria, Belgium, Sweden, Switzerland (1 each).

Lithuania issued 413 certificates on the export of unemployment insurance benefits (E 303, U2 PD, U008) and imported 186 unemployment benefits from other Member States.

Pursuant to Regulations (EEC) No. 1408/71 and 574/72, when the unemployed leave Lithuania in a search for work, the unemployment benefit granted in another Member State is paid through the competent institutions of Lithuania, i.e. territorial Labour Exchange offices pay an unemployment exported from another state and the competent institution of the other state later reimburse the amounts paid by a territorial Labour Exchange office. From 1 June 2010 to 31 May 2011 territorial Labour
Exchange office paid unemployment benefits, amounting to LTL 439,648.25, granted by foreign states according to the E 303 form certificates, including the following: LTL 221,536.64 of unemployment benefits granted in Iceland, LTL 129,342.62 granted in Ireland, LTL 8,479.61 granted in Austria, LTL 30,641.02 in the United Kingdom, LTL 26,384.61 in Denmark, LTL 13,629.16 in Norway, LTL 8,293.48 in Spain, LTL 4,797.52 in Germany, LTL 2,169.39 in Latvia, LTL 1,928.33 in Sweden and LTL 925.48 in Belgium.

Other states returned the amount of LTL 1,348,089.37 to the Lithuanian Labour Exchange for persons which were paid unemployment benefits by the Lithuanian territorial Labour Exchange offices according to E 303 certificates issued by those states, including the following: LTL 1,100,445.63 were reimbursed by Ireland, LTL 167,162/69 by Iceland, LTL 22,663.35 by Norway, LTL 12,087.40 by Belgium, LTL 11,276.68 by Germany, LTL 10,247.28 by Denmark, LTL 8,099.73 by Austria, LTL 8,039.70 by Sweden, LTL 7,396.11 by Spain and LTL 670.80 by Latvia.

### 7.1.5. PARTICIPATION IN THE EUROPEAN UNION MUTUAL INFORMATION SYSTEM ON SOCIAL PROTECTION (MISSOC) ACTIVITIES

In May 2010, MISSOC meeting took place in Madrid, Spain, and discussed the changes in the EU social security field, paying the biggest attention at the newly effective social security co-ordination regulations and on their differences with the previously regulations. Representatives of the E3 group (dealing with co-ordination of social security of migrant workers) spoke about the measures taken and planned with respect to a joint E3 and MISSOC publication and its dissemination on the Internet. The meeting participants discussed key changes and problems faced in restructuring Table XI “Guaranteeing Minimum Resources”. Representatives of the Spanish presidency made an overview of the main events and work performed in the social protection area during the Spanish presidency as well as of the changes with respect to old-age pensions in Spain. During the meeting working groups examined and corrected guidelines of Table II “Health Care” and provided proposals with respect to the improvement of the table itself. Furthermore, working groups examined the measures taken by the states with respect to fighting consequences of the economic crisis in the social security system and shared their multifaceted experience.

In October 2010, MISSOC meeting took place in Namur (Belgium). The plenary discussed comments concerning the joint publication of E3 group (coordination of social security of migrant workers) and MISSOC and presented the follow-up integration of the publication into the overall MISSOC system. In the meeting the 20th anniversary of MISSOC was also reviewed, presenting its future work for the coming four years and changes to be made. The MISSOC has been functioning since 1990 and has become the main electronic database storing up-to-date and comprehensive structured information about social protection in the EU Member States, countries of the European Economic Area and Switzerland. Lithuania has taken part in MISSOC since 2003. The MISSOC information system comprises comparative tables and the MISSOC-Info publications which include more in-depth information on specific issues, description of the main changes in the social protection systems,
comparative presentations and the MISSOC analysis: an analytical review of significant events in the selected social security area. The system operates in English, German and French, and it is updated twice per year.

Representatives of the Belgium presidency made an overview of the key events and works carried out in the social security area during the Belgium presidency, paying particular attention to the actions taken with respect to the reduction of poverty and social exclusion. They also introduced Belgium intentions concerning the Belgium reform in the old-age pension field. Representatives of the European Commission, Council of Europe and the International Social Security Association informed about the key events in the areas falling within their competence, obtained preliminary proposals concerning a closer co-operation with MISSOC. Working groups examined and amended guidelines of Table VIII “Employment injuries and occupational diseases” and presented proposals about how the table can be improved. Moreover, the working groups examined the measures introduced by the states with respect to fighting fraud in social security, exchanged best practices and emphasised the need to fight this fraud on the international scale.

In July 2010 and January 2011, the Ministry of Social Security and Labour, along with the other responsible bodies designated by the EU Member States, submitted up-to-date information on its national social security in the MISSOC tables. In May 2011, the MISSOC website provided information about the Lithuanian social protection system on 1 July 2010. The status quo of social security in all Member States of the EU available on 1 January 2011 will be published on the MISSOC website some time later.

The next MISSOC meeting is scheduled for 19-20 May 2011 in Hungary.

7.1.6. GETTING READY FOR LITHUANIAN PRESIDENCY IN THE SECOND HALF OF 2013


On 26 May 2010, the Minutes of the Meeting of the Government, No 38, approved Guidelines of Lithuania’s Preparation for European Union Presidency in 2013 lay down the key principles and provisions which will form the basis for organizing follow-up preparation of Lithuanian Presidency in the EU in 2013. The guidelines highlight the process of preparation for the presidency which should ensure a smooth operation of the EU Council and successful follow-up of its activities along with strengthening the influence of the Republic of Lithuania in the EU decision-making process and building EU values in the Lithuanian statehood. With a view to involving all the interested parties into the preparation for the EU Presidency, a network of co-ordinators of getting prepared for the EU presidency was set up which includes, inter alia, representatives of the Ministry.

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Bearing in mind the priority direction provided for in the 2011 Activity Priorities of the Government of the Republic of Lithuania, i.e. modernisation of the state governance system: creation of a responsible and accountable civil service and getting prepared for the EU presidency in 2013, the Ministry, involved in the work of network of co-ordinators dealing with preparation for the EU presidency, developed the following information: about over 20 various level presidency meeting to be organized by the Ministry and various bodies accountable to it in Lithuania (2nd half of 2013); about visits related to preparations for the EU Presidency; the names of chairpersons of Council working groups and committees by specifying their place of location (the capital or a permanent representation in the EU); study visits of representatives of the Ministry in the permanent representation of the Republic of Lithuania; the names of employees representing Lithuania’s interests in the EU and those carrying the heaviest burden during the Presidency, raising their qualifications and improvement of their competence.

Persons carrying out the functions related to the EU presidency were involved in centralised and decentralised training. With that in mind, on 30 March 2011, the Ministry submitted an application for the project “Improvement of Qualifications of Employees of the Ministry of Social Security and Labour and the Bodies Accountable to it”.

7.2. LABOUR MIGRATION

7.2.1. NEWS ON LABOUR MIGRATION

A 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. Until 1 May 2011 Germany and Austria still had provided for transitional employment restrictions to the states which joined the EU in 2004 and later. Since 1 May 2011 both Germany and Austria abolished their transitional employment restrictions for the Member States (including Lithuania) which joined the EU in 2004. Until 2013, employment restrictions will be still applied to Bulgarian and Romanian nationals.

Admittedly, although the British labour market is free, yet that nationals from the new EU Member States (which joined 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. However, this registration is used mostly for the purpose of collecting statistical data and monitor the situation on the labour market and migration flows, and it is not related to permission to work.

7.2.1.1. Implementation of the Free Movement of Workers

Lithuanian nationals are actively enjoying the right to move freely in the EU and have the opportunity to get employed, practically without any restrictions, in all member states of the EU. The active enjoyment of this right is reflected in the emigration statistics of the nationals of the Republic of Lithuania.

Migration statistics

<table>
<thead>
<tr>
<th>Year</th>
<th>Migration increase/decrease (thousand)</th>
<th>Emigration (thousand)</th>
<th>Immigration (thousand)</th>
<th>Total</th>
<th>incl. Lithuanian nationals</th>
<th>Lithuanian nationals, on average</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total (documented + undocumented)</td>
<td>(documented + undocumented)</td>
<td>undocumented</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Emigration (thousand)</td>
<td>Immigration (thousand)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>-8.9</td>
<td>-23.6</td>
<td>0</td>
<td>0</td>
<td>14.7</td>
<td>n/d</td>
</tr>
<tr>
<td>1991</td>
<td>-10.7</td>
<td>-22.5</td>
<td>-1.8</td>
<td>8</td>
<td>11.8</td>
<td>n/d</td>
</tr>
<tr>
<td>1992</td>
<td>-25.3</td>
<td>-32</td>
<td>-3.1</td>
<td>9.7</td>
<td>6.6</td>
<td>n/d</td>
</tr>
<tr>
<td>1993</td>
<td>-24</td>
<td>-26.8</td>
<td>-10.8</td>
<td>40.3</td>
<td>2.9</td>
<td>1.4</td>
</tr>
<tr>
<td>1994</td>
<td>-24.2</td>
<td>-25.9</td>
<td>-4.2</td>
<td>-21.7</td>
<td>83.8</td>
<td>1.7</td>
</tr>
<tr>
<td>1995</td>
<td>-23.7</td>
<td>-25.7</td>
<td>-3.8</td>
<td>-21.9</td>
<td>85.2</td>
<td>2</td>
</tr>
<tr>
<td>1996</td>
<td>-23.4</td>
<td>-26.4</td>
<td>-3.9</td>
<td>-22.5</td>
<td>85.2</td>
<td>3</td>
</tr>
<tr>
<td>1997</td>
<td>-22.4</td>
<td>-25</td>
<td>-2.5</td>
<td>-22.5</td>
<td>90</td>
<td>2.5</td>
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<tr>
<td>1998</td>
<td>-22.1</td>
<td>-24.8</td>
<td>-2.1</td>
<td>-22.7</td>
<td>91.5</td>
<td>2.7</td>
</tr>
<tr>
<td>1999</td>
<td>-20.7</td>
<td>-23.4</td>
<td>-1.4</td>
<td>-22</td>
<td>94</td>
<td>2.7</td>
</tr>
<tr>
<td>2000</td>
<td>-20.3</td>
<td>-21.8</td>
<td>-2.6</td>
<td>-19.2</td>
<td>88.1</td>
<td>1.5</td>
</tr>
<tr>
<td>2001</td>
<td>-18.4</td>
<td>-23.1</td>
<td>-7.3</td>
<td>-15.8</td>
<td>68.4</td>
<td>4.7</td>
</tr>
<tr>
<td>2002</td>
<td>-9.4</td>
<td>-14.5</td>
<td>-7.1</td>
<td>-7.4</td>
<td>51</td>
<td>5.1</td>
</tr>
<tr>
<td>2003</td>
<td>-18</td>
<td>-22.7</td>
<td>-11</td>
<td>-11.7</td>
<td>51.5</td>
<td>4.7</td>
</tr>
<tr>
<td>2004</td>
<td>-27</td>
<td>-32.5</td>
<td>-15.2</td>
<td>-17.3</td>
<td>53.2</td>
<td>5.6</td>
</tr>
<tr>
<td>2005</td>
<td>-41.3</td>
<td>-48.1</td>
<td>-15.6</td>
<td>-32.5</td>
<td>67.6</td>
<td>6.8</td>
</tr>
<tr>
<td>2006</td>
<td>-20.1</td>
<td>-27.8</td>
<td>-12.6</td>
<td>-15.2</td>
<td>54.7</td>
<td>7.7</td>
</tr>
<tr>
<td>2007</td>
<td>-17.9</td>
<td>-26.5</td>
<td>-13.8</td>
<td>-12.7</td>
<td>47.9</td>
<td>8.6</td>
</tr>
<tr>
<td>2008</td>
<td>-14.4</td>
<td>-23.7</td>
<td>-17</td>
<td>-6.7</td>
<td>28.3</td>
<td>9.3</td>
</tr>
<tr>
<td>2009</td>
<td>-28.2</td>
<td>-34.7</td>
<td>-22</td>
<td>-12.7</td>
<td>36.6</td>
<td>6.5</td>
</tr>
<tr>
<td>2010</td>
<td>-78</td>
<td>-83.2</td>
<td>-83.2</td>
<td>5.2</td>
<td>4.2</td>
<td>80.8</td>
</tr>
<tr>
<td>Total</td>
<td>-498.4</td>
<td>-614.7</td>
<td>-314.5</td>
<td>-300.2</td>
<td>56.5</td>
<td>116.3</td>
</tr>
</tbody>
</table>

Data of the Statistics Department

Since 2011, Statistics Department has not carried out a study of undocumented emigration. Without having data about undocumented emigration, it is impossible to make a precise calculation of the overall decrease/increase of migration and the scope of emigration.
In 2010, the scope of emigration experienced a sharp increase. That can be partially explained by the fact of coming into effect of amendments to the Mandatory Social Insurance Law, according to which the majority of emigrating Lithuanian nationals had to have their leave documented.

### 7.2.1.2. Events and Meetings on the Issues of Movement of Workers

On 25-26 February 2011, meetings of the Technical Committee and Advisory Committee on Freedom of Movement for Workers took place in Brussels. During the meetings, the committees exchanged information on changes introduced during the transitional period with respect to the restriction on the free movement of workers.

During the meetings, members of the Technical and Advisory committees were presented a study about returning migration “Return of Migrant Workers to their Countries of Origin” and some countries put forward their voluntary return schemes. The meeting discussed implementation of Directive 2004/38 (on the right of citizens of the Union and their family members to move and reside freely within the territory of the Member States). Commission discussed the situation of the Roma people in the EU, presented the main cases in the area of free movement and workers and the decisions of the EU Court of Justice. Moreover, the Commission presented a communication on the rights of sportsmen to use their freedom of movement “Developing the European dimension in the sports field” and the working document of the Commission concerning the mobility of public sector workers.

In July 2010, debates began with respect to the Proposal of the European Commission for a 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.

The purpose of the Proposal a 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 national 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.

Proposals for these directives are subject to an intensive examination (approximately on a monthly basis) in the Council of the European Union's Immigration, Migration and Expulsion Working Party and the Social Issues Working Party. A representative of the ministry takes part in the working party meetings.

### 7.2.1.3. Integration of Foreigners

After Lithuania joined the EU, the flow of immigration to Lithuania was visibly increasing every year (during 2008, the Lithuanian Labour Exchange granted 7,800 work permits as compared to 5,700, 3,000 and 1,600 work permits issued in respectively 2007, 2006 and 2005). In recent years, as a result
of the economic recession, such immigration decreased significantly. **In 2010, the number of** work permits issued to foreigners in the Republic of Lithuania totalled **1,808**. In 2010, the number of work permits issued to foreigners in the Republic of Lithuania was 4.3 times smaller than in 2008 and 1.2 times smaller than in 2009.

**Number of Work Permits Issued to Foreigners in the Republic of Lithuania**

![Graph showing the number of work permits issued to foreigners in 2008, 2009, and 2010.](data:image/png;base64,iVBORw0KGgoAAAANSUhEUgAAAEAAAAAHCAYAAAB9jgX2AAAAA3NCSVQICAjb4ODgAAAQLine...)

**Data of the Lithuanian Labour Exchange**

In 2010, work permits were issued to foreigners from 35 countries. The majority of work permits were issued to Belorussian nationals (50%). The work permits issued to Ukrainian nationals accounted for 23% of all work permits issued in the Republic of Lithuania, work permits issued to Chinese nationals made up 6%, followed by 4% issued to the nationals of Russian Federation and India each. In 2010, as compared to 2009, the distribution of issued work permits by nationality strongly changed. During 2010, the number of work permits issued to Turkish nationals dropped by 24%, to Ukrainian nationals by 5%, whereas the number of work permits granted to Belorussian citizens increased by 23%.
The majority of work permits to foreigners were issued in the service (82 %) and industrial (15 %) sector. Very little (just 3 %) of work permits were issued in the construction sector. As usual, the biggest number of permits were issued to drivers of international cargo shipment vehicles. Many work permits were issued to the specialists missing in Lithuania, including metal ship body assemblers, welders, **installers of technological pipelines and devices, tamers of wild animals, operators of rising platforms, etc.**
Distribution of Work Permits issued to Work in the Republic of Lithuania by Occupation (20 Most Demanded Occupations) in 2010

<table>
<thead>
<tr>
<th>Vocational title</th>
<th>Number of permits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drivers of international cargo vehicles</td>
<td>1136</td>
</tr>
<tr>
<td>Ship metal body assembler</td>
<td>149</td>
</tr>
<tr>
<td>Restaurant chef</td>
<td>99</td>
</tr>
<tr>
<td>Welder</td>
<td>91</td>
</tr>
<tr>
<td>Consultant</td>
<td>54</td>
</tr>
<tr>
<td>Sewer</td>
<td>30</td>
</tr>
<tr>
<td>Installer of technological pipelines and devices</td>
<td>27</td>
</tr>
<tr>
<td>Engineer</td>
<td>10</td>
</tr>
<tr>
<td>Project manager</td>
<td>10</td>
</tr>
<tr>
<td>Sales manager</td>
<td>9</td>
</tr>
<tr>
<td>Institution manager</td>
<td>8</td>
</tr>
<tr>
<td>Institution deputy manager</td>
<td>7</td>
</tr>
<tr>
<td>Tamer of wild animals</td>
<td>7</td>
</tr>
<tr>
<td>Lawyer</td>
<td>7</td>
</tr>
<tr>
<td>Operator of rising platform</td>
<td>6</td>
</tr>
<tr>
<td>Electrical welder</td>
<td>6</td>
</tr>
<tr>
<td>Resident doctor</td>
<td>5</td>
</tr>
<tr>
<td>Ship body painter</td>
<td>5</td>
</tr>
<tr>
<td>Assembler of metal constructions</td>
<td>5</td>
</tr>
<tr>
<td>Technological engineer</td>
<td>5</td>
</tr>
<tr>
<td>Other vocations (less than 5 permits)</td>
<td>132</td>
</tr>
</tbody>
</table>

Data of the Lithuanian Labour Exchange

At present, the flows of immigration to Lithuania are relatively small (as compared to the old EU member states). However, in the future they are believed to become constantly growing. Due to this reason Lithuania, like all the other EU Member States, should think seriously about the integration of foreigners. Being responsible for the social integration of refugees and foreigners granted temporary humanitarian asylum, the Ministry of Social Security and Labour represents Lithuanian interests in the informal meetings of National Contact Points on integration within the framework of the EU. In performing this task, the Ministry exchanges information about the status quo of foreigners’ integration in Lithuania and together with other related state bodies, agencies and non-governmental organisations takes part in meetings and seminars discussing these issues.
7.3. GENDER EQUALITY

7.3.1. FULFILMENT OF EU AND INTERNATIONAL COMMITMENTS

In June 2010, the official opening of the European Institute of Gender Equality took place in Vilnius. That is the first EU agency established in Lithuania and the first EU specialised agency dealing with the issues of equality of women and men. During 2010, a Lithuanian representative was actively involved in the operation of the supreme management body of the institute, the Management Board. Two Lithuanian representatives were nominated and were actively involved in the activities of the consultancy body of the institute, the Expert Forum. They were also actively engaged in expert working groups established by the institute in charge of developing a European Gender Equality Index and reviews of indicators under the Beijing Platform for Action.

Pursuant to the recommendations issued to Lithuania by the United Nations Committee on the Elimination of Discrimination against Women and having considered the third and fourth reports on the implementation of the United Nations Convention on the Elimination of All Forms of Discrimination against Women in Lithuania, a fifth report was developed and adopted by decision of the Government of 6 April 2011 approving the minutes of the meeting. The fifth report was placed on the Ministry’s website at http://www.socmin.lt/index.php?-119182446.

One of the first events of Lithuanian chairmanship in the Organisation of Security and Co-operation in Europe (OSCE) was a conference for businesswomen organised on 3-4 March 2011 in Vilnius in co-operation with the Ministry of Social Security and Labour, OSCE Office of the Secretary General in Vienna and Gender Studies Centre of Vilnius University.

During 2010–2011, Lithuanian representatives took part and presented positions during the meetings of the EU high-level gender mainstreaming working group (3 meetings), meetings of the European Commission Advisory Committee on Equal Opportunities for Women and Men (2 meetings), meetings of the EU high-level working group for gender mainstreaming in structural funds (2 meetings), meetings of the Council of Europe Steering Committee for Equality between Women and Men (3 meetings), meetings Nordic-Baltic States working group of gender equality (1 meeting), sessions of the United Nations Commission on the Status of Women (2 sessions), one of which was dedicated to commemorate the 15th year anniversary of the Beijing Platform for Action.

In 2010, negotiations were concluded with respect to the adoption of a new directive 2010/41/EU of the European Parliament and of the Council of 7 July 2010 on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity and repealing Council Directive 86/613/EEC. Furthermore, Council conclusions were adopted on the reduction of gender pay gap between women and men and the new European Gender Equality Strategy for 2010-2015. During 2010, an updated Pact of European Gender Equality was adopted. Like every year, during 2011 the European Commission presented to the Council a report on Progress on Equality between Women and Men in 2010. In the report, Lithuania, Latvia and Estonia are mentioned as the states with the lowest rate of employment among men, whereas Malta, Italy and Greece are the states with the smallest
rate of female employment. Denmark, Netherlands and Sweden are the countries where 75% of women are part-timers. Lithuania is also referred to as the country in which the consequence of having children for men's employment is positive. Lithuania, together with Slovenia and Estonia, are the countries with the highest gap in the rate of at-risk-of-poverty between women and men. The pay gap in Lithuania worsened and now in not only below the EU average moved to the 22nd position in the EU. To compare, the Latvian indicator is in the ninth in the European Union, whereas the Estonian indicator took the last position in the EU. With respect in female members in a national parliament (22%), Lithuania is slightly below the EU average (24%). Latvia continues to take the position of the leading state in terms of the number of female business managers in the EU. The Lithuanian indicator dropped and is below the EU average. As compared to 2007, the number of women in the highest decision-making bodies and major corporations in the biggest companies dropped by more than 5% but is still beyond the EU average. Whereas the indicator of Latvia, which in 2007 was similar to that of Lithuania, increased significantly and now is the third among the best EU Member States. Lithuania, Latvia and Estonia are mentioned as the countries with the biggest gap in life expectancy between women and men. Moreover, furthermore Lithuania is mentioned among the states which in 2010 adopted new strategies and new action plans to fight against violence (National Action Plan on the Implementation of the Strategy For Reduction of Violence against Women 2010–2012). Finally, Lithuania was mentioned as an example of good practices in promoting gender equality beyond the EU borders: by taking chairmanship to the Community of Democracies it initiated the establishment of a Gender equality working group.

7.3.2. IMPLEMENTATION OF THE NATIONAL PROGRAMME OF EQUAL OPPORTUNITIES FOR WOMEN AND MEN 2010-2014

In pursuing the measures of implementing the programme of the Government of the Republic of Lithuania 2008–2012 adopted by Resolution No. 189 of the Government of the Republic of Lithuania of 25 February 2009, Table 3 Measures for Implementing the Performance Strategy of the Government of the Republic of Lithuania 2008–2012, Paragraph 661, the National Programme of Equal Opportunities for Women and Men 2010-1014 (hereinafter referred to as the Programme) was developed in 2010 and approved by Resolution No. 530 of the Government of the Republic of Lithuania. The main objectives of the Programme: making sure that the provisions of the Republic of Lithuania Law on Equal Opportunities of Women and Men are implemented in all areas in a consistent, comprehensive and systemic manner; fulfilment of the European Union and international gender equality commitments.

Specific measures have been established to pursue the objectives and goals of the Programme, responsible bodies have been identified, deadlines established, the need for funds and expected results have been provided for. All of this has been laid down in the Implementation Plan of the National Programme of Equal Opportunities for Women and Men 2010-2014 approved by Order No. A1-323 of the Minister of Social Security and Labour of the Republic of Lithuania of 7 July 2010. The main

220 Official Gazette, 2009, No. 33-1268
221 Official Gazette, 2010, No. 56-2757
tasks of the Programme have been provided for in the following fields: employment, education and science, health care, environmental protection, national defence, decision-making, European Union and international co-operation, development of gender mainstreaming mechanisms and methods. In 2010, a number of ministries were involved in implementing the measures of the Programme to achieve the following goals of the Programme:

- Improvement of opportunities for women and men returning to the labour market after the childcare leave, for senior women to reintegrate into the labour market and stay on it;
- Increasing opportunities for women, rural women in particular, to start up a business and develop it, promoting the economic activity of rural residents, women and men;
- Creation of more favourable conditions for rural residents, women and men, to improve their vocational skills;
- Development of cooperation with the European Institute for Gender Equality;
- Ensuring constant public education and awareness-raising about the impact of healthy lifestyle on life expectancy and the consequences of health-damaging conduct with a view to mitigating the difference between the average life expectancy of women and men;
- Reducing the rate of cardiovascular and heart diseases, disability of patients and their death rate caused by these diseases;
- Encouraging to address specific health problems of women and men; ensuring opportunities for preventive examination of cervical cancer, breast cancer, prostate cancer and provision of information about such examination;
- Promotion of co-operation with non-governmental organisations by including gender equality issues into environmental projects;
- Promoting local authorities to take action ensuring equal opportunities for women and men;
- Raising qualifications of civil servants and contractual employees of state bodies and organisations with respect to gender equality issues;
- Ensuring a systemic comparative analysis of the status of women and men;
- Collecting, in the database, statistical data about population by gender;
- Development of good quality statistical information necessary for a well-based analysis of differences between a situation of women and men, adoption of decisions and sharing of information with consumers; promotion of discussions on that topic, improvement of provision of statistical information by gender to consumers.

Comprehensive information about the implementation of the measures in 2010 is provided in the Report on the Implementation of the National Programme of Equal Opportunities for Women and Men 2010-2014 adopted by the Decision of the Government, approving the Minutes of the Meeting of 11 April 2011. The report has been placed on the website of the Ministry of Social Security and Labour.

In implementing the measures of the Programme, a candidate to the United Nations Committee on the Elimination of Discrimination against Women was selected and approved by Order No. A1-69 of the Minister of Social Security and Labour of 8 February 2011. The nominee is Director of the Gender Studies Centre of Vilnius University, professor habil. dr. Dalia Leinartė. The candidate was presented during the annual session of the United Nations Commission on the Status of Women in February 2011.

The action plan for promoting the candidate in the Member States has been developed and implemented in a consistent way.

http://www.socmin.lt/index.php?-1191824460
8.1. 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.

8.1.1. MEMBERSHIP IN THE INTERNATIONAL LABOUR ORGANISATION

8.1.1.1. 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 2010 on the application of provisions of the following ratified Conventions in Lithuania:

- C73 Medical Examination (Seafarers) Convention, 1946
- C87 Freedom of Association and Protection of the Right to Organise Convention, 1948
- C98 Right to Organise and Collective Bargaining Convention, 1949
- C100 Equal Remuneration Convention, 1951
- C108 Seafarers’ Identity Documents Convention, 1958
In response to the request of the International Labour Office and referring to Article 19 of the ILO Constitution, report on the application of provisions of the fundamental ILO Conventions was submitted in the beginning of 2009. Moreover, responses were provided to the Questionnaire prepared by the International Labour Office, on the basis of which survey will be carried out on skills and occupational needs in the green building sector.

8.1.1.2. International Labour Conference

At the 99th session of the International Labour Conference, held on 2 – 18 June 2010 in Geneva, Lithuania was represented by the governmental delegation set up by the Prime Minister of the Republic of Lithuania in the Decree No 183 of 19 May. The delegation was set up following the requirements of the ILO regulations on the basis of the tripartite principle – of representatives of the Government, employers and trade unions.

In the plenary meetings of the 99th session and the set commissions thereof the following standing issues were addressed: reports of the Chairperson of the Governing Body and of the Director-General; broad-based report on the implementation of fundamental principles and rights at work as defined in the ILO Declaration; ILO Programme, budget and other related issues; reports and information on the application of conventions and recommendations. Issues proposed by the Governing Body were also discussed at the Conference, as concerning the elaboration of a Recommendation on HIV/AIDS in the world of work pursuing to adopt it; decent work for domestic workers – standard setting with a view to the possible adoption of a Convention supplemented by a Recommendation; a discussion on the strategic objective of employment – the first discussion in the cycle of recurrent discussions to follow up on the 2008 ILO Declaration on Social Justice for a Fair Globalization.

Members of the Lithuanian delegation participated in the work of committees set up by the Conference for discussing the issues on the agenda. Lithuanian representatives took part in the work of coordination sessions of Governmental representatives from the EU Member States, where a common position on the issues of the agenda was formed; moreover, Lithuanian representatives participated also in the sessions of the IMEC group (Industrial Market Economy Countries).

**Committee on decent work for domestic workers.** The first discussion (of the two required for the adoption of the document) was held by the Committee.

The new standard concerning the domestic workers was a good occasion for the ILO to introduce a new category of employees within the scope of its competence that was absent so far. This category of workers is particularly vulnerable – in many countries such workers are outside the legal scope of regulation. Domestic workers perform their activities under specific conditions – at home, in living premises of individual housing. Moreover, domestic work is often related to migrants. Domestic
workers are often outside the scope of the declared employment and constitute a part of the informal economy, as their work is not recognised as proper and productive activity, which generates income for the household. Furthermore, persons involved in such activities are not valued as competent workers or individuals having specific skills. Domestic workers differently from regular employees are actually invisible, as they are working at home, in the household. The new international labour standard means the official recognition of the rights of domestic workers.

An extensive discussion was developed in the Committee concerning the form of the document. Some Member States favoured the Recommendation, however, there were some countries stating that an obligatory Convention is needed (alongside with the Recommendation). Lithuania voiced for the noncommittal document, i.e. the Recommendation. A long discussion was developed concerning the definition of key concepts – domestic worker and domestic work (the majority of Member States stressed the need to exclude “au pair”, i.e. assistants in domestic chores, from the application of provisions of the Convention or the Recommendation).

Employment Committee. Report of the International Labour Office was prepared for the discussions of this Committee. Discussions were organised by certain topics. Firstly, the issue on the difficulties of Member States and social partners in the nearest future with the view of encouraging full, proper and productive employment within the context of fair globalisation was raised. The following challenges were identified: globalisation, growth, labour migration, unemployment, vulnerable employment, living conditions, dangerous work, global tendencies of wages, inequality, green economy, demographic and structural changes.

Representatives of employers named the following challenges in the sphere of employment: the issue of sustainable companies, assessing the role of private sector having a great impact on addressing the issue (as encouraging growth and employment); demographic changes through a better understanding of various different, but interrelated aspects; labour market institutions and their legal regulation (in particular considering their strengthening alongside with the flexibility of the labour market); skills and capacities, etc.

Other issues discussed at the Committee: what should the policy of macroeconomics be to encourage full, proper and productive employment; employment and labour policy aimed at encouraging full, proper and productive employment; the improvement of occupational capacities, labour efficiency, living standards and social progress; trade and investments aimed at encouraging full, proper and productive employment; interface of the four strategic goals and their impact on the strategic goal of employment; discussion on the activities related with international labour standards on employment; tasks for the Governing Body and the International labour Office pursuing for the strategic goal of employment.

Report on the discussions of this Committee is available on the ILO webpage.

HIV/AIDS in the world of work Committee continued the discussions, which started at the Conference of 2009 concerning the new ILO document, i.e. the Recommendation. By the end of the Conference the Recommendation was adopted. Lithuanian representatives did not participate in the work of this Committee.

The Committee on the application of standards discussed various issues related with the application of international labour standards. The Committee has investigated 25 individual cases related within the wide scope of ILO standards. Full information on the work of this Committee is available on the webpage\textsuperscript{225}.

Detailed information on the 99\textsuperscript{th} ILO Conference, the work of Committees, reports and the adopted resolutions of the session of the ILO Governing Body may be found on the internet: \url{http://www.ilo.org}.

8.1.1.3. The ILO Governing Body

The Governing Body is the executive body of the International Labour Office - the Secretariat of the International Labour Organisation, 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 Director General and addresses other important issues related to the ILO management. Work of the Governing Body is based on the fundamental ILO principle of tripartite cooperation.

At the annual ILO Conference of 2008 Lithuania was elected a deputy member of the Governing Body for a three year period.

Lithuanian representatives were actively involved in the work of Committees during the previous sessions of the Governing Body, giving particular attention to the Working Party on the Functioning of the Governing Body and the International Labour Conference. Lithuania is among 16 member states of this working party – delegated by the regional group of the Eastern and Central Europe. This working party was established in June 2009. The objective of the party is to discuss the possible ways for reform and submit a solution to the Governing Body. During the session of the Governing Body in March 2011 a decision was passed concerning the reform of the Governing Body. The International Labour Office was authorised to amend the rules regulating the functioning of the Governing Body accordingly. Discussions concerning the ILO Conference reform will follow shortly.

Information related to the activities of the working party may be found on the ILO website\textsuperscript{226}.

8.1.1.4. The ILO Maritime Labour Convention

At the Maritime session of the Conference in February 2006 a Maritime Labour Convention (hereinafter - MLC) was adopted. It consolidates almost all ILO maritime labour Conventions since 1920. This Convention is extremely relevant for improving living and working conditions of seafarers. That is why wide ratification of this Convention is pursued.

The Council of the European Union adopted a decision authorising EU Member States to ratify this Convention for the benefit of the Community interests. Moreover, the ratification is foreseen in

\textsuperscript{225} \url{http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_141870.pdf}

\textsuperscript{226} \url{http://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_152846.pdf}
the Republic of Lithuania Government Programme – in the 4th quarter of 2012. Since the Convention is rather large and complex, it is necessary to identify problems related with the ratification with the institutions concerned. Provisions of this Conventions fall within the remit of such institutions: the Ministry of Social Security and Labour, the Ministry of Transport and Communications, the Ministry of Health, the State Labour Inspectorate, the Maritime Safety Administration, the Ministry of Science and Education, the Ministry of the Economy, the Ministry of Foreign Affairs, etc.

On 7 December 2010 the meeting of institutions concerned and social partners was held in Klaipeda, where it was decided to ratify the Convention as soon as possible, preferably in the autumn of 2011. The transposition of its provisions into the national legislation (ratification of the Convention would be the legal basis for the institutions to change legal acts within their competence) would follow immediately after. It has been also decided to set up a working group for addressing the issues related with the ratification of the Convention and the implementation thereafter.

The working group was established on 30 March 2011 following the Order No A1-171 of the Minister of Social Security and Labour. It has been authorised to submit proposals to institutions concerned until 30 November 2011 concerning the amendments of national legal acts of the Republic of Lithuania referring to the provisions of the ILO MLC, and develop draft legal acts required for the ratification of this Convention.

8.1.2. MEMBERSHIP IN THE COUNCIL OF EUROPE

Late in the year of 2010 and early in 2011 delegates of the Ministry of Social Security and Labour participated in the activities of the following Committees of the Council of Europe: European Committee for Social Cohesion (CDCS), Steering Committee for the Equality between Women and Men (CDEG), Governmental Committee of the European Social Charter (T-SG), Committee of Experts on Social Security (CS-SS), the European Co-ordination Forum for the Council of Europe Disability Issues (CAHPAH) and Ad Hoc Committee on Preventing and Combating Violence Against Women and Domestic Violence (CAHVIO), which closed its activities in 2011.

Council of Europe Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse

At present possibilities for ratifying the 2007 Council of Europe Convention on the Protection of Children against Sexual Exploitation and Sexual Abuse (hereinafter – the Convention) are discussed. Lithuania has signed this Convention in 2007. The Ministry of Social Security and Labour, following the Commitment No 71-161 of 17 January 2011 of the Prime Minister, organised the establishment of an inter-institutional working group for assessing the possibilities of ratifying the Convention and the implementation of its provisions in Lithuania thereafter. The said working group was approved by the Prime Minister in the Decree No 65 of 15 March 2011 concerning the “Establishment of the Working Group”. The Working Group was therefore commissioned by this Decree to assess the possibilities of ratifying the Convention and implementing its provisions in Lithuania thereafter, to draft conclusions and proposals, submitting them to the Prime Minister before 1 June 2011.
8.1.2.1. Activities of the European Committee for Social Cohesion (CDCS) and of its Bureau

The 26th meeting of the CDCS Bureau was held on 29 – 30 September 2010 in Strasbourg. A Lithuanian representative was delegated to this meeting, too. The Decree of 7 July 2010 of the Council of Europe Committee of Ministers concerning the “Approval of the New Social Cohesion Strategy and the implementing Council of Europe Action Plan for Social Cohesion” was introduced at the meeting to the members of the Bureau. It was discussed that the new strategy could be the basis for future activities of the Council of Europe.

No written information was presented on the issue concerning the preparation for the second Conference of Ministers responsible for social cohesion to be held in September 2012 in Istanbul (Turkey). Though the delegate from Turkey was absent at the meeting, it was decided to form a Committee of senior officials from the delegated Member States for preparing the conference and start getting ready for the conference seriously in 2011.

Discussion on the Council of Europe Draft Recommendation concerning the intercultural competence in providing social services took a bit longer, and quite a few comments submitted by the Lithuanian delegate were taken into account.

Proposal of initiating a project “Rights and welfare of elderly people” was approved. The key topics of the project would address the following issues: elderly people in a vulnerable situation; active ageing; aspects of transition between generations, etc.

Much attention was given to the high level Council of Europe Conference “Shared social responsibility: securing trust and sustainable social cohesion in the context of transition”, held on 28 February – 1 March 2011 in Brussels. Observations on six Council of Europe recommendations were discussed.

On 24–25 February 2011 the 27th Bureau meeting was held in Strasbourg. It was intended for the discussions of an important newly prepared Draft Recommendation of the Committee of Ministers to member states on the Council of Europe Charter on shared social responsibilities. It should be admitted that member states submitted quite a few observations, in particular Lithuania: concerning the segregation of separate groups of inhabitants (migrants, minorities), stressing namely the issues of such groups; concerning unacceptable reflection to the public sector for giving less attention to social security; concerning the lack of approach consolidating and uniting various, in particular the most vulnerable, groups of the society; concerning references to the request to member states for adopting proper taxation mechanisms; concerning the lack of positive approach in the provisions; concerning the need of re-adding the incidental appearance of the environmental aspect in the text, etc. It was decided to correct the draft after its presentation and discussion at the earlier mentioned high level COE Conference.

COE draft recommendation concerning intercultural competences was repeatedly revised, where observations were provided only by Lithuania and Switzerland.

A. Vladychenko, Director General of Social Cohesion at the Council of Europe Directorate General (DG III), presented the latest information on the progress of the COE reform aimed at avoiding overlapping of activities, closer cooperation with Member States through the 15 representative offices of the Council of Europe in member states, wider involvement of public society in the implementation
of the Council of Europe values, pooling of resources for the implementation of priority programmes, strengthening the strategic role of the specific Council of Europe top level Conferences of Ministers.

Members of the Bureau exchanged their opinions concerning the directions of future priority activities of the CDCS, stressing the following aspects: equality, disability, long-term care, the elderly and the children. CDCS activities in the coming year could concentrate on these fields.

On 19-20 May 2011 the 24th meeting of the Bureau of the European Committee for Social Cohesion was held. Particular attention was given to the Draft Recommendation of the Council of Europe Charter on shared social responsibilities. The text was actually written anew, yet it appeared difficult to read and understand for many delegates. The Lithuanian representative repeated the observations sent in writing. The COE Draft Recommendation on intercultural competences in social services pursuing to ensure social cohesion in Europe was approved.

Observations concerning the COE recommendation on combating poverty were discussed, where the Lithuania delegate stressed the timely attention to such relevant problem, but expressed doubts about giving priority to migrants and ethnic minorities, as well as to the granting of the right to family reunion; also concerning the protection of migrant women on the labour market, where the Lithuanian delegate stressed the importance of this problem and that attention to this issue shall be given by all stakeholders, though the relevance of the issue depends in the main on the situation of a Member State.

Members of the Committee expressed their dissatisfaction with the disapproval by the COE Committee of Ministers of the establishment of a new subordinate expert committee on the rights and welfare of elderly people, which was supposed to implement the related project, whereas in the opinion of the Committee of Ministers this sphere is not among the priority issues.

Discussions on the progress of the current COE reform were long. It is considered that the CDCS Committee will remain in force, attaching a new additional sphere to its competence – health care – cancelling accordingly the respective COE Committee. Referring to the information material prepared on the implementation of the reform, draft of the new CDCS Committee regulations, to be approved by the COE Committee of Ministers in November 2011, was presented to the Committee. Member States submitted many observations: the role of social protection should be stressed; it is not clear after cancelling the CS-SS committee, who will carry out the previously delegated functions in the sphere of social protection, given the new committee will be commissioned only to perform supervisory functions over the implementation of the European Code of Social Security; the activities in the sphere of family and children are not visible; topicality of elderly people is not sufficiently disclosed, etc. The draft regulations will be further improved.

The COE Draft Recommendation on encouraging social mobility as an input into social cohesion was presented at the meeting, as well as the review on encouraging social mobility in Member States.
8.1.2.2. Launch of the Council of Europe Action Plan for Social Cohesion

Launch of the Council of Europe Social Cohesion Action Plan was organised on 28 – 29 October 2010 in Skopje (the Former Yugoslav Republic of Macedonia), where Audronė Morkūnienė, Vice Minister of Social Security and Labour of Lithuania took part. This event was intended to present the recently adopted (on 7 July 2010) by the Committee of Ministers New Strategy for Social Cohesion and in particular the Council of Europe Action Plan for Social Cohesion. The leading actions defined in the plan were discussed, which were aimed at supporting Member States in developing social cohesion within the 4 priority areas defined in the European Social Strategy:

1. reinvesting in social rights and a cohesive society;
2. building a Europe of responsibilities that are both shared and social;
3. strengthening representation and democratic decision making process and developing social dialogue and civic engagement;
4. building a secure future for all.

Funding possibilities for the implementation of the plan as well as other important implementation aspects were discussed at this event. Vision for the implementation of the plan was presented on the municipal, national and international level, stressing in particular the importance of the participation of civil society. Subsequently, representatives of the Council of Europe recommended to member states to have the plan translated into national languages and circulate it through the municipal institutions. It was noted that member states themselves are first and foremost responsible for creating favourable conditions for social cohesion and the encouragement of the cohesion thereof, and that this plan is only a supplementary instrument to help the implementation of the plan in practice with regards to political obligations of the countries.

8.1.2.3. Activities of the Committee of Experts on Social Security (CS-SS)

Meeting of the Committee of Experts on Social Security was held on 29 – 31 March 2011, where particular attention was given to the reports on the application of the Council of Europe European Code of Social Security (hereinafter – the Code). Conclusions formulated by the Expert Committee on applying Conventions and Recommendations of the International Labour Organisation concerning the application of the Code in twenty countries were analyzed. As the representatives of the Council of Europe, as of the ILO promote signing and ratifying the Code as one of the international instruments, stimulating the security of social protection. Representatives of several countries expressed their opinion at the meeting stating that it is a great achievement that the Code has not been denounced in the times of the global crisis, and the promotion of signing in this difficult period may be assessed inadequately. On 15 November 2005 Lithuania has signed the 1964 European Code of Social Security, stipulating the attitude of Lithuania to adopt most favourable decisions with regards to its citizens and aimed at improving the system of social security. However, Lithuania has not yet ratified the Code.

Moreover, experts have prepared a presentation “Sustainability of European social security systems in the open global economy”. The delivered context revealed demographic problems and aging,
stressed the final responsibility of governments for the solvency of social security systems and financial sustainability; highlighted the need of synergy between the social security, employment, cohesion and the development. Measures were suggested in the following fields: support of the social security by the rights; the development of social dialogue; enhancement of social insurance sustainability; sustainability of social assistance benefits and long-term care.

Information on the foreseen reform of the Council of Europe raised a lot of discussions. In this context it has become clear that the CS-SS Committee will be merged with the Governmental Committee of the European Social Charter. Members of the CS-SS Committee for fair of reducing the significance of the Code drafted an appeal on behalf of the Committee to the Adviser of the Secretary General of the Council of Europe, in charge of the reform process, asking for allocating attention to the Code equal to the Charter.

8.1.2.4. Activities of the Governmental Committee of the European Social Charter (T-SG)

In 2010 the Republic of Lithuania prepared the eighth report on the implementation of Articles of the European Social Charter (Revised) under Part IV, with regards 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 and migrants”.

The European Social Charter (hereinafter – the Charter) is among the most important treaties of the Council of Europe, protecting fundamental social and economic human rights supplementing the European Convention on Human Rights, that ensures the protection of civil and political rights. Lithuania has ratified the European Social Charter (Revised) in 2001. According to the procedure set by the Committee of Ministers, reports on the implementation of the Charter shall be submitted annually according to the four topics of the groups of rights. Country reports are legally assessed by the European Committee of Social Rights (hereinafter – ECSR), which provides conclusions thereafter, whether a country is properly carrying out its undertaken obligations. Negative conclusions of the ECSR, i.e. stating that the country does not meet the requirements of the Charter, are analyzed by the Governmental Committee of the European Social Charter (hereinafter – T-SG), which, considering explanations of the respective country and with regards to the social, economic and any other political motives of the country in question, takes a decision concerning the application of sanctions.

The 121st T-SG meeting was held on 3-6 May 2010 in Strasbourg (France). ECSR conclusions XIX-2 and of 2009 on the repeated nonconformity of Member States to the provisions of the European Social Charter (including the revised Charter) were discussed at the meeting. Moreover, provisions of the VI Report of Lithuania for the period of 1 January 2005 – 31 December 2007 concerning par. 1 and 4 of Article 12 under Part II “Health, Social Security and Social Protection” of the Revised European Social Charter were successfully defended. The Lithuanian representative reported to the related institutions of Lithuania and to the respective divisions of the Ministry of Social Security and Labour about the negative conclusions of the ECSR, which require corresponding actions for avoiding of a warning to Lithuania from T-SG in a few years concerning the indicated violation, and submitted proposals for improving the situation.
The 122nd T-SG meeting was held on 11 – 14 October 2010. ECSR conclusions XIX-2 and of 2009 on the repeated nonconformity of Member States to the provisions of the European Social Charter (including the revised Charter) were discussed at the meeting, where the remaining provisions of the VI Report of Lithuania for the period of 1 January 2005 – 31 December 2007 concerning Article 13.1.1. under Part II “Health and Social Security” of the Revised European Social Charter were successfully defended.

Moreover, the T-SG Committee discussed possible changes of the rules and procedures of the committee, inviting to submit corresponding suggestions in writing before December 2010. Application of the NGO “SEPS” on including this organisation into the list of NGOs entitled to submit collective claims was rejected on the grounds that activities of this organisation are actually related only with translations and not with social rights.

The following T-SG Committee meeting was planned for 2 – 5 May 2011.

8.1.3. MEMBERSHIP IN THE UNITED NATIONS ORGANISATION

The following major events related with the United Nations took place in 2010–2011:

On 27 May 2010 Lithuania ratified the United Nations Convention on the Rights of Persons with Disabilities (hereinafter – the UN Convention) and its Optional Protocol, which were enforced for Lithuania as from 17 September 2010. Ratifying these international documents Lithuania recognised and took the obligation of protecting and defending the rights of people with disabilities. The Government of the Republic of Lithuania passed on 8 December 2010 Resolution No 1739 concerning the “Implementation of the United Nations Convention on the Rights of Persons with Disabilities and its Optional Protocol”, defining the institutional structure for the implementation of the UN Convention and reporting to the United Nations Organisation. The institutions concerned have jointly with nongovernmental organisations of the disabled elaborated proposals under their competences and corresponding articles of the UN Convention for supplementing the Plan of Measures under the National Programme on Social Integration of the Disabled for 2010 – 2012, which were approved in the Order of the Minister of Social Security and Labour, pursuing to implement properly the provisions of the UN Convention for the benefit of the disabled, making them feel equal and full-fledged members of the society. It should be reminded that Lithuania has signed the Convention and its Protocol in 2007.

On 2 – 3 March 2011 a representative of the Ministry of Social Security and Labour participated in the 78th session of the United Nations Committee on the Elimination of Racial Discrimination, where the fourth and the fifth Reports of the Republic of Lithuania on the International Convention on the Elimination of All Forms of Racial Discrimination were successfully defended.

8.2. INTERNATIONAL TREATIES

8.2.1. BILATERAL AGREEMENTS IN THE SPHERE OF SOCIAL SECURITY

There is no doubt that bilateral agreements 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 was paying 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, there are no legal grounds in calculating the retirement pension to individuals for referring to the part of the working record acquired while working in any other state after the date of 1 June 1991.

Given the Republic of Lithuania concludes an international agreement with a corresponding state regulating the issues on allocating and disbursing pensions, pensions shall be granted and paid as provided for in the international agreement.

In the case of the applicable bilateral agreement, where an individual was legally employed and was insured by social insurance in another country, the insurance record remains valid and pension for such period shall be granted. Insurance record in the countries having no agreements with Lithuania, is usually lost, because the period of several years is not sufficient for the entitlement to a pension under the law of another country, and Lithuania does not recognise such working periods (and vice versa).

Referring to the data of the Statistics Department under the Government of the Republic of Lithuania for the period of 2005 – 2009, migration of Lithuanian residents to third countries (outside the EU, EEA or Switzerland) was rather low. Within the period of previous five years most of Lithuanian residents moved to the United Kingdom, Ireland, the United States of America and Germany. The observed migration to third countries was insignificant, mainly to Belarus, Russia and Ukraine. Lithuania has concluded bilateral agreements on social security with these countries.

The response of the United States of America in 2010 to the routine request of the Republic of Lithuania concerning the possibility of concluding a bilateral agreement on social security, was negative, stating that considering the administrative priorities of the USA social security, the USA has currently no intentions to start negotiations with Lithuania concerning such an agreement.

The Draft Standard Agreement\textsuperscript{228}, prepared by the Ministry of Social Security and Labour, and approved by the Government of the Republic of Lithuania in the Resolution No 1235 of 24 November 2008, was submitted through diplomatic channels in November 2009 to Kazakhstan, Moldova and Turkmenistan with a proposal to start consultations on the possibilities of concluding bilateral agreements on social security. The main objective of the Draft Standard Agreement is to settle the award and payment of pensions as well as the payment of social insurance contributions for persons moving from one state to another for work and/or residence (See Social Report of 2009 - 2010).

In March 2010 a response was received from the Embassy of the Republic of Kazakhstan in Vilnius, stating that the Ministry of Labour and Social Protection of the Population of the Republic of Kazakhstan has analysed the submitted Draft Standard Agreement and considers the conclusion of such agreement irrelevant because of the essential differences in the state social security systems. For example, when an individual moves from the Republic of Kazakhstan for permanent residence to another state, the disbursement of pensions and other benefits is interrupted, and resumed upon the return thereof, i.e. export of pensions is not stipulated in the legislation of the Republic of Kazakhstan. Again, there is another aspect – entitlement to the survivors’ pension in the Republic of Lithuania is granted to the widow(-er) and the orphans of the deceased person, whereas according to the legislation of the Republic of Kazakhstan – apart from the mentioned categories of persons the entitlement is granted also to parents (adoptive parents), grandparents, siblings and grandchildren (under certain conditions). There are also differences in the applied principles on calculating insurance (working) time records, the procedure of granting pensions, the sources for disbursing pensions, etc.

Information through diplomatic channels was received in April 2010 from the Republic of Moldova, stating that Moldova is ready for starting negotiations concerning the conclusion of bilateral agreement on social security. The first round of negotiations is planned for October 2011 in Chisinau.

No response has been received from Turkmenistan yet.

It should be noted that in 2010 negotiations were resumed between the Republic of Lithuania and the Russian Federation concerning the Draft Agreement on cooperation in the sphere of pensions (hereinafter – the Draft Agreement), which were interrupted as from 2007.

On 12 – 16 April 2010 the third round of negotiations concerning the Draft Agreement was held in Vilnius. The negotiations were rather productive – almost all articles of the Draft Agreement were harmonised. The Parties agreed to exchange information in writing concerning the remaining disputable articles of the Draft Agreement, namely, on the procedure of granting and disbursing pensions to individuals, who became disabled through the service in the former USSR armed forces; on the possibilities and instruments for recalculating pensions in the case of resettlement of persons from one country into another; on the inclusion of the soviet working period record, the procedure of recovery of overpaid amounts, etc., and, if needed, to organise another round of negotiations. Lithuania has taken all necessary actions, and information from Russia is still pending.

In 2010 negotiations were finalized concerning the Draft Agreement between the Government of the Republic of Lithuania and the Republic of Latvia on the inclusion of the former SSR insurance record aimed at avoiding duplication of including such record acquired on the territories, which

\textsuperscript{228} Official Gazette, 2008, No. 139-5500
were within the jurisdiction of the former USSR, while such insurance periods may be included as in Lithuania, as in Latvia.

In March 2010 Minister of Social Security and Labour of the Republic of Lithuania was authorised to sign the Agreement between the Government of the Republic of Lithuania and the Government of the Republic of Latvia concerning the inclusion of the former USSR insurance record. The Agreement will be signed after the Republic of Latvia finalises administrative procedures concerning the authorisation, and following the ratification at the Seimas, will be enforced.

The analysis of the existing situation and the tendencies of migration in recent years lead to the conclusion that there is no need of initiating the conclusion of new bilateral agreements on social security so far.

8.2.2. BILATERAL AGREEMENTS (ARRANGEMENTS) IN THE AREA OF EMPLOYMENT AND YOUTH EXCHANGE

The Agreement on Youth Exchange, signed between the Government of the Republic of Lithuania and the Government of Canada on 19 November 2009 in Vilnius, came into effect from 1 October 2010. The aim of this Agreement is to create possibilities for young persons to improve their professional knowledge and language skills, study and work in another state – a Party to the Agreement – learn about its society and culture (See Social Report of 2009 – 2010). All information (both in Lithuanian and in English) on the Youth Exchange Programme is available on the website of the Ministry of Social Security and Labour.

In 2010 negotiations between the Government of the Republic of Lithuania and the Government of New Zealand concerning the Draft Agreement on the Programme of employment during vacation continued. The aim of this Programme is to encourage movement of young persons for the purpose of learning different traditions and cultures by providing opportunities of employment in the country of destination. So far access of young persons to the labour market of New Zealand and the Republic of Lithuania was not regulated. Through the implementation of this Programme young people of New Zealand and Lithuania will be given the opportunity of living and working in a respective country; the duration of the programme is one year.

The Government of the Republic of Lithuania and the Government of New Zealand are planning to sign this Agreement on employment during vacation by the end of 2011.

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229 The Republic of Lithuania President Decree No 1K-631 of 18 March 2011 concerning the “Authorisation of D. Jankauskas” (Official Gazette, 2011, No. 34-1602)

230 Official Gazette, 2010, No. 92-4864

231 http://www.socmin.lt/index.php?-1082737786
8.3. INTERNATIONAL AGREEMENTS AND DRAFTS

8.3.1. BILATERAL COOPERATION

8.3.1.1. The Lithuanian and Polish Youth Exchange Fund

The Lithuanian and Polish Youth Exchange Fund (hereinafter – the Fund), the main activity of which is the funding of youth projects related with the cooperation of Lithuanian and Polish young persons, continues its activities started in the second half of 2007.

The amount of LTL 190 thousand was allocated to the Fund for the activities of 2010, including LTL 170 thousand for the funding of projects, and LTL 20 thousand – for the administrative costs. Ten (10) projects were funded in Lithuania within the year of 2010, with the participation of 203 young persons and 101 volunteer in addition.

Similar amount of means was allocated to the Fund for the activities in 2011.

The Lithuanian and Polish Youth Exchange Fund allocates means for projects selected in the announced tender. The priorities of the tender are the following: to encourage intercultural and inter-ethnic dialogue, to involve young persons with fewer opportunities for participation, to disseminate positive approach towards cultural cooperation, to encourage international volunteering activities of young persons, etc.

The Fund was established on the basis of the Agreement signed on 1 June 2007 in Plock by the Government of the Republic of Lithuania and the Government of the Republic of Poland on the Lithuanian and Polish Youth Exchange Fund. The Committee of the Fund, composed of representatives from the Parties to the Agreement and governed by two Chairpersons in turn, is managing the Fund. The administrative and organisational part of the Committee is performed by the national managing bodies: by the Department of Youth Affairs at the Ministry of Social Security and Labour in Lithuania, and by the Foundation for the Development of Education System in Poland.

8.3.1.2. Bilateral Agreements

The Ministry of Social Security and Labour is actively cooperating with respective bodies of other countries. The main objective of such cooperation is the exchange of experience in addressing relevant issues in the sphere of social security and labour. The Ministry of Social Security and Labour is also participating in the implementation of the Lithuanian development cooperation policy through the relations with the ministries of foreign states, transferring good practice in the development and the implementation of social security and labour policy.

Good cooperation activities are developing between the Ministries of the Baltic States responsible for the labour and social policy. The Ministry of Social Security and Labour of the Republic of Lithuania has not concluded any such cooperation agreements with the respective ministries of the Republic of Latvia and the Republic of Estonia, however, meetings of the Minister of Social Security and Labour of the Republic of Lithuania with his respective counterparts, the Minister of Welfare of the
Republic of Latvia and the Minister of Social Affairs of the Republic of Estonia, are often organised for addressing relevant issues of labour and social policy. Such meetings were held on 26 March 2010 in Riga, 15 – 16 July 2010 in Vilnius, and 15 October 2010 in Tallinn. Issues related to the labour market instruments for overcoming the crisis, the pension system reform, the implementation of flexicurity guarantees, exchange of information on the implementation of the EU 2020 strategy were discussed at the meetings.

Referring to the Agreement, signed on 19 November 2007 in Vilnius between the Ministry of Social Security and Labour of the Republic of Lithuania and the Ministry of Children and Equality of the Kingdom of Norway on the Cooperation in the area of children and youth policy, activities scheduled in the Work Plan for the period of 2008-2010 were further implemented.

On 11 – 14 October 2010 a study visit of the representatives of Lithuanian Ministry of Social Security and Labour to Norway was organised by the Norwegian Ministry of Children, Equality and Social Inclusion. During the meetings Lithuanian representatives familiarised with the youth policy and children welfare system in Norway. Lithuanian delegation visited the Norwegian Centre of Child Behaviour Development, learned about its activities, the applied methodology, family counselling, training, early intervention starting with the questions to the risk group children, exchanged mutually information and experience on the issues of youth employment and integration into the labour market.

Cooperation with the respective Ministry of Poland proceeds following the Agreement signed on 13 March 2008 in Vilnius between the Ministry of Social Security and Labour of the Republic of Lithuania and the Minister of Labour and Social Policy of the Republic of Poland on the Cooperation in the fields of labour and social policy.

Representatives of the Family Planning and Social Assistance and Integration Departments of the Ministry of Labour and Social Policy of the Republic of Poland, visited the Ministry of Social Security and Labour of the Republic of Lithuania in September 2010. During the visit both parties discussed relevant issues with regards to the forms of community support and services for children and families, encouraging positive parenthood. They have also exchanged information on the programmes in progress, activities and legal solutions in combating domestic violence.

In October 2010 representatives of the Ministry of Social Security and Labour of the Republic of Lithuania visited the Ministry of Labour and Social Policy of the Republic of Poland for discussing the issues related to the EU Presidency. Lithuania is getting ready for the EU Presidency in the second half of 2013. The planned term of the EU Presidency for Poland was the second half of 2011, therefore it was of great importance for the Lithuania delegation to learn from the Polish experience, in particular in the spheres of competence of the respective ministry.

Lithuanian representatives were introduced with the activities of the Ministry of Labour and Social Policy of the Republic of Poland in the preparatory process to the EU Presidency, coordination work of the International Cooperation Department and the responsibility of other departments of the ministry, and the stages of the preparatory actions.

Mutual exchange of specialist visits from both ministries on the issues of the implementation of the European Social Fund projects is planned for 2011.

Agreement between the Ministry of Social Security and Labour of the Republic of Lithuania and the Ministry of Labour, Social Affairs and Consumer Protection of the Republic of Austria on
the Cooperation in the sphere of employment policy was signed on 17 January 2011. The Agreement is aimed at the development of mutual relations between the two countries in the sphere of labour policy.

A seminar “Equal Opportunities of Women and Men: Gender mainstreaming in the Austrian and Lithuanian Labour Markets” was held on 24 May 2011. The objective of the seminar was to exchange experience on how to ensure equal opportunities for women and men on the labour market. Specialists from Austria and Lithuania, working in the sphere of equal opportunities of women and men and in the sphere of labour market participated at the Seminar.

Cooperation of the Republic of Lithuania Ministry of Social Security and Labour with the Ministry of Labour and Social Policy of the Ukraine proceeds following the Agreement on the Cooperation in the sphere of social and labour policy, signed on 18 September 2009. The key objective of the cooperation is to contribute to the implementation of tasks for the EU membership.

A study visit of the Ukrainian specialists to Vilnius was organised in September 2010 to discuss the issues of social insurance and pensions. It is planned for 2011 to cooperate in the spheres of poverty reduction, remuneration for work and social security of the disabled.

The Republic of Lithuania Ministry of Social Security and Labour cooperates with other foreign ministries as well, which apply with the requests in organising study visits and willing to take over the good practice of Lithuania.

A delegation from the Republic of Moldova visited Lithuania in November 2010. The aim of the visit was to learn about the policy of social integration of the disabled in Lithuania. The visit was organised through the implementation of the project under the United Nations Development Programme in Moldova, which is aimed at supporting the Ministry of Labour, Social Security and Family of the Republic of Moldova in reorganizing the system of social integration of the disabled in the country.

The Ministry of Social Security and Labour of the Republic of Lithuania organised a study visit and received the delegation from the Republic of Azerbaijan, consisting of representatives from the Ministry of Labour and Population Social Security, for discussing the issues of improving employment services. The visit was organised under the project “The Development of Social Security: the Component of Improving Employment Services”, implemented jointly by the Ministry of Labour and Population Social Security of the Republic of Azerbaijan and the World Bank.
9 ANNEX
ADMINISTRATION STRUCTURE OF THE MINISTRY OF SOCIAL SECURITY AND LABOUR

Diagram showing the administration structure of the Ministry of Social Security and Labour, including departments, divisions, and institutions under the Ministry.