MINISTRY OF SOCIAL SECURITY AND LABOUR

SOCIAL REPORT

2007–2008

Vilnius
2008
Dear Readers of the Social Report,

Like every year, this report gives an overview of our most important works and objectives for your evaluation. For many years we have been trying to do everything in our power so that people of our country have decent jobs, and feel safe and certain about their own and their children's future.

Last year, like the previous year, was the year of thorough and consistent work. The social security system continued to strengthen and develop in order to better and more generously respond to people's needs, provide them with income guarantees, strengthen social cohesion and eradicate poverty. All this is analysed in detail in the report, and here I would like to draw your attention to the most important issues.

This year, like in the previous year, the family policy has remained our priority. A decrease in births requires searching for ways to restore a demographic balance, therefore, we have significantly increased benefits for families with children and sought to implement measures which help families to reconcile work and child raising responsibilities so that parents' professional activity and aspirations are not an obstacle to have children. Due to these measures the number of births has increased. I hope that the family policy which we are currently pursuing will contribute to its further growth. Parents have been relieved of some burden by the scheme of free meals for the schoolchildren. A lot of attention has been paid to protection of children who have lost their parents or whose parents insufficiently care about them. The Children's Maintenance Fund has started its activity.
More rapidly increasing prices and more costly energetic resources have made us focus on the situation of people with lower income. Thus, the state supported income and other benefits have been increased more than ever before, resulting in greater assistance. A bigger number of people were entitled to social assistance when paying for housing services.

Another very important task has always been ensuring guarantees of dignified and full life to elderly people who created everything that the working generation has inherited. Therefore, we have consistently increased the purchasing power of pensions and targeted them in a socially fairer way. In recent years pensions, like wages, have been growing at a bigger pace than prices and even slightly surpassed the growth of wages. This tendency must be retained currently when prices are going up more rapidly. Progress has been achieved in fair establishment of pension amounts – the interests of pensioners with smaller and bigger pensions have been balanced better, and the pensioners’ length of service has been evaluated in a fairer way.

The key objective of employment and human resources development policy has been to ensure that every national of our country who is able and has a wish to work can find a decent, adequately remunerated and secure job. Moreover, it ensures that people who have withdrawn from the labour market are able to join it according to their capabilities, and that those who are able and have a wish to work are created the conditions to earn their living. I hope that even if there is a slowdown in the economic growth, measures implemented will succeed in retaining current positive tendencies of increasing employment and a low unemployment rate. Since we may achieve all this only in joint effort with our social partners, we also focus on the social dialogue so that it is not confrontation, but rather a common agreement, which leads to coordination of employers’ and employees’ interests and reinforced social responsibility of business.

Here, I have mentioned only some of the most important aspects and priorities of our activities. More detailed and specific information about our labour and social policies is provided in the report, and I am inviting you to read and evaluate it as well as our activities.

I would like to express appreciation to the working group of the report and everybody who has contributed into this work.

Minister of Social Security and Labour

Vilija Blinkevičiūtė

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INTRODUCTION

CONTENT OF THE SOCIAL REPORT

The key objective of this Social Report (hereinafter referred to as the Report) and former Reports is to describe the activity of the Ministry of Social Security and Labour (hereinafter referred to as the Ministry) and its results.

The introductory part of the Report provides general description of the activity which will provide the insight to goals of the ministry, the available resources and executed programmes. Here social policy is described as the policy based on high quality employment assuring the prosperity of the state. Efficiency of social protection, i.e. the purposefulness, cost-saving and productivity are reflected in various activities presented in this Report. The reader will find the data demonstrating the increasing scope of social security programmes and their diversity. For instance, in 2008 the funds allocated for social security programmes have increased 1.5 times in comparison to 2007. The introductory part also provides information on public information and counselling. Partnership with non-governmental civil organisations is reflected in other chapters of the Report.

The second chapter of the Report on the labour market will reveal the secrets which, according to the data of the survey, were managed by the Danish, the happiest nation in the world, and which are sought by the Lithuanians, one of the unhappiest nations. These secrets are active labour market policy measures facilitating safe and flexible response to local and global changes. The active measures require nearly half of the total labour market financing funds. They contribute to the reduction of long-term youth unemployment, i.e. the critical employment problem in Lithuania. Since the Lithuanians are apt to work elsewhere, we are forced to employ more and more foreigners, and this is one of the most important current problems, the solution of which could be found in this Report. The reader could also notice changes in the concept of social security, e.g. a new concept – corporate social responsibility. Finally, contribution of the European Union Structural Funds to the implementation of active labour market measures is also of great importance. The description related to both the results and future perspectives is provided in the Report as well.
The third chapter of the Report describes the situation and perspectives related to pensions. The most important part of protection in case of old age and disability is social insurance. Therefore Sodra is constantly referred to as an institution trusted by the majority of citizens. In this chapter the reader will find new social insurance initiatives assuring the balance of income and expenditure, information on the universal social insurance guarantees, recovery of unpaid pensions and accumulation of pensions. The innovations related to the social insurance declaration system would also be presented.

Other benefits and measures based on other than social insurance principles are also of great relevance, for instance, social assistance benefits and financial measures directed towards meeting the special needs of the disabled. This part of the Report gives a special attention to the above measures.

The subject of the fourth chapter is social support. The chapter provides information on the formation of family policy in Lithuania. The increase of the support to families is demonstrated by the fact that since January 2008 the state supported income has increased up to LTL 285, i.e. 1.5 times per one year. The National Strategy of Demographic Policy is also under implementation. It is important to note that the Ministry gives significant attention and allocates funds to such spheres in need of support as children and youth. Thus, children and youth social risks are recognised within the system of social security in Lithuania as complex risks and are given a corresponding attention. In general, social services, as part of social support, become one of the key areas of social security. The Report also introduces the development of social services.

The fifth chapter of the Report – equal opportunities – is relevant to all the readers. Firstly, this chapter is aimed at the measures protecting the disadvantaged members of the society – the disabled, women, victims of violence and human trafficking etc. Here one could also find information on the protection of other persons requiring special measures due to the geopolitical situation (political prisoners and exiles and their family members; foreigners granted asylum etc.).

Chapters 6 and 7 specify the place of the Lithuanian social security system within the international context. Problems of economic migration (free movement of labour force) are dealt with separately.

For the readers interested in more specific social security issues the Report provides references to different resources. Besides, the interested can also use the webpage of the Ministry and its newly established website (www.socmin.lt; www.socialiniszemelapis.lt).

**1.1. MISSION AND STRATEGIC GOALS OF THE MINISTRY**

The Ministry of Social Security and Labour acts in accordance with the Strategic Action Plan\(^1\). 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 current situation. It describes how the institution pursues the strategic goals (priorities) of the Government by implementing the programmes with the available budget appropriations.

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The mission of the Ministry of Social Security and Labour is to implement effective social security and labour policies with a view to creating the opportunities for high quality employment and to ensure social security, family welfare and social cohesion within the general public.

In accordance with the Strategic Action Plan, the Ministry has been fulfilling its mission in 2008 by pursuing the following strategic goals:

1. To attract more people into the labour market, ensure fair labour relations and appropriate working conditions and invest into human resources more efficiently.

2. To seek effective social security, create favourable conditions for families and ensure social integration of socially vulnerable groups of the population.

Appropriations allocated for the Ministry for 2008 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. In 2008, it is envisaged to allocate LTL 235155 thousand for the implementation of the first strategic goal, and LTL 2112564 thousand – for the implementation of the second strategic goal (see Table 1.1-1).

<table>
<thead>
<tr>
<th>PROGRAMMES</th>
<th>2007</th>
<th>2008</th>
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<tr>
<td>The goal of the manager of the appropriations is to attract more people to the labour market, to ensure fair labour relations and appropriate working conditions, as well as to invest into human resources more efficiently</td>
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<tr>
<td>1.2. The Programme for the Increase of Employment</td>
<td>45305</td>
<td>98507</td>
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<td>1.3. Scientific research programme regarding the standard of living, employment of population, social insurance and social assistance in Lithuania</td>
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<td>60.2. Special Programme of the European Regional Development Fund (for implementation of the SPD)</td>
<td>17525</td>
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<td>60.3. Special Programme of the European Social Fund (for implementation of the SPD)</td>
<td>70094</td>
<td>95738</td>
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<td>60.7. Special Programme of the European Social Fund (for implementation of the Community Initiative EQUAL)</td>
<td>10000</td>
<td>6874</td>
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<td>64.1. Special Programme of the European Union Social Support for 2007–2013</td>
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2 Fair labour relations are understood as the relations assuring the balance between the rights and duties of employees and employers. Appropriate working conditions (work environment, work nature, working time and periods of rest and other circumstances having direct impact on working capacity, safety and health of employees) are understood as safe and harmless working conditions stipulated in the Law on Safety and Health at Work.


The goal of the manager of the appropriations is to seek effective social security, to create favourable conditions for families and to ensure social integration of socially vulnerable groups of population.

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<tr>
<th>PROGRAMMES</th>
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<tr>
<td>2.1. Programme for the Social Integration of the Disabled</td>
<td>47340</td>
<td>50093</td>
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<td>2.2. Programme for the development of social services in the institutions subordinate to the Ministry of Social Security and Labour</td>
<td>18668</td>
<td>30568</td>
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<tr>
<td>2.3. Programme for the support to the socially vulnerable groups of population and other activities of the Ministry</td>
<td>23263</td>
<td>25428</td>
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<td>2.4. Programme for the Development of Social Services Infrastructure</td>
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<td>20994</td>
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<td>2.5. Programme for the implementation of the child’s rights to protection, maintenance and participation in the public life</td>
<td>10619</td>
<td>13927</td>
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<tr>
<td>2.6. State pensions, social assistance pensions and other social assistance benefits</td>
<td>836920</td>
<td>1187669</td>
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<td>2.7. Implementation of the youth policy</td>
<td>3470</td>
<td>6285</td>
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<td>2.8. Child benefits</td>
<td>465536</td>
<td>673036</td>
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<td>2.11. Strengthening of social inclusion</td>
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<td>2526</td>
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<td>2.12. Children Maintenance Fund</td>
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<tr>
<td>2.57. Special European Fund Programme for integration of citizens of third countries</td>
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<td>2592</td>
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<td>60.9. Special European Refugee Fund Programme</td>
<td>3051</td>
<td>5769</td>
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<tr>
<td><strong>Total allocated for programmes of the Ministry of Social Security and Labour</strong></td>
<td>1604558</td>
<td>2347719</td>
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- such a phenomenon (indicator) did not exist during a relevant period

Data of the Ministry of Social Security and Labour

In 2008 the Ministry has been implementing strategic goals by carrying out 19 programmes. With a view to reaching the strategic goal “to attract more people to the labour market, ensure fair labour relations and appropriate working conditions, and invest into human resources more efficiently”, the following programmes are implemented:

1.2. Programme for the Increase of Employment

Programme funds are allocated for the implementation of local employment initiative projects; 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; development of infrastructure of the territorial labour exchange and implementation of the measures for regulation of economic migration.

1.3. Scientific research programme regarding the standard of living, employment of the population, social insurance and social assistance in Lithuania

The programme funds are allocated for financing of the competitive scientific research in specific social security and employment areas with a view to improving the system of social security and labour based on the results of this research.

1.4. Programme for the prevention of occupational diseases and accidents, and improvement of safety at work

The programme funds are allocated for strengthening the prevention of accidents at work; assessment of the conformity of work tools with the compulsory safety requirements by improving the
material-technical facilities of conformity assessment institutions and expanding the sphere of their accreditation etc.

1.5. Programme for the development of Human Resources

The programme funds are allocated for the adjustment of employees and enterprises to the following labour market needs, i.e. upgrading qualification skills of human resources in enterprises and in public sector; upgrading computer literacy and entrepreneurship skills; promotion of social dialogue; development of skills of social partners; reconciling family and professional commitments; provision of support for the reorientation and requalification of employees withdrawing from the agriculture; promotion of the return of emigrants; and upgrading qualification of social workers.

60.2. Special Programme of the European Regional Development Fund (for implementation of the SPD)

The funds allocated for this programme are used for the implementation of the activities of the measure “Development of the Labour Market, Education, Vocational Training, Science and Studies Institutions and Social Services Infrastructure”, specified in the Lithuanian Single Programming Document for 2004–2006 and falling within the competence of the Ministry: the development of the labour market and social services infrastructure.

60.3. Special Programme of the European Social Fund (for implementation of the SPD)

The funds allocated for this programme are used for the implementation of measures specified in the Lithuanian Single Programming Document for 2004–2006: “Development of Employability”, “Development of Labour Force Competencies and Their Ability to Adapt to Changes”, and “Prevention of Social Exclusion, and Social Integration”.

60.7. Special Programme of the European Social Fund (for implementation of the Community Initiative EQUAL)

The programme funds are allocated for the implementation of the European Community Initiative EQUAL, namely: support to groups of persons facing specific discrimination in the labour market in order to promote their employment; development of opportunities for reconciling family and professional life commitments, and support of employment opportunities of the asylum seekers.

In pursuance of the strategic goal “to seek effective social security, create favourable conditions for families and ensure social integration of socially vulnerable groups of the population”, the following programmes are implemented:

2.1. Programme for Social Integration of the Disabled

The programme funds are allocated for the provision of the disabled with technical assistance tools; provision of vocational rehabilitation services; implementation of measures under the National Programme for Social Integration of People with Disabilities for 2003–2012, and the development of infrastructure of vocational rehabilitation institutions and the system of vocational rehabilitation.

2.2. Programme for the development of social services in the institutions subordinate to the Ministry of Social Security and Labour

The programme funds are allocated for the administrative costs of the following institutions acting under the Ministry: the Refugees Reception Centre, Disability and Working Capacity Assessment Office and its infrastructure, for the development of the Centre of Technical Aid for Disabled People and
its infrastructure, Department for Supervision of Social Services, Secretariat of the Tripartite Council of Lithuania, State Child Rights Protection and Adoption Service, Disputes Commission, Department for the Disabled Affairs, Department of Youth Affairs, Guarantee and Child Maintenance Fund.

2.3. Funds of the programme for the support of socially vulnerable groups of the population and other activities of the Ministry are allocated for:
- settlement allowances for exiles in order to cover their resettlement costs, the Lithuanian language courses, re-training and re-qualification courses, recruitment programmes;
- integration of foreigners granted asylum into society, i.e. provision with temporary accommodation, organisation of employment and education; assurance of social and health protection; public information on foreigners who have been granted asylum; training of employees working with foreigners who have been granted asylum;
- payment of phone bills of residents calling psychological aid services,
- and partial reimbursement of administration costs incurred by the psychological aid services;
- support of the activity of non-governmental organisations representing older persons;
- rent of facilities of the European Gender Equality Institute;
- support of participation of governmental and non-governmental organisations in the Community programme Progress;
- administrative costs of the Ministry.

2.4. Programme for the Development of Social Services Infrastructure
The programme funds are allocated for partial financing of projects submitted by municipal and non-governmental organisations. The projects are aimed at the development of the network of institutions providing social services to various groups of the population. Development of the social services infrastructure is executed from the funds of the European Union financial support for implementation of programme 60.2.

2.6. Programme for the implementation of the child's rights to protection, maintenance and participation in the public life
The programme funds are allocated for: promotion of the establishment of social services infrastructure aimed at the work with social risk families and supporting the projects of child day centres; reduction of violence against children and establishment of the efficient system for the assistance of the abused children, their families and children committing acts of violence; enhancement of the activity of the child rights protection services; establishment of appropriate conditions for social integration of children deprived from parental care and development of self-sufficient life skills; reorganisation of the child care (custody) system with a view to meeting the best interests of a child under care (custody) etc.

2.8. Programme of the state pensions, social assistance pensions and other social assistance benefits
The programme funds are allocated for: payment the benefits to honoured personalities and victims; social assistance benefits; insurance of mothers (fathers) raising children until they reach the age of 3 for the total state social insurance pension and unemployment social insurance, as well as the nurses taking care of persons for whom the special permanent care need was established, for the basic pension – the clergy etc.
2.9. Programme for the implementation of the youth policy

Programme funds are allocated for: measures promoting participation and information of youth and for the development of socialisation opportunities; support of programmes and projects of youth and organisations working with youth; building the potential of youth organisations; representation of the youth policy in international working groups, institutions and organisations; implementation of measures of the 2007-2009 Programme for the Development of Youth Policy in Municipalities; administration of the programmes “Youth in Action”, “Eurodesk”, etc.

2.10. Programme of child benefits

Programme funds are allocated for social support to families in order to help them raise and maintain their children and support children deprived of parental care. They 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.

2.11. Programme for Strengthening Social Inclusion

The Programme funds are allocated for:
- projects elaborated by organisations and aimed at the support to victims of compulsory prostitution and their reintegration into society in implementing the 2005-2008 Programme for Prevention and Control of Human Trafficking;
- equal opportunities for women and men to take part in all spheres of public life in pursuance of the measures of the State Programme of Equal Opportunities for Women and Men;
- investigation of possible manifestations of discrimination not stipulated in the Law on Equal Opportunities of the Republic of Lithuania; the survey on public tolerance towards various social groups, and comparative analysis (benchmarking); and execution of other measures of the National Anti-Discrimination Programme for 2006-2008;
- promotion of the establishment and support of at least one institution or organisation in the territory of each county, providing social services to family violence victims, and assuring cooperation of the stakeholders; promotion of the establishment of the men crisis centres in the territory of each county; promotion of self-help groups of violators; organisation of information campaigns against violence in the family; public information on the support to family violence victims, the opportunity to use the support, and penalties to violators; partial financing of projects of non-state organisations working in the sphere of violence against women in the family pursuant to the procedure established in the laws; implementation of other measures of the Plan of Measures for the Implementation of Strategy on the Reduction of Violence against Women for 2007-2009;
- Promotion of integration of persons from socially excluded groups into the labour market.

2.12. Programme of the Child Maintenance Fund

The programme funds are allocated every month and of the amount established in the Law on the Child Maintenance Fund for payment of the periodic benefit for children not receiving the ordered support/alimony or the alimony approved by the court in the child (children) maintenance agreement and prescribed to one or both parents obliged to maintain the minor children.

2.57. Special European Fund Programme for Integration of Citizens of Third Countries

Funds of this programme are allocated for the provision of support to various projects related to the development of integration process of citizens of third countries, for the elaboration of informa-
tion sets for citizens of third countries, their inter-cultural education, education and awareness raising campaigns, training of employees etc.

60.9. Special European Refugee Fund programme

The programme funds are used for the establishment or improvement of the infrastructure of refugees or displaced persons, provision of social services, promotion of employment of such persons and for the organisation of their voluntary return, etc.

1.2. PUBLIC RELATIONS AND COUNSELLING OF CITIZENS

1.2.1. Public relations activities

The key objective of the public relations activity is to provide the media, state and municipal institutions and agencies, social partners and society with the attractive and easily understood objective information on the social security and labour policy executed by the Ministry; to seek the objective reflection of the Ministry’s activity in the media and favourable evaluation by the society.

In 2007, the public relations activities of the Ministry of Social Security and Labour covered a number of social campaigns, a lot of information publications, and organisation of other measures related to public relations.

One of the largest events of the year was the campaign “May – a Month without Violence Against Children” which was organised for the fourth consecutive year. Its main objective was to highlight the threats of information technologies to security of children. The public opinion poll carried out during the campaign aimed at the clarification of the public opinion on the protection of children from the harm of information technologies and on bodies to be responsible for this protection. During the campaign, outdoor advertising stands ”Protect Yourself and Others When You are “Mobile”!“ were placed across Lithuania for public information, as well as various windmills, special stickers-reflections, including the radio-clip, a special peep-tone ”No to Violence Against Children!“. The campaign was crowned with the concert ”For a Beautiful Child’s World. I Want to Dream” organised in Vilnius on 1 June, the International Children’s Day, and pupils’ conference ”Information Technologies and Violence Against Children“.

In 2007 the World Day for Prevention of Child Abuse was organised by the Ministry’s initiative for the second consecutive year. The key goal of this Day was to convince the society that cases of child abuse cases shall not be hidden and that all measures must be taken in order to make the children safe, dignified and respected. Information on the above day was disseminated via various stickers and placards.

In 2007 the information campaign on news in the sphere of accumulation of pensions was organised. Its slogan – ”Is it worth to change own choice? Think carefully before doing it!“. It was aimed at the Lithuanian citizens, accumulating funds for the old age in private pension funds, who have acquired the right to change the pension accumulation company.

This campaign also included a free-phone line, a new video-clip and the updated website www.pensijusistema.lt providing a new heading ”Forum of Arguments“.
The photo competition "My Large and Happy Family" was launched in commemoration of the World Family Day (15 May). The idea of this campaign was to promote family as the place of security and happiness, attract society’s attention to the importance of the family institution, show respect towards large, harmonious families honestly raising their children, and encourage young people to create and enlarge families.

In November 2007, the Ministry, together with the United Nations Development Programme, presented the National Reward of Responsible Business. This was the first initiative supported by state institutions aimed at the promotion of establishment of corporate social responsibility principles in enterprises and the increase of the prestige of socially responsible activity. It was supported by a special publicity campaign which attracted various public relations measures.

In 2007 the following information leaflets were published: "Gender Equality in Lithuania" on changes in the sphere of gender equality in the country, and "Social Services: What? For What? How? Where?" aimed at the information of citizens on social services, including various press-releases and other educational activity.

The analysis of priority information spheres is carried out according to the Ministry’s strategic goals after having analysed the Ministry’s Strategic Plan, the Plan of Measures for Implementation of the Government’s Programme, operational plans of different Ministry’s units, and taking into consideration public social life problems and critical social security and employment issues.

In 2007 quite a lot of attention was given to the issues related to family and child welfare, emigration, reduction of poverty and social exclusion. These subjects were relevant in 2008 as well.

The following measures have been implemented by the middle of 2008: organisation of a traditional campaign "NO to Violence Against Children!“ in May; selection of the best works and award of authors of the photo competition "My Large and Happy Family". The first ceremony of the National Responsible Business Award has also attracted the public. The awards were granted to 9 enterprises of the country, which attained most progress in establishing and strengthening social welfare in 2007. 27 Lithuanian enterprises submitted 43 applications for the award of the National Responsible Business. The above campaign also included the publication of leaflets on state aid to political prisoners and exiles, participants of resistance and their family members, persons imprisoned in the ghetto, concentration camps as well as persons who were involved in compulsory works.

In 2008, with a view to informing the society on new draft legal acts, amendments to laws and resolutions, innovations and other important issues in the sphere of social security and labour, the following traditional public relations measures were applied: the elaboration and publication of press-releases, initiation of radio broadcasts and TV commentaries, publication and dissemination of information publications, organisation of press conferences, short-term public information campaigns and educational campaigns.

The key measures for the evaluation of public relations activity included: analysis of the media announcements revealing key events and effectiveness of information communication, and public opinion polls. The analysis showed that activity of the Ministry of Social Security and Labour was evaluated positively and that information on social security and labour matters presented in the media has reached the population.

Implementation of the social map website (www.socialiniszemelapis.lt) – a new form (in terms of quality) of public relations, was finalised 2008. There the user could find the information on imple-
mentation of social policy, indicators of social statistics, the new social support information system (SPIS); an opportunity is provided to take part in the discussion forums, express the opinion and submit proposals on relevant matters etc. The above website is an efficient tool for getting access to internet websites of other social security institutions, subordinate to the Ministry and municipalities, and non-governmental organisations.

1.2.2. COUNSELLING OF INDIVIDUALS ON SOCIAL SECURITY MATTERS

The Ministry seeks to maintain constant contacts with the population and to provide relevant counselling. The obtained direct information is analysed and systemised. The received conclusions are used for the improvement of the social security system and the decision-making process. At the same time the efforts are made to reduce dissatisfaction of persons who received answers from other social institutions (Sodra, the labour exchange etc.) and were not sure about the legitimacy of the provided answers.

In 2007, the Reception Office of the Ministry received 1337 letters from residents of Lithuania with different notifications, proposals and complaints, and provided nearly 1000 verbal counselling to visitors of the Reception Office. Since the telephone number of the Reception Office was accessible via 118 information line, the number of inquiries submitted by phone was also significant. Responses are given to the e-mailed inquiries, the number of which is also growing. Inquiries by e-mail are mostly submitted by younger applicants, and they are usually related to payment of child benefits, maternity (paternity) benefits and pensions of parents or relatives. Electronic inquiries are not extensive enough, therefore, the answers also lack specific details. The Reception Office regularly organises meetings of residents with the top management of the Ministry.

In 2007, the majority of letters were received from Vilnius (219), Kaunas (141), Šiauliai (51), Panevėžys (50) and Klaipėda (48) cities; and from Radviliškis (33), Kaunas (30), Varėna (24), Kaišiadorys (23), Ukmergė (23), Vilkaviškis (23), Šiauliai (21), Plungė (20), Tauragė (20) and Jonava (19) districts. Thus, the flow of inquiries (with rare exceptions) is directly proportional to the number of residents of the city or a district. The number of inquiries from the so-called “problem regions” was not very big.

In 2007, residents of the country were mostly interested in the following issues: pensions, social insurance, social assistance benefits and the unemployment insurance benefits, legal issues, lump sum financial support, etc. (see Table 1.2-1).

Main issues of inquiries submitted to the Ministry in 2006 and 2007

<table>
<thead>
<tr>
<th>Inquiries concerning</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pensions, social insurance</td>
<td>453</td>
<td>742</td>
</tr>
<tr>
<td>Social support and unemployment insurance benefits</td>
<td>252</td>
<td>205</td>
</tr>
<tr>
<td>Issues related to the compensation for damages, revision of the disability and working capacity levels, and other legal issues</td>
<td>171</td>
<td>155</td>
</tr>
<tr>
<td>Lump-sum financial support</td>
<td>106</td>
<td>67</td>
</tr>
</tbody>
</table>
Data of the Ministry of Social Security and Labour

The data presented in the table indicates that more than a half of the individuals submitted inquiries on social insurance issues. The majority of applications were related to: the recovery of the part of pension to formerly employed pensioners who were not paid the full pension; the reform of widows’ or widowers’ pensions; the correct calculation of the job record; the anticipated increase of the state social insurance pensions; the possibility to substantiate the job record; calculation of the bonus (premium) for each year in a job record; the entitlement to sickness and maternity benefits, and other issues.

The individuals also applied to the Ministry on the possibility of assessment of special needs, the fairness of the assessment of the lost working capacity, labour relations in signing or terminating employment contracts, as well as on the entitlement and payment of unemployment insurance benefits.

In comparison to 2006, in 2007 the number of inquiries on pensions and social insurance issues has increased (the number of relevant decisions was quite high), meanwhile the number of requests on lump-sum financial support has decreased.
Labour market is the system of relationship between the labour force supply and demand; on the one hand, this relationship is characterised by different indicators (engagement of population, employment, unemployment etc.), on the other hand, the state regulation of this relationship is executed by a special state institution – the Lithuanian Labour Exchange (although private sector and the European Union Job Search Network "Eures" also takes part in the labour market). Statistics Lithuania under the Government of the Republic of Lithuania also supervises and analyses the labour market.

Finally, the labour force is involved in the economic activity via employment relations. The key parties of this relationship are employers (private persons, enterprises, the State), employees, institutions and organisations playing the role of a mediator in the labour market (labour exchange, employment agencies, training centres, trade and employers' unions). Relations between the labour market parties on acquisition, usage and management of the labour force are regulated by the national laws, secondary laws and collective agreements.

2.1. PROMOTION OF EMPLOYMENT, PARTNERSHIP AND HUMAN RESOURCES DEVELOPMENT

2.1.1. LABOUR MARKET AND SUPPORT FOR EMPLOYMENT

In the market economy the labour market is an economic mechanism for distribution and redistribution of labour between different businesses and operational spheres (professions), ensuring the effectiveness of production and labour according to the structure of public needs. Today the labour market solves not only economic but also social problems, namely: the rational use of labour resources; employment of population and implementation of programmes for tackling unemployment problems; establishment of new jobs; registration and financial support of the unemployed; training and re-qualification of job-seekers etc. In this chapter we'll review the impact of the Lithuanian social security institutions on the labour market.
2.1.1.1. Employment and unemployment

In 2007, the population in Lithuania has further decreased. The economic growth and implementation of the envisaged employment policy measures created favourable conditions for the increase of flexibility of the labour market and employment. More and more residents of the country joined the labour market; consequently, the engagement of the labour force and employability increased. Although the level of labour force activity is still low and has been decreasing until 2006, in 2007 it started to increase and reached 67.9 percent.

According to the data of the Labour Force Survey, executed by the Statistics Lithuania under the Government of the Republic of Lithuania, in 2007 the number of employed individuals amounted to 1 million 534 thousand, i.e. by 35 thousand more than in 2006.

The employment rate of citizens aged 15-64 increased during a year by 1.3 percentage point (see Figure 2.1.1.1-1). The employment rate by gender still differs – the employment of men is higher than that of women and during a year it increased more than employment rate of women. In 2007, the employment rate of women, in comparison to 2006, increased by 1.2 percentage point (employment rate of men – by 1.6 percentage point).

Employment rate in 2006-2007, percent

The employment rate of older persons has also increased: in 2006 the employment rate of persons aged 55-64 comprised 49.6 percent, whereas in 2007 – 53.4 percent.

Pursuant to the data of the Labour Force Survey, in 2007 the majority of citizens were employed in industry – 299 thousand (19.5 percent) and trade – 262 thousand (17.1 percent). During the year 2007 the number of persons employed in agriculture, hunting and forestry has decreased considerably. In 2007 the number of employed in the above spheres amounted to 157 thousand (10.2 percent), whereas in 2006 – 184 thousand (12.3 percent).
Pursuant to the data indicated in Figure 2.1.1.1-2, and according to the Labour Force Survey, the unemployment rate in Lithuania proceeded to decrease and was less than the average unemployment rate of the European Union (EU 27 – 7.1 percent). Conditions for joining and retaining in the labour market were also created for other unemployed and inactive persons. This predetermined the decrease of not only the total unemployment but also the unemployment rate of youth and long-term unemployment.

Youth unemployment is still a big problem. The unemployment rate of youth is nearly twice higher than the total unemployment rate. As indicated in Figure 2.1.1.1-2, although the unemployment rate of youth has decreased, it still remained higher than the average – respectively 8.2 and 4.3 percent. The rate of youth employment – 25.2 percent – is still significantly lacking behind the EU average (36.3 percent).

Labour market is still segmented. The lack of labour force restricts the development of the Lithuanian economy, however, a huge share of labour force in Lithuania is still not used. According to the data of Statistics Lithuania under the Government of the Republic of Lithuania, in 2007 the number of inactive citizens aged 15-64 (not involved in any studies and not employed) amounted to 602,9 thousand. The difference between the employment and unemployment rate reflects an insufficient territorial mobility of citizens. Residents of the country fail to effectively change the current vocational qualifications, whereas the unemployed are apt to emigrate from the country rather than to search for a job in other territories of the country or change vocational qualification and get employment in Lithuania.

2.1.1.2. Labour market supply and demand

The situation and changes in the labour force demand and supply will be provided by using the data of the Lithuanian Labour Exchange.

Labour force supply

In 2007 the number of unemployed registered with the Lithuanian Labour Exchange has decreased. According to the data of the Lithuanian Labour Exchange, the average annual number of unemployed amounted to 67,3 thousand, i.e. by 5,9 thousand less than in 2006. Meanwhile the number of the registered job-seekers in 2007 comprised 186,4 thousand, i.e. by 10 thousand or 5.5 percent more than in 2006. In 2007, the average annual percentage of job-seekers from the working age population in 2007 was 4,6 percent.
The major share of job-seekers from working age residents was in Akmenė (8.6 percent), Jurbarkas (8.5 percent), Druskininkai (8.4 percent) and Rokiškis district (8.1 percent) municipalities. The least number of job-seekers was among the working age residents of Elektrėnai (1.5 percent), Trakai district (1.7 percent) and Kazlų Rūda (1.8 percent) municipalities. Seasonal inconsistency was also characteristic of the labour force supply (see Figure 2.1.1.2-3).

A positive trend was that in 2007 the number of registered long-time unemployed has decreased. During the year 2007, the number of long-term unemployed has decreased by nearly 7 thousand or 52 percent. Women and persons over 50 years of age comprised the majority of long-term unemployed. Women comprised nearly 70 percent, and persons over 50 years of age – 51 percent of long-term unemployed.

In 2007 youth comprised 17.8 percent of the total number of registered unemployed (the number of registered young persons amounted to 29.6 thousand). In comparison to 2006, the share of youth has increased by 1.6 percentage point.

The structure of the unemployed by education changed inconsiderably. In comparison to 2006, the share of unemployed with higher education increased from 8.3 to 9.6 percent; the share of unemployed with high education has decreased from 17.6 to 14.0 percent. The unemployed with secondary education comprised 53.6 percent (in 2006 – 43 percent) of the total number of unemployed. About 39.8 percent of the total amount of unemployed did not have vocational training; in 2006 the share of the above unemployed was smaller – they comprised 37.3 percent. Alongside the decrease of unemployment, the share of persons with higher employment costs is relatively increasing. In order to integrate the above persons into the labour market, new social and (or) vocational rehabilitation programmes should be elaborated; they could be applied for the above persons prior to their integration into the labour market. The share of unqualified persons has inconsiderably decreased this summer when more graduates of higher, high and vocational schools applied to the labour exchange. Consequently, the share of youth and formerly not employed persons has increased among the unemployed this summer.
Labour force demand

During 2007, the territorial labour exchange registered 121,2 thousand vacancies for permanent employment and 12,9 thousand for terminated employment. In comparison to 2006, the number of permanent employment proposals has increased by 11,6 thousand. Although the number of vacancies for permanent employment has increased more than the number of registered unemployed, in 2007, as in 2006, the problem of compatibility between labour force supply and demand remained (see Figure 2.1.1.2-4). The number of vacancies for qualified workers exceeded the number of persons ready for the labour market and capable of filling these vacancies.

![Compatibility of labour force supply and demand in 2006–2007](Data of the Lithuanian Labour Exchange Figure 2.1.1.2-4)

According to the Labour Exchange and as indicated in the Figure 2.1.1.2-5, the major demand of labour force was in the sector of services, i.e. nearly 24 percent; in construction – 14 percent. Compared to 2006, the share of vacancies in the sector of services increased by nearly 5 percentage points. The labour force demand in industry has decreased inconsiderably, a similar demand remained in construction.

![Labour force demand by sectors in 2006–2007](Data of the Lithuanian Labour Exchange Figure 2.1.1.2-5)
The major labour force demand was for qualified workers and craftsmen (41,5 thousand vacancies). 22,1 thousand vacancies were registered in the sphere of services and trade, 21,0 thousand – for specialists, junior specialists and technicians, 15,5 thousand vacancies for machinery and equipment operators and fitters.

2.1.1.3. Labour market policy measures

As in previous years, in 2007 funds were allocated for the implementation of labour market policy measures and labour market institutional building. With a view to establishing safer employment, more than LTL 177 million was used for active labour market policy measures from the Employment Fund, state budget and the European Union Structural Funds. This comprised nearly half (49,8 percent) of the total funds used for labour market policy measures and institutional building. More than LTL 98 million of the Employment Fund was used for the compensation of lost income, i.e. for unemployment insurance benefits or passive labour market measures. LTL 81 million of the Employment Fund were used for maintenance and development of labour market institutions (see Figure 2.1.1.3-6).

Funds for labour market policy measures in 2007

Data of the Ministry of Social Security and Labour

Notices of the dismissal of a group of employees

In 2007, the Lithuanian Labour Exchange registered 60 notices on the dismissal of groups of workers and warnings about the dismissal were given to 3,5 thousand employees. As compared to 2006, the number of such warnings decreased two times, although the number of notices increased by one third. The main reason for such dismissals was the same like in 2006: bankruptcy proceedings initiated against enterprises (in 60 percent of cases). Other reasons for the dismissal were: structural reorganisation of enterprises and changes in work organisation. In 2007 the territorial labour exchange prepared 40 preventive operational programmes, anticipating the inclusion of 1,2 thousand workers warned on dismissal into active labour market measures, and employment of 0,6 thousand persons into vacancies registered with the labour exchange. In order to reduce the psychological tension of those warned on dismissal and assist them in finding the place in the current situation, 1,3 thousand persons were provided with a possibility to take part in group counselling in industry.
In 2007, the plan of measures for the increase of employment of former employees of Panevėžys SC "Ekranas" was implemented. 1007 former employees of the enterprise returned to the labour market, from them 728 were employed for permanent jobs, 136 for terminated jobs and 143 persons started own business. 402 former employees of SC "Ekranas" were included into active labour market measures.

While implementing the Law on Additional Employment and Social Guarantees for Employees Dismissed from the PI Ignalina Nuclear Plant (further referred to as INP), 200 employees of INP warned on dismissal took part in various measures aimed at the elaboration of individual employment plans, 164 dismissed employees were provided with additional social guarantees. The above measures included 99 informative target meetings, elaboration of 140 individual plans where the dismissed workers have chosen additional guarantees. Monitoring of the labour market in Ignalina district was executed on a constant basis. Individual and group counselling was organised for employers and job-seekers and was related to further integration of employees dismissed from INP into the labour market.

Implementation of the plan of measures for mitigation of consequences of the dismissal in SC "Alytaus tekstilė" also commenced; 60 former employees of the enterprise found jobs, information and counselling services were provided to 646 persons. The draft application for the entitlement of the financial support from the European Globalisation Adjustment Fund was elaborated.

Via the mediation of the Lithuanian Labour Exchange, in 2007 jobs were provided to 111,9 thousand job-seekers, i.e. by 12,2 percent more than in 2006. Nearly 89 percent of the employed got permanent jobs (in 2006 the number of employed persons amounted to 99,7 thousand persons, from them 85 percent – for permanent employment). In 2007 every fifth employed person was over 50 years of age, every sixth-seventh – a young person under 25 years of age, every twelfth – long-term unemployed. In 2007, the number of employed women exceeded the number of employed men. Women comprised about 57 percent of all the employed.

Unemployment insurance benefits (or measures of passive labour market policy). By the end of the year the unemployment insurance benefits were paid to 21,2 thousand (23,4 percent) unemployed. In 2006 the above unemployed comprised 22,4 percent. The average unemployment insurance benefit amounted to LTL 463 and increased by LTL 64,5 compared to 2006.

Measures or active labour market policy. In 2007, the number of persons taking part in active labour market policy measures amounted to 72,1 thousand.

More than half of them participated in the supported employment measures:
- public works involved 22 thousand persons, 11,7 percent of them remained for permanent jobs;
- 11,7 thousand of unemployed supported in the labour market were employed via subsidies. Upon finalisation of financing of the measure, 79 percent of participants remained in the labour market;
- about 5 thousand of unemployed acquired occupational practical skills (upon finalisation of training) by taking part in the measures for acquisition of occupational skills. 89,7 percent of persons stayed for permanent employment in the same enterprise or enterprise of a similar profile.
- in 2007, 16 thousand of unemployed started own business upon acquisition of preferential business certificates;
in 2007, in order to improve the increasing need for a qualified labour force, 24,4 thousand persons were referred for acquisition of *marketable professions*. Another 5,5 thousand of unemployed upgraded their qualification skills by taking part in non-formal education measures.

In 2007 projects of *local employment initiatives* (LEI) were implemented in 31 municipal territories. Selection of LEI projects for the establishment of jobs were organised twice in 2007. 75 projects were included into the list of financed projects. After their implementation, 373 new jobs were established by using LTL 11,0 million from the Employment Fund and the state budget funds. The average price of one workplace was LTL 29,6 thousand or LTL 6,2 thousand more than in 2006. From the above projects, 38 were implemented in rural areas. 177 jobs were created or 48 percent of the total amount of the established jobs. The majority of projects were implemented: in industry – 43, in the sector of services – 26, and in construction – 6.

In 2007, *social enterprises* established 15 new social enterprises; 11 of them were provided with the status of social enterprise of the disabled. LTL 14 million of the state aid funds was used for the establishment of social enterprises. Pursuant to the Law on Social Enterprises, the establishment or adjustment of one workplace shall not exceed the amount of 40 minimum monthly wages. Social enterprises execute their activities in all counties of the country. Thus, today 64 social enterprises operate in the country, from them 40 are social enterprises of the disabled. The number of the employed in these enterprises amounts to 2476 employees, from them 1529 (61,7 percent) are persons belonging to target groups. The majority of social enterprises were established in Vilnius (22) and Kaunas (14). By using the state aid social enterprises retained workplaces for more than 1500 socially vulnerable persons, established 87 new jobs and adjusted 20 jobs for the disabled. Four enterprises organised general and special training courses attended by 138 persons belonging to target groups. By using the state aid, 4 enterprises adjusted work and leisure environment to 52 disabled persons. Social enterprises of the disabled employ 64 assistants providing support to 564 disabled persons in executing their job functions.

**Employment of Foreigners.** In order to solve the problem of labour force shortage, in 2007 employers have started to more intensively use the labour force arriving from third countries (non-EU nationals). So far the number of the above employed is not big, however, in 2007, compared to 2006, the number of employees from third countries has increased nearly twice (see Figure 2.1.1.3-7).

The existing legal regulation regarding persons from third countries is stipulated in the Law on Legal Status of the Alien and in other legal acts, by giving the priority to forms of temporary migration. The Ministry of Social Security and Labour, while considering the issues related to the employment of foreigners from third countries in the Republic of Lithuania, provides the assistance to employers in acquiring the qualified labour force and protecting the country’s labour market from the illegal employment of foreigners. Notably, employees from third countries shall be attracted in the Lithuanian labour market only in the sectors which have identified the shortage of local labour force (as well as the shortage of employees in other European Union Member States) restricting operational possibilities of enterprises; or for a limited period of employment agreements by taking into consideration the flows of the returning local labour force from emigration.

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Work permits issued to foreigners for work in the Republic of Lithuania in 2006–2007

The Lithuanian Labour Exchange, having evaluated the ratio of supply and demand in the labour market, shall issue permits to foreigners for work in the Republic of Lithuania not later than within 2 months, in case of posted workers – not later than within 1 month; from autumn 2007 this deadline for highly qualified workers was also shortened to one month. Foreigners arrived to Lithuania from 33 states, mostly from Belarus (38 percent), Ukraine (36 percent) and Turkey (7 percent). Compared to 2006, the number of foreigners has increased: from Ukraine (by 4 percentage point), Belarus and Russia (1 percentage point). The number of persons arriving from Turkey, Moldova and China has also increased significantly and they respectively comprise 7, 5 and 4 percent of the total number of foreign citizens who arrived to the Republic of Lithuania for temporary employment.

In 2007 the major need was for qualified bricklayers, welders, concrete-layers and especially for transit drivers. The need for seafarers of large fishing trailers and for chief mechanics and metalworkers increased. The majority of foreigners worked in the following economic sectors: construction (47 percent), transport (37 percent), services (10 percent), manufacturing (3 percent) and light industry (3 percent).

While comparing the data of the issued permits by professions in 2007 and 2006, we could see (from Figure 2.1.1.3–8) that the demand has especially increased for concrete-layers (more than 3 times), transit drivers (by 82 percent), bricklayers (by 207 percent), cooks (by 54 percent), and electric welders (by 40 percent).

Foreigners employed in the Republic of Lithuania by professions in 2006–2007

Data of the Lithuanian Labour Exchange

Diagram 2.1.1.3–8
In 2007 the number of long-term unemployment has decreased in the territorial labour exchange. However, not all the vacancies were filled effectively due to the insufficient number of qualified unemployed and low quality of workplaces. The demand for qualified employees exceeded their supply more than two times.

2.1.1.4. Improvement of the labour market legislation

In 2007, relevant laws and secondary laws regulating the labour market were further improved and amended with a view to attracting and retaining more people in the labour market and reducing social exclusion.

Upon the approval of the amendments to the Law on Unemployment Social Insurance\(^6\), it was established that when estimating the unemployment social insurance benefits, the insured income shall include the sums from which unemployment insurance benefits were paid from the state funds.

Taking into consideration that compensations for special working conditions are specific benefits, compensating social guarantees (which are not valid anymore) stipulated in the former laws, and that that they are paid irrespective of whether a person is employed or unemployed, it was established that the unemployed receiving the above compensation shall be paid the total estimated unemployment insurance benefit (compensation is not deducted from the benefit). Moreover, groups of persons covered by the unemployment social insurance were expended.

In order to improve conditions for integration of the disabled into the labour market, the Law on Social Enterprises\(^7\) was amended and updated. It was established that subsidies and compensations shall be entitled to social enterprises upon the employment of the disabled with up to 55 percent working capacity. From now social enterprises might be entitled to subsidies and compensations also for the employed persons with the assessed high or medium level of special needs, i.e. the pension age persons. It is envisaged to grant subsidies and compensations established for other target groups for further employment of pension age disabled persons. The subsidy for compensation of the costs of the assistant (translator of body-language) was also increased.

In order to achieve mobility and flexibility of labour relations, the provision prohibiting the social enterprises to employ the disabled for shorter period than 12 months was eliminated. With a view to creating more favourable conditions for social enterprises for the adjustment to market changes and increasing the temporary employment opportunity for persons belonging to target groups, the term of a fixed-term agreement concluded with an employee belonging to the target group, was shortened from 12 to 6 months.

The requirement for social enterprises to comply with the terms established in the Law on Small and Medium Business for small and medium business subjects was also eliminated, as well as the requirement to co-ordinate the social integration plan of persons belonging to target groups with the director of a municipal administration, the Labour Market Training Authority and the territorial labour exchange.

The support established in the Law on Social Enterprises was also increased to persons with more severe disability, by retaining workplaces for currently working disabled persons and by employing more persons with more severe disability. It is envisaged that for each severely disabled with the

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working capacity not exceeding 25 percent or high level of special needs, the entitled compensation shall comprise 80 percent of the sum of all types of wages estimated that month, but not exceeding the amount of two minimum monthly wages estimated for that month and the sum of the insurer’s compulsory state social insurance contributions estimated from the wages; 70 percent – for each employee or a disabled employee with the medium disability level with the assessed 30-40 percent of working capacity or medium level of special needs; 60 percent of compensation – for each disabled employee with the assessed 45-55 percent of working capacity.

In order to help employers and the disabled to more flexibly and effectively establish jobs and retain additionally supported persons in the labour market, the Description of the Procedure of Terms for Subsidising the Establishment of Jobs\(^8\) and the Description of the Procedure and Terms for Employment via Subsidies\(^9\) were amended and updated.

In order to facilitate the procedure for the establishment of new jobs, it is envisaged to establish jobs not during the calendar year but within 10 months from the day of signing the agreement.

Since certain disabled persons have or might have business course graduation certificates or documents confirming this qualification, the requirement to take part in the courses organised by the labour exchange or to elaborate an individual business development plan was eliminated.

However, taking into consideration that business planning could help the disabled to develop entrepreneurship skills, the disabled applying for a subsidy for the start-up of their business, shall submit a free form description of the planned activity pursuant to the new requirements of the complement.

According to former requirements, a disabled establishing own workplace had to be paid (upon the signature of the agreement for support of self-employment) 50 percent of the sum of the total amount of a subsidy; the remaining part – within 20 days after signing the document for establishment of a workplace. However, taking into consideration that a disabled person usually does not have enough own funds for the establishment of a workplace, the subsidy funds were increased up to 75 percent of the amount of the total subsidy, by paying it within 10 working days from the submission of the payment request concerning the receipt of the partial payment.

The terms and responsibility for the entitlement of funds for the establishment of workplaces were specified. It was envisaged that a beneficiary shall insure the long-term material assets, for the acquisition of which (establishment or adjustment of a workplace) the support was used. A beneficiary shall insure the long-term material assets for at least three years from the day of the acquisition of property. Besides, each year he/she shall submit to the labour exchange the documentation substantiating the insurance. A beneficiary shall insure the long-term material assets by the maximum property restorable value insurance against all possible risks.

The types of expenditure of the allocated subsidy were also specified by anticipating technical assistance measures (for the disabled), adjustment of premises, and the insurance of long-term material assets. It is envisaged that a subsidy for a disabled, establishing a workplace, could be also allocated for financing the advertising costs, which are necessary for the establishment of relevant conditions for a new workplace.

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In order to facilitate integration of the disabled into the labour market and to simplify the procedure of establishment of own workplace, it is envisaged that beneficiaries, i.e. the disabled with 40 percent of working capacity or medium level of disability, establishing own workplaces, can specify the cost-estimate (budget) indicated in the application, but not increase the indicated amount of a subsidy if the reallocation of a subsidy between different budget lines does not increase the planned expenditure by more than 20 percent.

It is also envisaged that prior to the establishment of workplaces stipulated in the agreement, a beneficiary (an employer and a disabled person establishing own workplace) shall submit to the territorial labour exchange (every month until day 5 of the next month) the financial report on monthly activity related to the implementation of the measure.

The terms of employment via subsidies were also specified by envisaging that employment via subsidies shall be organised by filling in vacancies and established (adjusted) workplaces.

In response to the changing labour market situation due to the lack of labour force, legislation regulating employment of workers arriving from third countries was amended.

At the end of 2006 a new opportunity was provided to foreigners to obtain a work permit (in exceptional cases) without leaving Lithuania. The above permit is issued when a foreigner, having arrived to Lithuania according to the employment contract, has been working for two years in one of the spheres of the economic activity with the identified shortage of workers of a certain profession, and when the departure of an employee could cause the disorder in the economic activity. To this end, in 2007 the minister of social security and labour approved (for 1st and 2nd half of the year) the List of Professions the Workers of which the Republic of Lithuania is short of by Economic Activities. These professions included: ship hull specialists, drivers, constructors, welders, engineers and fitters.

In order to help the employers with the highly qualified labour force, the Description of the Procedure and Terms for Issuing Work Permits was supplemented by a new provision establishing that by employing a highly qualified employee the territorial labour exchange shall analyse the submitted documentation within 2 weeks and issue a permit within 1 month. Earlier this term was twice as long.

Taking into consideration that foreign labour force shall be attracted only for limited periods, and in order to retain the breaks between the issuance of work permits, the periods were regulated so as to provide a possibility to foreigners, upon finalisation of the above periods, to come again to the Republic of Lithuania for work:

- a work permit under the employment contracts is issued for the period of 2 years. A foreigner can again be employed after not less than 1 month after the expiry of validity of the issued work permit;

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– in case of posted employees a work permit is issued for the period of 1 year and can be extended for another 1 year; afterwards a foreigner can arrive not less than 3 months after the end of the expiry of validity of the issued work permit.

Qualification requirements for the arriving employees were tightened. Requirements for a job record of an alien were regulated; they stipulate that job record of an alien under the current professional qualification shall not be shorter than 3 years during the recent 5 years. The new requirement for employers stipulates that they shall, while elaborating manufacturing or other projects, anticipate the need of employees of a relevant qualification and submit applications to the territorial labour exchange on training of employees of certain professions. In case if an employer does not register vacancy with the territorial labour exchange, the application on the issue of a work permit is not analysed.

2.1.1.5. Corporate social responsibility and its promotion

Lithuania, together with other European Union Member States seeks to achieve the objective of the revised Lisbon Strategy, i.e. to support the sustainable development and economic growth, and to establish more and better jobs. While implementing the Lisbon Strategy and assuring sustainable development, enterprises play the key role in the field of economic growth, establishment of jobs and implementation of innovations. Enterprises are also one of the actors of labour market, using the intellectual and social capital accumulated by employees, therefore they should be responsible for the security and development of this capital.

As declared in the Communication of the European Commission of 23 March 2006 “Implementation of the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on Corporate Social Responsibility” 13, for Europe is not enough to have ordinary business companies. More than ever it needs socially responsible corporate business to take part of the responsibility for the European affairs. Europe needs a public climate in which entrepreneurs are appreciated not just for making a good profit but also for making a fair contribution to addressing certain societal challenges.

The Communication of the European Union highlights that corporate social responsibility (further referred to as CSR) is a behaviour when enterprises integrate social and environmental concerns in their business operations on a voluntary basis and not only by following the requirements stipulated in the laws or contractual commitments. CSR provides a possibility for large and small enterprises, together with the stakeholders, to coordinate economic, social and environmental goals. A serious attitude towards CSR could increase the number of jobs and improve work conditions, ensure the protection of rights of employees, promotion of research and development of technological innovations. CSR goals are a constituent part of the economic, social and environmental goals of the Lisbon Agenda. The importance of CSR increases both, in the entire world and in the EU, since it is part of the discussion on globalisation, competitiveness and sustainability.

The European Parliament Resolution 2006/2133 (INI)14 of 13 March 2007 on Corporate Social Responsibility: the New Partnership, approved the definition of CSR and highlighted that the agreement was made at the EU level leading to a measurable and transparent contribution from business in com-


bating social exclusion and environmental degradation in Europe and around the world. The European Parliament supports the principle of “responsible competitiveness” as an integral part of the Commission's Programme for Innovation and Competitiveness; challenges European companies to include in their reporting how they are contributing to the Lisbon goals;

In the Western business community, the ideas of corporate social responsibility or socially responsible business have been discussed and applied in practice long time ago. The corporate social responsibility is quite a new concept in Lithuania and has no routes or traditions. Discussions on the above subject started in 2004.

The National Network of Responsible Business, established in Lithuania in 2005, operates as part of the United Nations Global Compact. The National Network of Responsible Business was established in Lithuania by the responsible business initiative group at the end of 2004 and encompassed 11 Lithuanian private business companies and associations. In April 2007 the National Network of Responsible Business had 45 members: 38 enterprises and 7 organisations.

At the Governmental level CSR ideas have also been developed from 2004. Then it was the first time when a provision "to promote and develop corporate business responsibility" 15 was included in the paragraph "Work, Family and Social Security" of the Programme of the Government of the Republic of Lithuania. In pursuance of this Programme provision and upon execution of the survey of company leaders in 2005, the draft Measures Promoting Corporate Social Responsibility in 2006-2008 were elaborated. After consultations with the members of the national corporate responsible business network, the document was co-ordinated with the Ministries of Finance and Economy, and on 22 December 2005 was approved by the Order of the Minister of Social Security and Labour 16. This document not only promulgates the concept of CSR, but provides a very clear vision for the development of CSR, including clearly specified goals and measures for the achievement of these goals.

According to the Resolution of the Government of the Republic of Lithuania of 17 October 2006 "On the Approval of Measures for the Implementation of 2006-2008 Programme of the Government of the Republic of Lithuania" 17, the Measures Promoting Corporate Social Responsibility in 2006-2008 were attributed to priority measures to be implemented by the Trust Government.

The following works were executed since 2006 while implementing the Measures Promoting Corporate Social Responsibility in 2006-2008:

- organisation of various events together with partners, e.g. training courses, "round" table (in pursuit of joint solutions) and "square table" (for the exchange of opinions) discussions and the international conference with the involvement of employers, representatives of trade unions, scientists, and representatives of state institutions and non-governmental organisations;
- Manual on Corporate Social Responsibility – "CSR Development Principles" was issued by the order of the Ministry of Social Security and Labour. 3800 copies of the above publication were disseminated per a year;

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In autumn 2006 a new heading "Corporate Social Responsibility" was introduced in the website of the Ministry of Social Security and Labour. It provides the list of relevant corporate businesses, description of recent CSR trends, legal acts and communications on the above issue.

With a view to assuring the co-ordination of measures promoting the development of CSR at the Governmental level, in March 2006 an inter-institutional Permanent Commission for Co-ordination of the Development of Corporate Social Responsibility" was established and started its activity.

Quite a lot was done in 2007 as well, namely:

- an in-depth analysis of the legal basis on factors promoting and hindering corporate social responsibility;
- organisation (for the first time) of training for social auditors (CSR advisors) for representatives of enterprises, trade unions, NGOs and state institutions;
- three "round tables" on CSR issues in Vilnius, Kaunas and Klaipeda with more than 100 thousand representatives of different enterprises;
- elaboration of the methodology on CSR "Practice of Responsible Business", 2007. It was designed for small and medium enterprises in order to introduce sound corporate social responsibility examples to the Lithuanian enterprises and to encourage implementation of their own social responsibility projects;
- the analysis of CSR training/studies programmes and introduction of a profession, and a feasibility study for the improvement of management training programmes. Conclusions of researchers were presented in the scientific conference, where representatives of the Ministry of Education and Science and higher schools discussed the opportunity for the delivery of the course on CSR in higher schools.

It is worth while highlighting that in 2007, the election of enterprises which mostly contributed to the development of social welfare for the National Responsible Business Award was launched for the first time in the history of the independent Lithuania. The information campaign took place from November 2007. The Evaluation Commission for the National Responsible Business Award was established for the evaluation of submitted applications. The Commission consisted of the members of the Permanent Commission for Co-ordination of CSR Developments, as well as of outstanding personalities of the society, who contributed to the promotion of CSR in Lithuania. Nine enterprises of the country were honoured during the award ceremony in Vilnius on 8 April 2008.

Enterprises which managed to establish safe, healthy, high quality and attractive jobs for their employees were awarded in the nomination Workplace of the Year. The nomination evaluated satisfaction of employees in work conditions; active dialogue of authorities of an enterprise with employees and other initiatives of employers providing the opportunity not only to work effectively, but feel safe, useful and valuable.

Winners: SC "Lietuvos draudimas“ (large Lithuanian enterprise); JSC "Litexpo“ (small and medium business company); JSC "PricewaterhouseCoopers“ (foreign enterprise and representation operating in Lithuania).

Enterprises awarded in the nomination The Partner of the Year have distinguished from the others by their especially active partnership with community and public organisations. The enterprises
were evaluated not for their philanthropic activity, but for the actual dialogue and partnership with local communities and non-governmental organisations in making business decisions, as well as for the sustainable, mutually beneficial and long-term partnerships with society, and other activities which contributed to the establishment of open and sound society.

Winners: JSC "Omnitel“ (large Lithuanian company); JSC "Microsoft Lietuva“ (small and medium business enterprise); SC "Kraft Foods Lietuva“ (foreign enterprise and representation operating in Lithuania).

The most progressive enterprises in the sphere of Corporate Social Responsibility were awarded in the main nomination "Socially Responsible Business 2007". These enterprises not only managed to achieve significant progress and sustainability in fulfilling their commitments to employees, community and the state, but also contributed to the promotion of the idea of Corporate Social Responsibility in Lithuania. They took active part in the activity of the National Responsible Business Network, discussed and shared best CSR practice examples, established CSR strategies, CSR job positions and presented public reports on social activity.

Winners: SC Bank "Hansabankas“ (large Lithuanian enterprise); JSC "Traidenis“ (small and medium business enterprise); UAGDPB "Aviva Lietuva“ (foreign enterprise and representation, operating in Lithuania).

Quantitative outcomes of measures promoting CSR: compared to 2005, in 2008 the number of enterprises implementing the CSR principles in Lithuania has increased from 39 to 54.

**2.1.2. Development of Human resources**

Due to unfavourable demographic trends – the decreasing birth rate, ageing population and extensive emigration – the population and the number of working age citizens is decreasing in Lithuania. Although the level of education of the Lithuanian residents is relatively high, the lack of qualified employees becomes one of the key problems hindering the economic growth of Lithuania. Qualification of the labour force often does not comply with the labour market needs, the phenomenon of the structural unemployment is observed, as well as low professional mobility. Meanwhile the system of vocational guidance is under development and quality of training is not yet sufficient. Besides, the employers are not enough concerned about training of employees. Quite a small number of the Lithuanian residents is involved in lifelong learning due to the lack motivation, time and funds.

Taking into consideration the above situation and in view of achieving better compliance of professional qualifications with the labour market needs, legislation related to the vocational training system is being improved. The Law Amending the Law on Vocational Training came into force on 1 January 2008\(^\text{18}\). The Law defines the new vocational training system in Lithuania. One of the innovations related to the implementation of the Law on Vocational Training is the establishment of the National System of Qualifications. The established National System of Qualifications would help the Lithuanian employers in assessing qualification, knowledge and skills of employees; the education institutions – in planning the programmes for upgrading qualification and education of current and future employees, the citizens – in adapting to the requirements of the changing environment.

In order to achieve better compliance between the qualified labour force supply and demand and more flexible response of the vocational training system to the labour market changes, a special attention would be given to forecasting the future qualification needs. To this end, the methodology for forecasting the medium term qualification needs is under elaboration.

It is also envisaged to increase the investment into the vocational training infrastructure pursuant to the Concept for the Development of Vocational Training Infrastructure for Adults and Youth in the Regions19. This Concept would be aimed at the implementation of measures facilitating the increase of vocational training quality and would create conditions for the effective provision of vocational training services for regional and local communities.

2.1.2.1. Implementation and Co-ordination of the Labour Market Human Resources Development Policy

The Ministry of Social Security and Labour, while delivering the entrusted objectives in the area of development of human resources, implements the state labour market vocational training policy, guarantees functioning and improvement of the labour market vocational training system, the elaboration and implementation of the strategy of the labour market human resources policy, and coordinates the recognition of the regulated professional qualifications.

On 1 January 2008, the Law Amending the Law on Vocational Training of the Republic of Lithuania came into force. Currently relevant legal acts are under elaboration. The new wording of the Law on Vocational Training of the Republic of Lithuania establishes the structure of the vocational training system, establishment of qualifications, their arrangement and granting, organisation and management of vocational training, and financing of vocational training.

The structure of the vocational training system has changed. The Law Amending the Law on Vocational Training of the Republic of Lithuania defines it as the vocational training system of Lithuania encompassing primary vocational training, continuous (further) vocational training and vocational guidance. The Law Amending the Law on Vocational Training of the Republic of Lithuania promulgates the provision that vocational guidance services shall be provided to all residents of the Republic of Lithuania.

The new wording of the Law on Vocational Training promulgates the National System of Qualifications, the key objective of which is to ensure the compliance of qualifications with the economy needs, as well as their transparency, comparability, continuity of training, as well as vocational and territorial mobility of persons. The system of qualifications would comprise the establishment and arrangement of qualifications, evaluation of the acquired competences and provision of qualifications. It is envisaged that The Qualifications Authority under the Government of the Republic of Lithuania would be responsible for the system of qualifications.

The above law also defines authorisations of social partners; these authorisations are more extensive than earlier. The Law stipulates that qualification of the graduates of vocational schools would be evaluated by the certified employers’ organisations, professional associations of relevant economy branches or other institutions evaluating competences. Requirements for competence evaluation institutions and the procedure for their accreditation shall be established by the Government.

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The new Law regulates the involvement of employers into the system of vocational training, a possibility for the employed not having a recognised qualification to obtain the qualification certificate without leaving their workplace. All the above would contribute to the establishment of a more flexible vocational training system closely related to the labour market needs.

In order to attract more people into the labour market and to invest more efficiently into the human resources and lifelong learning, the measures stipulated (together with the Ministry of Education and Science of the Republic of Lithuania) in the **Strategy for Assurance of Lifelong Learning**, the plan for implementation of its measures\(^{20}\), and in the **Plan for Implementation of the Vocational Guidance Strategy\(^{21}\)**, are implemented.

In order to better implement the principle of free movement of people and facilitate the employment of persons in the EU Member States, **recognition of the regulated professional qualifications** becomes instrumental. One of the key objectives of the Ministry of Social Security and Labour in this sphere is to coordinate the activity of competent authorities via elaboration of legal acts and recognition of professional qualifications.

After the European Parliament and the European Council adopted Directive 2005/36/EC of 7 September 2005 on the recognition of professional qualifications, which links 15 currently valid directives, the European Commission established a constitutive committee for transposition of the Directive provisions into the national legislation. The Lithuanian Coordinator for recognition of professional qualifications participated in the activity of the aforementioned committee. In order to transpose provisions of Directive 2005/36/EC into the national legislation of the Republic of Lithuania, the Law on Recognition of the Regulated Professional Qualifications of the Republic of Lithuania was adopted on 3 April 2008\(^{22}\), as well as the Resolution of the Government of the Republic of Lithuania on implementation of this law\(^{23}\). Draft orders of top management of institutions, the sphere of regulation of which encompasses certain regulated professions, were also prepared.

By the Law on Recognition of Regulated Professional Qualifications of the Republic of Lithuania the efforts are made to ensure that citizens of the EU Member States, EEA and Swiss Confederation could, after having acquired professional qualification in the EU, EEA and Swiss Confederation, work on a self-employed basis or under employment contract according to the same profession regulated in the Republic of Lithuania and enjoy the same rights as the citizens of the Republic of Lithuania; as well as to simplify the existing legal base for recognition of professional qualifications in order to make the recognition process more effective and efficient.

The above Law promulgates three systems for recognition of professional qualifications: the General System for the Recognition of Evidence of Formal Qualification, the System for Recognition of...

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Professional Experience, and the System for Recognition of Qualification on the Basis of Coordination of Minimum Training Requirements – the automatic recognition, as well as the principle of transition from one system to another.

In 2007, the Lithuanian Coordinator for recognition of professional qualifications participated in the activities of the Committee of coordinators for recognition of professional qualifications of the European Union Member States, provided information to the European Commission regarding the regulated professions and competent authorities in the Republic of Lithuania, and prepared the report to the European Commission regarding the recognition of regulated professions in the Republic of Lithuania.

The Programme for the Establishment of the System of Social Adaptation of Officials and the Military Released to Pension, their Medical Rehabilitation and Vocational Guidance into other Operational Spheres, approved by the Resolution No 1030 of the Government of the Republic of Lithuania of 20 September 2005, is also under implementation. Its objective is to ensure the effective functioning of the system for application of social adaptation and complex rehabilitation measures for officials or the military released to pension or withdrawing from the army, and to pay a special attention to social issues, adaptation to the new working environment, as well as to medical rehabilitation of officials or the military released to pension or withdrawing from the army.

2.1.2.2. Labour market vocational training

In 2007, there were 33,2 thousand people trained in the labour market training centres and this was by 4,1 thousand or 14 percent more than a year ago. The number of women amounted to 13 thousand, youth under 25 years of age – 7,1 thousand, persons over 55 years of age – 2,7 thousand.

The number of persons whose training was financed from the ESF and budget funds has doubled in comparison to 2006; the share of persons whose training was financed from the Employment Fund has increased by 13 percent, and the share of persons whose training was financed by employers increased by 9 percent. The share of persons who covered their training from own funds, has decreased by 10 percent.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>18582</td>
</tr>
<tr>
<td>2003</td>
<td>28485</td>
</tr>
<tr>
<td>2004</td>
<td>28100</td>
</tr>
<tr>
<td>2005</td>
<td>28176</td>
</tr>
<tr>
<td>2006</td>
<td>29105</td>
</tr>
<tr>
<td>2007</td>
<td>33161</td>
</tr>
</tbody>
</table>

Data of the Lithuanian Labour Market Training Authority under the Ministry of Social Security and Labour

Figure 2.1.2.2-1

24 Resolution No 1030 of the Government of the Republic of Lithuania of 20 September 2005 On the Approval of the Programme for the Establishment of the System of Social Adaptation, Medical Rehabilitation and Vocational Guidance into other Operational Spheres for the Officials and the Military, Released to Pension (Official Gazette, 2005, No 113-4128)
Figure 2.1.2.2-1 indicates the trend of the continuous increase of people trained by the labour market training centres: during the recent 6 years the number of trainees has increased 1.8 times, i.e. from 18,582 persons in 2002 to 33,161 in 2007.

The labour market vocational training system provides labour market formal and non-formal training programmes for acquisition of qualification, requalification or upgrading qualification. Formal training is training upon finalisation of which a person acquires a state recognised certificate. Formal training programmes are included into the State Register of the Studies and Training Programmes25. Enterprises, organisations and educational institutions intending to teach according to these programmes shall obtain a permit (license).

Non-formal training is training upon finalisation of which a person acquires a certificate of a free form recording the acquired knowledge and competence. The content of these programmes and the issued certificates are not regulated by the state. In 2007 formal training programmes were finalised by 21,9 thousand persons, non-formal – by 7,7 thousand. 3,6 thousand persons took part in non-formal education programmes.

65 new formal training programmes providing qualifications were elaborated during 2007. 12 programmes were prepared for persons with basic education, namely for: the baker, cleaner, woodcutter, road worker, and for acquisition of various construction professions. Two specialised training programmes were elaborated for persons who've been out of the labour market for a long time, e.g. for the interior painter and shop-assistant-consultant. 14 new formal training programmes adjusted to people with disabilities were prepared under the project ”Development of Integration of the Disabled into the Labour Market”26. Because of the increased need for employees with more extensive vocational training and capable of doing more and different jobs, 6 double (parallel) training programmes were elaborated for a bricklayer, tile-layer, woodworker and carpenter, woodworker and wood processing machinist, gater and wood processing machinist, shop assistant and barman, cook and confectioner. Upon finalisation of another five programmes persons would acquire the right to do certain jobs. 25 training programmes were updated and modified. They aimed at training employees working with the potentially dangerous equipment and employees executing dangerous works.

From 177 non-formal education and training programmes, 12 were designed for older persons and aimed at the development of computer literacy, foreign languages, cultural activity and social adaptation. 10 programmes were designed for the development of general skills, i.e. for communication and cooperation, adaptation to changes and team work. 36 programmes were prepared for persons with different disabilities. Quite a big number of training programmes are aimed at the development of general skills, social integration and career planning. 12 new and 5 revised non-formal education programmes were elaborated.

2.1.2.3. Vocational counselling

In 2007 counselling in the territorial labour market training and counselling services was provided to 47,6 thousand persons, from them: 28,9 thousand adults. Individual counselling provided to 22,4 thousand, group counselling – to 25,2 thousand persons. The number of counselled socially vulnerable persons amounted to 11,6 thousand or 40,2 percent of all the counselled persons.

26 http://www.ldrmt.lt/?pid=562
Compared to 2006, the scope of counselling provided to pupils of comprehensive schools has increased (by 13 percent). The number of the counselled unemployed (38 percent), parents of pupils and pedagogues (33 percent), and employees (22 percent) decreased.

2.1.2.4. Establishment of the National System of Qualifications

Implementation of the project "Establishment of the National System of Qualifications" under Measure 2.4 of the Single Programming Document is under way.

The main objective of the project is to establish a uniform and transparent system of qualifications encompassing all levels of qualifications, ensuring the transition between the levels, providing for the diversity of ways for acquisition of qualifications and a possibility to flexibly respond to the changing environmental requirements.

The system of qualifications is necessary in order to establish qualifications and arrange them by levels to be defined by the complexity and nature of executed works. The National System of Qualifications would be created pursuant to the labour market requirements and help employers of the country to evaluate the competence, knowledge and skills of employees, and scientific institutions to plan education programmes.

Tasks of the project "Establishment of the National System of Qualifications":
- to create the model of the national system of qualifications;
- pursuant to the model of the system of qualifications, to establish qualification digests and qualification structures in the selected economy branches;
- to prepare human resources necessary for the implementation of the national system of qualifications.

Works carried out in 2007 in implementing this project:
- elaboration and publication of the study of the Foreign National Systems of Qualifications;
- description of the draft (concept) National System of Qualifications in Lithuanian and English;
- description of the Register of Qualifications and Methodology for Elaboration of the National Profession Standard;

http://www.lnks.lt/
- elaboration of the report on the analysis of professional activity of the construction and hotel-
  restaurant sectors;
- finalisation of elaboration of the database of the professional activity analysis;
- beginning of elaboration of profession standards;
- organisation of 6 workshops for members of the target group of the project;
- external evaluation of project results.

2.1.2.5. Optimization of the Network of Providers of Labour Market Training and Counselling Services

The project “Improvement of the Lithuanian Labour Market Training and Counselling System Infrastructure by Modernizing Regional Labour Market Training and Counselling Centres”\(^{28}\) listed under Measure 1.5 of the Lithuanian Single Programming Document for 2004–2006 (the technical assistance contract was signed on 31 August 2006) and funded by the European Regional Development Fund (ERDF) is under implementation. The key objective of the project is to reduce unemployment of target groups, ensure quality and accessibility of services by providing good training conditions complying with the labour market needs, based on modernized infrastructure, equipment and machinery.

In 2007, the Ministry of Social Security and Labour, while executing its objectives in the area of human resources development, implemented the state labour market vocational training policy, ensured functioning and improvement of the state labour market vocational training system, and coordinated the recognition of regulated professional qualifications.

2.1.3. European Union Structural Funds

The Ministry of Social Security and Labour is the Intermediary Body in charge of planning of the EU Structural Funds and co-financing funds of Measure 5 of Priority 1 “The Development of Social and Economic Infrastructure” and Measures 1, 2 and 3 of Priority 2 “The Development of Human Resources“ of the Single Programming Document of Lithuania for 2004–2006, as well as for the implementation and supervision of the measures.

For the period of 2004–2006 all activity groups of measures administrated by the Ministry have received LTL 548,36 million, of which LTL 41,42 million are the funds from the EU Structural Funds and LTL 130,94 million from the national co-financing.

For the above period operational groups under the SPD Measure 1.5 ”Development of Infrastructure of Labour Market, Education, Vocational training, Research and Study institutions and Social Services (Supplementing the ESF Measures)” were granted LTL 130,75 million, of which LTL 100,67 million from the European Regional Development Fund.

The funds allocated for the implementation of the SPD Measure 2.1 ”Development of Employability”, Measure 2.2 ”Development of Labour Force Competences and Ability to Adapt to Changes“ and Measure 2.3 ”Prevention of Social Exclusion, and Social Integration“ amount to LTL 417,61 million, of which LTL 316,75 million from the European Social Fund.

\(^{28}\) http://www.ldrmt.lt/?pid=577
2.1.3.1. Project selection results

In implementing the SPD measures administrated by the Ministry, 16 calls for project proposals for the EU support were launched. The total sum of the requested support of 730 applications amounted to LTL 945,39 million.

Following the evaluation of administrative conformity, eligibility, benefits and quality of applications received, the decision was made to support 450 projects financed under Measures 1.5, 2.1, 2.2 and 2.3. Of all applications submitted, 62% thereof were deemed eligible for funding.

Part of the applicants submitted projects to be implemented in several counties or projects encompassing the geographically unlimited territory of the country, therefore the majority of them engaged citizens residing in all counties. Thus the support was allocated not only to project executors residing in the Lithuanian economic centres, but also to those living in peripheries. However, the majority of measures administered by the Ministry of Social Security and Labour are implemented in Vilnius, Kaunas, Klaipėda and Panevėžys counties. The least number of projects, in comparison to other territories, is implemented in Telšiai, Marijampolė and Tauragė counties (6 and 7 percent of the total amount of executed projects).

While implementing the projects for the development of infrastructure under the SPD Measure 1.5, and upon the announcement of public procurement of contract works (construction, reconstruction activities etc.), the received proposals have significantly exceeded the funds anticipated in the project budgets due to the increased prices of contractual works. In view of the above, the call for proposals for the additional support was launched, and in December 2007 the additional sum amounting to LTL 19,2 million was allocated from the state budget for the implementation of 25 infrastructure development projects.
State of project implementation by 1 May 2008

<table>
<thead>
<tr>
<th>Measure</th>
<th>Number of registered applications</th>
<th>Decisions on support</th>
<th>Signed support agreements</th>
<th>Implemented projects</th>
<th>Terminated projects</th>
<th>Projects granted the additional support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>730</td>
<td>450</td>
<td>449</td>
<td>135</td>
<td>10</td>
<td>121</td>
</tr>
<tr>
<td>1.5 Development of labour market, education, vocational training, science and studies institutions and social services infrastructure (by complementing the ESF supported measures)</td>
<td>215</td>
<td>101</td>
<td>101</td>
<td>69</td>
<td>1</td>
<td>25</td>
</tr>
<tr>
<td>2.1 Development of Employability</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2.2 Development of labour force competences and ability to adapt to changes</td>
<td>329</td>
<td>246</td>
<td>245</td>
<td>46</td>
<td>8</td>
<td>75</td>
</tr>
<tr>
<td>2.3 Prevention of social exclusion, and social integration</td>
<td>181</td>
<td>98</td>
<td>98</td>
<td>16</td>
<td>1</td>
<td>21</td>
</tr>
</tbody>
</table>

Upon the evaluation of the saved and the non-used funds during the project implementation, the call for proposals for the additional support was launched at the beginning of 2008 for projects implemented under the SPD Measures 2.2 and 2.3 for 2004-2006. More than LTL 18 million was allocated for the additional project activities of the SPD Measure 2.2 "Development of Labour Force Competences and Ability to Adapt to Changes", and more than LTL 2,3 million for the activities of the SPD Measure 2.3 "Prevention of Social Exclusion, and Social Integration".

By 1 May 2008, 10 projects financed from the EU were terminated; the majority of them (8) were projects of Measure 2.2. The reasons for termination of activities were related to the changes in the internal situation of project executors, e.g. bankruptcy, lack of administrative skills, changes in the strategy of training of an organisation, inability to ensure own contribution to the project, reorganisation of an institution, reduction of the target group (employees) etc. Execution of one project of the SPD Measure 1.5 was terminated due to the established violations.

Finalisation of implementation of other projects is planned by the end of 2008.
2.1.3.2. Implementation results by measures

Under the SPD Measures 1.5, 2.1, 2.2 and 2.3 for 2004-2006, 135 projects of measures administered by the Ministry of Social Security and Labour were implemented by 1 May 2008. LTL 90,5 million were used for their activities (68,3 percent from the EU support funds).

The value of support agreements of projects of the SPD Measure 1.5 ”Development of Infrastructure of Labour Market, Education, Vocational training, Research and Study institutions and Social Services (Supplementing the ESF Measures)” exceeds the sum of LTL 150,12 million, from which 76,85 percent are allocated from the EU support funds. Implementation of projects of the above Measure includes the construction of 5 new infrastructure objects, reconstruction and modernisation of 24 buildings of labour market and social services institutions. By the end of April 2008, the indicator of the jointly established workplaces reached 159 percent in comparison to indicators planned in the support allocation agreements.
Achievements of the SPD Measure 1.5 for 2004–2006 by 1 May 2008

<table>
<thead>
<tr>
<th>Operational areas</th>
<th>Indicators</th>
<th>Number of new infrastructure objects for development of human resources</th>
<th>Number of modernised human resources development institutions</th>
<th>Number of jointly established workplaces</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Plans under signed support agreements</td>
<td>Achieved results</td>
<td>Plans under signed support agreements</td>
<td>Achieved results</td>
</tr>
<tr>
<td>Development of non-institutional social services infrastructure</td>
<td>3</td>
<td>2</td>
<td>32</td>
<td>20</td>
</tr>
<tr>
<td>Development of vocational rehabilitation infrastructure for the disabled</td>
<td>-</td>
<td>-</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Improvement of infrastructure of the territorial labour exchange and labour market training centres</td>
<td>8</td>
<td>3</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>11</td>
<td>5</td>
<td>43</td>
<td>24</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour Table 2.1.3.2-1

LTL 432,5 million was allocated for the implementation of projects of the Measures 2.1, 2.2 and 2.3 of the SPD Priority II "Development of Human Resources", from which LTL 321,5 million are funds of the EU.

According to the data of 1 May 2008, the average amount of support for an implemented project under the above measures amounted to LTL 1,28 million (LTL 0,95 million of the EU support funds). More than 162 thousand persons were involved in the activities of projects supporting development of human resources. Pursuant to the data of 1 May 2008, approximately 89 percent of the commitments specified in the support agreements were accomplished.

Number of trained (educated) beneficiaries by 1 May 2008

![Number of trained (educated) beneficiaries by 1 May 2008](image)

Data of the Computer Information Management And Control System of the EU Structural Support Figure 2.1.3.2-2
The key objective of the SPD Measure 2.1 "Development of Employability" is to reduce unemployment and combat long-term unemployment, improve employability skills of the unemployed as well as their integration into the labour market. More than 27 thousand of unemployed of the target group took part in the project activities of the above measure, i.e. by 69 percent more than it was anticipated under the signed support agreements. Participants of projects attended activation and motivation development lessons, acquired marketable professional qualifications, acquired computer literacy skills, attended driving courses and took part in the supported employment measures. Afterwards more than 12 thousand persons were placed to jobs.

Since the beginning of implementation of the Measure until 1 May 2008, the absorbed funds (and funds eligible for the European Commission) amounted to LTL 100.7 million, from which the EU share comprised LTL 75.5 million. More than 83 percent of the total amount of funds allocated for this Measure was absorbed.

![Results of implementation of SPD Measure 2.1 by 1 May 2008](Image)

The key operational spheres of the SPD Measure 2.2 are directed towards support to industrial and business institutions, training of workers of state and municipal institutions and upgrading computer literacy skills. Project executors engaged more than 118 thousand employees into the training and this comprised 81 percent of the obligations undertaken under support agreements. Employees of the target group participated in the qualification upgrading and requalification training courses; workers of the state sector developed their administrative capacities; one third of employees developed their computer literacy skills. By 1 May 2008, while implementing the SPD Measure 2.2, the absorbed funds (and funds eligible for the European Commission) allocated for project implementation amounted to LTL
155,6 million or 66,5 percent of funds allocated for project implementation, from which LTL 112,6 are funds of the European Social Fund.

Results of implementation of measure 2.2 by operational spheres by 1 May 2008

While implementing the key objective of the SPD Measure 2.3 – to increase social integration by engaging different social risk groups and communities into the labour market and, consequently, prevent them from social exclusion, more than 16 thousand persons took part in 97 projects and training courses by 1 May 2008. They belong to target groups of the above measure, i.e. women, persons dependent on psychotropic substances, convicts and persons released from places of imprisonment, representatives of ethnic minorities, the disabled and specialists working with these target groups. While implementing Measure 2.3, the absorbed funds (and funds eligible for the European Commission) allocated for project implementation amounted to LTL 48,9 million or 69 percent, from which LTL 38,9 million from the European Social Fund.
While implementing projects of the SPD Measures 1.5, 2.1, 2.2 and 2.3, the used funds (and funds eligible for the European Commission) funds allocated for project implementation amounted to LTL 397 million, from which LTL 297,7 million are funds from the European Union Structural Funds.

Absorption of funds of SPD measures by 1 May 2008

<table>
<thead>
<tr>
<th>Measure</th>
<th>SPD commitments, LTL million</th>
<th>Funds absorbed by 1 May 2008, LTL million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measure 1.5</td>
<td>130,746</td>
<td>91,931</td>
</tr>
<tr>
<td>Measure 2.1</td>
<td>121,165</td>
<td>100,648</td>
</tr>
<tr>
<td>Measure 2.2</td>
<td>225,748</td>
<td>155,558</td>
</tr>
<tr>
<td>Measure 2.3</td>
<td>70,702</td>
<td>48,866</td>
</tr>
</tbody>
</table>
2.1.4. European Union structural funds for 2007–2013

Section 2.1.3 the European Union Structural Funds provides information on the implementation of measures of the Single Programming Document of Lithuania for 2004–2006 assigned to the Ministry of Social Security and Labour, as well as the achieved results. This section provides information on areas assigned to the Ministry of Social Security and Labour to be supported by using the European Union Structural Funds for 2007–2013.

**Strategy for the use of the EU structural support for 2007-2013**

- **Operational Programme for the Development of Human resources**
- **Operational Programme for the Economical Growth**
- **Operational Programme for Promotion of Cohesion**

**I. High quality employment and social inclusion (MSSL)**

**II. Lifelong learning**

**II. Health, education and social infrastructure (MH, MSSL, MES)**

**III. Capacities of researchers and scientists**

**Data of the European Union Structural Support Department**

**Figure 2.1.4-1**

2.1.4.1. EU Structural Support for Lithuania for 2007–2013

The EU structural support for Lithuania for 2007–2013 allocated by the European Social Fund, the European Regional Development Fund and the Cohesion Fund amounts to more than LTL 23 billion. The support will be provided under the Lithuanian *Strategy for the Use of the EU Structural Support for 2007–2013* and separate operational *programmes for the implementation of the Strategy*.

The EU Structural Support Strategy provides for the key goal of the use of the EU structural support for Lithuania for 2007–2013 – rapidly to improve conditions of investment, work and life in Lithuania so that benefits of economic growth could reach all residents of Lithuania.

The Strategy envisages three development goals:

1. To accelerate economic growth in the long-term perspective.
2. To create more and better jobs.
3. To develop social cohesion.

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29 Announced in the webpage of the European Union structural support www.esparama.lt
With a view to implementing the defined goal and vision of the Strategy for the Use of the EU Structural Support for 2007-2013, one of the key development goals is to create more and better jobs.

Pursuant to the Strategy, it is instrumental to mobilise all working age citizens of Lithuania, encourage their active participation in the economic activity (active integration and retention in the labour market) and public life. Since labour force demand is clearly exceeding the supply, the focus shall be given not only to quantitative but also qualitative aspects of a workplace, i.e. a workplace requiring more advanced qualification skills, establishing higher added value and a probability of persistence in a long-term perspective. Besides, the establishment of more and better jobs would probably help to discontinue the "leakage" of labour force abroad. It must be highlighted that a very important aspect of the increase of number of such jobs is the necessity to ensure high competences (complying with economy needs) of persons who are going to join the labour market, and especially the continuous learning of the current labour market participants.

2.1.4.2. Spheres of the EU Structural Support Administered by the Ministry of Social Security and Labour

Within the sphere of its competence, the Ministry of Social Security and Labour will be responsible for:

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

2. Implementation of 4 measures of Priority 2 "Quality and Accessibility of Public Services" of the Operational Programme for Promotion of Cohesion (financed from the European Regional Development Fund) aimed at the development of social services and infrastructure of services for the disabled, as well as the development of vocational training and infrastructure of the Lithuanian labour exchange systems.

2.1.4.2.1. Priority 1 "High-Quality Employment and Social Inclusion" of the Operational Programme for the Development of Human Resources

The goal of Priority 1 "High Quality Employment and Social Inclusion" is to increase economic activity and employment of citizens, promote creation of high quality jobs and assure equal opportunities for everybody's participation in the labour market. For the achievement of this goal and priority measures, 5.5 percent of the total EU support was allocated, and this comprises LTL 1.3 billion.

While implementing Priority "High Quality Employment and Social Inclusion" the following objectives would be pursued:

1. To increase adaptability of employees and enterprises to the labour market needs (59 percent of Priority funds are to be allocated, i.e. about LTL 758 million).

   Implemented measures:

   Development of human resources in enterprises

   Activities supported under this Measure: upgrading qualification of employees, managers and personnel of enterprises; elaboration of individual qualification upgrading plans; establishment of modern personnel management systems and their implementation in enterprises; implementation of new
work organisation forms and methods; sectoral research and studies specifying the need for qualification upgrading of employees.

**Development of human resources in public sector**

Activities supported under this Measure: training and qualification upgrading of employees and managers of public sector; establishment of individual personnel management systems and their implementation; implementation of new work organisation systems and methods; research and studies specifying the need for qualification upgrading of employees.

**Development of computer literacy skills**

Activities supported under this Measure: development of computer literacy skills applied in practice and related to the needs of a specific person in the labour market (to get employment, seek promotion, requalify); development of computer literacy skills necessary for a successful application of information and communication technologies in daily activities.

**Development of entrepreneurship skills**

Activities supported under this Measure: various information, counselling and training services related to the establishment and development of businesses and development of personal capacities in establishing operational and business ideas; establishment and implementation of operational measures, models and systems aimed at the promotion of entrepreneurship and development of entrepreneurship skills.

**Promotion of social dialogue**

Activities supported under this Measure: training of employers and employees, top management of organisations and their authorised persons, chairmen and deputy chairmen of labour councils on the elaboration of collective agreements, negotiation conduct skills, management of conflicts and crises, prevention of illegal employment, possibilities for application of flexible and innovative labour forms, assurance of gender equality at work, and other training related to the improvement of social dialogue skills; training of employees on rights and duties of employers and employees, elaboration of collective agreements, assurance of gender equality at work and other activities related to education or information of employees, safety and health at work, improvement of working conditions and other employment issues; the activity aimed at the establishment of occupational safety and health committees in enterprises; campaigns for promotion of implementation of partnership principles aimed at the exchange of information or application of best practice examples of foreign partners; elaboration and dissemination of the methodological material.

**Corporate Social Responsibility**

Activities supported under this Measure: training aimed at preparation of corporate social responsibility counsellors and advisors; training of managers on issues related to the implementation of corporate social responsibility principles in business; campaigns for promotion of implementation of corporate social responsibility; activities and development of the national corporate business enterprises; elaboration of the voluntary social report guidelines and programme of information technologies; elaboration and dissemination of the methodological material for application of corporate social responsibility principles; initiatives and measures aimed at the assurance of gender equality in private sector; other activities envisaged in the measures promoting corporate social responsibility for 2006–200830.

**Reconciling family and professional commitments**

Activities supported under this Measure: establishment and implementation of operational models, measures and services promoting and enabling reconciliation of family and professional commitments; promotion of application of flexible work organisation forms: education of employers and trade unions’ representatives on application of flexible work forms and family friendly working environment; promotion of establishment of family friendly workplaces (training of employers and trade unions’ representatives on gender equality issues: changing the stereotypes concerning the role of women and men, advantages provided by gender equality at work etc.; promotion of distribution of family commitments (provision of information to parents and society, education of families etc.); studies and research necessary for execution of activities supported by the Measure; training and qualification upgrading of volunteers and workers employed in the sphere of reconciling family and professional life.

Reorientation of rural labour force to agricultural and other activities

Activities supported under this Measure: information, guidance and counselling of agricultural workers and other rural residents on rural employment possibilities; organisation of training courses, workshops, counselling seminars and other qualification upgrading or requalification initiatives; counselling on the establishment and development of a specific business.

Promotion of the return of the Lithuanian emigrants

Activities supported under this Measure: education, information and counselling with a view to implementing the measures and activities stipulated in the Plan of Activities for Implementation of the Strategy for Regulation of Economic Activity\[31\]; other activities promoting reduction of economic migration and the return of emigrants to Lithuania.

Upgrading qualification skills of health specialists contributing to the reduction of morbidity and mortality from main infectious diseases

Activities supported under this Measure: improvement of general qualification competences of health care specialists: upgrading computer literacy and foreign language skills; development of special qualification competences of health care specialists through the update or acquisition of vocational qualification knowledge and practical skills in qualification upgrading courses, internships and scientific practical conferences.

2. To promote employment and participation in the labour market (it is envisaged to allocate 26 percent of the priority funds, i.e. about LTL 336 million).

Implemented measures:

Integration of job-seekers into the labour market

Activities supported under this Measure: vocational training and non-formal education of the unemployed and employees notified of redundancy; supported employment (employment via subsidies, support for acquisition of occupational skills) and job rotation; territorial mobility of the unemployed; support to the first job under the acquired profession; support to social enterprises: training of employees belonging to target groups of social enterprises; partial compensation of contributions from wages and state social insurance for employees belonging to target groups of social enterprises, the subsidy for compensation of the costs of an assistant (body-language translator); research and other activities executed by institutions implementing state employment support policy with a view to specifying the

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goals for the Lithuanian labour market and finding optimal ways for achieving these goals (analysis and evaluation of labour market needs, forecasts related to the demand of qualifications, elaboration of programmes and methodologies etc.), upgrading qualification and skills of employees of these institutions.

Establishment and implementation of the vocational rehabilitation system for the disabled

The following activities for the establishment and implementation of the Vocational Rehabilitation System for the Disabled are supported under this Measure: improvement of the system for the assessment of working capacity and the need for vocational rehabilitation services; establishment and implementation of the system for the assessment of vocational skills and evaluation of methodologies and standards for provision of vocational rehabilitation services, and quality of services; provision of vocational rehabilitation services; establishment of qualification requirements for the assessors of working capacity and vocational rehabilitation specialists.

Establishment and implementation of vocational rehabilitation programmes for the disabled, and training of specialists

Activities supported under this Measure: elaboration, testing and evaluation of innovative vocational rehabilitation programmes for the disabled assuring the programme-cycle of vocational rehabilitation, recovery of vocational skills and (or) development of new skills, support for employment; upgrading qualification skills and training of specialists assessing working capacity, the need for vocational rehabilitation services and provision of vocational rehabilitation services.

3. To enhance social inclusion (it is planned to allocate 15 percent of the priority funds, i.e. about LTL 193 million).

Implemented measures:

Reduction of discrimination and prevention of social problems

Activities implemented under this Measure: establishment and implementation of preventive measures in order to combat discrimination in the labour market pursuant to the provisions stipulated in the Law on Equal Opportunities of the Republic of Lithuania\(^{32}\); elaboration and implementation of measures for prevention of social problems in the following spheres: criminal activity, dependence on psychotropic substances, violence in the family, human trafficking etc.; establishment and implementation of measures for the assurance of promotion of gender equality, equal opportunities for women and men in the labour market and economic activity; studies and research necessary for the establishment and implementation of the above measures.

Integration of persons at social risk into the labour market

Activities supported under this Measure: elaboration and implementation of operational methods, measures and services promoting the engagement of persons at social risk and socially excluded persons into the labour market; promotion of voluntary employment in the sphere of integration of persons at social risk and socially excluded persons into the labour market; elaboration and execution of social work methodologies for work with persons at social risk and socially excluded persons (families); training and upgrading qualification skills of social workers, volunteers and other workers involved in the above spheres.

With a view to properly developing human resources and reaching the defined goals, it is envisaged to develop and finance relevant infrastructure. Efficiency of the state's efforts in improving the situation in the labour market depends on the quality and accessibility of the labour market and

\(^{32}\) Law on Equal Opportunities of the Republic of Lithuania (Official Gazette, 2003, No 114-5115)
infrastructure of social services. Investment to the labour market and social services infrastructure for 2007-2013 would be allocated from Priority 2 Quality and Accessibility of Public Services: Health Care, Education and Social Infrastructure of the Operational Programme for Promotion of Cohesion.

Implementation of Priority 2 “Quality and Accessibility of Public Services: Health Care, Education and Social Infrastructure” of the Operational Programme for Promotion of Cohesion

The Ministry of Social Security and Labour will be responsible for the implementation of 4 measures of Priority 2 of the Operational Programme for Promotion of Cohesion, the total sum of investment to which amounts to LTL 829 million from the European Regional Development Fund.

The following tasks are pursued while implementing the priority “Quality and Accessibility of Public Services:

1. To encourage better integration of persons at social risk and socially excluded persons and their family members into society and labour market (it is planned to allocate 1,017 percent of the EU support, i.e. about LTL 238 million).

2. To ensure better compatibility between labour supply and demand, improve qualification of labour force and encourage integration of the economically inactive persons into the labour market (it is planned to allocate 2,526 percent of the EU support, i.e. LTL 591 million).

Implemented measures:

Development of infrastructure of non-institutional social services

Activities supported under this Measure: establishment or modernisation of non-institutional social services institutions for elderly persons, adults with disabilities, the disabled and children with learning disability, families at social risk, victims of violence in the family and adult persons at social risk etc. (support is provided to day social care centres, social care centres, self-sufficient life homes, temporary shelters and mixed care institutions providing various social services). This Measure is implemented under the regional planning principle, i.e. decisions on possible project financing would be made by Regional Development Agencies pursuant to the procedure approved by the Government of the Republic of Lithuania.

Development of institutions providing services for the disabled (including vocational rehabilitation services)

Activities supported under this Measure: development of vocational rehabilitation infrastructure for the disabled (establishment and development of institutions providing vocational rehabilitation services for the disabled): construction, reconstruction, establishment or strengthening of the material base and adjustment of environment); development of the Disability and Working Capacity Assessment Office under the Ministry of Social Security and Labour; development of the infrastructure of body-language translation centres; development of infrastructure of units of the Centre for Technical Aid for the Disabled under the Ministry of Social Security and Labour; elaboration of technical documentation for the above activities.

Modernisation of infrastructure of the territorial labour exchange of the Lithuanian Labour Exchange (LLE)

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33 Announced in the website of the European Union structural support www.esparama.lt
Activities supported under this Measure: elaboration of technical documentation of the territorial labour exchange of LLE, construction, reconstruction and equipment of buildings. The key objective of this Measure is to improve quality of services of the territorial labour exchange of LLE to employers, job-seekers and persons pursuing professional career, and to improve diversity of provided services.

Modernisation of infrastructure of the vocational training system

Activities supported under this Measure: while developing the infrastructure of vocational training, it is necessary to invest into the optimised system after having evaluated the entire network of vocational training institutions (primary and adult education), taking into consideration the criteria of accessibility, specialisation, and economic vitality and by trying to prevent from the duplication of investment. The major investment is anticipated to the spheres with the biggest forecasted increase of the specialist demand, as well as to financing of the initiatives aimed at the establishment or improvement of infrastructure necessary for the provision of marketable professional-practical skills.

These priorities and the financed operational spheres in principle continue and complement the activity started while implementing priorities and measures of the Lithuanian Single Programming Document for 2004-2006: currently financing is also allocated for the implementation of measures aimed at the development of competences and adaptability to changes, the increase of employability skills, promotion of social integration and improvement of social services infrastructure.

The Table below provides the provisional sum allocated for each measure of Priority 1 of the Operational Programme for the Development of Human Resources and Priority 2 of the Operational Programme for Promotion of Cohesion, as well as the means of project selection and the planned beginning of implementation of measures.

### Measures of Operational Programmes administered by the Ministry of Social Security and Labour for 2007–2013

<table>
<thead>
<tr>
<th>Priority/Measure</th>
<th>Provisional sum of the EU support</th>
<th>Means of project selection</th>
<th>Start-up of planned measures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Priority 1 High Quality Employment and Social Inclusion of the OPERATIONAL PROGRAMME FOR THE DEVELOPMENT OF HUMAN RESOURCES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Measure “Development of Human Resources in Enterprises”</td>
<td>LTL 328 million</td>
<td>Call for proposals</td>
<td>1st quarter of 2008</td>
</tr>
<tr>
<td>2. Measure “Development of Human Resources in Public Sector”</td>
<td>LTL 134 million</td>
<td>Call for proposals</td>
<td>3rd quarter of 2008</td>
</tr>
<tr>
<td>3. Measure ”Upgrading Qualification Skills of Health Care Specialists Contributing to the Reduction of Morbidity and Mortality from Key Infectious Diseases”</td>
<td>LTL 60 million</td>
<td>State project planning</td>
<td>4th quarter of 2008</td>
</tr>
<tr>
<td>5. Measure ”Development of Entrepreneurship Skills”</td>
<td>LTL 50 million</td>
<td>Call for proposals</td>
<td>2nd quarter of 2009</td>
</tr>
<tr>
<td>6. Measure “Promotion of Social Dialogue”</td>
<td>LTL 15 million</td>
<td>Call for proposals</td>
<td>2nd quarter of 2009</td>
</tr>
<tr>
<td>Priority/Measure</td>
<td>Provisional sum of the EU support</td>
<td>Means of project selection</td>
<td>Start-up of planned measures</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------</td>
<td>----------------------------------</td>
<td>---------------------------</td>
<td>-----------------------------</td>
</tr>
<tr>
<td>7. Measure “Corporate Social Responsibility”</td>
<td>LTL 10 million</td>
<td>State project planning</td>
<td>2nd quarter of 2008</td>
</tr>
<tr>
<td>8. Measure “Reconciling Family and Professional Life”</td>
<td>LTL 36 million</td>
<td>Call for proposals</td>
<td>3rd quarter of 2008</td>
</tr>
<tr>
<td>9. Measure “Promotion of the Return of Emigrants to Lithuania”</td>
<td>LTL 15 million</td>
<td>State project planning</td>
<td>1st quarter of 2008</td>
</tr>
<tr>
<td>10. Measure “Reorientation of Rural Labour Force to Agricultural or Other Activities”</td>
<td>LTL 60 million</td>
<td>State project planning</td>
<td>3rd quarter of 2008</td>
</tr>
<tr>
<td>11. Measure “Integration of Job-Seekers into the Labour Market”</td>
<td>LTL 274 million</td>
<td>State project planning</td>
<td>1st quarter of 2008</td>
</tr>
<tr>
<td>12. Measure “Establishment and Implementation of Vocational Rehabilitation System for the Disabled”</td>
<td>LTL 33 million</td>
<td>State project planning</td>
<td>4th quarter of 2008</td>
</tr>
<tr>
<td>13. Measure “Establishment and Implementation of Vocational Rehabilitation System for the Disabled, and Training of Specialists”</td>
<td>LTL 28 million</td>
<td>Call for proposals</td>
<td>2nd quarter of 2010</td>
</tr>
<tr>
<td>15. Measure “Integration of Persons at Social Risk and Socially Excluded Persons into the Labour Market”</td>
<td>LTL 173 million</td>
<td>Call for proposals</td>
<td>1st quarter of 2008</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour

### 2.1.5. European Community Initiative EQUAL and its Implementation in Lithuania

The European Community Initiative EQUAL (further referred to as EQUAL; www.equal.lt) is part of the European employment strategy aimed at combating discrimination and inequality in relation to the labour market. In Lithuania EQUAL supports 28 innovative Development Partnerships aimed at the assurance of equal employment opportunities in the labour market, reconciling family and professional life and development of flexible work forms.
Although in 2007 the continuous progress in the social sphere was observed, the problems faced by certain social exclusion groups indicate that strategy of the EQUAL programme and implemented projects are in compliance with the executed labour market policy and directly contribute to solving the labour market problems, and are directed towards persons facing exceptional discrimination in the labour market.

Projects created under Theme A "Facilitating access and return to the labour market for those who have difficulty in being integrated or reintegrated into a labour market which must be open to all" contributed to the establishment and testing of models facilitating the integration into the market of the disabled, pre-pension age persons, long-term unemployed, ethnic and sexual minorities, victims of human trafficking and other target groups.

- Key activities executed by Development Partnerships:
  - training or re-training of the target group - vocational guidance;
  - provision of services to the target group;
  - analysis of target group needs in order to ensure higher quality of the result created by the project;
  - development of new model methodologies enabling the integration of socially discriminated persons into the labour market;
  - practical testing of the created results;
  - development of political dialogue in order to contribute to the elaboration of laws and proposals on the amendment to laws;
  - provision of social-psychological assistance;
  - "One-stop principle";
  - mitigation of negative approach of employers towards the target group;
  - establishment of the electronic database and information system complying with the target group needs;
  - improvement of society's approach towards the target group;
  - establishment of self-help centres and organisations;
  - establishment (preparation) of new jobs.

Projects of Theme G "Reconciling family and professional life, as well as re-integration of men and women who left the labour market by developing more flexible and effective structures of work organisation and support services" are aimed at reconciling the professional and family life. The executed activities include: establishment and testing of the child care models and schemes, including the models for care of the elderly and the disabled, and accumulation and dissemination of information on the work-time balance and flexible work organisation forms. Measures meant for helping to find information on the provided institutional and non-institutional social services for non-working family members unable to reconcile family and professional life because of the persons under care, i.e. the disabled persons (children and adults) or elderly people not able to take care of themselves, and, afterwards, to return to the labour market were created during the implementation of the EQUAL programme. Other institutions and organisations working in the similar area have also expressed their interest in the above measures.

One project is financed under Theme I "Support for Integration of Asylum Seekers". It is aimed at asylum seekers and unifies all key governmental and non-governmental organisations working with
this target group. The project included: the analysis of the target group needs and its possibility to integrate into the labour market; organisation of the initial Lithuanian language courses for the asylum seekers; provision of legal, social and psychological counselling; elaboration of social and professional integration programme based on the methods for information of asylum seekers, personnel working with the asylum seekers and society, as well as on the methods for vocational information and counselling of asylum seekers in pursuance of social and professional integration of this target group. Tolerance of the society towards the refugees is promoted, as well as facilitation of integration of refugees into society.

About 10000 target groups take part in the activities of EQUAL projects and directly benefit from these projects. The projects included a series of different measures aimed at combating the negative stereotypes, as well as public information campaigns promoting the openness of the labour market (organisation of "round tables" and discussions, open door days, conferences held for local and national policy representatives, employers, stakeholders and the wide society).

Operational activities executed in 2007 were aimed at project target groups (training and workshops), society and other stakeholders and organisations (conferences, workshops).

By December 2007, 18 Development Partnerships finalised implementation of 2nd Action. 10 Development Partnerships are about to finish this Action during 1st half of 2008.

In order to ensure continuity of results achieved during 2nd Action, as well as consolidation of the best practice examples, 3rd Action of programme implementation commenced in June 2007. It will be finished in August 2008. All 28 Development Partnerships take part in 3rd Action. The goal of 3rd Action is to support EQUAL Development Partnerships in order to transfer the innovations created and piloted during the 2nd programme implementation Action into the public policy, and to successfully apply them in practice. In 2007 the projects have successfully executed the activities related to impact on policy and practice. Activities included: elaboration of proposals which could predetermine actual changes in policy and practice; organisation of meetings with the potential project beneficiaries; preparation for discussions with the decision-makers on the possibilities of improvement of social policy.

In order to join efforts of stakeholders and societal groups in disseminating the experience and results accumulated during the 2nd Action of the EQUAL Programme, as well as in changing the old stereotypes, combating discrimination and social exclusion, five Thematic Networks were established in August 2007:

- Integration of vulnerable youth into the labour market or prevention of early withdrawal from the education system, reintegration into the education system;
- Giving new opportunities for persons who haven't acquired or lost a marketable profession and have difficulties in integrating into society and labour market;
- Combating discrimination in the society and labour market;
- Improvement of reconciliation of family and professional life;
- Consideration of complex social exclusion problems of territorial, ethnic and other communities.

Development Partnerships involved in thematic networks exchanged the best experience, presented the piloted problem solving ways, summarised the achieved results and elaborated descriptions of the proposed solutions. In autumn 2007, the Management Groups (MG) operating under the thematic networks started discussing proposals of Development Partnerships aimed at
the improvement of labour market and employment policy. Five meetings of MG were held in 2007. Representatives of Development Partnerships, the Ministry of Social Security and Labour and its subordinate institutions, the Ministry of Education and Science, Vilnius City Municipality, Vilnius University and other institutions are involved in the activity of MG. Conclusions of MG on the proposals of the Development Partnerships have been submitted to the Ministry of Social Security and Labour in 2008.

2.1.5.1. Financial data on programme implementation

During 2004–2007, the amount of the paid support funds amounted to LTL 44.898,34 thousand (including the amounts not eligible for the EC), i.e. 82,19 percent of the amount approved by EQUAL CIP for 2004-2006. The amount of LTL 137,70 thousand of the anticipated EQUAL CIP funds was not allocated to projects.

### Distribution of the EQUAL CIP approved and paid funds (LTL thousands)

<table>
<thead>
<tr>
<th>Theme</th>
<th>Approved EQUAL CIP sum</th>
<th>Paid amount of support funds (including amounts not eligible for the EC)</th>
<th>Percentage of payment of the amount for 2004–2006 approved by EQUAL CIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>36.765,79</td>
<td>30.261,48</td>
<td>82,31 %</td>
</tr>
<tr>
<td>G</td>
<td>10.925,94</td>
<td>9.351,36</td>
<td>85,59 %</td>
</tr>
<tr>
<td>I</td>
<td>1.638,91</td>
<td>1.554,07</td>
<td>94,82 %</td>
</tr>
<tr>
<td>Technical assistance</td>
<td>5.299,08</td>
<td>3.731,44</td>
<td>85,38 %</td>
</tr>
<tr>
<td>Total</td>
<td>54.629,72</td>
<td>44.898,34</td>
<td>82,19 %</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour

### Distribution pg funds for programme actions
(including the non-distributed funds, LTL thousands)

<table>
<thead>
<tr>
<th>Theme</th>
<th>Sum approved in EQUAL CIP</th>
<th>From them distributed for actions</th>
<th>Funds declared during Action I</th>
<th>Agreements signed during Action II</th>
<th>Funds allocated for Action III</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>36.765,79</td>
<td></td>
<td>1.556,52</td>
<td>30.751,05</td>
<td>4.458,22</td>
</tr>
<tr>
<td>G</td>
<td>10.925,94</td>
<td></td>
<td>481,53</td>
<td>9.150,82</td>
<td>1.293,59</td>
</tr>
<tr>
<td>I</td>
<td>1.638,91</td>
<td></td>
<td>58,52</td>
<td>1.416,06</td>
<td>164,32</td>
</tr>
<tr>
<td>Technical assistance</td>
<td>5.299,08</td>
<td></td>
<td>183,52</td>
<td>3.592,88</td>
<td>1.522,68</td>
</tr>
<tr>
<td>Total</td>
<td>54.629,72</td>
<td></td>
<td>2.280,09</td>
<td>44.910,81</td>
<td>7.438,81</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour
2.1.6. European Refugee Fund

Lithuania, having become a member of the European Union, from 1 May 2004 started to take part in the activity of the EU Member States which was aimed at the improvement of the conditions and procedures for the reception of the asylum seekers, as well as processes for their integration into the Lithuanian society or voluntary return. In 2005, the Ministry of Social Security and Labour was assigned the responsible institution for the administration of the programme of the European Refugee Fund (further referred to as ERF), and for the successful implementation of the programme and proper absorption of funds. The majority of organisations taking part in the activity financed by ERF, work with the asylum seekers or persons granted asylum, therefore are well aware of the problems of integration of foreigners granted asylum into the Lithuanian society, and initiate problem solving activities.

Asylum seekers, having arrived to Lithuania, usually are placed in Pabradė Foreigners Registration Centre (further referred to as FRC), where they are waiting for the decision on granting asylum for up to three months. This period becomes a real challenge for them, especially for children and women. Isolation from the external world, a feeling of guilt because of inability to take care of the family, lack of information, constant shortage of key daily items, anxiety related to relatives in the fatherland, uncertainty concerning future – these are the main problems faced by the asylum seekers. The problems are solved with the help of funds allocated by the ERF. ERF funds cover the employment costs of a social worker, whose key objective is to help solve social problems, reduce the tension which is natural in such conditions, prevent from conflict situations and make a monotonous life of residents of FRC more interesting by organising various events and festivities. Physical culture lessons for women and children are organised in the sports hall of FRC. Asylum seekers receive the following support from the ERF funds: food, hygiene items, clothes; if needed, they could use services of a dentist, oculist and other medical services. The state institution can provide to the above people one of the forms of international protection stipulated in the Lithuanian law, i.e. the status of a refugee or additional protection. Having become temporary or permanent residents of Lithuania, foreigners granted asylum acquire the knowledge on cultural, social and legal environment of the country.

Having been granted asylum, foreigners arrive to the Refugee Support Centre (further referred to as RSC) in Rukla and start attending the integration programme upon finalisation of which they settle in various Lithuanian municipalities.

RSC is a budget institution providing social services and is aimed at the accommodation of foreigners granted asylum in the Republic of Lithuania, as well as unaccompanied minor foreigners, and implementation of social integration of foreigners granted asylum.

For implementation of the ERF annual programme in Lithuania, in 2005 the allocated sum amounted to LTL 2.5 million, for implementation of ERF 2006 annual programme – LTL 2.6 million, and ERF 2007 annual programme – LTL 2.6 million.

In Lithuania ERF funds by ERF 2005-2007 annual programmes were invested to the following operational areas:

1. Reception conditions and asylum procedures.
2. Integration of foreigners granted asylum in the Republic of Lithuania.
3. Voluntary return.
2.1.6.1. ERF project selection results

During the implementation of annual ERF programmes administered by the Ministry, three calls for submission of proposals were launched for a receipt of ERF support during the period of 2005-2007. The total amount of the requested support in 18 registered applications amounted to LTL 7.7 million. Out of the total amount, 60 percent of applications were acknowledged as eligible for financing.

**Project selection results by 1 May 2008**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Registered applications</th>
<th>Decision made on support</th>
<th>Signed support agreements</th>
<th>Implemented projects</th>
<th>Terminated projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>30</td>
<td>18</td>
<td>18</td>
<td>12</td>
<td>-</td>
</tr>
<tr>
<td>Improvement of reception conditions and asylum procedures</td>
<td>8</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Integration</td>
<td>19</td>
<td>12</td>
<td>12</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>Voluntary return</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>-</td>
</tr>
</tbody>
</table>

*Data of the Ministry of Social Security and Labour*  
Table 2.1.6.1-1

While implementing ERF annual programmes, 32 persons working with asylum seekers upgraded qualification; several social workers positions were established in FRC, as well as positions of games-masters and teachers of informatics. Renovation of the FRC building was executed, including procurement of the necessary technical devices and inventory, equipment of the sports hall and playground for children.

The Day Employment Agency in Klaipėda was also established from the ERF funds, including its website www.pguintegra.lt. The survey on needs of the asylum seekers, as well as the psycho-diagnostic survey was carried out. Every year the RFS organises the Lithuanian language and computer literacy courses and provides psychological, psychotherapy and legal counselling; afternoon sessions are organised for women, as well as other social activation programmes. It includes the elaboration of various methodologies, handbooks and professional dictionaries (for cabinetmakers, cooks, hairdressers, metalworkers, tile-layers etc.).

Cognitive trips, excursions to theatres and museums are organised for children of refugees or asylum seekers of both, the RSC and the FRC. Various festivities, competitions and exhibitions are arranged together with the members of local community. The adults are provided with counselling or attend lectures on issues related to the rights of the child.

Support was also provided to foreigners granted asylum and living in families during the post-integration period. Humanitarian assistance (by supplying with hygiene items and food) is provided on a constant basis. 47 persons of the target group took part in training courses on the development of entrepreneurship skills and increase of employment opportunities.

The assistance included creation of the DVD film "Safe Beside You", as well as various advertising video films via TV, stands, placards and other publicity tools.
Pursuant to the operational sphere of voluntary return, assistance was provided to 23 asylum seekers returning to their country of origin.

The majority of project executors are institutions directly working with the representatives of the target group. The above institutions are well aware of the needs and problems of refugees or asylum seekers.

Klaipėda Social Assistance Centre, the Refugee Reception centre, the Lithuanian Red Cross and Vilnius Office of the International Migration Organisation (IMO) submitted applications under each 2005-2007 ERF annual programme and executed continuous projects.

The new 2008-2013 ERF programming period commenced on 1 January 2008. It is envisaged to further improve the asylum and reception conditions and integration processes. The activity of the voluntary return will be replaced by the support of capacities of Member States to develop, supervise and evaluate their asylum policy and practical cooperation.

**Project breakdown by cities**

![Pie chart showing project breakdown by cities](image)

**ERF project executors**

- Migration Department under the Ministry of Interior
- Women Information Centre
- PI Alytus Business Incubator
- Klaipėda Social Assistance Centre
- Caritas
- PI The Business People House
- Refugee Reception Centre
- IMO Vilnius office
- Lithuanian Red Cross Society
- Office of Equal Opportunities Ombudsman

(Data of the Ministry of Social Security and Labour)
2.2. REGULATION OF LABOUR RELATIONS

2.2.1. LABOUR RELATIONS

Collective and individual labour relations are a very important part of regulation of the labour market. The regulations shall provide for free selection of employers and employees. The key trend in the development of labour relations in Lithuania for 2007-2008 is to ensure their flexibility and safety.

2.2.1.1. Collective labour relations

The year 2007 was quite important regarding collective employment contracts.

In order to achieve the balance of interests of employees and employers, retain social unity, promote economic and social progress, reduce social exclusion and poverty, continue and improve the Agreement on Tripartite Cooperation signed together with the Government on 13 June 2005, the Lithuanian Confederation of Industrialists and the Lithuanian Business Employers Confederation representing employers in the Tripartite Council of the Republic of Lithuania; the Lithuanian Trade Union Confederation, the Lithuanian Trade Union “Solidarumas“ and the Lithuanian Labour Federation representing employees, signed the Declaration on Mutual Recognition of Employers and Employees’ Representatives in Social Partnership, which was approved by the Tripartite Council of the Republic of Lithuania34 on 16 October 2007. This important act of social partnership indicates the unity of social partners and the ambition to seek the balance between the interests of employers and employees, retain social unity, represent and protect professional labour, economic and social rights and interests of employees.

The same year the Government of the Republic of Lithuania approved the programme for Strengthening Social Dialogue in Lithuania for 2007-201135. In pursuance of this programme, every year it is anticipated to allocate at least LTL 1702 thousand for different measures from the State budget and from the appropriations anticipated for the Ministry of Social Security and Labour in the Law on the Approval of Financial Indicators of Municipal Budgets. The purpose of the programme is to develop and strengthen social dialogue in the regions (counties and municipalities), promote social partnership, bilateral and tripartite cooperation; provide training to members of bilateral and tripartite councils and members of commissions; improve the activity of trade unions and employers’ organisations; execute the public control of labour relations and safety and health at work; and disseminate the best practice examples of the trade union activity.

Within the framework of the development of tripartite cooperation and implementation of the Plan of Measures36 for the Development of Social Partnership of the Tripartite Council of 16 January 2007 (Protocol No 101), approved by the Government of the Republic of Lithuania, the Tripartite Council has actively continued its activities. 79 socio-economic issues were discussed during ten meetings. The Council also discussed amendments to the Labour Code stipulating more flexible regulation of labour market.

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36 www.lrtt.lt
bour relations, as well as issues related to the regulation of collective employment agreements, establishment of labour courts etc.; approved the concept of the Law on Hired Labour etc. While implementing the measures promoting collective agreements and collective bargaining, workshops were organised in county centres together with the trade union confederations, including participation in the Lithuanian radio broadcasts related to the tripartite agreement. Quite a lot of educational measures were designed for training of social partners.

As mentioned in the Social Report of 2006-2007, the second sectoral collective agreement was registered by the Ministry of Social Security and Labour in 2007. It was signed between the Lithuanian Journalists Union and the National Regional and Local Newspaper Publishers Association.

Pursuant to the currently operating provisions of the Labour Code, corporate collective agreements are not registered. During the year 2007 the officials of the State Labour Inspectorate inspected 17600 enterprises and their structural units and found that trade unions were registered in 1207 enterprises; in 67 enterprises representation and protection functions of employees were transferred to sectoral trade unions; labour councils were established in 3327 enterprises or their functions were implemented by the employee representative. The total amount of signed collective agreements in 2007 amounted to 1238. During the 1st half of 2008, officials of the State Labour Inspectorate inspected 6649 enterprises and their structural units and found that trade unions were registered in 532 enterprises; in 153 enterprises representation and protection functions of employees were transferred to sectoral trade unions; labour councils were established in 284 enterprises, or their functions were implemented by the employee representative. During 1st half of 2008, 407 collective agreements were signed.

2.2.1.2. Individual labour relations

In 2007, while improving the legal acts regulating labour relations, the Concept of Law on Hired Labour was approved by the Resolution No 569 of the Government of the Republic of Lithuania of 6 June 2007. The law on Hired Labour is currently under elaboration pursuant to the above Concept. It is envisaged to adopt the law in 2008.

The adopted Resolution of the Government of the Republic of Lithuania stipulated the refusal of the restriction of duration of shorter working time, i.e. when shorter working had to be not shorter than half of the working day, and shorter working week – not shorter than 3 working days per week. Today the duration of not shorter working day (week) is established pursuant to a free agreement between an employer and an employee in accordance to the requirements of the Labour Code and without anticipating any other additional restrictions.

The efforts would also be made to simplify working time records. Amendments to provisions of the Labour Code and other legal acts are under elaboration. They would provide more favourable terms for business by improving working conditions and guarantees. Relevant European provisions would

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37 Data of the State Labour Inspectorate.


also be implemented (i.e. the provisions related to working conditions of mobile railway employees, and engagement of employees in companies trespassing the borders of one state etc.).

2.2.2. REMUNERATION FOR WORK

2.2.2.1. Increase of wages in 2007–2008

In 2007, the Seimas of the Republic of Lithuania adopted the Law of the Republic of Lithuania on the Basic Amount of the Official Wage of State Politicians, Judges, State Officials and Civil Servants, applied in 2008\(^40\), by which the basic amount of the official wage was approved as of 1 January 2008 and applied in establishing the official wage of state politicians, state officials and civil servants – LTL 490 (increased by 10.9 percent).

During the same year the Government of the Republic of Lithuania adopted resolutions which contributed to the increase of the wage in 2007-2008. While implementing the provision of the Programme of the Government of the Republic of Lithuania for 2006-2008, stipulating that by 2008 the minimum monthly wage would increase up to LTL 800, the Government of the Republic of Lithuania fixed (upon the offering of the Tripartite Council of the Republic of Lithuania) the minimum monthly wage of LTL 700 as of 1 July 2007, as well as the minimum hourly remuneration of LTL 4.19, which, in comparison to former amounts (LTL 600 and LTL 3.66)\(^41\), have been respectively increased by 16.7 and 14.5 percent; and, from 1 January 2008, established the minimum monthly wage of LTL 800 and the minimum hourly remuneration of LTL 4.85\(^42\). The minimum wage in comparison to former amounts (LTL 700 and LTL 4.19) was respectively increased by 14.3 and 15.8 percent.

In 2008 the wage of workers of state and municipal budget institutions working under employment contracts was increased after the Government approved, on 1 January 2008, the basic monthly wage of LTL 128 and basic hourly rate of LTL 0.76\(^43\). Consequently, from 1 January 2008, the work remuneration for workers of all budget institutions working under employment contracts, increased by 11.3 percent.

The above increase of the wage influenced the average monthly gross wage, which, according to the data of Statistics Lithuania under the Government of the Republic of Lithuania, amounted to LTL 1813 in 2007 (in the state sector – LTL 1918,4), and increased, in comparison to 2006, by 21.2 percent (in the state sector – by 17.5 percent).

In order to ensure further increase of work remuneration of workers of budget institutions, in March 2008 the Government of the Republic of Lithuania adopted the Long-Term Programme for the

\(^{40}\) Law of the Republic of Lithuania on the Basic Amount of Wages of the State Politicians, Judges, State officials and Civil Servants, applied in 2008 (Official gazette, 2007, No 80-3224);

\(^{41}\) Resolution No 543 of the Government of the Republic of Lithuania of 6 June 2007 On the Increase of the Minimum Wage (Official Gazette, 2007, No 65-2525);

\(^{42}\) Resolution No 1368 of the Government of the Republic of Lithuania of 17 December 2007 On the Increase of the Minimum Wage (Official gazette, 2007, No 137-5592);

\(^{43}\) Resolution No 1023 of the Government of the Republic of Lithuania of 26 September 2007 On the Increase of the Basic Monthly Wage and Basic Hourly Rate (Official gazette, 2007, No 103-4216);
Increase of Wage for Pedagogues\textsuperscript{44} and amendments to the programme \textsuperscript{45}, stipulating that the rates of the official wage of pedagogues of 2008 would be increased (as of 1 May 2008) by approximately 10 percent; and as of 1 September 2008 – by approximately 15 percent. The increase of rates of the official wage is also envisaged in 2009, 2010 and 2011. The Long-Term Programme for the Increase of Wage of Social Workers was also adopted\textsuperscript{46}.

In pursuance of the provision of the Programme of the Government of the Republic of Lithuania for 2006-2008 stipulating the consistent increase of the wage in state sector, and with a view to establishing a uniform system for work remuneration of workers of budget institutions, decreasing the difference of the wage of civil servants, the draft Law on Work Remuneration of Workers of State and Municipal Institutions was submitted to the Government. It is anticipated to validate the above law from 2009. Relevant secondary laws would be adopted prior to the enforcement of the above Law.

The above decisions should provide a possibility for the increase of the wage of less paid workers and the reduction of differences between the workers receiving the biggest and the least wage.

In 2008 the Tripartite Council considered the issue for further increase of the minimum wage after having evaluated the increase of price of consumer goods and services, the increase of the average monthly gross wage, the number of workers receiving the minimum monthly wage and financial opportunities of the national budget, enterprises and organisations.

\subsection*{2.2.2.2. Work Remuneration Guarantees for Employees of Enterprises in Bankruptcy or Bankrupt Enterprises}


Employees of enterprises in bankruptcy and bankrupt enterprises are entitled to benefits of the Guarantee Fund upon termination of labour relations with the enterprise in bankruptcy or still employed persons where enterprises have not paid their outstanding claims to these employees. Benefits from this Fund are also paid to former employees of enterprises liquidated by reason of bankruptcy after entry into force of this Law, where the enterprises have not paid their outstanding claims.

The Law specifies types of benefits compensated by the Guarantee Fund and related to labour relations. These are the benefits related to wage liability, monetary compensation for the unused annual leave, the severance pay, and payment for idle time, compensation for damage caused by accidents at work or occupational diseases. Pursuant to the provisions of the Law, the Government of the Republic

\textsuperscript{44} Resolution No 193 of the Government of the Republic of Lithuania of March 5 2008 On the Approval of the Long-Term Programme for the Increase of the Wage of Pedagogues (Official Gazette, 2008, No 29-1032);


\textsuperscript{46} Resolution No 419 of the Government of the Republic of Lithuania of 29 April 2008 On the Approval of the Long-Term Programme for the Increase of the Wage of Social workers and Improvement of Social Guarantees for 2008 – 2011 (Official Gazette, 2008, Nr.53-1968);
of Lithuania determined the maximum rates of such payments\textsuperscript{47}. The Guarantee Fund started its actual activities in August 2001, after all the necessary subordinate legal acts were adopted.

The data on the resources of the Guarantee Fund from 15 March 2001 to 31 December 2007 are presented in Table 2.2.2.2-1, and the data on funds allocated from the Guarantee Fund in 2007 by former activities of enterprises, are presented in Table 2.2.2.2-2 \textsuperscript{48}.

In pursuance of provisions of the Law on the Guarantee Fund and other legal acts regulating the activity of the Fund, the Council of the Guarantee Fund and the Administration of the Guarantee and Child Maintenance Fund (further referred to as Fund Administration) consistently executed their functions during the reporting period in order to ensure that employees of the bankrupt enterprises are paid the established payments in due time from the Fund and that their creditor claims related to labour relations are satisfied.

In 2007, 12 meetings of the Fund Council were held, where 313 applications submitted by 293 enterprises were discussed by allocating LTL 13,4 million to employees from the Fund. On the basis of resolutions of the Council, liabilities of enterprises in respect of wage and other employment related benefits were partially satisfied from the Fund to 5794 employees, which accounted for 65,8 percent of the total wage liability. The average benefit per employee amounted to LTL 2 315. The amount of LTL 104,1 thousand was allocated for the elaboration of applications of bankrupt and liquidated enterprises and bank operations.

The Total Fund costs amounted to LTL 14,0 million. By 1 January 2008, the balance of funds of the bank account comprised LTL 80,0 million.

In 2007 the funds in the Guarantee Fund amounted to LTL 94,5 million, including a balance of funds accumulated in 2006 amounting to LTL 49,9 million; contributions of enterprises – LTL 39,7 million; remunerated financial support funds – LTL 2,7 million, and the Fund interest of LTL 2,2 million for contributions to the National bank and the invested funds to the securities of the Government of the Republic of Lithuania.

**Sources of funds of the Guarantee Fund (LTL million)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Balance of funds by the beginning of the year</th>
<th>Contributions of enterprises</th>
<th>Privatisation Fund resources</th>
<th>State budget funds</th>
<th>Recovered funds</th>
<th>Total amount in the Guarantee Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>12,1</td>
<td>21,4</td>
<td>-</td>
<td>4,4</td>
<td>37,9</td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>12,6</td>
<td>18,1</td>
<td>-</td>
<td>3,0</td>
<td>1,6</td>
<td>35,3</td>
</tr>
<tr>
<td>2003</td>
<td>13,7</td>
<td>19,7</td>
<td>-</td>
<td>2,0</td>
<td>1,8</td>
<td>37,2</td>
</tr>
<tr>
<td>2004</td>
<td>11,9</td>
<td>22,1</td>
<td>-</td>
<td>2,0</td>
<td>2,4</td>
<td>38,4</td>
</tr>
<tr>
<td>2005</td>
<td>22,9</td>
<td>25,4</td>
<td>-</td>
<td>-</td>
<td>8,6</td>
<td>56,9</td>
</tr>
<tr>
<td>2006</td>
<td>40,0</td>
<td>32,1</td>
<td>-</td>
<td>-</td>
<td>2,2</td>
<td>74,3</td>
</tr>
<tr>
<td>2007</td>
<td>49,9</td>
<td>39,7</td>
<td>-</td>
<td>-</td>
<td>4,9</td>
<td>94,5</td>
</tr>
</tbody>
</table>

\textit{Data of the Guarantee Fund} \hspace{1cm} Table 2.2.2.2-1


\textsuperscript{48} More detailed information on the activity of the Guarantee Fund is provided in the website of the Guarantee Fund http://www.socmin.lt/gf/
Payments from the Guarantee Fund in 2007 (LTL million)

<table>
<thead>
<tr>
<th>No</th>
<th>Type of activity</th>
<th>Number of applicant enterprises</th>
<th>Number of employees entitled to allocations</th>
<th>Allocations LTL thousand per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The whole industry</td>
<td>91</td>
<td>3447</td>
<td>9038,5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>67,4</td>
</tr>
<tr>
<td>2.</td>
<td>Whole sail and retail sale</td>
<td>88</td>
<td>897</td>
<td>1693,9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12,6</td>
</tr>
<tr>
<td>3.</td>
<td>Construction</td>
<td>30</td>
<td>505</td>
<td>881,1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,6</td>
</tr>
<tr>
<td>4.</td>
<td>Agriculture, hunting and forestry</td>
<td>11</td>
<td>160</td>
<td>324,5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2,4</td>
</tr>
<tr>
<td>5.</td>
<td>Transport, warehousing and communications</td>
<td>23</td>
<td>376</td>
<td>585,9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,4</td>
</tr>
<tr>
<td>6.</td>
<td>Other activities</td>
<td>50</td>
<td>409</td>
<td>887,5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>6,6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>293</td>
<td>5794</td>
<td>13411,5</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

*Data of the Guarantee Fund*

Eligibility of applications submitted by enterprise administrators was verified according to the initial accountancy and personnel recording documentation in enterprises in bankruptcy and bankrupt enterprises. Out of 313 analysed and prepared for the investigation applications in the Fund Board, the amount of payments requested in 159 applications was reduced to LTL 898,8 thousand, including the non-allocated funds to employees, who (together with a spouse or (and) close relatives) had under their ownership more than 50 percent of an enterprise’s shares.

Pursuant to the Agreement on the Right of Transfer of Claim to the Joint Stock Company Turto Bankas, the Fund administration handed over creditor claims of 302 enterprises on not exacted funds by the right of regression amounting to LTL 15,5 million, allocated from the Guarantee Fund for payment to employees of enterprises in bankruptcy or bankrupt enterprises. The amount of LTL 2,0 million was redeemed to the Fund account, from which LTL 398 thousand by 17 enterprises which gave a full account of the allocated funds.

The Board of the Guarantee Fund and Fund Administration are directly involved in the draft amendments and supplements to the Law on the Guarantee Fund and other legal acts related to the Fund activity. The draft law amending the articles 1, 2, 4, 5, 6, 8, 9, 10 and 13 of the Law on the Guarantee Fund of the Republic of Lithuania⁴⁹, has already been elaborated.

It stipulates the decrease of the amount of contribution to the Guarantee Fund, the amendment of the procedure for the approval of the report on the cost estimate of the Guarantee Fund and execution of the cost-estimate, anticipation of a possibility to entitle a minimum payment to employees of enterprises in bankruptcy, bankrupt enterprises or enterprises liquidated by the reason of bankruptcy and not retaining accountancy documentation, as well as specification of certain provision of the Law.

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⁴⁹ The Law on the Amendment and Supplement of Articles 1, 2, 4, 5, 6, 8, 9, 10 and 13 to the Law on Guarantee Fund of the Republic of Lithuania (Official Gazette, 2008, No 79-3100)
2.2.3. EXECUTION OF LABOUR LAWS

The unofficial labour market has always existed beside the official labour market. The unofficial labour market functioning in the same economic branches creates obstacles for fair competition in the official labour market. Manifestations of the unofficial labour market might occur in different spheres: illegal activities (smuggling), imitations, dissemination of the illegal production, employment without the employment contract, work remuneration in "envelopes" etc. This chapter will also analyse how the State Labour Inspectorate (further referred to as SLI) controls the compliance with the laws.

In 2007, 12331 inspections were carried out for the compliance with labour laws, among which 24809 violations were revealed in 7292 cases. The total number of violations during 2007 decreased by 5 percentage points; however, it was by 2.6 percentage points higher than in 2000. The data on labour law violations in 2001-2007 is provided in Figure 2.2.3-1.

Number of labour law violations in 2001-2007 (thousand)

![Graph showing number of labour law violations from 2000 to 2007.]

Data of the State Labour Inspectorate

The following violations were identified in 2007: 3259 violations related to conclusion of employment contracts, 2256 related to remuneration for work, 7647 related to the regulation of working time and rest periods, and 3580 related to the working time records. Information about the nature of the identified violations of labour laws in 2004–2007 is provided in Figure 2.2.3-2.
Illegal work. The summarized data for 2007 from all institutions exercising control over and implementing prevention of illegal work (the Police Department under the Ministry of Interior, the State Tax Inspectorate under the Ministry of Finance, Financial Crime Investigation Service under the Ministry of 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) are as follows:

- 1146 illegal workers were identified (without the employment contract);
- 476 cases were identified, where activities were pursued without a business certificate;
- 2123 cases were identified, where activities were pursued without having registered a company, without a license or in any other unlawful manner.

The institutions drew up a total of 2871 records of administrative offences and instituted 539 pre-trial investigations. The operational results of institutions are provided in Figure 2.2.3-3.
Identification of illegally employed persons during 2007

Together with other institutions executing the control and prevention of illegal work, in 2007 the State Labour Inspectorate carried out 17.01 percent of all illegal work inspections executed by the State labour Inspectorate (326 inspections). The joint data of all institutions is provided in Figure 2.2.3-4.

The State Labour Inspectorate executed 1917 inspections of illegal work and identified 857 illegal workers, from which 79 persons were under 18 years of age and 18 foreigners. During 2007 the total of 240 administrative offences protocols were drawn for the use of illegal labour force of 428 illegally employed persons pursuant to Article 41-3 (Illegal Work) of the Law on Administrative Offences.

The analysis of the number of illegal workers identified in 2007 by economic branches (based on the results of the State Labour Inspectorate) reveals that the largest number of cases of illegal work was identified in the following economic activity sectors: construction – 43.41 percent, hotels and restaurants – 6.30 percent, forestry – 5.83 percent, timber and wood manufacturing – 5.60 percent, agriculture – 4.78 percent, car repair shops – 4.43 percent (see Figure 2.2.3-5).

It is noteworthy that compared with 2006, there was a decline in the number of identified illegal workers in such sectors as dress-making (9.03 percent in 2006), transport, warehousing and communications (7.20 percent in 2006), car repair shops (8.57 in 2006), wholesale and retail sale (6.17 percent in 2006), agriculture (5.60 percent in 2006); whereas the number of illegal workers considerably increased in construction – from 32.11 percent in 2006 to 43.11 percent in 2007, timber and wood manufacturing – from 2.63 to 5.60 percent, forestry – from 3.77 to 5.83 percent, hotels and restaurants – from 5.03 to 6.30 percent. In other sectors there was a slight change in the relative indicators of the cases of illegal work.

Data of the State Labour Inspectorate

Figure 2.2.3-3

50 Code of Administrative Offenses (Official Gazette, 1985, No 1-1)
2.2.4. SAFETY AND HEALTH AT WORK

Safety and health at work involves all preventive measures aimed at the retention of working capacity, health, and life of employees. These measures are used or planned in all operational stages of a company in order to protect employees from the occupational risk or reduce this risk to the lowest pos-
The national status of safety and health at work for 2007 is described below, as well as the improvement of legal laws in the area during 2007–2008, and measures implemented for the improvement of the state of safety and health at work in 2007.

### 2.2.4.1. Safety and Health at work in Enterprises in 2007

**Work conditions in enterprises**

Pursuant to the data of the Statistics Lithuania and the Agricultural Information and Rural Business Centre, by 1 January 2008 the number of economic operators in Lithuania amounted to 182.6 thousand.

According to the data of the State Labour Inspectorate of the Republic of Lithuania, in 2007 labour inspectors delivered 10 thousand inspections on safety and health at work issues in various enterprises and discovered more than 46 thousand infringements of legal requirements on safety and health at work in 8 thousand enterprises. The identified infringements were:

- 65 percent - infringements of safe work organization;
- 35 percent - infringements of technical requirements.

In response to the aforementioned infringements, labour inspectors have issued requirements for the elimination of shortcomings, meanwhile in 585 cases it suspended works in enterprises and prohibited utilization of work-related devices.

**Accidents at work**

In 2007, Lithuanian enterprises encountered:

- 98 fatal;
- 193 serious;
- 3347 light accidents at work (hereinafter – accidents at work)

14,4 serious and 7,3 fatal accidents at work fall per 100 thousand of employees.

In 2007, most serious accidents at work (34 percent) occurred due to inappropriate organisation of dangerous jobs; most light accidents at work (60 percent) occurred due to infringements of obligatory instructions for employees. Fatal accidents at work were mostly predetermined by the following reasons: 20 percent – due to incompliance of work-related device with the requirements of safety and health at work regulatory enactments, and 17 percent due to infringement of instructions obligatory for employees and violation of legal acts related to the construction of buildings.

In 2007, as in 2006, the majority of fatal and serious accidents occurred in construction companies – respectively 34 and 24 percent; also, quite a lot of serious and fatal accidents at work occurred in manufacturing and transport, warehousing, and telecommunication enterprises, i.e. 18–27 percent. In 2007, the key trauma factors in cases of fatal or serious accidents at work were road vehicles and employees falls from height or to lower levels. About half of all accidents at work (41 percent of light, 51 percent of serious, and 45 percent of fatal accidents) occurred with employees who's qualifying period amounted to no more than one year.

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51 Law No IX-1672 of the Republic of Lithuania on Safety and Health at Work (Official Gazette, 2003, No 70-3170)

52 Statistical data is provided for a calendar year.
The analysis of the Dynamics of serious and fatal accidents at work during the period of 2001–2007 (Figure 2.2.4.1.-1) indicates that the majority of serious accidents at work fell per 100 thousand employees in 2005 and 2006 (respectively 17,6 and 17,8 percent); fatal accidents – in 2003 and 2005 (respectively 9,4 and 9,6 percent). In 2007, the number of both, serious and fatal accidents at work per 100 thousand employees (respectively 14,4 and 7,3 percent) was less than the average of the recent 7 years, which comprises 15,1 percent of serious accidents at work and 8,1 of fatal accidents per 100 thousand employees.

Number of fatal and serious accidents at work per 100 thousand employees in 2001–2007

Data of the State Labour Inspectorate

Morbidity of occupational diseases

In 2007, the State Register of Occupational Diseases registered 1123 cases of occupational diseases among 860 people. Men were diagnosed with 82 percent and women with 18 percent of all cases of diseases. 76 percent of occupational diseases were diagnosed among people over 55 years of age; about half (47 percent) of occupational diseases were diagnosed among people of 55–64 years of age, and one third (29 percent) of occupational diseases was diagnosed among people of 65 years of age and older.

The comparison of the cases of occupational diseases and the number of diseased people in 1998–2006 (Figure 2.2.4.1-2) indicates that the number of occupational diseases during the period 1998–2001 decreased from 618 to 570, during the period of 2002–2006 increased to 1447, and in 2007 it amounted to 1123 cases. The number of people diagnosed with occupational diseases was respectively decreasing and increasing.

In 2007, the following cases were registered:

- diseases pertaining to connective tissue and skeletal-muscular system (45 percent);
- diseases of nervous system (31 percent);
- auricular diseases (22 percent).
79 percent of the reasons of the registered occupational diseases were physical factors. 73 percent of occupational diseases were diagnosed among operators and fitters of equipment and machinery; 38 percent among people whose qualifying period was from 31 to 40 years. The structure of occupational diseases in 2007 was similar to that of 2006. Occupational diseases were mostly induced by long-term noise as well as work with vibrating equipment.

**Number of occupational diseases and diseased persons during 1998–2007**

![Graph showing number of occupational diseases and diseased persons from 1998 to 2007](image)

Data of the State Labour Inspectorate

**Figure 2.2.4.1-2**

**2.2.4.2. Improvement of legal framework during 2007–2008**

**The Law Amending the Law on Safety and Health at Work**

In order to fully harmonize provisions of the Law on Safety and Health at Work with provisions of the Council Directive 89/391/EEC on the introduction of relevant measures for the improvement of safety and health at work, create legal conditions for the improvement of prevention of accidents at work and occupational diseases, harmonise provisions of the Law on Safety and Health at Work of the Republic of Lithuania with provisions of other regulatory enactments, transfer certain provisions of the Law on Occupational Health Care of the Republic of Lithuania into the Law on Safety and Health at Work of the Republic of Lithuania, recognise the Law on Occupational Health Care of the Republic of Lithuania as invalid, as well as taking into consideration the practice of application of the Law on Safety and Health at Work of the Republic of Lithuania and the state of safety and health at work in enterprises, in June 2007 the Law Amending the Law on Safety and Health at Work of the Republic of Lithuania was adopted.  

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**Law on the Amendment and Supplement of Articles 1, 2, 5, 8, 12, 15, 16, 21, 25, 27, 29, 34, 38, 39, 44 and 45 to the Law on Safety and Health at Work, as well as the amendment of the title of Chapter V and supplement of the Law by Article 12 and the supplement (Official Gazette, 2007, No 69-2720).**
This Law envisaged that:
- the employer, with a view to assuring safety and health at work, can nominate one or more specialists of safety and health at work, or establish the service of safety and health at work, or (and) conclude the agreement on provision of safety and health at work services with a licensed natural or (and) legal person. This provision is applied in all enterprises and institutions, including state and municipal institutions and agencies;
- legal and natural persons providing safety and health at work services shall have a licence and insure their civil responsibility;
- when more than one contractor is involved in the design building or construction of a building, one or several safety and health at work coordinators shall be assigned;
- pursuant to the procedure established in an enterprise, a person representing the employer shall remove an employee infringing the requirements on safety and health at work;
- enterprises shall submit information of the state of safety and health at work and the compliance of workplaces with the requirements of regulatory enactments on safety and health at work to the State Labour Inspectorate pursuant to the procedure established by the state labour inspector;
- the employer shall approve the list of employees which shall undergo the obligatory health examination, the schedule for health examination and control the compliance with the above schedule;
- the procedure for health examination of employees driving overland, air and water transport means before their departure shall be established by the employer’s representative.

Implementation of the law Amending the law on Safety and Health at Work of the Republic of Lithuania included:
- The Rules for Licensing the Provision of Safety and Health at Work Services54;
- New wording of the Description of the Requirements on Competences of Institutions Providing Training and Other Services in the Sphere of Safety and Health at Work to Enterprises55;
- New wording of Standard Regulations of Safety and Health at Work Services of enterprises56.

Other legal acts
In order to solve the problems on safety of social workers, the Resolution No 1386 of the Government of the Republic of Lithuania of 19 September 200757 amended the list of Dangerous Works. The list was complemented with the work of workers of municipal local authorities, municipal administra-

tion units for protection of the rights of the child, workers of social assistance units, social workers of social services institutions, social pedagogues, assistants of social workers working with the social risk families, social risk persons and persons with mental disorders, as well as with works in the potentially explosive environment.

Employees involved in dangerous works shall undergo training on safety and health at work issues; their knowledge in the sphere of safety and health at work shall be tested pursuant to the procedure established by the employer. The employer shall establish the procedure for safe execution of dangerous works.

In order to fully harmonise the Provisions of Regulations of the Provision of Employees with Personal Protective Equipment and the Provisions of Regulations on Installment of Working Places at the Construction Sites with relevant European Union Directives, new wordings of these regulatory enactments were approved⁵⁸.

On 5 April 2006, the European Parliament and the Council adopted Directive 2006/25/EC on the minimum health and safety requirements regarding the exposure of workers to risks arising from physical agents (artificial optical radiation) (19th individual Directive within the meaning of Article 16(1) of Directive 89/391/EEC). This is the first legal act establishing safety and health at work requirements on exposure to the artificial optical radiation. Implementing of the above mentioned Directive, Regulations on Protection of Workers from the Risks Arising from Artificial Optical Radiation were drafted and approved by the Order of the minister of social security and labour and the minister of health in December 2007⁵⁹. These provisions will come into force on 1 April 2010.


2.2.4.3. Information System for Permanent Monitoring of Working Conditions at Working Places

In pursuance of Measure 23 of Table 2 of the Measures for Implementation of the Programme of the Government of the Republic of Lithuania for 2006–2008⁶⁰, the State Labour Inspectorate of the Republic of Lithuania established the Information System for Permanent Monitoring of Working Conditions at Working Places.

The goal of this information system is to execute the monitoring of implementation of provisions of regulatory enactments regulating safety and health at work and labour relations, and improve the efficiency of control and prevention of infringements executed by the State Labour Inspectorate. The information system for permanent monitoring of working conditions at working places provides for: accumulation of the data on the state of working conditions at working places, i.e. on the risk factors in enterprises; accumulation of data on accidents at work and occupational diseases in enterprises of separate economic branches and in the entire country; effectively analysis of the state and changes in the sphere of safety and health at work; planning and implementation of relevant measures for the improvement of workplaces and prevention of occupational disorders. The system aims at: automatisation of processes of the State Labour Inspectorate; exchange of data with other national information systems and registers; provision of information to institutions for execution of functions established by their legal acts on accidents at work, occupational diseases and the state of safety and health at work, manifestations of illegal activities, the state of retention of life, health and working capacity of employees; provision of public electronic services to employers and information of employers on issues related to safety and health at work and the activity of the State Labour Inspectorate.

2.2.4.4. Strategy of Safety and Health at Work for 2008–2012

On 21 February 2007, the European Commission approved the Communication for the European Parliament, Council, the European Committee for Economic and Social Affairs and the Regional Committee "Improving quality and productivity at work: Community strategy 2007–2012 on health and safety at work".

Having evaluated the state of safety and health at work in Lithuania and with a view to improving the state of safety and health at work in enterprises, and pursuant to the European Commission Communication, the draft Strategy of Safety and Health at Work for 2008–2012 was elaborated in 2007.

The goal of the Strategy is to reduce the number of fatal accidents at work by improving the legal, economic and organisational safety and health at work framework ensuring work quality of employees, retention of working capacity and reduction of accidents at work and occupational diseases. The criteria for the evaluation of implementation of the above goal is the decrease (by 0.2 every year) of the fatal accidents at work per 100 thousand employees until the year 2012, compared to the previous years.

Objectives and tasks of the Strategy:

1. To improve the legal framework of the safety and health at work system in pursuance of more effective functioning of the system.
2. To improve the system of education, training, certification, information and employee briefing on safety and health at work issues.
3. To increase preventive efficiency of the occupational health care.
4. To improve quality of workplaces by assuring the implementation of key requirements for supervision of potentially dangerous equipment.

Provisions of the Strategy would be implemented in two stages by elaborating the Plan of Measures for Implementation of Strategy for 2008–2010 and 2011–2012. The expected outcomes of the implemented Strategy are as follows:
1. Assurance of the effective functioning of the safety and health at work system.
2. Assurance of quality of education, training, information and briefing services on safety and health at work.
3. Compliance with the need for occupational health care services.
4. Effective use of funds allocated for the improvement of the safety and health at work.
5. Efficient use of technically and technologically appropriate work tools.

Coordination of implementation of the Strategy will be executed by the Ministry of Social Security and Labour. Executors of the Strategy: Ministry of Health, Ministry of Education and Science, Ministry of Agriculture, State Labour Inspectorate of the Republic of Lithuania, the Lithuanian Labour Market Training Authority under the Ministry of Social Security and Labour, higher schools, the Centre for Professional Development of Pedagogues.

Science and studies institutions, confederations and associations of national trade unions, and employers’ organisations together with other institutions, agencies and municipalities are also invited to take part in the implementation of Strategy.

2.2.4.5. Measures for Improvement of the State of Safety and Health at Work

In order to reduce the number of accidents at work and the incidence of occupational diseases, the following research activities were executed in 2007:

- establishment of the computerised System for Monitoring Physiological Parameters for dispatchers – 2nd stage in implementing the Interactive Clothing for dispatchers;
- survey on circumstances and reasons of fatal accidents related to non-occupational diseases in 2005–2006;
- survey on the need for education of occupational medical doctors for institutions and agencies;
- Results of the surveys were submitted during the meetings of the Safety and Health at Work Commission of the Republic of Lithuania; their summaries are placed in the website of the Ministry of Social Security and Labour www.socmin.lt.

Publications issued in 2007:

- Handbook "Occupational Medicine";
- European Commission's recommendations for the diagnosis of occupational diseases "Manual for Diagnosis of Occupational Diseases".

The above publications are disseminated by the State Labour Inspectorate.

Labour market vocational training programmes were updated by the end of 2007, including the elaboration of visual training tools:

- "Training Programme for a Manager Working with Asbestos and its Products";
- "Training Programme for an Employee Working with Asbestos and its Products";
- Visual Tools for Training Programmes of Employees (wood processing profession) involved in Manufacturing.
2.2.4.6. Conclusions

In 2007, the number of serious and fatal accidents at work per 100 thousand employees (respectively 14.3 and 7.3) was the least during the recent three years, and was less than the average of the recent 7 years, which comprises 15 serious accidents at work and 8 fatal accidents per 100 thousand employees.

In 2007, the number of registered occupational diseases in the country was less than in 2005 and 2006, however, higher than that established before 2004. As in 2005 (45 percent) and 2006 (46 percent), in 2007 (47 percent) nearly half of the occupational diseases were identified among the persons aged 55–64.

With a view to improving the state of safety and health at work in the country and decreasing the number of accidents at work and occupational diseases, during 2nd half of 2007 and 1st half of 2008 the legal acts on safety and health at work were improved by transferring the provisions of the European Union directives to the national legal acts. Legal, scientific research and information measures for prevention of accidents at work were executed with a view to improving the state of safety and health at work, including the elaboration of the draft strategy on Safety and Health at Work for 2008–2012 and the plan of measures for its implementation.

2.2.5. Technical Safety

2.2.5.1. Safety at Work with Potentially Hazardous Equipment

With a view to assuring prevention of accidents at work, the control of work with hazardous equipment is executed. During 2007 the number of potentially hazardous equipment registered in the state register, increased by 16 percent, i.e. from 24295 equipment registered by 1 January 2007 to 28864 equipment registered by 1 January 2008. The quantitative variation of different groups (types) of equipment during 2007 is presented in Figure 2.2.5.1.

The analysis of the data of the state register on potentially hazardous equipment of 2005, 2006 and 2007, indicates that the major change was recorded in registering the cableways and funiculars (6.5 times), and in the group of escalators and their equipment (108 percent); the pipeline and steam line group (90 percent), the group of lifting cranes and their equipment (88 percent) and the group of recreational equipment (79 percent). A smaller percentage change of increase was observed in registering lifts and their equipment (50 percent) and tank (46 percent) groups. The least increase (30 percent) was recorded in registering pressure vessels and their equipment.\(^6\)

\(^6\) Registration of combustible gas devices was started in 2006.
In 2007 the activity of the Register of Potentially Hazardous Equipment improved by updating the relevant software and providing the second training course round for workers of the territorial units of SLI, registering potentially hazardous equipment. The possibility was provided to the expert executing the inspection of technical state of potentially hazardous equipment to enter the data into the state register. The above provides for the assurance of precise accounting and tracking of work load of experts. The situation with the non-used potentially hazardous equipment is worse: this equipment is included into the register and can be signed out only by their owners who usually do not perform this duty. Such a careless approach of the non-used equipment owners should be regulated by legal and administrative measures. The law establishing the mandatory period, during which non-used equipment should be signed out, could provide a possibility to identify the delayed inspections. Pursuant to the data of the register, by 1 May 2008 periodical inspections of the technical state were not executed (due to various reasons) with regard to 8232 devices. Naturally, the non-used and not signed out potentially hazardous equipment comprise the major part of these delays.

The data for 2007 of public institutions, having the authorisation of the minister of social security and labour and the minister of economy to inspect the technical state of potentially dangerous devices, is presented in Table 2.2.5.1-1.
The majority of inspections of the technical state of potentially hazardous equipment fall on the public institution Technical Supervision Service, having the major capacities both in terms of human resources, and in technical readiness. This distribution is presented in Figure 2.2.5.1-2.

While inspecting enterprises, officials of the State Labour Inspectorate shall control the state of the potential hazardous devices, i.e. inspect their conformity with the key occupational safety and health requirements, ascertain on whether employees have undergone training for work with the above equipment, as well as timely execution of regular technical state inspections. State labour inspectors, having identified technically irregular devices or the equipment which has not undergone timely inspection, shall prohibit the use of such equipment. Table 2.2.5.1-2 provides the data related to the above inspections.

Changes (in percentage) in violations identified during the inspection of potentially hazardous equipment are presented in Figure 2.2.5.1-3.

### Potentially hazardous equipment supervised by authorised institutions

<table>
<thead>
<tr>
<th>Authorised institution</th>
<th>Number of supervised equipment</th>
<th>Number of experts</th>
<th>Executed inspections</th>
<th>Inspections executed by 1 expert</th>
<th>Inspection results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service for supervision of elevating equipment</td>
<td>3347</td>
<td>7</td>
<td>3563</td>
<td>509</td>
<td>3531</td>
</tr>
</tbody>
</table>

### Indicators for control of the use of potentially hazardous equipment in 2005-2007

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprises where violations were identified in operating potentially hazardous equipment</td>
<td>484</td>
<td>476</td>
<td>507</td>
</tr>
<tr>
<td>Violations identified in operating potentially hazardous equipment</td>
<td>758</td>
<td>706</td>
<td>745</td>
</tr>
</tbody>
</table>
Table 2.5.1-2

Indicators related with the use of potentially hazardous equipment in 2005–2007

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enterprises where the use of potentially hazardous equipment was prohibited</td>
<td>64</td>
<td>65</td>
<td>114</td>
</tr>
<tr>
<td>Prohibited use of potentially hazardous equipment</td>
<td>104</td>
<td>115</td>
<td>163</td>
</tr>
<tr>
<td>Enterprises where not certified employees work with potentially hazardous equipment</td>
<td>449</td>
<td>265</td>
<td>280</td>
</tr>
<tr>
<td>Number of non-certified employees working with potentially hazardous equipment</td>
<td>1557</td>
<td>1530</td>
<td>623</td>
</tr>
</tbody>
</table>

Data of the State Labour Inspectorate

Figure 2.2.5.1-3

Figure 2.2.5.1-4 indicates that safety of operations of potentially hazardous equipment has improved: the number of not trained employees working with these equipment has decreased (of total number of employees working in the inspected enterprises), the number of technically irregular potentially hazardous equipment in enterprises also decreased (of all the prohibited work devices), as well as the number of enterprises where the use of potentially hazardous equipment was prohibited and violations of their operations was identified.

In 2007, 16 serious and fatal accidents at work were observed work with potentially hazardous equipment. Lifting cranes were the cause of 3 fatalities and 12 serious accidents at work (in 2006 respectively 4 and 5). One fatality registered in operating the steam and water heating boiler and its devices.
Usually the cause of accidents at work was not the irregularity of equipment or its bad technical state, but violations of requirements of regulatory legislations on safety and health at work or inappropriate work organisation. One of the reasons of accidents at work when working with potentially hazardous devices was their exploitation after the expiry of term established by the producer. High prices of the potentially hazardous equipment usually prevent their owners from replacing the old equipment by the new because of the lack of financial possibilities, and they proceed to use them, e.g. 26 percent of lifting cranes have been operating for more than 20 years.

2.2.5.2. Free movement of goods

The State Non-Food Products Inspectorate is authorised to execute the control of machinery, personal protection equipment and lifting equipment delivered to the Lithuanian or the EU economic area with a view to identifying its compliance with the obligatory requirements established in relevant legal acts on safety and health, proper marking, testing and availability of relevant technical documentation. Supervision of the market of passenger cableways shall be executed by the State Labour Inspectorate, including the control of machinery and personal protection items.

During 2007 the inspectors of the State Non-Food Products Inspectorate executed 369 inspections of personal protective equipment, machinery and lifting devices and identified 154 infringements; upon the execution of different tests, 3 products were acknowledged as hazardous and their delivery to the market was prohibited.

As indicated in Figure 2.2.5.2-1, the number of infringements established during the inspection of personal protective equipment has decreased significantly: the users were provided with safer eye protection, hand and face protection devices.

Infringements identified in inspected personal protection devices in 2005-2007 (percent)

![Infringements identified in inspected personal protection devices in 2005-2007 (percent)](image)

Data of the Non-Food Products Inspectorate

The majority of the inspected personal protection equipment (further referred to as PPE) was produced in the European Union countries. The inspected PPE types amounted to 296, infringements were
identified in 85 types (28.7 percent). 76 types of PPE imported from China were inspected and infringements were discovered in 42 types (55.2 percent); 300 types of PPE produced in other countries were inspected and infringements were discovered in 95 types (31.7 percent); 4 types of PPE produced in Lithuania were inspected and infringements were identified in 2 types (50 percent).

Two PPE safety inspection programmes were executed in 2007:

- The programme for inspection of eye and face protection equipment used for welding or similar works;
- The programme for inspection of safety on helmets of cyclists, skateboarders and skaters.

Products selected during the first programme and tested in the laboratory complied with the requirements of the harmonized standard. While inspecting the helmets, non-conformities with the marking requirements and other trivial shortcomings were identified.

In 2007, in pursuance of supervision of the machinery market, inspectors of the State Non-Food Products Inspectorate inspected 1018 machinery types (no infringements identified in 83.3 percent of machinery). The identified infringements are presented in Figure 2.2.5.2-2.

**Analysis of machinery market control of 2007**

During the inspections one hazardous product was discovered, i.e. the electric vibrating grinder Blaucraft BSS 135, produced in Germany and creating the danger of electric shock to a working person. This hazardous product was eliminated from the trade market.
3.1. FINANCES OF THE STATE SOCIAL INSURANCE FUND IN 2006

The year 2007 was the sixth year in a row when the revenues of the State Social Insurance Fund exceeded the forecasted and incurred expenditure. As a result of the rapid growth of the number of the insured persons and of their increasing average wage, efficient administration of social insurance contributions and the recovery of debts, the revenues of the State Social Insurance Fund (hereinafter referred to as the Fund) amounted to approximately LTL 9.8 billion in 2007. They have increased by almost LTL 2 billion, or more than 25 percent, as compared to 2006. Whereas the budgetary expenditure of the Fund amounted to LTL 9.3 billion, which was an increase by LTL 2.04 billion, or by over 28.1 percent as compared to 2006. The budgetary revenues of the Fund exceeded the expenditure by LTL 476 billion. In 2007 after having repaid the last part of the loan amounting to LTL 100 million, the budget of the Fund finally paid off all the loans received in previous years.

Compulsory social insurance contributions of the insurers and the insured persons accounted for the largest part of the budgetary revenues of the Fund, amounting to almost LTL 9.2 billion or 94.1 percent, which marked an increase by 24 percent (LTL 1.8 billion), as compared to 2006.

In 2007 the largest amount of additional budgetary funds was allocated for state social insurance pensions as well as maternity and paternity social insurance benefits. In comparison to 2006, the budgetary expenditure of the Fund disbursed for state social insurance pensions grew by 25.4 percent. As a result of the implementation of additional measures designed for the encouragement of birth and the provision of sufficient state support for parents raising young children, the budgetary expenditure paid as maternity and paternity social insurance benefits grew by 63 percent, as compared to 2006.

The distribution of the transferred budgetary expenditure of the Fund according to various types of insurance and expenditure, as well as changes in this expenditure are presented in Table 3.1-1.

After the calculation of all budgetary revenues, expenditure and necessary deductions, the budgetary results of the Fund were positive, amounting to LTL 327 million.
Having considered the economic growth in the country and the performance indicators of recent years, the Seimas of the Republic of Lithuania approved the budget of 2008, which exceeded the 2007 budget of the Fund by approximately one sixth.

The Budgetary Expenditure of the State Social Insurance Fund Incurred in 2007

<table>
<thead>
<tr>
<th>Type of Insurance</th>
<th>Expenditure million LTL</th>
<th>Total expenditure percent</th>
<th>As compared to 2006 percent</th>
<th>More, as compared to 2006 billion LTL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social insurance pensions</td>
<td>6100,0</td>
<td>66.0</td>
<td>25.4</td>
<td>1200,0</td>
</tr>
<tr>
<td>Sickness and maternity social insurance</td>
<td>941,0</td>
<td>10.1</td>
<td>51.4</td>
<td>319,0</td>
</tr>
<tr>
<td>Unemployment social insurance</td>
<td>319,0</td>
<td>3.4</td>
<td>14.2</td>
<td>40,0</td>
</tr>
<tr>
<td>Occupational accidents social insurance</td>
<td>44,2</td>
<td>0.5</td>
<td>31.6</td>
<td>11,0</td>
</tr>
<tr>
<td>Amount estimated to be transferred to the compulsory social insurance fund</td>
<td>768,0</td>
<td>8.3</td>
<td>24.5</td>
<td>151,0</td>
</tr>
<tr>
<td>Amounts estimated to be transferred to pension funds</td>
<td>851,6</td>
<td>9.2</td>
<td>60.3</td>
<td>320,5</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour

3.2. IMPROVEMENT OF THE STATE SOCIAL INSURANCE SYSTEM

In 2007 the following issues were held up to public scrutiny: the improvement of sickness and maternity social insurance, establishment of cap for the social insurance contributions and the state support for the Lithuanian navy. This past year was much “calmer” as there were no heated discussions on occupational accidents social insurance. The social insurance of occupational accidents and changes in this type of insurance are widely covered in Social Reports of previous years62.

3.2.1. CHANGES IN THE SICKNESS AND MATERNITY SOCIAL INSURANCE SYSTEM

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Notwithstanding the fact that, as a result of a strong focus placed on the demographics policy, in 2006 the Seimas of the Republic of Lithuania resolved to increase maternity/paternity social insurance benefits, the recent years once again saw heated discussions on the issues of maternity and paternity social insurance. In 2007 the maternity/paternity social insurance benefits were increased twice (in 1 January and 1 July): in the first stage of the increase, maternity/paternity benefits grew from 70 percent to 85 percent of the compensatory wages, while in the second, 100 percent of the compensatory wages started to be paid as maternity/paternity benefits until the child reaches six months of age, and 85 percent of the compensatory wages are paid during the remaining time until the child reaches one year of age.

As a result of the implementation of measures envisaged in the programme of the Government of the Republic of Lithuania for 2006–2008 and taking into consideration the number of children raised in families and a possibility to combine family responsibilities and professional activity, and with the objective of increasing social insurance benefits until they reach 100 percent of the compensatory wage, at the end of 2007, amendments to the Law on Sickness and Maternity Social Insurance of the Republic of Lithuania were adopted. The amendments establish better conditions for the reception of social insurance benefits and a longer period of payment of maternity/paternity social insurance benefits. Thus, by means of specific amendments, it is established that as of 1 January 2008:

– 100 percent of compensatory wages shall be paid as maternity/paternity social insurance benefits for the duration of the end of the pregnancy and childbirth leave until the child reaches one year of age, and 85 percent of the compensatory wages shall be paid during the remaining time until the child reaches two years of age;

– where two or more children are born, maternity/paternity benefits shall be increased for a person on a maternity/paternity leave subject to the number of children born at the same time (in case of twins, benefits shall be doubled, in case of triplets, benefits shall be tripled, etc.) Moreover, when more than one child is born, additional maternity social insurance benefits shall paid which are subject to the number of born children, e.g., if a woman was paid maternity benefits before the childbirth and gave birth to twins, an additional equal amount of maternity benefits shall be paid to her, and in case of triplets, two additional equal amounts of maternity benefits shall be paid.

– where a women on a child care leave is granted new pregnancy and childbirth leave, she shall be paid maternity and maternity/paternity social insurance benefits of the same amount as calculated in the case of the previous childbirth, unless maternity or maternity/paternity social insurance benefits calculated from the period during which the woman was on a pregnancy and childbirth or child care leave are bigger than maternity or maternity/paternity social insurance benefits received prior to the current pregnancy and childbirth leave or child care leave. In all the cases bigger benefits shall be paid;

– where a women on a child care leave is granted a right to receive maternity social insurance benefits (during the period of pregnancy and childbirth) in respect of another child, two types of benefits shall be paid in such instance, i.e. maternity and maternity/paternity social insurance benefits;

– the minimum amount of maternity social insurance benefits, i.e. maternity social insurance benefits per month shall not be lower than one third (previously it used to be one fourth) of the insured income of the current year valid during the month when pregnancy and childbirth leave had been granted;

– sickness social insurance benefits may also be paid for the child care to the insured person if a spouse who is on a pregnancy and child-birth leave or child care leave cannot take care of the child due to his own sickness or trauma;
where the insured person, raising a child until two years of age, is working (has insured income), a part of maternity/paternity social insurance benefits shall be paid (a difference between the benefits and the insured income);

– a discriminatory provision has been abolished, under which only a man married to the mother of the child was entitled to paternity benefit. The entitlement to paternity social insurance benefit has also been granted to those men who have acknowledged their paternity in respect of the child;

– sickness, maternity, paternity and maternity/paternity social insurance benefits shall be paid to the insured persons who do not have the required sickness and maternity social insurance record;

– to the insured persons under 26 years of age if they have not acquired the required record because during the specified periods they were full time students of higher educational establishments, vocational schools and schools of general education, and interval after the completion of studies (according to the document testifying to completion of studies), when they became insured persons, does not exceed 3 months;

– to the insured persons who have not acquired the required record because during the specified periods they were statutory public servants and the interval after the change of their status does not exceed 3 months.

3.2.2. SEAFARERS SOCIAL INSURANCE

In the middle of 2007, after long discussions, the Seimas of the Republic of Lithuania adopted amendments to the Law on State Social Insurance, establishing the compensation of a portion of social insurance contributions paid on behalf of seafarers with public funds. Pursuant to the amendments to the Law, the owners and managers of ships registered in Lithuania would pay social insurance contributions for seafarers working in ships belonging to them, calculated only on the basis of wages amounting to not more than 1.5 of the insured income of the current year. Whereas social insurance contributions calculated from wages amounting to 1.5-5 of the insured income, would be paid from public funds. The social insurance contributions would not be calculated from wages bigger than 5 amounts of the insured income.

Unfortunately, not all political forces agreed on such state support for the Lithuanian navy. After the Seimas of the Republic of Lithuania approved the amendments to the Law on State Social Insurance, a number of members of the Seimas addressed the President of the Republic asking him to veto the adopted amendments. According to the parliamentarians, the new law would create unequal conditions of competition, as only one sphere of economy (sea transport) would be partly compensated for the social insurance contributions paid by the employer for seafarers with public funds. According to the members of the Seimas who addressed the President, under this Law the principle of equal treatment is infringed in respect of the people of the country, as special social insurance conditions are created for one group of people of a particular profession. Moreover, the members of the Seimas of the Republic of Lithuania claimed that those seafarers that were not taking international routes were discriminated against, since a more favourable procedure of payment of social insurance contributions was applied only to those seafarers that were working in Lithuanian ships sailing by international routes. The parliamentarians regarded the adopted law a precedent in the social insurance system, where even though a
smaller social insurance contribution was paid as compared to that of other insured persons, an entitlement was still granted to a full state social insurance pension rather than to a minimum one.

However, according to Lithuanian shipping enterprises, the compensation of a portion of social insurance contributions paid by Lithuanian shipping companies with public funds is mostly urgent for seafarers who ever since the soviet times are used to receiving approximately half of their salaries as per diem compensation. The enterprises themselves were hoping to indirectly benefit from the compensations, as it would have become easier to employ seafarers and help maintain ships registered in the Lithuanian ships registrar. As a result of an unfavourable tax base, currently approximately one fourth of ships belonging to Lithuanian capital enterprises are flying flags of third countries. What concerns Lithuanian merchant fleet, the number of ships sailing with Lithuanian flags dropped from 101 ships in 1997 to 66 ships in 2007.

After having evaluated all positive and negative aspects of the amendments adopted by the Seimas of the Republic of Lithuania, the President of the Republic returned the amendments to the Law on State Social Insurance to the Seimas of the Republic of Lithuania for reconsideration thereof. In the opinion of the President of the Republic, the amendments to this Law would create exclusive conditions for one group of people of a particular profession, which would contradict the principle of equal treatment established in Constitution of the Republic of Lithuania. Such regulation would also lead to an endemic precedent and incentive for representatives of other professions to seek exclusive rights or exemptions in the sphere of the state social insurance.

Having reconsidered the amendments to the Law on State Social Insurance, establishing tax concessions for seafarers, but vetoed by the Head of the State, the Seimas of the Republic of Lithuania resolved to not adopt them. Upon the veto of the President, the Law remained in effect without any amendments, i.e. no preferences have been granted to one group of people of a particular profession.

3.2.3. “CEILING” OF SOCIAL INSURANCE CONTRIBUTIONS

In 2007, heated discussion regarding the setting of the ceiling of wages from which social insurance contributions would be calculated continued. At the beginning of the year, the International Monetary Fund among solutions to the improvement of tax system, recommended for Lithuania to put in place limits for social insurance contributions.

Representatives of Investors Forum have been proposing for the Government of the Republic of Lithuania to establish ceiling for social insurance contributions for five years now. The association proposed to withhold social insurance contributions calculated from the amount exceeding five average monthly wages, amounting to over LTL 8,000. However, the Ministry of Social Security and Labour proposed to raise the ceiling to ten average monthly wages, while the Ministry of Economy held the view that the social insurance contributions should not be calculated from seven, and later this amount should be gradually reduced to five average monthly wages.

Social partners held a different view as to the setting of the ceiling for wages from which social insurance contributions are calculated. Lithuanian Trade Union Confederation criticised the support of the International Monetary Fund given to those investors in Lithuania who propose to introduce ceiling for social insurance contributions. According to the confederation, such ceiling would increase social
exclusion between employees receiving high and low income. As a result of “the ceiling” set on social insurance contributions, the budgetary revenue of the State Social Insurance Fund would reduce, which in turn would lead to a smaller amount of financial resources intended for a speedier increase in pension and social insurance contributions. The Tripartite Council of the Republic of Lithuania, consisting of the Government of the Republic of Lithuania, and representatives of Employer and Trade Union Organisations, also disapproved of the establishment of “the ceiling” for social insurance contributions.

At the beginning of 2008, the President of the Republic initiated amendments to the Law on State Social Insurance, establishing limits on wages from which social insurance contributions are calculated. The Seimas of the Republic of Lithuania, however, did not accept the proposed amendments.

3.2.4. EXEMPTIONS FROM SOCIAL INSURANCE CONTRIBUTIONS

The Seimas of the Republic of Lithuania adopted amendment to the Law on State Social Insurance, thereby establishing exemptions from social insurance contributions paid by the employer in respect of supplementary/voluntary health insurance contributions for his employee, in effect as of 1 July 2007. The purpose of the amendment to the Law was to improve the accessibility of health care services, to provide patients with better possibilities to choose health institutions, and to pay for the health care services which are not included in the compulsory health insurance fund from supplementary/voluntary health insurance funds. The amendment will also enable employees who are insured by such insurance to choose a health care institution according to the quality of the services provided. The funds provided due to the insured patient will stimulate a competition amongst the health care institutions in respect of the quality of services. And this will lead to a natural distribution of flows of patients in private and public health care institutions. Moreover, persons insured with this kind of insurance will be able to take advantage of the latest scientific achievements, undergo preventive medical examinations and costly research which are not affordable for everyone. Furthermore, premium for medication will be covered and broader possibilities to use services provided by sanatoriums will be offered. All of the above will be paid from the private insurance funds.

Supplementary/voluntary health insurance accounts for approximately 10 percent of all expenditure spent for the health care in the EU countries (the difference in various EU countries ranges from 5 percent to 17.7 percent)

3.2.5. ELECTRONIC DECLARATION SYSTEM OFFERS A BETTER COOPERATION WITH THE INSURERS

In 2007 the Board of the State Social Insurance Fund launched the creation of a system of reception and processing of electronic social insurance report forms for the insurers. The implementation of the launched project will enable electronic communication between the insurers and the administrative authorities of the Fund. It will be one of the first social insurance institutions in the European Union offering electronic service systems, enabling the reception of electronic documents from the insurers, signed with a secure electronic signature and confirmed by a qualified certificate. The new electronic service system catered for insurers will make it convenient and safe for the users to communicate with the administrative authorities of the Fund, will save time and material resources.
As of 2008 the insurers using the system will be able to submit by electronic means reports to the administrative authorities of the Fund, which up until now have been receiving them in written form only, as well as to receive any information related to the state social insurance managed by a company. Companies will be able to use electronic services provided by the institutions of the State Social Insurance Fund via a specialised internet website Draudėjų portalas. It is estimated that the new system will shorten the time spent by the insurers for filling in the documents by at least three times, as well as will reduce a portion of reports received in written form which are sent to the administrative authorities of the Fund every year. The new system will reduce the number of filled in reports from 19 to 8.

Almost a quarter (approximately 70,000) of 267,000 insurers submits reports more than once every three months. Over 650,000 various reports are sent to all social insurance territorial units within one quarter of each year. Every year the amount of submitted documents can be as high as 2.5 million or more, for the storage of which big premises of archives are required.

3.2.6. AGREEMENTS ON THE SUPPLY OF DATA

In the middle of 2007 the Board of the State Social Insurance Fund signed agreements with three Lithuanian banks regarding the supply of data by electronic means. The Board of the Fund proposed to sign such agreements with other banks operating in Lithuania, as well.

The banks that have signed agreements with the Board of the Fund will be able to request information as regards specific data subject and to receive information from the Board of the Fund regarding the insured income, as well as other data relating to that subject. Up until now, in order to have access to such data, banks had to receive a voluntary consent of the data subject, presented in written form. Upon the signing of the agreements, the consent of the client submitted in electronic form shall be treated as the document drafted in written form, and shall have the same legal effect as the document signed by the data subject in written form.

By means of electronic banking system, the clients will be able to fill in any application in order for credit to be obtained (or a credit card, consumer or personal credit, credit limit in the banking account), and within one working day they will be informed by e-mail or phone call regarding the final decision on issuing credit or a card.

3.2.7. PROPOSALS REGARDING THE REFUSAL OF SICK LEAVE CERTIFICATES

In 2007 the Ministry of Health proposed to refuse issuing sick leave certificates with regards to short-term sickness. By this proposal of the Ministry a person could take a two day sick leave without being issued a sick leave certificate. After deliberations on the proposal, the Tripartite Council resolved to reject it. Employers and the trade unions disagreed with the provision saying that an employee would be entitled to such agreement only five times in a calendar year.

The Ministry of Health held the view that employers should trust their employees and not require a written explanation. Moreover, such procedure would help reduce queues in the clinics. The aim of the proposal was to achieve that in the case of minor illness, when doctor’s assistance is not required,
the patient would not have to go to a health care institution only to receive a sick leave certificate, even though there is no major health risk.

Both, the employers and the trade unions expressed their doubts as to the effectiveness of the proposal of the Ministry of Health. According to the social partners, the existing Labour Code establishes a possibility to include such provision proposed by the Ministry of Health into the collective agreement.

### 3.2.8. SOCIAL INSURANCE OF CREATIVE WORKERS

In 2007 Lithuanian Journalist Union initiated a discussion encouraging the Government of the Republic of Lithuania and the Seimas of the Republic of Lithuania to solve the issue of participation of creative workers in the compulsory social insurance system as soon as possible. Lithuanian Journalist Union held the view that creative persons receiving authors’ fees should be insured by a compulsory social insurance. The state could encourage it by introducing favourable tax treatment for employers employing creative workers.

Employees working under employment contracts and their employers pay income taxes and social insurance contributions. Whereas creative workers can enjoy the so-called tax benefits and pay income tax amounting to only 15 percent. However, as no contributions to the social insurance are paid, therefore, they cannot benefit from any social safeguards.

Lithuanian Journalist Union submitted two possible models for consideration. Under the first model, the authors’ fees system is tantamount to work relations, i.e. with the adequate taxes and other safeguards. However, in Lithuania such safeguards may not be relevant to persons receiving quite little income from their creative activities. Therefore, it could be proposed to calculate social insurance contributions from persons whose monthly fees would amount to more than minimum wages.

What concerns the second model, it could be created by applying practices of other EU states, under which employers and creative workers would be encouraged to enter into employment agreements. Besides the existing 15 percent income tax, persons doing creative work could additionally pay social insurance contributions, while the remaining burden of social insurance contributions could be equally shared by employers and the state.

The Seimas of the Republic of Lithuania, taking into consideration the proposals submitted by Lithuanian Journalist Union, formed a working group and requested it to draft amendments to legal acts establishing procedure for calculation of social insurance contributions from fees of creative workers. The discussions on social insurance of creative workers will thus continue in 2008.

### 3.2.9. LEGALITY OF CONTRIBUTIONS PAID TO SODRA BY WORKING PENSIONERS

In 2007 the Constitutional Court of the Republic of Lithuania heard a case, on the basis of which it would be established whether self-employed pensioners receiving social insurance old-age pension should pay social insurance contributions.
The Constitutional Court of the Republic of Lithuania established the division of employed pensioners into those who are required to pay social insurance contributions and those who are not, is based on objective justification, i.e. according to the received income thereof. Such division does not discriminate and set any privileges, therefore, it does not contradict the Constitution of the Republic of Lithuania.

The Constitutional Court of the Republic of Lithuania announced that the provisions of the Law on State Social Insurance saying that self-employed persons, with the exception of the persons engaged in individual activities under business certificates, shall be covered on a compulsory basis only by pension social insurance to receive the basic and supplementary parts of a pension, do not contradict the Constitution of the Republic of Lithuania. Moreover, these persons shall be insured on a compulsory basis to receive the supplementary part of the pension where the annual aggregate amount of their income is equal to or exceeds the amount of 12 minimum monthly salaries. Furthermore, the Constitutional Court of the Republic of Lithuania acknowledged the fact that the provisions of the Law on State Social Insurance establishing that the exemption from social insurance contributions can be applied only where annual aggregate amount of income of owners of the individual enterprises, members of the general partnerships and limited partnerships, persons engaged in individual activities with the exceptions of persons engaged in individual activities under business certificates, is lower than the amount of 12 minimum monthly salaries and these persons are pensioners of state social insurance, did not contradict the Constitution of the Republic of Lithuania.

3.3. CHANGES IN THE PENSION SYSTEM

3.3.1. INCREASE OF STATE SOCIAL INSURANCE PENSIONS

In recent years, the implementation of the programme of the Government of the Republic of Lithuania for 2006–2008 has placed the focus on a considerable improvement of the financial situation of the disabled and the elderly. One of the measurers for such improvement has been the increase in the state social insurance basic pension (hereinafter referred to as the basic pension) and the insured income of the current year. This programme as well as the measures of the implementation thereof established to increase pensions so that by 2008 the average old-age pension amounted to at least LTL 650. According to the data provided by the State Social Insurance Board, in April 2007 the average old-age pension amounted to LTL 588.53, whereas in January 2008 the average old-age pension, paid to persons having the obligatory state social pension insurance record, amounted to LTL 755.05. There were a few factors leading to the increase in pensions. The first factor was the increase in new basic pensions and the insured income. By Resolution of 12 December 2007, the Government approved new amount of basic pensions and insured income: basic pension was increased by LTL 50 (from LTL 266 to LTL 316), while the insured income was increased by LTL 58 (from LTL 1356 to LTL 1414).

As a result of the increase in basic pension, pensions for persons with obligatory period of state social pension insurance increase accordingly. Whereas after the increase in the insured income of the current year, the pension increases for every person individually, depending on the state social pension insur-
Social Insurance and Pensions

The increase in basic retirement age for that person, the insured income received and social insurance contributions paid up until the date of pensionable age. As a result, the increased basic pension and insured income of the current year leads to a bigger increase in higher pensions. This does not ensure an adequate standard of living for persons receiving low pensions. In light of the considerations set out above, it has been resolved to establish legal regulations by which the increase in basic pensions would lead to a relatively bigger increase in lower pensions. Therefore, the second important factor leading to the considerable increase in lower pensions was the amendment to the Law on State Social Insurance Pensions (hereinafter referred to as the Law on Pensions)\(^{64}\), whereby the basic part of a state social insurance pension shall be equal to 110 percent of the basic pension and shall be paid to persons who have acquired the obligatory period of state social pension insurance for the old-age pension as well as for the persons who have lost 60-70 percent of their capacity for work. For those beneficiaries who have not acquired the obligatory period of state social pension insurance, the basic part of the pension shall be calculated in proportion to the acquired period of insurance. Therefore, as of 1 January 2008, the basic part of the pension is equal to 110 percent and amounts to LTL 347.60. Hence, beneficiaries who have acquired the obligatory period and are paid the old-age or work incapacity pension awarded due to the loss of their capacity for work by 60-70 percent, the basic part of the pension alone has grown by LTL 81.60. Both, the increase in the basic pension and the insured income of the current year, and the amendment to the Law on Pensions establishing the basic part of the pension equal to 110 percent of the basic pension, allowed the increase of pensions on average by 13-17 percent. In some cases, pensions were increased by over 20 percent. As a result of growing prices and accommodation expenses, the pensions were increased at the same pace as wages.

**Growth in average old-age pension and average wages in 2005–2007**

![Graph showing growth in average old-age pension and average wages](image)

Data of the Ministry of Social Security and Labour

As Figure 3.3.1-1 shows, in 2007 the rate of increase in pensions was higher by almost 5 percent than the increase in average wage.

Growing pensions remains to be one of the key priorities for the Government of the Republic of Lithuania.

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\(^{64}\) Law amending Articles 23, 32, 42 and 52 of the Law on State Social Insurance Pensions of the Republic of Lithuania (Official Gazette, No. 132-5360, 2007)
1 July 2007 saw the enforcement of yet another amendment to the Law on Pensions\textsuperscript{65} which was urgent for all beneficiaries of state social insurance pensions having a long pension insurance period. Pursuant to these amendments to the Law on Pensions, persons who have acquired state social pension insurance period exceeding 30 years shall be entitled to a bonus added to the old-age or work incapacity (invalidity) pension for each full year of the state social pension insurance period exceeding 30 years. The amount of the bonus is calculated individually for each beneficiary by multiplying 3 percent of the basic pension by the number of all full years of the pension insurance period exceeding 30 years. As of 1 July 2007, upon the enforcement of the above-mentioned amendments to the Law on Pensions, the amount of the bonus for each full year of the state social pension insurance period exceeding 30 years shall amount to LTL 7.98. Considering that the basic pension is LTL 316 (effective as of 1 January 2008), the bonus for one full year of the pension insurance record exceeding 30 years shall amount to LTL 9.48, for five full years – LTL 47.40, for ten full years – LTL 94.80, etc.

\begin{center}
\textbf{Distribution of beneficiaries of the state old-age social insurance pension, according the amount of pension, percent}
\end{center}

Data of the Ministry of Social Security and Labour

As data presented in Figure 3.3.1-2 shows, the bonus for state social pension insurance period exceeding 30 years, amendments to the Law on Pensions adopted in 2008 and the increase in the basic pension and the insured income of the current year lead to a considerable increase in income for persons receiving lower pensions.

Seeking to implement the measure envisaged in the Programme of the Government of the Republic of Lithuania for 2006–2008 (taking into consideration short-term and long-term trends of the pension system development to analyse changes in the pension system and submit proposals to the Government of the Republic of Lithuania on the improvement of this system), the Ministry of Social Security and Labour prepared a draft Law amending the Law on Pensions, thereby seeking to improve the calculation of the coefficient of the insured income of the person.

\textsuperscript{65} Law amending and supplementing Articles 5, 6, 32, 39, 42, 46, 52 and 64 and supplementing Articles 241, 421, 531 and 661 of the Law on State Social Insurance Pensions of the Republic of Lithuania (Official Gazette, No. 59-2277, 2007)
3.3.2. CONTINUATION OF THE REFORM OF THE SURVIVOR'S PENSIONS

As of 1 January 2008 amendments to the Law on Pensions\(^{66}\) entered into effect, thereby continuing the reorganisation of the state social insurance survivor's pensions system (hereinafter referred to as the Sodra survivor's pension system), commenced during the second half of 2006. The key principles for the reorganisation of the Sodra survivor's pension system that came into force as of 1 January 2007 were as follows:

1. The survivor’s pension shall be granted to all widows or widowers who have attained the pensionable age, regardless of their age when the death of their spouse occurred, if the deceased spouse had at least the minimum period while working in the undertakings, agencies or organisations of Lithuania, EU Member States or the member states of the European Economic Area.

2. All widows or widowers who became entitled to the survivor’s pension after 1 January 2007 shall be granted pensions of the same amount. For that purpose the basic amount of the survivor’s pension was introduced; it shall be at least LTL 70. The Law also provides that the basic amount of the survivor’s pension shall be approved by the Government of the Republic of Lithuania on the recommendation of the Ministry of Social Security and Labour; therefore, this amount shall also be indexed in future with due consideration to the financing opportunities of the State Social Insurance Fund Budget.

3. All granted survivor’s pensions paid to persons who attained the pensionable age or who were assessed as incapable or partially capable of work increased until they reached the basic amount of the survivor’s pension. During the reorganisation of the social insurance survivor’s pensions system it has been decided to increase support for children of the deceased person: it has been decided to replace the survivor’s pension, which amounted to 20 percent of the deceased person’s pension, with the benefit paid to the deceased person’s children. Therefore, as of 1 January 2007 the sole child of the deceased person shall be granted an orphan’s pension amounting to 50 percent (30 percent before 1 January 2007) of the pension to which the deceased pension was (could have been) entitled; two or more children shall receive equal pensions; however, they shall not exceed 100 percent of the pension to which the deceased pension was (could have been) entitled.

When implementing the survivor’s pension reform it has been noticed that in many cases persons applying for the survivor’s pension cannot prove the state social pension insurance period of the person deceased 20, 30 or even 40 years ago due to other circumstances (missing documents, persons who could have proved such fact are deceased). Taking into consideration the afore-mentioned and the fact that after the enforcement of the Law on State Social Insurance, i.e. as of 1 June 1991, the state social pension insurance period was linked to the payment of compulsory state social pension insurance contributions, it has been resolved that in order to be granted the survivor’s pension, only a record acquired by a person deceased after 1 June 1991 shall be required to be proven. Moreover, it has been resolved not to apply the requirement of the minimum period attained in the Republic of Lithuania or the Member State of the European Union where the deceased already received the old-age or work incapacity (invalidity) pension. Such decision was determined by monitoring of the practical implementation of the survivor’s pension reform: Since 1 January 2007 there were many cases where after the beneficiary passed away, the spouse could not be granted the survivor’s pension due to the fact that the deceased had been granted a pension for the record attained in the territory of the former USSR. Another amendment

\(^{66}\) Law amending Articles 2, 6, 8, 14, 17, 32, 34, 35, 43 and 44 of the Law on State Social Insurance Pensions of the Republic of Lithuania (Official Gazette, No.138-5648, 2007)
that came into force as of 1 January 2008 was regarding the number of years required to live in a marriage for a widow or a widower who did not have children with the deceased spouse; it dropped from 5 to 1 year. Due to all aforementioned amendments to the Law on Pensions, during the first quarter of 2008, LTL 1206,300 have been paid to 6542 persons as survivor's pensions from the State Social Insurance Fund Budget. As a result of the reorganisation in the survivor's and orphan's pension system, in 2007 the State Social Insurance Fund Budget used LTL 80.4 million, from which:

1. Having removed the age limitation, approximately 29,000 persons were granted the right to the survivor’s pensions, approximately LTL 24.4 million were paid as the survivor’s pensions.
2. 130,000 persons received survivor’s pensions increased by LTL 70. As a result, approximately LTL 39 million were used from the budgetary funds.
3. Approximately LTL 17 million were allocated for the increased orphan’s pensions.


On 6 November 2007, the Seimas of the Republic of Lithuania adopted Law on the Payment of a Part of the State Social Insurance Old-Age and Invalidity Pension of the Republic of Lithuania67 (hereinafter referred to as the Law on the Payment of the Pension Part) which entered into force as of 1 January 2008. The Resolutions of the Constitutional Court of the Republic of Lithuania of 25 November 2002 and of 3 December 2003, establishing the fact that restrictions on the assignment and payment of old-age and invalidity pensions to employed beneficiaries contradict the Constitution of the Republic of Lithuania, served as the basis for the drawing up of the draft Law on the Payment of the Pension Part.

In implementing the measure envisaged in the programme of the Government of the Republic of Lithuania (gradually and without prejudice to legitimate expectations of other persons to analyse financial capacities of the State Social Insurance Fund Budget and the State Budget of the Republic of Lithuania, to pay state social insurance pensions to employed beneficiaries who have not been paid from the aforementioned budgets and other state financial resources, if required to draw up relevant draft Laws) the Ministry of Social Security and Labour drew up draft Law on the Payment of the Pension Part in 2006. However, provisions formulated in the draft law generated many discussions. The consideration of the draft Law involved many discussions as to whether the amounts had to be paid back to persons working as of 1995 or as of 2001, when the procedure of restricting pensions for the employed pensioners was made even stricter. During the considerations of the draft Law, the payment of the due amounts of pensions for deceased beneficiaries was also discussed.

Therefore, in November 2007 Law on the Payment of Pension Part was adopted thereby the unpaid part of the pension shall be paid to pensioners who were employed during the period of 1995–2002 and for this reason did not receive the full amount of the assigned pension, within three years from the date of entry into force. The amounts shall also be paid to statutory heirs of the deceased person who

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67 Law on the Payment of a Part of the State Social Insurance Old-Age and Invalidity Pension of the Republic of Lithuania (Official Gazette, No. 120-4880, 2007)
inherited assets of the deceased person. It was resolved to pay the unpaid part of the pension from the State Social Insurance Fund Budget. The Government was requested to draw up a detailed procedure for the payment of the unpaid part of the pension.

On 26 February 2008 the Government of the Republic of Lithuania approved the Description of the Procedure for the Payment of a Part of the State Social Insurance Old-Age and Invalidity Pension, under which the unpaid part of the pensions shall be paid in the following procedure:

- In July 2008 – to persons who are 75 years of age or older as well as those pensioners who are receiving work incapacity pensions assigned due to the loss of their capacity for work by 75-100 percent (previously called the first group of disability);
- In March 2009 – to persons who are 70 years of age or older;
- In October 2009 – to persons who are 65 years of age or older;
- In March 2010 – to persons under 65 years of age.

The last phase is planned in October 2010 when statutory heirs are paid the unpaid part of the pension for the beneficiaries who passed away before 1 January 2008. The payment of the pension part that was not paid to beneficiaries who passed away after 1 January 2008 shall be carried out in accordance with the general procedure, i.e. with regards to the age of the deceased.

Having regard to the fact that territorial units of the State Social Insurance Fund Board have become well prepared for the first phase of the payment of the unpaid part of the pension, it has been resolved to speed up the planned payment of the unpaid part of the pension as well as to supplement the above-mentioned description of procedure with several more groups of recipients. On 25 June 2008 the Government approved the Amendment to the Description of the Procedure for the Payment of the Unpaid Part of the Pension, whereby the second phase of payment of the unpaid part of the pension shall be moved from March 2009 to October 2008. Furthermore, those persons who were assigned the state social insurance work incapacity pension due to the 75-100 percent loss of their capacity for work between the period of 1 January 2008 and 1 July 2008 shall be paid the unpaid part of the pension in October. Those persons who have reached the age required for the old-age pension, and on 1 July 2008 they were beneficiaries of target compensation for nursing expenses, shall also be paid the unpaid part of the pension in October 2008.

This would lead to a speedier payment of the unpaid part of the pension to seriously ill persons.

According to the amended description of the procedure, the third phase of payment of the unpaid part of the pension to persons of 65 years of age or older shall be moved from October 2009 to June 2009. Persons under 65 years of age shall also be paid the unpaid part of the pensions earlier: in December 2009, instead of March 2010. Heirs of the assets of persons who passed away before 1 January 2008 shall also be paid the above-mentioned amounts sooner than planned; they shall be paid the unpaid part of the pension in June 2010.


3.4. ANALYSIS AND IMPROVEMENT OF PENSION ACCUMULATION SYSTEM

As a result of the successful reform, 95,000 persons signed pension accumulation agreements in 2007, and in 2008, 69 percent of all insured persons (880,000 persons) with the state social insurance have already been participating in pension accumulation system.

Table 3.4-1 shows that the average wage of the participants is yet higher than the average wage of the system (of the insured by the state social insurance). However, as the percentage of the participation is constantly growing, it is approaching the average.

Percentage distribution by age group of persons involved in pension accumulation after the fifth stage of signing the agreements in 2007:
- 76 percent are persons of 25–44 years of age;
- 21 percent are persons of 45–44 years of age;
- 3 percent are persons older than 55 years of age.

### Participants of pension accumulation in 2004–2008

<table>
<thead>
<tr>
<th>Year</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participants (thousand)</td>
<td>441</td>
<td>557</td>
<td>686</td>
<td>785</td>
<td>880</td>
</tr>
<tr>
<td>Participants (percent)</td>
<td>37</td>
<td>46</td>
<td>54</td>
<td>62</td>
<td>69</td>
</tr>
<tr>
<td>eligible to participate</td>
<td>1192</td>
<td>1211</td>
<td>1270</td>
<td>1266</td>
<td>1273</td>
</tr>
<tr>
<td>average wage of participants</td>
<td>1306</td>
<td>1318</td>
<td>1434,7</td>
<td>1692,9</td>
<td>1964,9</td>
</tr>
<tr>
<td>average wage in the system</td>
<td>1048,9</td>
<td>1163,3</td>
<td>1368,4</td>
<td>1642</td>
<td>1888</td>
</tr>
<tr>
<td>average wage of participants (percent from the average wage in the system)</td>
<td>124,5</td>
<td>113,3</td>
<td>104,8</td>
<td>103,1</td>
<td>103,1</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour

The success of the pension reform is mainly determined by a particularly active participation of young people, falling under the age groups of under 25 years of age and 25–34 years of age. As these persons will continue accumulating funds until they become eligible for the old-age pension, such high percentage will move to the older age groups.

During the period of accumulation – in 2004-2007 – LTL 1691.1 million were transferred to pension funds. It is forecasted that this amount will be as high as LTL 6792.8 million in 2010.

According to data of 7 May 2008, 929,000 persons have already signed the pension accumulation agreements. This shows great trust in the system. The agreements will be signed by 1 July, while persons who have just joined the labour market will be able to sign the agreements by 1 October.

As of beginning of 2007 the contribution to the funds was increased from 4.5 percent to 5.5 percent of the employee’s wage.

Currently there are 31 second pillar pension funds managed by 9 management companies.
The ratio of the number of persons who signed pension accumulation agreements in 2003-2007 to the number of persons ensured by the state social insurance (employed under employment agreements as well as self-employed) entitled to such agreements, distribution by age group

<table>
<thead>
<tr>
<th>Age</th>
<th>Women</th>
<th>Men</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 25</td>
<td>87,5</td>
<td>94,1</td>
<td>91,1</td>
</tr>
<tr>
<td>25–34</td>
<td>86,1</td>
<td>98,0</td>
<td>91,8</td>
</tr>
<tr>
<td>35–44</td>
<td>78,4</td>
<td>79,7</td>
<td>79,0</td>
</tr>
<tr>
<td>45–54</td>
<td>55,4</td>
<td>55,2</td>
<td>55,3</td>
</tr>
<tr>
<td>Over 55</td>
<td>15,2</td>
<td>17,4</td>
<td>16,4</td>
</tr>
<tr>
<td></td>
<td>67,3</td>
<td>71,0</td>
<td>69,1</td>
</tr>
</tbody>
</table>

*Data of the Ministry of Social Security and Labour*

Table 3.4-2

Change in the number of participants in the accumulation of pensions in 2003–2008

Starting from 2007, persons accumulating their contributions in pension funds (441,000 persons in 2007 and 116,000 persons in 2008), whose pension accumulation agreements entered into effect respectively in 2004 and 2005, could decide to accumulate their contributions in the same pension fund or switch to another company's fund together with their accumulated funds. The participant of pension accumulation scheme is granted the right to change the pension fund manager after three years following the date of the commencement of the accumulation of funds. 6,000 participants, i.e. 1.4 percent of all participants entitled to such right changed the company of pension accumulation in 2007.

In order to make the right decision, the participant can visit the website (www.pensijusistema.lt) of the Ministry of Social Security and Labour and compare performance results of pension funds and the applicable fees. The website contains addresses and contact telephone numbers of supervision au-
From January 2008 to May 2008 approximately 3,000 persons used such possibility and changed the pension accumulation company. Presently, a transfer fee is applied which amounts to up to 0.2 percent of the accumulated assets (if the manager is changed once a year).

Since the beginning of the reform, 45,500 participants have changed pension funds within pension accumulation companies. 582 pension benefits agreements have been made so far. Amounts accumulated within several years are not sufficient to acquire annuity (pursuant to the Law on the Accumulation of Pensions, the annuity is required where basic annuity amounting to half the basic pension can be acquired for the accumulated amount), therefore, persons who have attained the pensionable age are presently paid in the form of lump-sum or periodic benefits.

**Changes in the Regulation of the II Pillar Pension Fund**

1 July 2007 saw the enforcement of amendments to the Law on the Accumulation of Pensions thereby seeking to ensure a successful and stable functioning of the pension accumulation system, and to provide the pension accumulation participants with the opportunity to manage the investment risk of their accumulated funds more efficiently.

To ensure that the participants of the pension accumulation system be properly and sufficiently informed about the investment risk related to pension funds and the safety of invested assets, the pension accumulation company must make sure that the person signing a pension accumulation agreement with this company for the first time is aware of all the investment risk related to pension funds managed by that company, so that the person could make the best decision in choosing the pension fund (conservative investment, investment into shares, combined, etc.), and must obtain a written certification of that person regarding the said awareness.

Pension accumulation companies shall have to make an offer (delivered together with the annual report) to persons that have less than 7 years until the old-age pension to transfer to the conservative pension fund, and to explain the benefits of doing that.

If the person submits his written refusal to participate in the conservative investment pension fund, only then an agreement on his participation in a more risky pension fund of his choice can be signed. This is being done to protect the interests of pre-retirement age people and to draw their attention not only to the return on investment but to the investment risk as well.

Another amendment to the law seeks to provide the society with better opportunities to more accurately assess the performance results and the efficiency of pension funds. Each manager of pension funds shall have to have a comparative index, i.e. an index selected by the pension accumulation company with which the performance results (the return on investment) of the pension fund shall be compared. It shall also be stated in the operating report and the financial report of the pension accumulation company. The comparative index of the pension fund shall be selected with due consideration to the investment strategy of the fund. The presence of this index will improve the information for the society on investment issues and will encourage pension accumulation companies to manage funds accumulated by people more efficiently.

In 2008 draft Law Amending and Supplementing the Law on the Accumulation of Pensions was elaborated, the submission of which was approved by the Seimas on 20 May.
The aim of the draft is to improve the pension accumulation system by providing the participants with a possibility to transfer to another pension accumulation company once a year without being charged, reducing deductions from pension funds based on the pension accumulation agreements due to conservative investments of pension accumulation in a pension fund, as well as by establishing that pension accumulation companies shall inform the participants in written about all insurance companies involved in pension annuity activities.

Pursuant to the draft Law, when switching to another pension accumulation company for the first time, no fees shall be applied. If the pension accumulation participant decides to switch to another fund managed by a different pension accumulation company more than once a year, his expenses incurred due to such transfer would consist of expenses of the pension accumulation company, incurred due to the closing of the pension account and transferring the funds, as well as expenses related to leveraging the person into another pension accumulation company (these expenses could not exceed 4 percent of the amount of funds transferred on behalf of the participant).

Presently, the pension accumulation participant has a right to switch to another pension fund managed by a different pension accumulation company once in a calendar year. In this case the expenses of the pension accumulation company, from which the participant is transferring his accumulated assets, incurred due to the transfer to another pension fund managed by a different pension accumulation company, shall be covered from the pension assets of that participant. Such expenses shall not exceed 0.2 percent of the amount of funds transferred on behalf of the participant.

In order to increase the return on investments for the participants accumulating assets in the conservative pension funds which are the safest, however, their return may be small, it has been proposed to reduce the maximum deduction cap applied to these funds, by establishing the annual deductions from these funds could not exceed 0.5 percent of the average annual value of the funds calculated in the participant’s pension account and 1 percent of contributions paid on behalf of the participant.

At present, pursuant to the Law on the Accumulation of Pensions, deductions from the pension assets based on each pension accumulation agreement made with the pension accumulation company per year may not exceed 1 percent of the average annual value of the funds calculated in the participant’s pension account and 10 percent of contributions paid on behalf of the participant. Such cap is applied to all pension funds not excluding the conservative ones, the management expenses of which are smaller in practice.

Furthermore, it has been proposed to validate the duty of the pension accumulation company to inform the pension accumulation participant who is required to acquire the pension annuity about all companies involved in pension annuity activities.

The draft Law provides for a possibility to terminate the pension benefits agreement on mutual agreement of the parties if the participant has not been paid pension benefits (or a part of it) and/or pension annuity has not been acquired yet. Presently, the Law on the Accumulation of Pensions does not provide for a possibility to terminate the pension benefits agreement, even in the case where no payments have been commenced yet; this, therefore, creates a few problems in practice.
3.5. CHANGES IN THE SYSTEM OF SOCIAL ASSISTANCE BENEFITS

The development of the system of the state social assistance benefits which was commenced back in 2004, continued to be implemented in 2007. A special focus was placed on meeting special needs of disabled persons by improving their financial instruments. In order to achieve this aim, target compensations for nursing and care (assistance) expenses have been introduced, seeking to at least partly compensate nursing and care (assistance) expenses for disabled persons.

Target compensations for nursing expenses. These compensations are granted to the disabled children, persons of working age with incapacity for work and persons who have attained pensionable age and have been established to have special permanent nursing needs (until 1 July 2005 – total disability). As of 1 January 2007, target compensations for nursing expenses paid to the persons who have lost 75-100 percent of their work capacity and have been recognised with incapacity for work after the day they reached the age of 24, as well as the persons who have attained pensionable age and have been established to have special permanent nursing needs, have been increased from 1.5 of the basic pension to 2.5 of the basic pension. Up until then, the amount of target compensations for nursing expenses depended on the person’s age on the day of the establishment of his disability, and target compensations for nursing expenses amounting to 2.5 of the basic pension were paid only to the disabled children and persons recognised with incapacity for work who had lost 75-100 percent of their capacity for work until they reached the age of 24.

Target compensations for attendance (assistance) expenses. The implementation of target compensations paid for attendance (assistance) expenses, with gradual expansion of the circle of the beneficiaries, continued to be carried out in accordance with the procedure established under the Law on State Social Assistance Benefits\textsuperscript{70}. First and foremost, these compensations were awarded to the disabled children and persons with incapacity for work or partial incapacity for work, who have lost 60 percent or more of their capacity for work and recognised as such before the day they reached the age of 24. As of 1 January 2006, persons who have attained the pensionable age have also been granted the right to such benefits. As of 1 January 2007 the circle of beneficiaries of target compensations for attendance (assistance) expenses grew once again: these benefits were given to persons with incapacity for work or partial incapacity for work, who have lost 60 percent or more of their capacity for work and who were recognised as such after the day they reached the age of 24.

Presently, all disabled persons who are in need of permanent attendance (assistance) are entitled to benefits covering expenses related to their attendance, i.e. target compensation for attendance (assistance) expenses, along with the state social insurance old-age or incapacity for work pensions.

As Figure 3.5-1 shows, the number of recipients of target compensations for nursing and attendance (assistance) expenses has rapidly increased due to the changes described above. In 2007 the number of recipients of target compensations for nursing expenses grew by 30 percent, whereas the number of recipients of target compensations for attendance (assistance) expenses grew by as much as 135 percent.

\textsuperscript{70} Law on State Social Assistance Benefits of the Republic of Lithuania (Official Gazette, No. 96-1879, 1994; No.71-2556, 2005)
Both the growing number of beneficiaries of target compensations for nursing and attendance (assistance) expenses, and the increase in the amount of these and other social assistance benefits (1 February 2007, as a result of the changed amount of the basic pension the amounts of social assistance benefits were accordingly indexed) resulted in the significant growth of the demand for public funds for the payment of social assistance benefits. In 2007 the demand of public funds for the payment of social assistance benefits grew by 70 percent as compared to 2006 (see Figure 3.5-2).

3.6. CHANGES IN THE STATE PENSION SYSTEM

On 22 June 2006, the Seimas of the Republic of Lithuania adopted Amendment to the Law on State Pensions. According to this law (as amended) the basic state pension was increased by LTL 34

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72 Law Amending Articles 2 and 11 of the Law on State Pensions of the Republic of Lithuania (Official Gazette, No. 77-2970, 2006)
(approximately 25 percent), effective as of 1 January 2007. The basic state pension, which amounted to LTL 138 for a long time, was increased to LTL 172 (the amount of the basic pension effective on 1 January 2005), effective as of 1 January 2007. As of 1 January 2008 the basic state pension has been increased once again, this time to LTL 200.73

As a result of the increase in the basic state pension, all other state pension amounts linked to the basic state pension increased as well i.e. first and second degree state pensions, state pensions for victims and state pensions for scientists. The total number of persons to whom the state pensions have increased due to the increase in the basic state pension in the period between 1 January 2007 to 1 January 2008 amounts to approximately 100,000.

The said law amending the Law on State Pensions also expanded the circle of victims entitled to state pensions. As of 1 January 2007, the right to receive this pension was awarded to children previously deprived of parental care, to persons deported for forced labour or to forced labour camps during World War II, persons born in these camps or minor family members staying together in these camps.

On 22 December 2006, the Seimas of the Republic of Lithuania adopted a new law, viz. the Law on State Annuity for the President of the Republic of Lithuania 74. The law was enforced on 1 January 2007. It regulates issues such as the provision of pension to the President of the Republic of Lithuania after the expiration of the term of office, or to the President’s spouse (widow/widower) and minor or disabled children in the case of the President’s death. Before 1 January 2007 issues related to granting and payment of the President’s state pension were regulated by the resolution of the Government of the Republic of Lithuania.

### 3.7. SOCIAL PROTECTION OF AGGRIEVED PERSONS AND ITS IMPLEMENTATION

Social protection of persons who suffered from occupations is guaranteed by special laws and other legal acts. In 2007 compensations and other benefits continued to be paid to participants of the resistance movement, families of resistance casualties and other persons aggrieved from occupations. Amounts of these benefits were defined considering financial possibilities of public funds, although they should not be viewed as settlement with the citizens of the Republic of Lithuania for damages made during the occupation regime. Moreover, according to general provisions of legal acts, damages should be paid by a natural person or legal entity that caused them (as the German Federation paid compensations for those workers who forced to work in companies and farms of the Nazi Germany during the Second World War). In the National Referendum held on 14 June 1992 it was demanded that the damage suffered by Lithuania during the Soviet occupation should be compensated. Moreover, on 13 June 2000 the Law on Compensation of Damage Resulting from the Occupation by the USSR of the Republic of Lithuania was adopted which became a major legal act, based on the national will expressed during the referendum, thereby binding the Government to initiate negotiations and constantly seek that the Russian Federation on the basis of its international legal liability would deliver the reparation duty and

73 Law Amending and Supplementing Articles 2, 4, 5, 6, 7, 9 of the Law on State Pensions of the Republic of Lithuania (Official Gazette, No. 138-5646, 2007)

74 Law on State Annuity for the President of the Republic of Lithuania (Official Gazette, No. 141-5405, 2006)
compensate the damage suffered during the USSR occupation for the people of Lithuania and the state of Lithuania. Until the issue of the compensation of damage is resolved, it is the state that will have to provide the support for the aggrieved persons from public funds.

The state provides the support through various benefits, thus, seeking to at least partly compensate the damage to the aggrieved persons as well as their family members who took part in the resistance movement, completed mandatory military service in the Soviet Army, liquidated the outcomes of the Chernobyl Power Plant accident, fought for the freedom of the Republic of Lithuania on 11-13 January 1991 and during the aggression committed by the USSR.

3.7.1. THE STATE SUPPORT FOR THE PARTICIPANTS OF RESISTANCE OF THE 1940-1990 OCCUPATION AND THEIR FAMILIES

The state support for families of killed resistance participants and for injured participants of armed resistance, as well as for the burial of soldiers volunteers with public funds continued to be provided in accordance with the Law on the State Support for Families of Resistance Participants Killed during Occupation of 1940-1990 of the Republic of Lithuania and the Law on the State Support for Participants of Armed Resistance of the Republic of Lithuania. The soldiers volunteers disabled during armed resistance combats, interrogation, or imprisonment are provided with a lump-sum benefit amounting to LTL 5,600. Greater lump-sum benefits have been established for persons who have been recognised with a full or partial incapacity for work (until 1 July 2005 – the disabled) due to armed resistance combats, interrogations or imprisonment. Persons who have lost 75-100 percent of their capacity for work (until 1 July 2005 - the first group of the disabled persons) have been awarded with benefits amounting to LTL 14,400; persons who have lost 60-70 percent of their capacity for work (until 1 July 2005 - the second group of the disabled persons) have been awarded with benefits amounting to LTL 11,520; persons who have lost 45-55 percent of their capacity for work (until 1 July 2005 - the third group of the disabled persons) have been awarded with benefits amounting to LTL 8,640. In the case of the death of a soldier volunteer, 20 minimum standards of living (MSLs) shall be paid. Single benefits paid to families of soldiers volunteers and freedom fighters, killed in the fight for Lithuania’s freedom and independence or during the imprisonment, i.e. to parents (adoptive parents), spouses who had not entered into another marriage before the death of the soldier volunteer, children (adoptive children), as well as sisters and brothers if at the time of the death of the participant of the resistance against the occupation they were under the age of 18 and without parental care (both parents or existing single parent were deceased), were indexed. In 2007 the amounts of benefits were determined with regards to the fact that according to the data gathered by the Department of Statistics under the Government of the Republic of Lithuania, the average annual inflation calculated basing on the consumers’ price index accounted for 2.7 percent in 2005.

Depending on the circumstances of the death of the resistance participant, the following lump-sum benefits were paid to family member of the deceased person:

1. LTL 21,480 paid to families of soldiers volunteers, killed during armed combat, in detention, arrest, secret operations or punishments carried out by the occupation authority if those persons died
or were killed due to the resistance activities, persons killed or deceased during the interrogation before the enforcement of the judgement, or persons who were sentenced to death and executed.

2. LTL 16,110 paid to families of soldiers volunteers, killed in prison after the enforcement of the judgement, freedom fighters killed during armed combat, in detention, arrest, secret operations or punishments carried out by the oppressor if those persons died or were killed due to the resistance activities, persons killed or deceased during the interrogation before the enforcement of the judgement, or persons who were sentenced to death and executed.

LTL 12,886 paid to families of freedom fighters, killed or deceased during the imprisonment after the enforcement of the judgement.

In 2007 LTL 790,100 were used from public funds to pay these benefits to 111 families. Overall, in the period of 1999-2007 LTL 57.14 million were paid from public funds to 3,627 families as single benefits thereby providing the state support to families of killed resistance participants, injured participants of armed resistance and for burying soldiers volunteers with public funds.

Taking into consideration proposals submitted by people, on 8 May 2008 the Seimas of the Republic of Lithuania adopted a law thereby additionally establishing benefits – LTL 10,000 to the family of the deceased – for soldiers volunteers and freedom fighters who died or were killed in exile after their imprisonment.

3.7.2. THE STATE SUPPORT FOR PERSONS AGGRIEVED DUE TO THEIR SERVICE IN THE SOVIET ARMY AND THEIR FAMILIES

Lump-sum compensations were continued to be paid to persons aggrieved due to their service in the Soviet army as well as families of persons killed during the aforementioned service (or later deceased due to disease related to this service). This is provided for in the Law on the Social Support for Persons Disabled while in Mandatory Military Service in the Soviet Army and to Families of Persons Killed in this Army of the Republic of Lithuania (22 July 1945 – 31 December 1991). Families of persons killed or later deceased due to the illnesses as a result of the military service have been paid lump-sum compensations amounting to LTL 14,400. Persons recognised with full or partial incapacity for work (before 1 July 2005 – the disabled persons) due to injuries or illnesses incurred as a result of the military service or military training, shall be granted the following compensations: Persons who have lost 75-100 percent of their capacity for work (until 1 July 2005 - the first group of the disabled persons) shall be awarded with benefits amounting to LTL 7200; persons who have lost 60-70 percent of their capacity for work (until 1 July 2005 - the second group of the disabled persons) shall be awarded with benefits amounting to LTL 11,520; persons who have lost 45-55 percent of their capacity for work (until 1 July 2005 - the third group of the disabled persons) shall be awarded with benefits amounting to LTL 4320. Moreover, as an exception, persons who have served in the Soviet Army may be recognised with a lost capacity for work by 20-40 percent; in this case a single benefit amounting to LTL 2,880 shall be awarded. In 2007 LTL 197,000 were used from public funds to pay these benefits to 40 beneficiaries. During the entire period of validity of the law, i.e. from 1995 to the end of 2006, LTL 34 million were paid from public funds to persons who suffered health damage during the military service in the Soviet army as well as to families of persons killed during the military service; the support was provided in 4353 cases.
3.7.3. THE STATE SUPPORT FOR THE INDEPENDENCE DEFENDERS, AGGRIEVED DUE TO THE EVENTS OF 11-13 JANUARY 1991 AND DURING THE FOLLOWING AGGRESSION OF THE USSR, AND THEIR FAMILIES

Compensations for heating, hot water and wastewater, gas, solid and liquid fuel, electricity, subscription to the fixed-line telephone, and other services were continued to be provided for families of independence defenders who suffered during the events of 11–13 January 1991 and during the following aggression of the USSR. These compensations are paid pursuant to the Law on Compensations Paid to the Independence Defenders, Aggrieved due to the Events of 11-13 January 1991 and during the Following Aggression of the USSR, and their Families of the Republic of Lithuania. The beneficiaries of the compensations shall be families of killed independence defenders, the independence defenders who have been recognised with full or partial incapacity for work (until 1 July 2005 – the disabled persons) due to the USSR aggression carried out on 11-13 January 1991 and during the following events, as well as independence defenders, aggrieved in the events of 11–13 January 1991 and during the following aggression of the USSR and who were severely or seriously injured.

Last year, in order to cover expenses related to the payment of tax benefits, including the administrative expenses of 2 percent, approximately LTL 0.5 million (LTL 523,18 thousand) were allocated from public funds to municipalities, while families of the aggrieved persons were annually paid LTL 1,300–2,000 as compensations for the housing expenses. 280 families received this support.

4.1. SOCIAL ASSISTANCE FOR FAMILIES AND CHILDREN

This chapter covers changes in the system of social assistance provided for families with children and poor residents, implemented in 2007 and in the first half of 2008. It provides statistics on benefits, social assistance for pupils, social assistance in cash and its recipients. As social assistance is directly linked to the development of family policy, this chapter also briefly covers the implementation of the National Demographic (of Residents) Policy Strategy.

4.1.1. FAMILY AND CHILD BENEFITS

As in most European countries, families with children are receiving state assistance provided by the Law on Benefits to Children\(^\text{76}\), thus, ensuring support for every child raised in a family from the birth until the age of majority. This assistance is provided from the State budget, irrespective of the family income and irrespective of whether the person is insured with the state social insurance or not.

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

1. Benefits for children raised in families:
   - a birth grant;
   - an adoption grant;
   - a child benefit;
   - a benefit to a conscript's child.

2. Benefits for children under guardianship (curatorship):
   - guardianship (curatorship) benefit;
   - a settlement grant.

3. A pregnancy grant.

The amount of these benefits is dependent on the amount of the minimum standard of living (hereinafter referred to as MSL). The MSL amounting to LTL 125, as established in 1998 by Resolution of the Government of the Republic of Lithuania\textsuperscript{77} was increased to LTL 130 by the Law adopted by the Seimas of the Republic of Lithuania\textsuperscript{78} and effective as of 1 January 2007. The increase of the amount of basic social benefits resulted in the increase of the amount of paid benefits.

4.1.1.1. Changes in the sphere of benefits to families with children

In 2007 on the birth of a child, the family was paid a grant amounting to LTL 1,040 (8 MSL). The grant is paid in relation to each born child; therefore, on the birth of twins or triplets the amount of the grant is subject to the number of children born.

To encourage adoption in Lithuania, the grant amounting to LTL 1,040 (8 MSL) is paid on the adoption of a child, except when the child is adopted by one of the spouses. When a family adopts a baby, it shall receive a birth grant and an adoption grant.

2007 saw the continuation of the payment of benefits to children. As of 1 July 2004, child benefit is paid to all children raised in large families and, taking into consideration financial resources, for families raising one or two children; the payment of this benefit is implemented according to the procedure and timeline established by the Government of the Republic of Lithuania. A family raising three or more children shall be paid a monthly benefit amounting to LTL 143 (1.1 MSL) for each child under the age of 3, and a monthly benefit amounting to LTL 52 (0.4 MSL) for each child between the ages of 3 and 18 and older who continues in full-time educational establishment, but no longer until they reach the age of 24. A family raising one or two children shall be paid a monthly benefit amounting to LTL 97.5 (0.75 MSL) for each child under the age of 3, and a monthly benefit amounting to LTL 52 (0.4 MSL) for each child between the ages of 3 and 7.

The introduction of child benefit for children over 7 years of age were carried out in several stages: as of 1 September 2006 the payment of the benefit was extended to children between 7 and 9 years of age, while as of 1 September 2007, to children between 9 and 12 years of age. To implement this provision, in 2007 LTL 23.2 million was allocated from the State budget, and 107,300 children became entitled to receive this benefit.

On 5 June 2007 the Seimas of the Republic of Lithuania adopted Amendment of Article 22 of the Law on Benefits to Children\textsuperscript{79}, providing a speedier introduction of the payment of child benefit and thereby establishing that as of 1 January 2008 child benefit shall be paid to all families raising one or two children. Hence, as of 1 January 2008 child benefit shall be paid for children between 12 and 18 years of age or older who study in general education schools. In 2008 247,000 more children became entitled to such state support irrespective of the income of their parents. LTL 154.3 million has been additionally allocated from the State budget for the continued payment of this benefit.

\textsuperscript{77} Resolution No. 382 of the Government of the Republic of Lithuania of 1 April 1998 On the Increase of Wages of the Employees Working in Budgetary Institutions, the State Social Insurance Basic Pension and the Minimum Amounts (Official Gazette, No. 32-869, 1998)

\textsuperscript{78} Law of the Republic of Lithuania on the Approval of Financial Indicators of the State and Municipal Budgets for 2007 (Official Gazette, No. 138-5267, 2006).

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

A pregnant unemployed woman, who is not eligible for the state social insurance maternity benefit, shall be granted a lump sum grant amounting to LTL 260 (2 MSL) 70 days left before the baby is due.

The benefits are granted and paid starting from the day of the entitlement to the benefit, but not more than for the last 12 months from the date of the submitting all required documents. In order to receive the benefits, a recipient should apply to the division of social support of the municipal administration of the declared place of residence.

4.1.1.2. Changes in the sphere of benefits to children under guardianship and persons who have been placed under the guardianship (curatorship)

In 2007, pursuant to Amendment to the Law on Benefits to Children\(^80\), a child whose guardian is a natural or legal person, including public and municipal child-care institutions, shall be paid a monthly guardianship (curatorship) benefit amounting to 4 MSL (LTL 520) during the period of the guardianship (curatorship). Before 1 January 2007 this benefit was paid for a child placed in a guardianship in a family, foster family or non-governmental child-care institution.

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 shall continue receiving the above benefit if he/she is studying in a full-time general, vocational, post-secondary or higher education establishment for the duration of the studies but no longer than until he/she reaches the age of 24. This benefit shall not be paid to persons who enrol in a school of the same or lower level more than twice. This benefit shall be paid irrespective of whether the person is employed or not, and during the period of academic leave.

When the recipient of the guardianship (curatorship) benefit receives an orphan's pension and/or alimony, the amount of the guardianship (curatorship) benefit shall be equal to the difference between the benefit amounting to 0.4 MSL and the amount of the said orphan's pensions and/or alimony.

Moreover, a person whose both parents (single parent) die while he/she is studying in a full-time general, vocational, post-secondary or higher education establishment, shall have the right to receive the guardianship (curatorship) benefit while he/she studies, but no longer than until he/she reaches the age of 24.

As of 1 July 2006, the guardian (curator) of the child shall receive the monthly guardianship (curatorship) benefit of 2 MSL (LTL 260) for the child who receives maintenance (free accommodation and food) in a dormitory of a general education school or a vocational school on a full-time basis or during working days.

Upon the expiration of the child's guardianship (curatorship) due to the age of majority, emancipation or contracting a marriage, persons placed under the guardianship (curatorship) shall be given a grant amounting to 50 MSL (LTL 6,500) for the purchase of a dwelling or to settle down; the grant shall not be paid in cash, however, it may be used for the following purposes: to purchase a dwelling; to pay a part of a loan taken for the building or purchasing of a dwelling (dwelling-house, apartment); to

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repair or renovate a dwelling; to purchase furniture and domestic appliances; to pay utility charges for a rented dwelling or a dwelling owned by the right of ownership; to pay tuition charges; to purchase a plot of land; to purchase a PC.

**Other kinds of social assistance**

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

When a permanent resident of Lithuania dies or a stillborn baby is born, the person taking care of the funeral receives the **funeral benefit** of 6 MSL (LTL 780) established by the Law on Assistance in the Case of Death\(^{81}\), which has been increased to 8 MSL (LTL 1,040), effective as of 1 January 2008\(^{82}\).

### 4.1.2. CASH SOCIAL ASSISTANCE FOR POOR FAMILIES AND SINGLE RESIDENTS

The implementation of provisions of the Law on Cash Social Assistance for Poor Families and Single Residents of the Republic of Lithuania\(^{83}\) involves the application of the coherent scheme of social assistance in cash on the basis of income and property evaluation in Lithuania. The poor residents receive social benefit in order to ensure minimum funds to cover their food requirements as well as compensations for heating of a dwelling and hot and cold running water expenses (hereinafter referred to as the compensations), as the partial reimbursement of maintenance of a dwelling.

#### 4.1.2.1. Cash social assistance and provision thereof

Families and single residents unable to provide themselves with sufficient funds for living shall be entitled to cash social assistance. Applicants for social assistance are required to first and foremost provide themselves with all possible income that they can obtain on their own, i.e. to receive benefits they are entitled to; family members capable to work are required to actively search for a job through territorial labour exchange offices; a paternity should be acknowledged or established for children of unmarried parents; maintenance for these children and for children of divorced parents should be established by an agreement approved by a court or by an order of a court, etc. Cash social assistance is provided taking into consideration not only the received income but also owned property. Social benefit and compensations are awarded to families and single residents if the value of their property does not exceed the average property level set for their residential area\(^{84}\).

When a family or a single resident applies for cash social assistance, the total value of property (registered residential or non-residential buildings, summer houses, plots of land) of all the family

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83 Law of the Republic of Lithuania on Cash Social Assistance for Poor Families and Single Residents (Official Gazette, No. 73-3352, 2003; No. 130-4889, 2006).
84 Resolution on average process in the real estate market passed by the Commission on the evaluation of property subject to registration is published on a quarterly basis in the Official Gazette.
members is calculated; the value is established on the basis of data provided by the Centre of Registers. The value of the property owned by a family or a single person is determined without taking into account property of a little value, if it does not exceed amounts established by the Law.

Families and single permanent residents of the Republic of Lithuania who receive per capita income not higher than the level of the state supported income established by the Government are entitled to a social benefit. It is equal to 90 percent of the difference between the state supported income earned by a family or by a single resident and a family’s or a single resident’s monthly income.

A family or a single resident is granted compensation for heating of the dwelling, which he/she has declared as the place of residence. One family member or a single resident is compensated expense for heating 38 m², and every remaining family member – for heating 12 m² of his/her dwelling. The compensation for the established floor area of dwellings guarantees assistance for the poor persons living in medium-sized dwellings.

A family or a single resident shall pay for the heating of the dwelling not more than 20 percent of the difference between the received income and the state supported income provided to a family (person). The remaining cost of the heating of the dwelling shall be compensated from 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 in public utility prices.

Each poor resident is guaranteed a compensation for 1.5 m³ of hot running water and 2 m³ of cold running water consumed per month. The compensation covers the part of the cost of cold running water exceeding 2 percent, and the part of the cost of hot running water exceeding 5 percent of the family’s or the single resident’s income.

Municipalities shall have the right to replace cash social assistance to families and single residents who fail to perform their undertakings with another kind of social assistance (purchasing foodstuffs, organizing 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 onetime benefit or social benefit; to compensate dwelling maintenance expenses that are not specified in the Law; to compensate expenses for heating larger useful floor than the ration fixed by the Law; to cover dwelling indebtedness, etc.).

Moreover, the Law grants the right to municipalities to decide to use up to 2 percent of their funds allocated for the social assistance from the State budget to support residents in difficult economic condition.

4.1.2.2. Increase of State Supported Income

To reduce social exclusion and the poverty risk and to increase social assistance, the amount of the state supported income (hereinafter referred to as the SSI) has been increased. The amount of the SSI is the basic amount used for the calculation of cash social assistance for poor persons (social benefit and compensations covering heating expenses of a dwelling), for the establishment of the right
of pupils from low income families to receive free meals in schools and be provided with learning aids at the start of a new school year, and for the establishment of the right to receive free legal assistance, as well as for the calculation of unemployment insurance benefits provided for the unemployed registered with labour exchange offices.

In 2007 the SSI was increased twice: on 1 January 2007 the SSI was increased by LTL 20 and amounted to LTL 205\textsuperscript{85}, and on 1 October 2007 it was increased to LTL 235\textsuperscript{86}. On 1 January 2008 the SSI was increased by LTL 50, i.e. from LTL 235 to LTL 285\textsuperscript{87}.

The increase of basic amounts of benefits results in the increase of state assistance provided to Lithuanian residents.

### 4.1.3. SOCIAL ASSISTANCE FOR PUPILS

To provide pupils with nutritious meals at schools, guarantee social assistance for all schools of founders on an equal basis, ensure effective organisation of social assistance for pupils and utilisation of the State and municipal budgetary funds, on 1 January 2007 Law on Social Assistance for Pupils\textsuperscript{88} entered into effect, thereby legitimizing two types of social assistance for pupils: provision of free meals for pupils and provision of school supplies for pupils for the beginning of new school year.

Pursuant to the Law, the entitlement to social assistance (provision of free meals for pupils and provision of school supplies for pupils) shall be granted to all children of families with low income who study according to pre-school or general education curricula (primary, basic, secondary or special education) not only in general education schools but also in vocational schools, pre-school education establishments and other institutions designed for children education. To develop healthy eating habits and to ensure that children nutrition and energy supply meets the daily requirements, the menu of free meals shall be drawn up pursuant to the List of Products Required for Preparing Breakfast and Lunch according to Age Groups of Pupils approved by the Minister of Health of the Republic of Lithuania\textsuperscript{89}.

Depending on the family income, pupils shall be entitled to the following:

1. Free lunch if the average monthly income per family member is lower than the amount of 1.5 SSI (before 1 October 2007 – LTL 307.5, from 1 October 2007 to 1 January 2008 – LTL 352.5, as of 1 January 2008 – LTL 427.5);

2. Free lunch and provision of school supplies for pupils if the average monthly income per family member is lower than the amount of 1 SSI (before 1 October 2007 – LTL 205, from 1 October 2007 to 1 January 2008 – LTL 235, as of 1 January 2008 – LTL 285);


\textsuperscript{86} Resolution No. 824 of the Government of the Republic of Lithuania of 14 August 2007 on the Approval of the Amount of State Supported Income (Official Gazette, No. 91-3633, 2007).


\textsuperscript{88} Law on Social Assistance for Pupils of the Republic of Lithuania (Official Gazette, No. 73-2755, 2006).

\textsuperscript{89} Order No. V-936 of 13 November 2006 of the Minister of Health of the Republic of Lithuania on the Approval of the List of Products Required for Preparing Breakfast and Lunch according to Age Groups of Pupils (Official Gazette, No. 125-4764, 2006).
3. Free breakfast and lunch and provision of school supplies for pupils if the average monthly income per family member is lower than the amount of 1 SSI (before 1 October 2007 – LTL 205, from 1 October 2007 to 1 January 2008 – LTL 235, as of 1 January 2008 – LTL 285) and a pupil is raised in the family at social risk.

Taking into consideration the living conditions of a family, pupils shall receive social assistance in other cases specified by municipality wherein a decision on granting of social assistance for pupils is adopted: in case of an illness, accident, loss of a breadwinner, a pupil from a family raising three and more children or whose parents are disabled, etc. In special circumstances, pupils were provided with free lunch if the average monthly income per family member was lower than the amount of 2 SSI (before 1 October 2007 – LTL 410, from 1 October 2007 to 1 January 2008 – LTL 470, as of 1 January 2008 – LTL 570); pupils were provided with free breakfast and provision of school supplies if the average monthly income per family member was lower than the amount of 1.5 SSI (before 1 October 2007 – LTL 307.5, from 1 October 2007 to 1 January 2008 – LTL 352.5, as of 1 January 2008 – LTL 427.5).

To ensure that children meals meet the physiological requirements, the daily amounts of funds allocated for the acquisition of products for free meals have been increased; LTL 3.54 shall be paid for lunch, LTL 1.64 shall be paid for breakfast, and LTL 7.8 shall be paid for meals in summer day camps organized by a school.

Pupils are provided with free meals at school that they attend, irrespective of their place of residence. Free breakfast and lunch have been provided on rest days, public holidays as well as vacation days during a school year in accordance with the procedure established by founders of schools. If pupils are entitled to free meals in the last month of a school year, they shall be entitled to free meals at summer day camps organized in schools during summer holiday.

Administrations of county governors and the Ministry of Education and Science shall administer the provision of free meals for pupils in state schools, while administrations of municipalities shall administer the provision of free meals for pupils in schools founded by municipalities and in non-state schools founded in the territory of the municipality.

The sets of school supplies shall be compiled for each pupil according to his individual needs, taking into account the number of children raised in the family who attend school, or by means of issuing vouchers, thus, enabling parents themselves to purchase school supplies in shopping centres. Assistance amounting to LTL 156 has been granted to one pupil for the provision of school supplies. Pupils are provided with the sets of school supplies according to their place of residence, irrespective of the school they attend. Administrations of municipalities shall be responsible for the provision of pupils with school supplies.

In the provision of social assistance for pupils from families of low income, funds shall be allocated from the State budget to finance the acquisition of products and school supplies (including VAT of purchased goods). The organisation of free meals for pupils and assistance for provision of school supplies has been financed with the funds of the founders of schools.

4.1.3.1. Changes in the social assistance for pupils

To improve the organisation of the provision of social assistance for pupils and to reduce social exclusion and differentiation between separate groups of pupils, as well as to ensure the provision of
social assistance for all children raised in families of low income, on 15 May 2008 the Seimas of the Republic of Lithuania adopted Law Amending the Law on Social Assistance for Pupils, effective as of 1 July 2008. The Law provides for an effective utilisation of the State and municipal budgetary funds, specifies the amounts of social assistance for pupils, and facilitates the procedure of granting social assistance for pupils.

Main provisions of Law Amending the Law on Social Assistance for Pupils

The Law establishes the entitlement to free lunch for all children studying according to preschool or primary education curricula, and free breakfast for children living in families of low income. Up until now only pupils living in families at social risk of low income were entitled to free breakfast.

Taking into account the requirements of healthy nutrition and the basic school supply needs, the Law specifies the amounts of social assistance for pupils. With regards to daily amounts of funds allocated for the acquisition of products for free meals (including the value added tax), the amount allocated for lunch shall be between 2.6 percent of the MSL and 3.6 percent of the MSL (between LTL 3.38 and LTL 4.68); the amount allocated for breakfast shall be between 1.2 percent of the MSL and 2 percent of the MSL (between LTL 1.56 and LTL 2.6); the amount allocated for meals in summer day camps organized at schools shall be between 6 percent of the MSL and 7 percent of the MSL (between LTL 7.8 and LTL 9).

It is provisioned to provide assistance for acquisition of school supplies in cash, except when a pupil is raised in a family at social risk. Such pupils shall be provided with school supplies individually. Pursuant to the Law, all pupils from families of low income shall be granted the equal amount of 120 percent of the MSL (LTL 156) as the assistance for acquisition of school supplies.

The procedure of granting social assistance for pupils has been simplified. If the application/request (application) for social assistance for a pupil is submitted before the beginning of a school year, free meals shall be granted starting from the beginning of a school year until the end of the school year. Up until now in order to receive free meals, an applicant had to submit an application twice a year. To ensure the provision of the assistance is in time, the date of the application for the social assistance for pupils has been advanced, i.e. an applicant will be able to apply for the assistance from the 1 July.

The circle of applicants has been extended by the Law; the right to apply for the social assistance for pupils has been granted not only to one of the parents (adoptive parents) of a pupil but also to one of the guardians (custodians) of a pupil, a pupil of the age of majority, or a pupil who is married or emancipated.

In the provision of social assistance for pupils from families of low income, funds shall be allocated from the State budget to finance the acquisition of products and school supplies (including VAT of purchased goods). Expenses for cooking of meals shall be provided by the founders of schools.

4.1.4. Changes in the Scope of Financing Cash Social Assistance and in the Number of Its Recipients

Figure 4.1.4-1 shows the distribution of expenses of social assistance in 2007.
Data show that benefits paid to families raising children irrespective of family income make up the largest portion of the social assistance expenses (67 percent). Social benefits and compensations paid on the basis of family income and property amounted to 16 percent of the overall social assistance expenses, free meals and assistance in the provision of school supplies for a new school year amounted to 11 percent, and funeral grant expenses amounted to 6 percent of funds allocated for the social assistance.

The overall amount of benefits paid for a family and children by the state as well as assistance of other kinds amounted to LTL 592.5 million in 2007, which is an increase by LTL 49.7 million (9 percent) as compared to 2006. Expenses of social assistance increased as a result of the payment of benefit to children between the ages of 9 and 12, effective as of 1 September 2007. Moreover, the SSI was increased twice in 2007: on 1 January 2007 the SSI grew from LTL 185 to LTL 205, and on 1 September 2007 the SSI grew to LTL 235. It caused the increase of expenses of social assistance provided for poor residents.

Table 4.1.4-1 shows the number of the recipients and expenses of social assistance in 2006 and 2007.

### Recipients and expenses of family and child benefits and other assistance in 2006 and 2007

<table>
<thead>
<tr>
<th>No.</th>
<th>Benefits</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number of recipients</td>
<td>Expenses in LTL million</td>
</tr>
<tr>
<td></td>
<td></td>
<td>by thousand</td>
<td></td>
</tr>
<tr>
<td>Total (1+2+3)</td>
<td></td>
<td>x</td>
<td>542.8</td>
</tr>
<tr>
<td>1.</td>
<td>Benefits to families with children, including:</td>
<td>x</td>
<td>358.2</td>
</tr>
</tbody>
</table>
### Social Assistance

<table>
<thead>
<tr>
<th>No.</th>
<th>Benefits</th>
<th>2006</th>
<th></th>
<th>2007</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Number of recipients by thousand</td>
<td>Expenses in LTL million</td>
<td>Number of recipients by thousand</td>
<td>Expenses in LTL million</td>
</tr>
<tr>
<td>1.1</td>
<td>Birth grant</td>
<td>29,800</td>
<td>29.8</td>
<td>30,100</td>
<td>31.1</td>
</tr>
<tr>
<td>1.2</td>
<td>Pregnancy grant</td>
<td>7,500</td>
<td>1.9</td>
<td>6,700</td>
<td>1.7</td>
</tr>
<tr>
<td>1.3</td>
<td>Child benefit*</td>
<td>320,600</td>
<td>254.5</td>
<td>350,700</td>
<td>286.1</td>
</tr>
<tr>
<td>1.4</td>
<td>Benefit for a conscript's child</td>
<td>0,007</td>
<td>0.02</td>
<td>0,007</td>
<td>0.02</td>
</tr>
<tr>
<td>1.5</td>
<td>Guardianship (curatorship) benefit*</td>
<td>11,700</td>
<td>63.1</td>
<td>12,500</td>
<td>70</td>
</tr>
<tr>
<td>1.6</td>
<td>Settlement grant</td>
<td>2,000</td>
<td>8.9</td>
<td>2,600</td>
<td>9.8</td>
</tr>
<tr>
<td>2.</td>
<td>Benefits and other types of assistance for poor residents, including:</td>
<td></td>
<td></td>
<td>151.5</td>
<td>158.9</td>
</tr>
<tr>
<td>2.1</td>
<td>Social assistance*</td>
<td>37,800</td>
<td>43.8</td>
<td>36,600</td>
<td>52.1</td>
</tr>
<tr>
<td>2.2</td>
<td>Compensations for heating expenses and hot and cold running water expenses</td>
<td>x</td>
<td>30.2</td>
<td>x</td>
<td>33.7</td>
</tr>
<tr>
<td>2.3</td>
<td>Cash social assistance provided by the decision of a municipality</td>
<td>x</td>
<td>x</td>
<td>x</td>
<td>0.9</td>
</tr>
<tr>
<td>2.4</td>
<td>Lump sum benefits from municipal funds*</td>
<td>49,000</td>
<td>8.4</td>
<td>33,700</td>
<td>8.6</td>
</tr>
<tr>
<td>2.5</td>
<td>Free meals for pupils</td>
<td>99,000</td>
<td>61.06</td>
<td>83,000</td>
<td>54.7</td>
</tr>
<tr>
<td>2.6</td>
<td>Assistance for the preparation for a new school year</td>
<td>79,000</td>
<td>8</td>
<td>57,000</td>
<td>8.9</td>
</tr>
<tr>
<td>3.</td>
<td>Funeral grant</td>
<td>44,000</td>
<td>33.1</td>
<td>44,800</td>
<td>34.9</td>
</tr>
</tbody>
</table>

* Number of recipient who received social assistance per month.

Data of the Ministry of Social Security and Labour

In 2007 expenses of **benefits for families with children** amounted to LTL 398.7 million which is an increase by 11.3 percent, as compared to 2006. In 2007 on an average 350,700 children received monthly child benefit (50 percent of all children in Lithuania).

In the first quarter of 2008 on an average 452,000 children received monthly child benefit, and on an average every month approximately LTL 31.1 million were allocated for the payments of the benefit. As a result of the payment of child benefit for children under 18 years of age and older children who study in full-time general education schools, commenced on 1 January 2008, the number of recipients of this benefit as well as the expenses thereof have increased.

Figure 4.1.4-2 presents the changes in the number of recipients and expenses of child benefit in 2000–2007.
As a result of increased number of children in foster families, and the guardianship (curatorship) benefits have been paid for children under the guardianship of a legal person (state and municipal care institutions) from 1 January 2007, the growing tendency of the number of the recipients and expenses of this benefit has been noticed. On an average, 12,500 persons per month received guardianship (curatorship) benefit and that amounted to LTL 70 million in 2007, while the figures in 2006 were respectively as follows: 11,700 persons and LTL 63.1 million.

In the first quarter of 2008 LTL 17.2 million were paid as the guardianship (curatorship) benefits; an average number of recipients amounted to 12,700 persons per month.

During 2007 the number of recipients of the settlement grants grew from 2,000 to 2,600 persons, as compared to 2006. The expenses related to the payment of these grants accounted for LTL 9.8 million in 2007. In the first quarter of 2008 the number of recipients of settlement grants amounted to 700 persons. The expenses related to the payment of these grants accounted for LTL 2.1 million in the first quarter of 2008.

In 2007 expenses of cash social assistance for poor residents grew by 15.6 percent as compared to 2006. In 2007 LTL 95.3 million were paid as social benefits, compensations and lump sum benefits from municipal funds. LTL 52.1 million were paid as social benefit, LTL 33.7 million were paid as compensations (LTL 27.9 million – for heating of the dwelling, LTL 5.1 million – for hot running water, LTL 0.7 million – for cold running water), LTL 0.9 million were paid as cash social assistance by the decision of a municipality, and LTL 8.6 million were paid from municipal funds as lump sum benefits to support the residents.

In 2007, on an average 36,600 persons per month received social benefit (1.1 percent of permanent residents of Lithuania). An average amount of social benefit paid to one member of a family per month is LTL 119 (in 2006 it was LTL 96).

On an average, within one month of the first quarter of 2008, 37,200 persons received social benefit (1.1 percent of permanent residents of Lithuania); on an average, one member of a family received a social benefit amounting to LTL 157 per month.
During the heating season, within one month of 2007, on an average 97,000 persons received compensations for heating of the dwelling, which accounts for 2.9 percent of Lithuanian residents. On an average, the compensation for the heating of the dwelling for one person amounted to approximately LTL 62. During the first quarter of 2008, on an average 99,000 persons received compensations for the heating of the dwelling.

In one month of 2007, on an average 58,900 persons received compensations covering the heating of the dwelling expenses, while 25,800 persons received compensations for cold running water expenses. On an average one person received LTL 9.8 as compensations covering hot running water expenses and LTL 3.2 as compensations covering cold running water expenses per month.

Figure 4.1.4-3 shows the dynamics of the recipients and expenses of social benefits in 2000–2007.

According to the data presented in Figure 4.1.4-3, in 2007 the number of recipients of social benefit decreased by 3.5 percent as compared to 2006. The decreased number of the recipients was influenced by a considerable growth in income of the population (increased minimum monthly wage, average old-age pension, average monthly salary), shrinking unemployment, emigration and the application of more purposeful cash assistance, provided taking into account not only income but also property of a family.

In 2007, LTL 80.6 million were allocated from the State budget for free meals for pupils in schools, which is an increase by LTL 19.6 million as compared to the previous year; however, as a result of smaller overall number of pupils, increased income of the population and shrinking unemployment, LTL 54.7 million were used (67 percent of all allocated funds), while the number of pupils receiving free meals decreased by 16,000. In 2007, approximately 83,000 pupils (17 percent of all pupils) received free lunch, while approximately 25,000 pupils (5 percent of all pupils) received free breakfast on an average per month.

In 2007, approximately 15,000 pupils (3 percent of all pupils) received free meals at the summer day camps organized by schools during the summer holiday. For that purpose LTL 1.3 million were used from the State budget allocated to provide free meals for pupils.

In 2007, in order to provide assistance for pupils from low-income families in the provision of school supplies and the preparation for a new school year, LTL 10.8 million were allocated from the
State budget, which is more by LTL 2.8 million as compared to 2006. 57,000 pupils (11 percent of all pupils) received the assistance. An assistance amounting to LTL 156 was provided to one pupil, whereas in 2006 on an average LTL 104 were provided to one pupil. The assistance was provided in a form of vouchers, designed for the provision of school supplies in an indicated shopping centre, or by compiling a list of schools supplies for each individual pupil, taking into consideration individual needs of pupils.

In 2008, pursuant to the provisions of Law Amending the Law on Social Assistance for Pupils, regarding the right to receive free meals for the pupils who study according to pre-school or primary education curricula, as well as regarding the financing of administrative expenses with the State budget, LTL 115.3 million were allocated for the assistance for pupils from the State budget, whereof LTL 101.3 million were allocated for products purchased for free meals for pupils, LTL 11 million were allocated for the assistance in the acquisition of school supplies, and LTL 3 million were allocated to cover administrative expenses.

In 2008, approximately 74,000 pupils received free meals in schools (approximately 15 percent of pupils, in 2007, 17 percent of pupils). As a result of the decline in the number of children who study, growing income of the population, shrinking unemployment and migration, the number of pupils receiving free meals has decreased.

In 2007, LTL 34.9 million were paid as funeral grants. This is an increase by 5 percent as compared to 2006. The grant was paid upon the death of 44,800 persons. In the first quarter of 2008 expenses related to funeral grant amounted to approximately LTL 12.2 million.

4.1.5. THE IMPLEMENTATION OF THE NATIONAL DEMOGRAPHICS (OF RESIDENTS) POLICY STRATEGY

When implementing the National Demographics (of Residents) Policy Strategy approved in 2004 which covers the spheres of family welfare, public health and migration of population, the Ministry of Social Security and Labour analyzed and submitted to the Government of the Republic of Lithuania a summarized report on the course of the implementation of measures of National Demographics (of Residents) Policy Strategy of 2005–2007, the dynamics of the achieved results, and provided for further prospects of solving problems of demographics.

The report highlights the facts that in the period of 2005–2007 the number of marriages grew (in 2005 it amounted to 19,900, and in 2007 – 23,100), the number of children born went up (in 2005 30,500 children were born, whereas in 2007 – 32,200), the level of employment amongst the population including young people increased (in 2005 it accounted for 62.6 percent, and in 2007 – 64.9 percent), the rate of unemployment decreased (in 2005 it accounted for 8.3 percent, and in 2007 – 4.3 percent), measures ensuring financial stability and favourable conditions for the demographic behavior of the population were implemented, namely: the state supported income was increased, family income grew (in 2007, income per one household grew by 48 percent as compared to 2005), the support for every child raised in a family from the birth until the age of majority was gradually legitimized, the maternity (paternity) leave as well as maternity (paternity) social insurance benefits were increased, the paternity benefits were legitimized as of 1 July 2006, two types of social assistance for pupils were legitimized, namely: free meals for pupils and assistance in the provision of school supplies, the basic state social
insurance was increased (in the period of 2005–2007 it grew by 50 percent), and the insured income of the current year went up (in period of 2005–2007 the insured income went up by 25 percent). During the reporting period the main focus was placed on the promotion of healthy lifestyle and the prevention and the reduction of substance addiction, as well as on the education of pupils on the issues related to the prevention of substance addiction and the promotion of healthy lifestyle. The scope of emigration observed in the period of 2004–2005 started to shrink in the period of 2006–2007, and presently the return of a part of emigrants to Lithuania is being observed.

To strengthen the family institution, create a more favourable environment for families and the education of children, overcome negative tendencies of the family development and to ensure a better life quality for large families, the Government of the Republic of Lithuania approved the implementation plan of measures of the National Demographics (of Residents) Policy Strategy for the Family Welfare for 2008–201091.

The purpose of this complex document is to ensure the achievement of tasks undertaken by the strategy in the sphere of family welfare therefore the following measurements are to be implemented:

1. **The increase of the employment for family members by enabling them to manage their work with family responsibilities and providing necessary social insurance guaranties.** It is proposed to encourage the return of parents raising children to the labour market, to support the creation of jobs suitable for the demands of families with children; to stimulate flexible forms of employment; to increase maternity (paternity) benefits, to grant and calculate them in more favourable conditions and to extend their duration by creating conditions to work and use benefits for the payment of child care; to ensure the continuous social insurance guarantees for parents raising children as well as for nurses of the disabled family members.

2. **The development of child care and social services for families.** It is intended to draw up a Pre-school and Pre-primary Education Development Programme, to improve the accessibility of pre-school education establishments and the quality of services (by stimulating private initiatives, setting up extended day groups, organizing after-school activities for children); to provide free meals for primary school pupils; to support family centres providing complex aid, to set up multifunctional education centres in rural areas.

3. **The improvement of financial assistance for families.** It is planned to increase the amount of tax exempted income for families raising children; to increase the MSL and SSI; to implement the payment of benefits for children up to 18 years of age; to increase the birth grants and to introduce child care benefits; to guarantee income for children who are not financially supported by parents (by setting up a Children Maintenance Fund); to envisage assistance for students from large families; to compensate expenses related to the acquisition of a car for families raising a disabled child; to develop assistance in the acquisition of a dwelling for young and large families, and to expand the possibilities of the provision with a social dwelling.

4. **The strengthening of a family institution (the preparation of young people for a family life, the creation of friendly environment for a family, etc.)** The measures of this policy are aimed at helping people, especially young people develop skills of living in a family, creating aware-

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ness about equal treatment in a family, developing their responsibilities as to their family and children, and creating a positive image of a family.

To implement these measures, LTL 490 million will have to be additionally allocated from the State budget in 2008. LTL 1 milliard from the State budget should be allocated for the implementation of the Strategy for the Family Welfare for 2008–2010.

**4.1.6. IMPROVEMENT OF THE SOCIAL ASSISTANCE**

In order for the assistance to be as targeted as possible and able to perform its main function, i.e. to help families bring up children, guarantee minimum income for the poor residents, it is planned to continue developing the state social assistance system, improving legal base and increasing amounts of benefits.

To ensure state assistance for every child under 18 years of age or for an older child studying in a full-time general education establishment, the child benefits will continue to be paid to families raising children. Child benefits for large families will be increased from 0.4 MSL to 0.75 MSL as of 1 July 2008. Additional funds amounting to LTL 38 million will have to be allocated from the State budget as a result of the increase of this benefit.

Pursuant to the current Law on Cash Social Assistance for Poor Families and Single Residents, in the awarding of the assistance the following is excluded from the income: target compensations for nursing and care (assistance) expenses, compensations for transport expenses for the disabled, compensations for donors. Seeking to increase assistance for the poor residents, draft Law Amending Articles 15 and 22 of the Law on Cash Social Assistance for Poor Families and Single Residents was submitted to the Seimas of the Republic of Lithuania for consideration, thereby proposing to exclude the following types of income in the calculation of family income in order to receive social assistance: child benefits, social grants and assistance in cash paid pursuant to the Law on Social Services, as well as income related to work relations of pupils who study in full-time general education schools or vocational education establishments according to the general education curricula and/or vocational education curricula for the acquisition of qualification of the first degree.

To improve the cash social assistance system and compensate the expenses related to the maintenance of a dwelling for residents in a more rational way, the system of compensation for the expenses of the maintenance of a dwelling will be reformed in a such a way that not only expenses related to heating, cold and hot running water will be compensated but other necessary expenses related to the maintenance of a dwelling will be compensated as well.

**CONCLUSIONS**

The year 2007 saw the continuation in the specification of conditions for providing social assistance, increased assistance amounts seeking to ensure financial state support for all families raising children and to guarantee social security in the context of growing inflation.

In the 2007 the coherent scheme of social assistance in cash on the basis of income and property evaluation was in the process of implementation, which guarantees minimum income enabling poor residents to receive meals and pay for the most urgent utilities. To provide support for all poor citizens,
a legal regulation framework favourable for the beneficiaries has been legitimized, the SSI as well as compensated amounts have been increased.

During 2007, benefits paid for families raising children notwithstanding family income accounted for the largest part of the expenses related to the social assistance in cash (67 percent). 50 percent of Lithuanian children (350,700 thousand) received child benefits. In 2007 on an average 1.1 percent of the Lithuanian population received monthly social benefits, while 2.9 percent received compensations for the expenses of the heating of a dwelling.

As wages and pensions increased faster than the state supported income, the number of beneficiaries and expenses of social assistance in cash decreased.

Increased income of the population, shrinking unemployment, migration and the provision of support having taken into account not only family income but also the property have lead to a shrinking number of the recipients of social benefits and the decreased expenses related to these benefits.

Coherent family policy is being further developed. Specific actions have been undertaken in order to implement measures established in the Family Welfare Measures Plan, namely, to encourage both parents of a child to actively participate in the professional, public and cultural life and help improve family’s material situation.

### 4.2. CHILD CARE

This chapter covers trends related to families included in the registers of municipalities of socially dysfunctional families as well as dynamics in the number of children living in such families, and assistance provided by municipalities to such families. Child care trends and novelties, preparation of guardians, reasons for the establishment of guardianship and its termination, dynamics and trends in Lithuanian municipalities are analysed, and major topical issues related to adoption are discussed. Issues such as the spread of various forms of abuse against children and possibilities of provision of assistance to them and their families, prospects for the provision of assistance are covered in separate sections.

#### 4.2.1. CHILDREN IN SOCIALLY DYSFUNCTIONAL FAMILIES

According to the definition presented in the legal acts of the Republic of Lithuania, a socially dysfunctional family means a family raising children under 18 years of age, in which one or both of the parents abuse alcohol, narcotic drugs, psychotropic or toxic substances, and/or are dependent on gambling, and because of lack of social skills they cannot or do not know how to take care of children, and/or use physical force, psychological or sexual abuse, and/or use the granted state support for the interests other than family, which poses risks for children's physical, mental, spiritual and moral development and safety. A family can also be attributed to a register of socially dysfunctional family where the child is placed under the guardianship (curatorship) pursuant to the procedure laid down in laws. According to the data presented by municipal Services of Child Rights Protection (hereinafter referred to as the SCRP), in 2007 2,266 families raising 4,812 children were included into the register of socially dysfunc-
tional families raising children (hereinafter referred to as the Register). On 31 December 2007, the total number of socially dysfunctional families included into the Register of socially dysfunctional families compiled by the SCRP amounted to 11,958; 27,881 children in total are raised in these families. During the last year the number of socially dysfunctional families raising children decreased by 1,538, and the number of children living in such families dropped by 3,471, as compared to 2006 (Figure 4.2.1-1). The data presented in this figure also show that since 2001 the number of children living in the socially dysfunctional families has dropped by almost by 30 percent. 27,881 children raised in socially dysfunctional families account for 3.7 percent of all children living in Lithuania. Children of 10-14 years of age constitute the largest part of children raised in socially dysfunctional families, whereas children under 3 years of age account for the smallest part of the children (Figure 4.2.1-2).

Changes in the number of socially dysfunctional families and children raised in these families in 2001-2007

Data of the State Child Rights Protection and Adoption Service

![Graph showing changes in the number of socially dysfunctional families and children raised in these families from 2001 to 2007.](Image)

Children in socially dysfunctional families by age in 2007

Data of the State Child Rights Protection and Adoption Service

![Bar chart showing children in socially dysfunctional families by age in 2007.](Image)
The decline in the number of socially dysfunctional families was caused by the new procedure of registration of such families in the municipalities, approved by the Order of the Minister of Social Security and Labour in 2006 and renewed by the Order in 2007. Another reason behind the decline in the number of socially dysfunctional families was the development of complex services provided at a community level by children’s day care centres to the socially dysfunctional families and families receiving social assistance. Improvement of inter-institutional cooperation between the SCRPs, divisions of Social Assistance and their social partners providing services for children and families on the municipal level played a positive role too.

In 2007 municipalities became staffed with social workers for the work with socially dysfunctional families. According to the data of the Ministry of Social Security and Labour, at the end of 2007, 457.8 positions out of the total of 556 were occupied. The majority of the specialists – 370 – worked in rural areas. 241 social workers worked in municipal districts, 126 – in the social service centres, while the rest worked at the institutions providing assistance at home and other types of social service institutions. As a result of improved work with socially dysfunctional families, the data in the Register of socially dysfunctional families has changed as well.

The Ministry of Social Security and Labour implemented National Children Day Care Centres Programme for 2005-2007. Services provided by the children day care centres (hereinafter referred to as the CDCC) played a positive role why the number of socially dysfunctional families during that period decreased. 151 CDCC projects were financed in 2007. In 2006 121 projects were financed, while out of all projects financed in 2007, 33 percent were implemented in the rural areas (in 2006 – 20 percent) and 67 percent were carried out in urban areas (in 2006 – 80 percent accordingly). In 2006, 5,500 children visited CDCCs, of which 4,500 received social and educational services on a continuous basis. Services in children day care centres were provided for 3,200 families, 2,700 of those families received them on a continuous basis. Both numbers increased by 22 percent as compared to 2006. In 2007 the number of children visiting CDCCs increased by almost 31 percent as compared to 2006. Parents of children visiting the centre are offered social services, encouraged to take better care of their children and children’s education, they are provided with psychological, pedagogical legal assistance and preventive measures.

Several reasons influence the number of socially dysfunctional families and children raised in these families. According to municipal CRPs, alcohol abuse is one of the major factor why the families are falling in social risks. In 2007 16,724 children were living in socially dysfunctional families, included into the register as a result of alcohol abuse. Out of which 8,668 of those children were older than 10 years of age. Thus, approximately 50 percent of all children raised in these families see their parents abusing alcohol during a particularly difficult stage of their teens and young adulthood, which has a negative impact on their further social and psychological development. Alcohol abuse is more widely spread in rural areas. According to the data provided by municipal CRPs, out of the total number of 7,321 socially dysfunctional families abusing alcohol, 5,118 of them live in rural areas.

Table 4.2.1 provides data explaining the reasons for the inclusion of families into the Register of socially dysfunctional families of municipal CRPs in 2007.

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4.2.2. CHILD ABUSE

According to the data of municipal Services of Child Rights Protection (hereinafter referred to as the SCRP), 1,778 children were abused in 2007 (i.e. 0.24 percent of all children). The number has grown as compared to 2006, when 1,639 children were abused (see Table 2.2-1) In 2007 the largest incidence of child abuse was established in Tauragė county (0.7 percent), Utena county (0.5 percent), Vilnius county (0.4 percent), whereas the smallest incidence of child abuse was marked in Alytus, Telšiai and Klaipėda counties. The growing number of identified cases of child abuse was caused by a few factors, namely, the responsible specialists were able to better recognize and evaluate the child's condition, the public awareness grew and inter-ministerial cooperation improved.

Cases of child abuse, by a county in 2006-2007

<table>
<thead>
<tr>
<th>County</th>
<th>Total number of children 2006</th>
<th>Total number of abused children 2006</th>
<th>Percentage 2006</th>
<th>Total number of abused children 2007</th>
<th>Percentage 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vilnius</td>
<td>171956</td>
<td>686</td>
<td>0.54</td>
<td>641</td>
<td>0.4</td>
</tr>
</tbody>
</table>
According to the data submitted by the IT and Communications Department under the Ministry of the Interior in 2007, in total 4,571 minors suffered from crimes in Lithuania, which is 10.5 percent less than in 2006. 614 minors or 13.4 percent of all minors suffered from parental abuse (i.e. 15.9 percent less than in 2006), and 24 minors or 0.5 percent were abused by other relatives (27.3 percent less than in 2006).

Such discrepancy in the figures submitted by the services of child rights protection and law enforcement authorities is caused by the fact that it is the law enforcement authorities rather than municipal services of child rights protection that are more likely to be notified about the child abuse. If the child who was abused is properly represented by his/her parents or by other legal representatives, the municipal SCRP may not be informed about the abuse even during the pre-trial investigation.

As in the previous year, in 2007 according to the data of municipal SCRPs, the majority (56 percent) of all cases of abuse was physical abuse, 38 percent accounted for mental abuse and 6 percent, for sexual abuse. It is worth mentioning that it is the physical abuse that is the easiest to notice and identify as compared to mental or sexual abuse, or sexual commercial abuse. In order to identify and prove the latter types of abuse, it is necessary to increase competences of a qualified specialist and improve inter-ministerial cooperation, whereas the abused children need to receive complex services and confidentiality. Therefore it is very likely that there are more cases of mental and sexual abuse.

The analysis of the gender distribution of abuse shows that boys are more likely to fall victims of abuse than girls. In 2007, 637 boys and 351 girls were physically abused, whereas girls more often became victims of sexual abused than boys (Figure 4.2.2-1)
In Lithuania it is municipalities who organise assistance for abused children. The family is provided with social services, the child is consulted by a psychologist and a school social pedagogue. Most often the psychologist’s consultations are provided for children living in a city, whereas in rural areas there is no such possibility to provide this service for the child and his or her family. The data of municipal SCRPs show that during the accounting period the assistance for abused children and their families was organised 2,627 times. In the cases of child abuse, a complex professional assistance (psychological, legal, social, medical) was organised in most of the cases, i.e. 590 times. 310 times the assistance was provided for children, while 255 times it was provided for the child together with the family. The psychologist’s consultations were provided far less frequently, only in 487 cases per year.

As a part of the implementation of the National Programme of the Prevention of Child Abuse and Support for Children94, annual open tenders for projects related to short-term and long-term complex assistance to abused children and their families are announced. In 2006, 15 Lithuanian institutions received support, and LTL 200,000 were assigned to co-finance their projects. The implementation of the projects resulted in the provision of psychological, legal and social assistance to more than 700 abused children. In 2007, 10 project developers rendered assistance to 513 children who suffered from emotional, physical and sexual abuse. On average, one project rendered assistance to 51 children. In 2007 the number of girls who applied to the organisations as a result of abuse was larger than that of boys (respectively, 55 percent and 45 percent). The largest number of projects financed in 2007 were from the Kaunas county (4 projects, from which 3 were from the city of Kaunas and 1 – from Ringaudai, the Kaunas district), Vilnius county (3 projects, all of which were from the city of Vilnius), Klaipėda, Šiauliai and Marijampolė counties (1 project each from the towns of Kretinga, Kelmė, Marijampolė). In comparison, in 2006 6 projects from Vilnius county were financed, 5 projects – from Kaunas county, 2 projects – from Klaipėda county, and 1 project each from Šiauliai and Telšiai were financed.

Having analysed the data gathered on the incidence of child abuse in Lithuania, it can be concluded that the incidence of child abuse in cities has grown, whereas the number of cases of abuse in rural areas remains to be stable (the data of 2007 is presented in Figure 4.2.2-2), as compared to the statistical data from 2006.

**Incidence of child abuse in urban and rural areas in 2007**

<table>
<thead>
<tr>
<th>rural areas</th>
<th>urban areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>1046 cases of abuse; 59%</td>
<td>732 cases of abuse; 41%</td>
</tr>
</tbody>
</table>

*Data of the State Child Rights Protection and Adoption Service*  
*Figure 4.2.2-2*

During a seminar project developers familiarised themselves with experiences and practices gained by foreign countries in the organisation and provision of services for abused children, and recommendations were presented as to the organisation of more efficient services in Lithuania.

As a result of the implementation of the National Programme of the Prevention of Child Abuse and Support for Children for 2005-2007, approximately 1500 children and their family members were provided with social, medical, legal and psychological complex assistance. The complex assistance provided for abused children and their family members was free of charge. This increased the accessibility of the service for miserable families. Qualified experts trained 649 specialists working in various institutions – educational, child rights protection, social assistance and law enforcement – to better evaluate different types of abuse, its nature and to improve the mechanism of the provision of the assistance.

In 2007 the National Programme of the Prevention of Child Abuse and Support for Children for 2008-2010 project has been drafted. The aim of a new programme is to envisage complex and continuous measures which could help to reduce child abuse with all its forms together. 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 mental, physical and sexual abuse and neglect at schools, as well as their families. Alternative impact measures for the abusers are also envisaged.

Moreover, taking into consideration the fact that the cases of crimes against child’s sexual independence and integrity have increasingly spread throughout Lithuania, the Ministry of Social Security and Labour initiated the draft Law Amending Article 49 and Supplementing Article 471 of the Law on Fundamentals of the Protection of the Rights of the Child of the Republic of Lithuania which was approved by the Government on 24 April 2008. The aim of the draft Law is to foresee provisions preventing persons who have been found guilty of crimes against sexual independence and integrity of children from working in child social, health care, sports and educational institutions and organisations regardless of the functions of the job, if the job directly (on a permanent or temporary basis) entails the education of the dependent children or the maintenance of their safety, notwithstanding the fact that the criminal conviction has expired.
4.2.3. TRENDS IN CHILD CARE

From the historical and traditional perspective, child care has always been a sensitive and topical issue of a society. Today the society has undergone such changes that it is now facing an acute problem of families at crisis which are unable to provide safety and welfare for their children. The fact that there are a large number of children without parental care in the country is due to various objective and subjective reasons. In 2007 the total number of children in care dropped by almost 400 children. 13,337 children were in care in 2006, while in 2007 – 12,910. According to the data of the Department of Statistics under the Government of the Republic of Lithuania, there were 748,311 children living in Lithuania in 2007. Therefore, children in care account for 1.7 percent of all children living in Lithuania (Figure 4.2.3-1).

During 2007, 2,824 children were deprived of parental care. In 2007, as in the previous year, the main reason for the establishment of guardianship remained to be the same, i.e. lack of the interest of parents in their children, neglect, improper upbringing, physical or mental abuse of children by their parents. Due to the aforementioned circumstances 1,846 children were deprived of parental care. The decreased number of the restrictions in parental authority has been marked. In 2007 there were 354 cases of restricted parental authority, whereas in 2006 – 559. As compared to 2006 and 2005, a slight decrease in the number of children without parental care can be noticed. However, it is the result of not only an improved social work with families but also of the growing emigration and shrinking birth rate.

Reasons for the deprivation of parental care

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Parents deceased</td>
<td>242</td>
<td>259</td>
<td>288</td>
<td>234</td>
</tr>
<tr>
<td>2.</td>
<td>Parents or immediate family unknown (foundling)</td>
<td>4</td>
<td>27</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3.</td>
<td>Parents went missing; their search was announced</td>
<td>74</td>
<td>53</td>
<td>36</td>
<td>31</td>
</tr>
<tr>
<td>4.</td>
<td>Court declared parents deceased or their whereabouts unknown</td>
<td>1</td>
<td>15</td>
<td>1</td>
<td>7</td>
</tr>
</tbody>
</table>
In order to improve the child care system, on 31 October 2007 the Plan for 2007–2012 of the Child Guardianship/Curatorship System Reorganisation Strategy and the Measures of Implementation thereof was approved by the Resolution No. 1193 of the Government of the Republic of Lithuania. Seeking to implement this strategy and improve the preparation of guardians/custodians and adoptive parents in Lithuania, the systems of the preparation of guardians/custodians and adoptive parents in various European countries were evaluated. In 2007 Lithuania became an official licence holder of the PRIDE programme of adoptive and foster parents, which granted an exclusive right to use this training programme in the preparation and evaluation of prospective adoptive and foster families, as well as in the provision of the assistance for the adoptive and foster families.

In 2007, 16 workers underwent the PRIDE teacher training programme of adoptive and foster parents, of which 4 were awarded with teacher preparation qualification of the PRIDE programme of adoptive and foster parents. In 2008 specialists awarded with the teacher training qualification will train specialists of institutions seeking to prepare adoptive and foster families.

The placement of a child deprived of parental care in a foster care institution serves as an intermediate and temporary step towards the long-term solution, i.e. the return of the child into his/her biological family or adoption. Foster family care is one of best alternative forms of care (after the adoption – see subdivision 4.2.4) for the child deprived of parental care. According to the data submitted by municipal SCRP, in 2007 there were 7,560 children without parental care who were placed in a foster family care in the country. 5,701 foster families took care of these children. The majority of children, i.e. 3,515 placed in foster families were raised by their grandparents, while 515 children were taken care of by their elder sisters/brothers. 1401 children were placed in a family care of their aunts or uncles. 2,129 children were taken care of by families, to whom they were not related by blood (Figures 4.2.3-2 and 4.2.3-3).

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<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5.</td>
<td>Parents declared to be incapable</td>
<td>9</td>
<td>23</td>
<td>9</td>
<td>8</td>
</tr>
<tr>
<td>6.</td>
<td>Parents temporarily cannot take care of their child due their illness, arrest, imprisonment, etc.</td>
<td>359</td>
<td>411</td>
<td>327</td>
<td>311</td>
</tr>
<tr>
<td>7.</td>
<td>Parents are not interested in their child, they neglect him/her, the upbringing of the child is improper, the child is physically or mentally abused which raises a risk for the child's physical, mental, spiritual and moral development and safety; the child is removed from the family following the procedure established by the law (until the child is separated from his/her parents by the court's order)</td>
<td>2087</td>
<td>1992</td>
<td>1733</td>
<td>1846</td>
</tr>
<tr>
<td>8.</td>
<td>The child is separated from his/her parents following the procedure established by the law</td>
<td>491</td>
<td>429</td>
<td>52</td>
<td>31</td>
</tr>
<tr>
<td>9.</td>
<td>The parental authority is restricted for the parents of the child on a temporary or permanent basis according to the procedure established by the law</td>
<td>–</td>
<td>–</td>
<td>559</td>
<td>354</td>
</tr>
<tr>
<td>10.</td>
<td>Total</td>
<td>3267</td>
<td>3209</td>
<td>3006</td>
<td>2824</td>
</tr>
</tbody>
</table>

Data of the State Child Rights Protection and Adoption Service Table 4.2.3

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The reasons why older children are placed in institutional care remain the same. People are afraid of problems which inevitably occur in the teen years of the foster child.

Recently, foster parents and prospective adoptive parents started undergoing an intense process of the preparation in our country. During the training potential foster and adoptive parents familiarise themselves with problems and their solutions, as well as with possibilities of receiving assistance in the upbringing of a teen in their family. However, there is still a lack of services rendered to foster families who face various problems. These services are most widely developed in bigger Lithuanian cities as well as in those municipalities that establish social partnerships with the SCRPs and not only carry out the search and selection of prospective foster or adoptive parents and organise their training, but also provide social services after the establishment of child’s guardianship/curatorship in a family.

### Child care in 2006 and 2007

![Graph showing child care in 2006 and 2007](image)

**Data of the State Child Rights Protection and Adoption Service**

### Children placed in family foster care and foster families, 31 December 2007

![Graph showing children in family foster care and foster families](image)

**Data of the State Child Rights Protection and Adoption Service**
It is important to highlight that there are almost twice as many children younger than 3 who are placed in institutional care than in family care: out of the total of 966 children of this age group, 356 live in families, 5 – in foster families and 605 – in institutions. The reasons are many: small children are established temporary care in the hope that they will soon be returned to their families, while those children whose legal status is set as a result of illness, cannot be placed in a family care or they need specific health care services in an institution.

Recent years have seen a fast growing number of emigrants from Lithuania. Often families intending to get employment abroad leave their children behind in the care of their immediate family or friends. According to the data of municipal SCRPs, on 31 December 2007, 916 children were established care in Lithuania as a result of the departure of their parents to foreign countries. These children included 435 girls and 481 boys.

4.2.4. ADOPTION

Adoption provides a child without a family or parental care with a possibility to grow in a family. The aim of the adoption is to safeguard the interests of the child deprived of parental care. Adoption provides a possibility of growing in an atmosphere full of love and understanding for the child deprived of parental care, while for the adoptive parents – to satisfy parenting feelings or to share the comfort of their home and the warmth of their heart with a child deprived of these joys of life. Adoption serves as a social and legal means protecting children deprived of parental care. From the legal perspective, the legal status of an adoptive child is much stronger and more able to protect the interests of the child deprived of parental care than that of a child placed in foster family or institutional care. Adoption shall invalidated the mutual personal and property rights and duties of the natural parents and children and their relatives while creating mutual personal and property rights for the adoptive parents, their relatives kindred and the adopted children and their descendants as relatives by blood. The adopted child shall retain his/her social and legal status for the rest of his/her life (pursuant to the Civil Code of the Republic of Lithuania (hereinafter referred to as the CC), the adoption cannot be revoked or renounced), whereas the child under guardianship shall be socially and legally protected only as long as he/she is in foster family or institutional care. Moreover, the guardianship can be revoked or renounced. Adoption is the best means to protect the interests of the child deprived of parental care.


### Number of children deprived of parental care and adopted by the citizens of the Republic of Lithuania in 1998-2007

<table>
<thead>
<tr>
<th>Year</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>57</td>
<td>43</td>
<td>37</td>
<td>56</td>
<td>75</td>
<td>61</td>
<td>93</td>
<td>88</td>
<td>106</td>
<td>81</td>
</tr>
</tbody>
</table>

Data of the State Child Rights Protection and Adoption Service

Table 4.2.4-1

In 2007 the number of children deprived of parental care and adopted by single persons increased. In 2007, 17 children were adopted by 16 single persons, of which 7 single persons took care of the children prior to their adoption. In 2006, 7 children were adopted by 7 single persons, of which 4 single persons took care of the children prior to their adoption. In 2005, 9 children were adopted by 9 single persons, of which 5 single persons took care of the children prior to their adoption (Figure 4.2.4-1). In 2007, 3 children were adopted by 2 citizens of the Republic of Lithuania, pursuant to Part 2 of Article 3.210 of the CC, which provides for adoption to one of spouses.

Number of citizens of the Republic of Lithuania who adopted children deprived of parental care, by family status

Data of the State Child Rights Protection and Adoption Service

In 2007 citizens of the Republic of Lithuania adopted almost as many girls as boys, i.e. 40 boys and 41 girls, whereas in 2006, 47 boys and 59 girls were adopted (Table 4.2.4-2).

Adopted children by gender and age in 2007

<table>
<thead>
<tr>
<th>YEAR OF BIRTH OF CHILDREN</th>
<th>NUMBER OF CHILDREN BY GENDER AND YEAR OF BIRTH</th>
<th>NUMBER OF CHILDREN BY AGE GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BOYS GIRLS TOTAL</td>
<td>0 – 3</td>
</tr>
<tr>
<td></td>
<td>BOYS GIRLS TOTAL</td>
<td></td>
</tr>
<tr>
<td>2007</td>
<td>4 3 7</td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>11 5 16</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>8 11 19</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>5 3 8</td>
<td></td>
</tr>
<tr>
<td>Total number of births in 2004-2007</td>
<td>28 22 50</td>
<td></td>
</tr>
</tbody>
</table>
### Table 4.2.4-2

<table>
<thead>
<tr>
<th>YEAR OF BIRTH OF CHILDREN</th>
<th>NUMBER OF CHILDREN BY GENDER AND YEAR OF BIRTH</th>
<th>NUMBER OF CHILDREN BY AGE GROUP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BOYS</td>
<td>GIRLS</td>
</tr>
<tr>
<td></td>
<td>4 – 6</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>2002</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>2001</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Total number of births in 2001-2003</td>
<td>7</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>7 – 9</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>1999</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Total number of births in 1998-2000</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td>10 – 14</td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Total number of births in 1993-1997</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>40</td>
<td>41</td>
</tr>
</tbody>
</table>

Data of the State Child Rights Protection and Adoption Service

In 2007, out of the total number of families who adopted children deprived of parental care, 60 families did not have biological children, 9 families were raising biological children, 5 families are raising children from their first marriages, 2 families are raising adopted children.

In 2007 the majority of citizens of the Republic of Lithuania who adopted children were between 31 and 40 years of age. In 2006 the majority of citizens of the Republic of Lithuania who adopted children were between 36 and 40 years of age. Exceptionally, the court may allow adopting children for older persons. The year 2007 saw two such cases. In the consideration of a specific adoption case, the court thoroughly analyses the situation in order to find out whether there are any other obstacles preventing from the adoption, and arrives at a decision taking into consideration solely the interests of the child.

Out of the total number of single persons who adopted children, 5 single women were between the ages of 36 and 40, 6 single women were between the ages of 41 and 45, 4 single women adopted a child at the age of 45 and 1 single woman was younger than 35 years of age when she adopted a child. In 2006 the majority of single women who adopted a child were between the ages of 36 and 40 (4 single women in total).
Different adoption procedures apply in the case of adoption of a child by a spouse, i.e. a child and the person willing to adopt him/her shall not be included into the list, the court may reduce the age difference between the child and the adoptive parent, consent of the other spouse is required for the adoption, etc.

In 2007, 56 children were adopted by 55 spouses of the biological mother (father) of a child. In 2006, 69 children were adopted by 64 spouses of the biological mother (father) of a child.

In 2007, 55 spouses adopted 33 children born from the previous marriages, 18 children born to single mothers, 4 children born to unmarried couples, 1 child deprived of parental care was adopted by a single mother. In 2006, 64 spouses adopted 36 children born from the previous marriages, 29 children born to single mothers, and 4 children born to unmarried couples. It is obvious that the majority of adoptions consist of children born from the previous marriages.

In 2007, men under 30 years of age (24 men) constituted the majority of adoptions of a child made by a spouse, while in 2006 men under 30 years of age and between 31 and 35 years of age (21 men) constituted the majority of adoptions of a child made by a spouse. In 2007, 10 men of 36-40 years of age, 4 men of 41-45 years of age and 2 men over 45 years of age adopted a child. On 2006, 4 men over 45 years of age adopted a child.

It is established by both, the legal acts of the Republic of Lithuania (Paragraph 2.1 of Article 3.2224 of the Civil Code, Item 51 of the Procedure of the Registration of Adoptions in the Republic of Lithuania) and the international legal acts (The Hague Convention of 1993 on Protection of Children and Co-operation in Respect of Intercountry Adoption)\(^{96}\) that a child can be offered for the adoption to foreign citizens only where a suitable family cannot be found for the adoption or guardianship of the child in his/her country of origin. In such cases children deprived of parental care shall be offered to foreign citizens for the adoption if within 6 months an adoptive or foster family cannot be found in Lithuania.


As in the previous years, in 2007 the majority of children were adopted by Italian, French and US families. The number of children adopted by Italian families is constantly increasing. There are several reasons for such increase: for several years now 4 Italian adoption agencies operating in Lithuania have been actively adopting children with special needs (children older than 8 years of age and children from groups of three or more siblings); currently, Italian families constitute one third of the list of nationals of the Republic of Lithuania residing in a foreign country on a permanent basis and foreign nationals. In 2007 the number of adopted children from the age groups of 4-6 and 7-9 has grown most considerably.

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\(^{96}\) The Civil Code of the Republic of Lithuania (Official Gazette, No. 74-2262, 2000)
In 2007, more than half of children were adopted together with their siblings (90 children were adopted by 41 families). 8 families of foreign citizens adopted children from the groups of three siblings (in total, 24 children), 33 families adopted two siblings each (in total, 66 children).

The majority of children placed for the intercountry adoption are with special needs. The group consists of children with serious illness, children from the groups of no less than three siblings placed for the adoption, older than 8 years of age children, children who have close ties with their siblings who refuse to or cannot be adopted together. Most often Lithuanian residents refuse to or cannot adopt or foster children with special needs, therefore, intercountry adoption becomes the only possibility for these children to grow in a family.

In 2007, out of the total of 148 adopted children, 83 children were with special needs, of which 48 were placed for intercountry adoption pursuant to the procedure established by the Resolution No. 1422 of the Government of the Republic of Lithuania of 10 September 2002 on the Approval of the Procedure of Adoptions, whereas 35 children were adopted by families found pursuant to the Order of the Minister of the Social Security and Labour of the Republic of Lithuania97. The Service informs the accredited foreign services and central adoption agencies on a continuous basis on the approved quota of children under 6 years of age, as well as on the fact that in Lithuania the majority of children placed for the intercountry adoption are children with special needs. Therefore, families of foreign citizens are included into the list of citizens of the Republic of Lithuania residing in a foreign country on a permanent basis and foreign citizens after they have already made up their mind to adopt children with special needs.

As in 2006, in 2007 the majority of children, i.e. 102 children adopted by citizens of the Republic of Lithuania residing in a foreign country on a permanent basis and foreign citizens were from foster care homes, 43 children were from infant foster care homes and 3 children were from foster families. Out of the total of 43 children adopted from infant foster care homes, 11 children were from foster care homes for infants with development disorders of Vilnius county, 10 children were from foster care home for infants with development disorders of Klaipėda county, 9 children were from Kaunas child development clinic Lopšelis, 7 children were from foster care homes for infants with development disorders of Alytus county, and 6 children were from foster care homes for infants with development disorders of Iauliai county. Out of the total of 102 children adopted from foster care homes, the majority were from Marijampolė Child’s Motherland Home (9 children), foster care home Nykštukas of Radviliškis district (9 children) and Alytus foster care home (8 children).

The duration of the adoption process of pre-school children for the majority of families residing in a foreign country was approximately 3 years, with the exception of families who adopted children with special needs and families of Lithuanian origin.

In 2007, 148 children were adopted by 97 married couples and 2 unmarried women of Lithuanian origin. The majority of the adoptive parents are between 41-45 years of age. During the reference period, 14 men and 8 women were older than 50 years of age, therefore, the court applied the exception provided for in Article 3.210.1 of the Civil Code, allowing the adoption for persons older than 50 years of age. Such exceptions are usually applied in the cases of the adoption of older children.

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4.3. YOUTH POLICY

People falling under the young age group are more likely to be socially at risk in certain cases than other age groups (e.g. employment, poverty); some cases are in particular specific for this group (e.g. education, addictions). Thus, the youth risk is a newly acknowledged risk in the Lithuanian social security system. In 2007 the state Lithuanian youth policy marked its 10 year anniversary. On that occasion a national conference was organised which concluded the activities and achievements carried out during the period:

- A youth policy was formed;
- It is included into a separate section of the Programme of the Government;
- Youth coordinators started working in municipalities;
- Public programmes designed for young people or individual groups of young people were implemented;
- New draft programmes are prepared;
- Young people in Lithuania can study, develop their professional skills, work abroad, initiate and participate in various youth exchange programmes and projects by using opportunities provided by various EU programmes;
- Mechanisms of financing initiatives of non-governmental organisations of young people have been established, which are annually used by over 100 youth organisations as well as organisations working with young people.

Department of Youth Affairs under the Ministry of Social Security and Labour (hereinafter referred to as the Department of Youth Affairs) periodically carries out social survey on the situation of young people. In 2007 a survey was carried out (http://www.jrd.lt/index.php?1608143337) which scrutinised the following topics:

- Appeal and accessibility of youth organisations;
- Volunteer work, citizenship and participation of young people in political processes;
- Information channels;
- Problems of the inward and outward migration;
- Education and its accessibility;
- Situation of young families;
- Financial situation of young families.

The results of the surveys are presented to the public and are taken into consideration in the preparation of programmes of the Government of the Republic of Lithuania and other legal acts.

As a result of the implementation of the Plan for the Measures of Implementation of the Programme of the Government of the Republic of Lithuania for 2006-2008, a Programme of the Youth Policy in Municipalities for 2007-2009 was drafted and approved (Official Gazette, No. 95-3825, 2007). It is designed to develop youth policies in municipalities: to encourage the creation and activities of youth organisations, to strengthen their relations with municipal authorities, rural and urban commu-


nities, to improve activities of municipal youth coordinators and legal regulation of legal protection of young people, to improve activities of municipal authorities in the formation and implementation of youth policies and in the development of professional skills of municipal youth coordinators, specialists and volunteers working with young people, to prepare and implement the quality assessment system of municipal youth policies.

Already since 2003 the function of the protection of rights of young people has been delegated to municipalities by the state. Each municipality has a post for a civil servant – youth coordinator. In order to implement this function, the Ministry of Social Security and Labour allocated LTL 2.289 million in 2007.

Municipal youth councils (advisory municipal council bodies) are set up in 49 municipalities which help form and implement youth policies for local authorities, ensure inter-ministerial and cross-sectoral cooperation in the solving of issues topical for young people.

A pilot project *Youth Centre - for the Needs of the Youth*, which was carried out for two years, was implemented and concluded in 2007. The Department of Youth Affairs in cooperation with municipal youth coordinators and other social partners undertook the initiative to implement this project which was implemented together with Tel iai, Trakai and Roki kis municipalities. As a result of the implementation of the pilot project, two youth centres were set up in Tel iai municipality, the towns of Tel iai and Varniai (in Tel iai new premises were allocated for the youth centre and in Varniai the Cultural Centre and the former cinema were reorganised into the *Open Youth Centre*). In Trakai the municipal council reorganised the operating Youth Centre of Trakai into the *Youth Tourism and Leisure Centre of Trakai District*. Under the regulations of the centre, the age limit of the target group was extended (from 18 to 29), the functions were supplemented and the premises performing the “open space” function were allocated. Having evaluated the positive experience of this municipality, it is planned to set up a youth centre in Lentvaris as well. The Roki kis municipality, having created the possibilities for setting up a youth centre, the vision and mission, tasks and objectives, as well as activities of the youth centre, decided to include the setting up of the youth centre in Roki kis into the strategic plan of the municipality, and make available in the budget the funds for the setting up of the centre and organisation of its activities.

As every year, in 2007 the Department of Youth Affairs under the Ministry of Social Security and Labour organised tenders on the selection of programmes and project of youth organisations, the aim of which would be to help strengthen associated youth structures at a national and regional level, to organise youth preventive activities designed for the development of resistance to alcohol, drugs and other addictions, as well as for the prevention of psychological crises, and to promote healthy life style and positive leisure activities. In 2007, LTL 1,950 were allocated in total according to the programmes (Table 4.3-1 and Figure 4.3-1).

In 2007 the Department of Youth Affairs coordinated a youth campaign “All Different – All Equal” commissioned by the Council of Europe, which was proposed by the European Youth Forum and initiated by the Council of Europe, the European Commission and the European Parliament, with the aim of encouraging and enabling young people to participate in the creation of peaceful communities and the development of youth tolerance in Europe; all the Member States were urged to ensure the implementation of the programme at all levels.
## Distribution of received applications and funded projects as well as funds allocated under the programmes

<table>
<thead>
<tr>
<th>TENDERS CALLED IN 2007</th>
<th>Received applications</th>
<th>Sponsored applications</th>
<th>Allocated funds, LTL thousand</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Target programmes of youth coordination activities and youth policy development</td>
<td>1</td>
<td>1</td>
<td>290</td>
</tr>
<tr>
<td>2. The development of the potential of youth organisations and institutional support programmes</td>
<td>27</td>
<td>23</td>
<td>412</td>
</tr>
<tr>
<td>3. Development of regional youth activities and programmes of strengthening the potential of the councils of regional youth organisations</td>
<td>14</td>
<td>14</td>
<td>150</td>
</tr>
<tr>
<td>4. Projects designed for the youth information and its participation in the creation of knowledge society</td>
<td>29</td>
<td>12</td>
<td>128</td>
</tr>
<tr>
<td>5. Projects designed for the quality improvement of youth activities</td>
<td>96</td>
<td>25</td>
<td>255</td>
</tr>
<tr>
<td>6. Projects of sports education for young people</td>
<td>112</td>
<td>28</td>
<td>100</td>
</tr>
<tr>
<td>7. Projects regarding the development of youth initiatives and leisure activities</td>
<td>97</td>
<td>39</td>
<td>190</td>
</tr>
<tr>
<td>8. Projects regarding prevention of crime, psychological crises and violence amongst young people</td>
<td>46</td>
<td>8</td>
<td>100</td>
</tr>
<tr>
<td>9. Programmes for the activities of youth centres</td>
<td>29</td>
<td>11</td>
<td>85</td>
</tr>
<tr>
<td>10. Projects designed for the prevention of selective and target abuse of psychoactive substances by young people</td>
<td>30</td>
<td>9</td>
<td>100</td>
</tr>
<tr>
<td>11. Journal for young people</td>
<td>44</td>
<td>19</td>
<td>140</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>525</strong></td>
<td><strong>189</strong></td>
<td><strong>1950</strong></td>
</tr>
</tbody>
</table>

*Data of the Department of Youth Affairs*  
Table 4.3-1
As a result of the implementation of provisions of the agreement signed between Lithuanian and Polish Heads of the Governments on 1 June 2007, the Department of Youth Affairs started to administer activities of Lithuanian-Polish Youth Exchange Fund, in Lithuania. The Fund finances Lithuanian-Polish youth exchange, events, meetings, projects, which are organised and implemented by organisations promoting youth exchange and various initiatives between the two countries, as well as information projects, with the aim of encouraging cultural cooperation between the two countries, tolerance, understanding and acknowledgement, sharing of positive experiences, and publications that would draw the Lithuanian and Polish nation closer.

In 2007 the Youth in Action programme became operational (Decision No. 1719/2006/EC of the European Parliament and of the Council of 15 November 2006 establishing the Youth in Action programme, OJ L 327, 2006, p. 30). The Youth in Action programme commissioned by the European Union builds on the experience of the previous youth programmes of the Community, namely Youth for Europe (1989–1999), the European Voluntary Service and the YOUTH programme (2000–2006). The Youth in Action Programme is the programme of the European Union designed for people between 13–30 years of age from the EU Member States, as well as from the states seeking the membership into the EU (Turkey) and from the EEA countries (Iceland, Liechtenstein, Norway). People from the neighbouring partner countries of the EU and other states can participate in the programme. The programme provides young people with opportunities to receive informal education and financial subsidies for the projects that they initiated and are implementing, and promotes the cooperation of the European
youth. The Ministry of Social Security and Labour co-finances the implementation of the programme in Lithuania; in 2007 it allocated LTL 430,000 for the project.

Eurodesk Lithuania network continued its activities in 2007. Funds are annually allocated for the activities of the network; in 2007, LTL 90,000 were allocated. Eurodesk is a network of European information services operating in 29 European countries and providing exclusively European information for the youth and people working with the youth. The activities of the Eurodesk are based on the provision of information about the European Union programmes directly related to education, training and youth environment. It also includes information related to the education on the impact of substance abuse (narcotics, alcohol) on the health, youth mobility (working, living, studying abroad) and other issues topical for young people.

4.4. SOCIAL SERVICES AND SOCIAL WORK

Years 2007-2008 saw the continuation of the reform in the social service provision, which was begun in 2002. The aim of the reform is to reorganise the social service system in such a way that legal, administrative and financial premises were created enabling to provide and organise social services in a community, to make social assistance more efficient and encouraging a person to actively search for ways of self-help, rather than using passive means of social assistance.

The major focus is placed on the improvement of the quality of social services, the development of new forms of social care and the increase in services for families.

4.4.1. CHANGES IN SOCIAL SERVICES

According to the data of the Department of Statistics, in Lithuania, in 2007, social services were provided to 128,600 people in social service institutions and at homes of the recipients (Figure 4.4.1-1). As in the previous years, in 2007 social services were provided to approximately 8,000 people at their homes. In 2007, as a result of the introduction of new post of social work with families at social risk, the number of recipients of the services related to the development and maintenance of social skills at person’s home considerably grew: in 2006, 4,300 people were rendered such services, while in 2007 – 23,000 people.

Another 130,000 residents received other kinds of general social services organised by municipalities, namely: free meals, provision of food products and essential items, personal hygiene products, organisation of transportation.

The number of recipients of social services in stationary service institutions is gradually decreasing. More and more people are receiving social services at home, day care centres or temporary accommodation institutions. In 2002 the social services provided by stationary social service institutions were rendered to the majority of the recipients (57 percent), whereas in 2006-2007, the number of the recipients of social services provided at stationary social service institutions dropped to 12 percent as a result of the increasing number of the recipients of services provided by day care centres. During this period the number of visitors of day care centres increased more than twofold, amounting to almost 75,000 in 2007 (Figure 4.4.1-2).
As in the previous years, the majority of visitors of day care centres consist of disabled adults (52 percent) and elderly people (20 percent). Moreover, the number of children from families at social risk and disabled children receiving social services is on the increase.

**Dynamics of the recipients of social services in social care institutions and at home in 2003-2007, thousand**

![Dynamics of the recipients of social services](image)

**Dynamics of visitors of day care centres, thousand**

![Dynamics of visitors of day care centres](image)
Social Services for the Elderly

Aging population dictates that much bigger attention should be given to elderly persons. The demand for the long-term stationary care remains high. Every year new care homes for the elderly are opened. According to the data of the Department of Statistics, in 2005 there were 97 care homes for the elderly, in 2006 – 100, and in 2007 – 101. Every year meets yet a bigger demand of people willing to take up residency in a social care institution. In 2005, 62 percent of all applicants were accepted, whereas in 2007, 85 percent of all applicants wishing to take up residency in a social care institution for the elderly were accepted.

The annual number of elderly people taking up residency in care homes accounts for over 1,000 (in 2006 – 1,162; in 2007 – 1,165). More than 7,000 elderly people receive social assistance and social care at their home.

In Lithuania social care day centres for the elderly are in the process of being set up. According to the Ministry of Social Security and Labour, in 2008 4 social care day centres for the elderly operate. Moreover, social services are provided to the elderly in community centres, of which there are more than 90 in Lithuania, as well as in day care centres for the disabled (of which there are approx. 90).

Social Services for the Disabled

30 stationary social care institutions, 4 foster care homes for disabled children and young adults, 58 social care day centres, 30 social assistance day centres for disabled people and approximately 70 community centres provide social services for disabled adults.

The number of people receiving social services at day centres for the disabled is increasing. In 2007 such services were rendered to 38,900 disabled adults (in 2005 – 34,600) and 2,700 children (in 2005 – 1,700). In 2007 social assistance and care was rendered to approximately 700 disabled adults and approximately 150 disabled children at their home.

Social Services for Children Deprived of Parental Care

According to the data of the Department of Statistics, in 2007, 2,600 children were residing in 33 county children foster care homes, in 2007 – 2,800 children. The number of children in foster care homes subordinate to municipalities and non-governmental organisations has accordingly increased: In 2007 the number of children residing in foster care homes subordinate to municipalities and non-governmental organisations grew by 145 as compared to 2006. This can be associated with the implementation of new Law on Social Services establishing that children deprived of parental care on a temporary basis shall be provided with long-term (short-term) social care in the place of residence of these children and their families.

Every year approximately 1,700 children are placed in foster care homes; the majority of them (approximately 70 percent) are placed there directly from their parents’ home. The main reasons why children become residents of care institutions are the following: restriction of parental authority, neglect, improper upbringing or death of parents.

Social Services for a Family

The new Law on Social Services also places a particular relevance to the social assistance for families taking care of disabled or elderly people or children. The implementation of the above-mentioned
Law includes the strengthening of the following social services: complex social care at home, day social care at day centres, temporary “respite” social care involving provision of temporary accommodation for disabled adults or children, elderly people at care institution. The aim of these services is to help family members taking care of the disabled or elderly people at home manage their family and work responsibilities.

According to the data of the Department of Statistics, there are 42 family support centres and services operating in Lithuania which annually provide services to 13,500 disabled children, children and families at social risk, etc.

The social skills training services are provided to 4,300 persons and families at home (of which 2,600 are children and families with social problems; 1,600 are persons and families falling under the risk group). The number of these services is on the rise. For example, in 2006 these services were provided 2.4 times more than in 2005.

Day care centres are visited by 7,600 children from families at social risk. Moreover, social, psychological and other kind of assistance is provided to 13,900 persons and families at risk.

There are 18 crisis centres and temporary accommodation institutions for mothers and children in the country. 4,900 families receive services each year.

4.4.2. IMPLEMENTATION OF LAW ON SOCIAL SERVICES

The year 2007 saw the enforcement of new provisions of the Law on Social Services regarding the financing of social services and planning of social services in municipalities.

The financing of social services and use of targeted grants from the state budget (to ensure social care of people with heavy disability, as well as social care for families at social risk)

From the 1st of January 2007, after the implementation of new procedure of payment for social services, and pursuant to the methodology for financing social services and calculation of funds, a new procedure of financing social services was applied. Since 2007 all social services rendered to a person or family have been funded with municipal funds, state special targeted grants (hereinafter referred to as the state grants) allocated to municipalities, and with personal contributions paid for social services, notwithstanding the subordination of the social service institution. This prompted the formation of a mixed social service market and the creation of conditions of competition for the social service institutions with regards to the quality, accessibility of social services, the supply and costs of services, etc.

As of 1 January 2007 in the entire country state grants are allocated to municipal budgets in order to ensure social care of various types for persons with a heavy disability, social assistance for families at social risk. Moreover, funds are allocated from the state budget for the organisation of social care for children deprived of parental care (guardianship (curatorship) benefit amounting to 4 MSL).


In 2007 LTL 13.484 million were allocated to municipal budgets as state grants in order to ensure social assistance for people with heavy disability, while in 2008 the amount of the funds was twice as big – LTL 24.411 million.

In 2007, as a result of the implementation of provisions of the Law on Social Services, municipalities started the provision of long-term/short-term day social care to almost 4,000 persons, of which approximately half (45 percent) consisted of children deprived of parental care and children at social risk, 19 percent - disabled adults and 3 percent - disabled children. 36 percent of all elderly people, disabled adults and children who started receiving social care as of 2007, were established as having heavy disability, thus, their social care is funded by state grants. In total in 2007, social care was funded with state grants to 1,600 people.

The majority (89 percent) of all persons who began receiving social care in 2007, were provided with lodging in stationary social care institutions, 11 percent began receiving day social care in day social care institutions or at home.

In order to satisfy the needs of ever changing society, it is vital to develop not only conventional social services but other forms of social service organisation as well, which would ensure their efficiency, uptake, complexity, accessibility to the people and cooperation. Stationary social care in a social care institution is a costly complex assistance requiring permanent specialist assistance, thus, it should be granted solely in the case where other kinds of assistance are not efficient enough to secure person’s safety and compensate or recover his/her abilities. The much more efficient and effective social care is the one that is provided to a person in a familiar setting, community, i.e. social care at a person’s home. The aforementioned topicalities and changed financing of social services, regarding state grants allocated to municipalities and designed for the social care of people with heavy disabilities, prompted municipalities to organise social care at home, which would be oriented towards complex integrated nursing and social services rendered to elderly or disabled people. According to preliminary data of the Ministry, during the first year of such financing alone, i.e. in 2007 this service was rendered to over 100 elderly or disabled people with heavy disability.

Seeking to find out the impact of the new procedure of payment for social services and the procedure of financing of social services on the organisation of social care in the country and its accessibility to the people, a survey of municipalities was carried out.

In essence the majority of municipalities evaluated positively new procedures of financing of social services and personal contributions paid for social services (only 3 municipalities gave a completely negative evaluation of both procedures). The municipalities listed the following advantages of the new procedures of financing of social services and personal contributions paid for them:

- allocated state grants increase financial capacities of municipalities to organise social services;
- the financing of services provided to people with heavy disability, children deprived of parental care and families at social risk from the state budget allows municipalities to allocate those municipal funds that were previously used for the aforementioned services, for the development of other social services;
- the financing of social services rather than of an institution, encourages the competition between the social service institutions and the development of social services in municipalities;
- possibilities have been created that allow a more flexible adjustment to changes in prices by establishing provisions for the expenditure regarding medication and meals, which increases the quality of social care;
Social Assistance

- social justice is ensured, where services are granted taking into consideration personal needs according to the same methodology applied in the entire country;
- person’s financial capacities to pay contributions for social services are taken into consideration, which ensures the application of the principle of social justice.

According to the municipalities, there is still room for improvement of the mechanism of financing social services, however, it is in essence good (62 percent gave a “more positive” evaluation). Some municipalities acknowledged the fact that arising uncertainties regarding the application of legal acts were typical problems of the transitional period.

The reform of financing of social services is not a speedy and simple process, thus, the problems mentioned by the municipalities, as well as their rational suggestions constructive comments will help improve the legal base of the social service reform which has already begun.

Setting up of Posts for Social Work with Families at Social Risk

In order to strengthen social work with families at social risk, in 2007 there were 556 posts of social workers set up in municipalities, which are funded by the state budget. In 2008, additional 56.5 posts were set up.

Social workers work in municipal social assistance departments, social service centres, services providing assistance for families, municipal districts and institutions subordinate to municipalities. The majority of employed social workers work in rural areas.

The posts were set up in order to ensure the quality and efficiency of social care services, by bringing the services closer to person’s place of residence. The workers inform and consult families at social risk on the issues of social assistance, assess the need of the family at social risk to receive social services, draw up individual plans of assistance, and evaluate the process and efficiency of the provided social care. Where the social situation remains the same in the family, the social worker submits proposals regarding further work with the family; where the planned results of the work with the family have been achieved, the social worker proposes to exclude the family from the register of families at social risk.

The assistance involves the identification of the family at social risk, the evaluation of its situation, the drawing up of the plan of assistance, its implementation and evaluation of the results, and the planning of further actions.

In 2008, LTL 13489.2 thousand were allocated for the setting up and keeping of the posts of social work with families at social risk, which is an increase by LTL 5448.1 thousand as compared to 2007 (in 2007 LTL 8041.1 thousand were allocated).

Planning of Social Services

Municipalities have begun drawing up the Social Service Plan for 2008 while others have already approved their Plan at the end of 2007, pursuant to legal acts establishing the Planning of Social Services. The majority of municipalities published their social service plans on their websites, which allows not only residents of the municipality and non-governmental organisations but also other municipalities to familiarise themselves with the existing status of social services, objectives of financing, objectives and planned measures, as well as the development of social services and compare them not only with the established standards of social services but also with the social services of other municipalities.
The Ministry of Social Security and Labour, having analysed the status of social services in municipalities, drew up and approved the Standards of the Development of Social Services for 2008. The abovementioned standards were drawn up taking into consideration the fact that not all municipalities sufficiently organised individual types of services, social care in particular, thus, the amounts of standards of the development of social services for 2008 remained almost unchanged.

4.4.3. VOCATIONAL TRAINING OF SOCIAL WORKERS

Vocational training of social workers guarantees the quality of social services. The Training Centre of Social Workers under the Lithuanian Labour Market Training Authority (hereinafter referred to as the TCSW) organises and carries out the vocational training.

In 2007, 2,629 social workers participated in the vocational training programme, while in January-May of 2008 – 78 social workers underwent the training.

**Number social workers participating in vocational training in 2007, according to modules**

![Pie chart](image)

Data of the Training Centre of Social Workers

The Figure 4.4.3-1 shows that 554 social workers providing social assistance to families at social risk participated in the Vocational Training Programme for social workers working with families at social risk; 350 staff members from municipal social assistance departments and child rights protection services participated in the basic training of Work with the Social Assistance Information System (hereinafter referred to as the SAIS) based on three specializations: Child Rights Protection Module, Free Meals for Pupils Module, Social Services Module; 1,725 social workers improved their skills in the events of good experience.

The years 2006–2008 saw the implementation of the project “Vocational Training of Social Workers and Assistants of Social Workers” of Measure 2.2 “Competences of Labour Force and the Development of the Abilities to Adapt to Changes” of Priority 2 “Development of Human Resources” of the SPD, which is aimed at a higher quality of social services through the improvement of professional training.
competence of social workers. Funds for the project amounting to LTL 2.88 million are allocated from the European Union Social Fund and the budget of the Republic of Lithuania. As a result of the implementation of the project, 3,273 social workers and assistants of social workers received training in 2006-2008. Additional 770 social workers will participate in the training in the nearest future.

In 2007–2008 territorial certification commissions established on the territorial principle in Alytus, Kaunas, Klaipéda, Panevėžys, Šiauliai, Utena and Vilnius counties continued carrying the certification of social workers. In 2007 the qualification category was extended and awarded to 71 social workers, while in January-May 2008 – to 86 social workers.

In order to inform social workers on the vocational training and certification, the Lithuanian Labour Market Training Authority (hereinafter referred to as the LLMTA) prepared and issued the following leaflets: “Certification of Social Workers”, “Methodological Centres for the Development of Competence of Social Workers”. Moreover, the LLMTA published a methodological journal “The Role of a Social Worker in a Modern Society”, which discusses the topicalities of social work, trends of development and shares positive experiences.

Long-Term Programme of the Increase of Wages and the Improvement of Social Guarantees for Social Workers

The drawing-up of the programme was prompted by the fact that the increase in wages for social workers is insufficient and does not secure appropriate living conditions. Low wages increase the problem related to the lack of social workers and account for the fact that social work is carried out by people who are not trained to work as social workers, and are not always able to offer assistance for persons and families due to the lack of theoretical and practical knowledge. Social workers are not properly protected against potential violence at work. They are not compensated for travel expenses incurred due to travelling to and from work located in social service institutions and municipal districts in villages (towns). The duration of vacation of social workers provided for by legal acts is not sufficient for social workers to take a rest and recover their work capacity. Low wages, poor working conditions, lack of motivation in the improvement of professional skills are responsible for the loss of appeal of the profession and increasingly poor quality of social services rendered by social workers.

Working group consisting of representatives of the Ministry of Social Security and Labour drafted the outline of the Long-Term Programme of the Increase of Wages and the Improvement of Social Guarantees for Social Workers for 2008-2010. The inter-ministerial commission, which consisted of the representatives of the Ministry of Social Security and Labour, the Ministry of Finance and social partners – Lithuanian Association of Social Workers, Lithuanian Association of Social Service Institutions, Association Rūpestinga globa, Association of Directors of Children Foster Care Institutions, considered the pilot outline of the Programme, presented its conclusions which were taking into account in the preparation of draft Long-Term Programme of the Increase of Wages and the Improvement of Social Guarantees for Social Workers for 2008-2011.

The Programme includes measures of the development of activities for social workers, the improvement of role image of social workers in society, encouragement of the participation of these work-

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ers in vocational training, increase in wages, training in work safety and health, and the improvement of social guarantees.

The Programme shall be implemented during the period between the third quarter of 2008 and 31 December 2011. Preliminary funds required for the implementation of the Programme (including EU funds) amount to LTL 100,805,000.

Certification of the Heads of Social Service Institutions

The year 2008 saw the preparation of the draft Description of Procedure for the Certification of the Heads of Social Service Institutions. The aim of the procedure is to evaluate the qualification of the heads of social service institutions, their operational results, to award them with an appropriate management qualification category, and to encourage the efficiency of activities through the implementation of state social service policy and seeking high quality of social services. The draft foresees three management qualification categories for the heads of social service institutions; the first category is the highest one. The draft establishes that compulsory certifications shall be applied to the heads of social care institutions, while heads of institutions of other social services will be allowed to undergo certification on a voluntary basis. The prepared and approved draft is intended to enter into force as of 1 January 2009.

4.4.4. Preparation for Licensing Social Care (Quality Children Social Care and Its Assessment)

The national social care faces new challenges as a result of new quality requirements introduced to social care, which must ensure the quality of life for the recipients of social care by receiving it in a social care institution or at home. The licensing of social care institutions pursuant to the provisions of the Law on Social Services is planned in 2010. Social care services of more complex nature shall be licensed. The purpose of granting a license is to ensure good quality of services rendered by social care institutions of various types of subordination. A licensed social care institution is an institution that meets the requirements of social care and ensures social care services of good quality for the residents. One of the key conditions for licensing social care is the compliance of provided social care with the Social Care Standards104.

In Lithuania, as in a post-Soviet country, the quality of social care was judged solely by means of technical parameters (number of square metres allocated for a person, number of sets of sheets allocated per year, etc.). Personal satisfaction with the focus placed on a person’s quality of life was disregarded. Therefore, these standards place the major focus on a human right to privacy, preservation of dignity and honour, harmonisation of emotional needs and the environment created for a person, creation of conditions favourable for the self-expression and the development of interests, strengthening of social ties with a community and relatives. In 2008 the aforementioned Social Care Standards will be supplemented with assessment criteria, thereby establishing the assessment of compliance of provided social care with the social care standards, which shall be carried out by the Social Institutions Supervision and Audit Department under the Ministry of Social Security and Labour.

One of the key features of the quality assessment mechanism, which is in the process of the creation, is methodological assistance and sharing of “good practices” between institutions and workers of social care institutions. The year 2008 saw active preparation for the process of licensing. It includes the organisation of training of workers of children social care institutions, the preparation of information publications and methodological literature. Taking into consideration conclusions and experiences gathered through a scientific research “Possibilities of Application of Draft Standards for Children Social Care. Assessment Criteria and the Preparation of Questionnaire” carried out in 2005, a methodological material “Quality of Children Social Care and its Assessment” was drawn up in 2007. It presents basic aspects of the contents of the standards for children social care, help grasp the essence of individual standards, such as the expression of quality of social care, help understand the principles of formation of assessment criteria, and presents possible examples of such formation. The methodological material is designed for social care providers, specialists implementing child rights protection, specialists performing the assessment of the compliance with the social care standards, etc.

In autumn 2008 scientists and experts will contribute to carry out the analysis of conditions for the compliance of social care with licensed activities. The aim of the planned research is to properly prepare for the licensing of social care institutions which will commence in 2010, identify institutions providing social care, and prepare methodological material highlighting specific features that would allow institutions to identify themselves as a social care institution.

4.4.5. DEVELOPMENT OF SOCIAL SERVICE INFRASTRUCTURE

The Social Service Infrastructure Development Programme

One of the key objectives for the period of 2007-2008 includes the improvement of social care quality and the preparation of the licensing of social care institutions.

The years 2007-2008 saw the implementation of the Social Services Infrastructure Development Programme105 (hereinafter referred to as the Programme), which is a continual programme (the implementation thereof was commenced in 1998). The aim of the Programme is to create condition for the development of social services in municipalities by providing the residents with possibilities of using social services, and encouraging cooperation between non-governmental organisations providing social services, municipal institutions, foreign partners, regions, private and public sector. The funds allocated for the Programme are used in order to finance projects selected according to tender procedure and related to construction, reconstruction, and big repairs as well as running repairs of existing social service institutions and coverage of main measures as well as other acquisition expenses in order to modernise social services institutions as well as their material base.

During the implementation of the Programme of 2007, the priorities were placed on the projects that envisaged the development of rural community centres, child day care centres, family support centres, family support services and other social care centres and social care institutions providing general social services and social care.

In 2007, 32 projects on the development of social service institutions were selected during the tender procedure and received funds from the total of LTL 5 million allocated for the implementation of the Programme. The projects were delivered in 26 municipalities. As a result of the implementation

of the projects, reconstructed, renovated or newly built social service institutions began the provision of services to 2,890 customers per month, 77 new jobs were created.

In 2008 the priority is placed on institutions providing temporary lodging (shelters, crisis centres), community centres, development of care home for the elderly, etc. In 2008 LTL 12 million were allocated for the implementation of projects, which is an increase by LTL 7 million, as compared to 2007. 41 projects selected by tender procedure of Programme of 2008 will be developed in 31 municipalities: 6 projects are designed for families and children at social risk, 13 – for the development of community institutions, 3 – for adults at social risks, 19 – for disabled and elderly people.

State Investment Programme
The quality of social services and appropriate living conditions in social care institutions for elderly or disabled people, or children deprived of parental care in particular depend on the investments of the state capital.

In 2005-2007, LTL 46,066,000 were allocated for the implementation of investment projects for those care institutions subordinate to counties that provide social care for elderly people and persons with mental disability (investment projects designed for the acquisition of long-term assets are excluded from these funds). 83 investment projects were financed with these funds in the period of three years. Out of the total number of these projects, 55 projects are related to care institutions for adults with mental disability, 21 projects are related to care institutions for elderly persons and 7 projects are related to care homes for disabled children and young adults.

Funds allocated for investment projects designed for care institutions of elderly people and people with mental disability increased in 2005–2007. In 2005, LTL 8,731,000 were allocated as the investment into these institutions (excluding long-term assets), in 2006 – LTL 14,318,000 in 2007 – LTL 23,017,000 (which is 2.6 times more as compared to the funds allocated in 2005).

What concerns the funds allocated in 2005-2007, the majority of the investment – LTL 33,058,000 – were devoted to care institutions for persons with mental disability. During the same period, care homes for the elderly received LTL 9,581,000 and care homes for children and young adults received LTL 3,427,000.

Approximately half of the investment devoted to social service institutions is allocated to children care homes (Figure 4.4.4-2).

Dynamics of state investment in care institutions for elderly persons and persons with mental disability (LTL, thousand, excluding long-term assets)

Data of the Social Institutions Supervision and Audit Department

Figure 4.4.4-1
In 2005–2007 managers of appropriation submitted 123 investment projects for children care homes to the Ministry of Social Security and Labour requesting to allocate funds from the State Investment Programme. The Ministry approved the financing for 89 investment projects. In 2005–2007, LTL 37,795,000 was allocated for the implementation of investment projects for children care institutions subordinate to counties. The largest number of the projects – 37 – received funds in 2007, 32 projects received funds in 2006, and 20 projects received funds in 2005.

In 2005–2007 funds allocated for investment projects designed for children care institutions increased. In 2005, LTL 5,631,000 was allocated as the investment into these institutions, in 2006 – LTL 12,028,000, in 2007 – LTL 20,136,000 (which is an increase by 3.6 times compared to the funds allocated in 2005).

Programme of the Improvement of Regional Social Service Infrastructure

Seeking to modernise social service institutions, the incorporators or participants of which are the chiefs of counties, and to improve their material base, a Programme of the Improvement of Regional Social Service Infrastructure was drawn up and implemented in 2007. Funds allocated through this Programme were used for the works of construction, reconstruction and big repair works for 11 children care homes and 11 boarding homes for elderly persons. Moreover, material base of social service institutions was updated.

LTL 12,097,000 was allocated from the Privatisation Fund of 2007 for the implementation of the Programme.

CONCLUSIONS

In the continuation of social service reform a major focus will be placed on the implementation of the Law on Social Services and subordinate legal acts, and on the improvement of legal acts establishing the quality of social services.

The next year will see the preparation for the licensing of all social care institutions, planned for 2010. Regulations of the Licensing of Social Care Institutions will be drafted, active provision of methodological assistance and the dissemination of information in municipalities, counties, etc. will be organised.

5.1. EQUAL OPPORTUNITIES AND NON-DISCRIMINATION

Respect for human rights and freedoms and their protection from any type of discrimination is one of the fundamental principles of democracy. Human rights are recognised for all individuals irrespective of their personal features: age, social status, disability, sexual orientation, race or ethnic origin, religion or beliefs. The doctrine of equal rights and opportunities is based on the principle of equality before the law of all individuals and their dignity.

Article 29\textsuperscript{107} of the Constitution of the Republic of Lithuania enshrines the principle of equal rights that is further enlarged on in the anti-discrimination Law on Equal Treatment of the Republic of Lithuania, which came into effect on 1 January 2005\textsuperscript{108}.

Undoubtedly, the fight against discrimination, mostly suffered by the most vulnerable groups of people, should be based on the effective implementation and application of non-discriminatory legal acts.


The new Law on Equal Treatment of the Republic of Lithuania lays down the concrete prohibition of discrimination applied with respect to the membership or participation in the organization of workers, employers and other associations whose members are of certain age, sex, race, nationality, language, origin, social status, religion, sexual orientation, disability, ethnic origin, religion or beliefs.

\textsuperscript{107} The Constitution of the Republic of Lithuania (Official Gazette, 1992, No. 33-1014)

\textsuperscript{108} Law on Equal Treatment of the Republic of Lithuania (Official Gazette, 2003, No. 114-5115)

\textsuperscript{109} (OJ 2004 Special edition, Chapter 20, Volume 1, p. 23)

\textsuperscript{110} (OJ 2004 Special edition, Chapter 20, Volume 1, p. 23)
With regard to the provisions of Article 29 of the Constitution of the Republic of Lithuania, the Law provides for the prohibition of discrimination against persons on the basis of their social status, language or religion.

With a view to ensuring provision of compensation for the violation of equal treatment in line with the law, the person who has suffered from discrimination on the basis of age, sexual orientation, social status, disability, race or ethnic origin, religion or beliefs has the right to claim material and immaterial damage from guilty persons in compliance with the procedure established by law.

An effective protection of rights of a discriminated person is ensured to the organisations of workers and employers or other legal entities granting them the right to represent the discriminated individual in judicial or administrative proceedings.

In addition, the law provides for the shift of the burden of proof to the defendant in discrimination cases. Courts or other competent bodies examining complaints or claims of discrimination on the basis of sex, race, nationality, language, origin, social status, religion, beliefs, age, sexual orientation, disability and ethnic origin presumes the presence of the fact of discrimination. Then the defendant has to prove that the principle of equal opportunities was not violated.

Bearing in mind that Article 43, Paragraph 4 of the Constitution of the Republic of Lithuania stipulates that churches and religious organisations shall conduct their affairs freely according to their canons and statutes the new version of the law has included an article stipulating exceptions to the application of the law. These provisions ensured the right of religious communities to act freely in line with their moral and ethnic beliefs.

Several provisions of the law were supplemented or amended in compliance with the aforementioned directives of the European Union, practice of the Equal Opportunities’ Ombudsman while monitoring the implementation of the Law on Equal Treatment, and legal concepts used in the Law on Education.

Undoubtedly, the practical enforcement of anti-discrimination provisions is not possible without raising public awareness about the manifestation of discrimination and its consequences. The ability to accept and respect the beliefs and social values of other people or their groups is very important for the implementation of equal treatment.

5.1.1. THE NATIONAL ANTIDISCRIMINATION PROGRAMME FOR 2006–2008

In 2007, the Ministry of Social Security and Labour continued implementing the measures of the National Programme of Anti-Discrimination for 2006-2008 approved by Government Resolution No. 907 of 19 September 2006.111

While implementing the aforementioned programme, a publication was developed and released on the issues related to training and education in anti-discrimination and equal treatment in the labour market. The book112 examines the main manifestations of discrimination: difference in the sex, sexual


orientation, age, ethnic origin and health (disability). Due to a number of reasons, these differences have been the biggest obstacles to the implementation of the principle of equal treatment in getting employed, employment and career-building. The main purpose of the book is the presentation of the main aspects of equal opportunities and non-discrimination which are important to understand these phenomena.

In addition, a scientific research was carried out. Its title was “Analysis of Effective Labour Legislation with Regard to Non-Discrimination”. The purpose of the research is to carry out analysis of Lithuanian labour legislation and determine whether these provisions are sufficient to ensure the population from the discrimination in the labour market.

The findings of the research were the following:

In Lithuania, the principle of equal rights is given constitutional protection, i.e. this principle is enshrined in the Constitution and its ratified international instruments on human rights;

Equal rights of employees are ensured by the Labour Code regulating employment and dismissal of workers and the prohibition to differentiate the conditions of remuneration for work. In other cases not provided for in the aforementioned legislation the rights should be ensured by means of analogy ensuring the general principle of non-discrimination of the right to labour. (Article 4, Papa. 1, Item 4 of the Labour Code), which is further enlarged on in the Law on Equal Treatment.

Within the framework of the programme, the Ministry of Social Security and Labour, along with the Equal Opportunities Ombudsman and the Labour Market Training Centre under the Ministry of Social Security and Labour, organised training for labour market agencies, non-governmental organisations and trade unions on various forms of discrimination and equal opportunities to gain a professional and work, wrote presentations and articles for the mass media, took part in the implementation of the measures under the Year of Equal Opportunities for All initiative.

With a view to reducing discrimination and raising public awareness about it, the Ministry of Social Security and Labour, along with the other institutions, is developing a draft National Programme of Anti-Discrimination for 2009-2011.

5.2. SOCIAL INTEGRATION OF THE DISABLED

The social integration of the disabled is arranged on the basis of the principles of equal rights, equal opportunities, prevention of discrimination, ensuring independence and freedom of choice, accessibility, compensation for disability, decentralisation and destigmatisation.

The chapter below provide a short analysis of the system of social integration of the disabled and the programmes carried out by the Ministry of Social Security and Labour in the respective area.

5.2.1. KEY INDICATORS OF DISABILITY

According to the data of the Ministry, in 2007, 253,159 persons received pensions or allowances for their lost capacity for work in Lithuania. They account for 7 percent of the Lithuanian population.
The trends for the distribution of the number of the disabled by the level of disability remain the same as during the previous year. As seen from Figure 5.2.1-1, the majority of the disabled are persons with 30-40 percent of employment capacity or those who belong to the 2nd disability group, i.e. they total 156,556 persons or as much as 62 percent of all the disabled. Persons with the most severe level of disability, i.e. those with the determined 0-25 percent of employment capacity (1st disability group) account for 13 percent of all the disabled. The number of the disabled with 45-55 percent of employment capacity or those who belong to disability group III was 47,681 or 19 percent of all the disabled. Disabled children up to 18 years of age totalled 15,812 persons or 6 percent of all the disabled.

According to the data of the Ministry of Social Security and Labour, people of working age with a certain level of incapacity or disability account for 65 percent, i.e. they are the majority among the disabled.

Most often, people of working age are acknowledged disabled because of their system of circulation, tissue, musculoskeletal system diseases and malicious tumours. The main causes of disability of children are psychic behaviour disorders, diseases of the nervous system and sensory organs.

Figure 5.2.1-2 shows that the number of the disabled grows, albeit insubstantially. This year, the number of disabled children began to reduce and reached the level of 15,812 children. In 2007, the number of persons with 45-55 percent of the employment capacity level or those who belong to disability group III decreased insignificantly, yet the number of persons with 0-25 percent of the employment capacity level or ascribed to disability group I went slightly up. The overall increase of the number of the disabled in 2007 was almost two thousand people.

Bearing that in mind, it is essential to provide just and efficient social support to the disabled and seek return of their employment capacity, independence and reintegration into society.
5.2.2. Programme of Vocational Rehabilitation

Seeking to restore or increase employment capacity of the disabled, their professional competence and ability to participate in the labour market, follow-up vocational rehabilitation services were provided in the year 2007. The main responsibility for the provision of vocational services lies with the Ministry of Social Security and Labour. It performs this function along with the Lithuanian Labour Exchange, implementing the functions delegated to it, i.e. organising and coordinating provision of vocational rehabilitation services in territorial labour exchange offices, monitoring provision of vocational rehabilitation services and ensuring participation of persons in the programme of vocational rehabilitation, closely cooperating with participants of the system of vocational rehabilitation.

During the first year of implementation of the programme of vacation rehabilitation, the number of participants was 12 persons and vocational rehabilitation services were provided by one body only: Valakupiai Rehabilitation Centre. In the second half of 2006, such services were provided by 5 bodies. In 2006, territorial labour exchanges registered 252 persons with the need for vocational rehabilitation. 206 of these persons took part in a vocational rehabilitation programme, including 69 individuals who finished it and one third of them who found employment. With the infrastructure of vocational rehabilitation developing, the number of participants in the programme of vocational rehabilitation grew.

The trends for the need of vocational rehabilitation were also noticed in 2007. According to the data of the Lithuanian Labour Exchange, labour exchanges registered 285 persons with the need for vocational rehabilitation services and 282 persons were referred to the centres providing vocational rehabilitation services. In 2007, 335 persons finished the programme of vocational rehabilitation, including 157 persons (46.8 percent) who found employment.

Equal Opportunities and Social Integration

The number of participants in vocational rehabilitation grows every year. Likewise, the number of the disabled who get employed after vocational rehabilitation goes up.

In 2007, the programme of vocational rehabilitation used LTL 7,745,700 (including LTL 6,988,000 for vocational rehabilitation services and LTL 745,700 for vocational rehabilitation benefits).

The number of participants in the programme of vocational rehabilitation is expected to be 350. The amount of funds allocated for the programme of vocational rehabilitation is LTL 12,847,000.

Seeking to improve the quality of vocational rehabilitation services, the Ministry of Social Security and Labour adopted the Strategy on the Development of Vocational Rehabilitation Services of 2007-2012. The strategy sets long-term objectives for the development of the system of vocational rehabilitation: improvement of the legislative framework of the system of vocational rehabilitation, improvement of access, variety and quality of vocational rehabilitation services. Bearing in mind the objectives and tasks provided for in the strategy, the Ministry, along with the Lithuanian Labour Exchange, the Disability and Employment Capacity Assessment Service and the Department for the Affairs of the Disabled, adopted the Action Plan of 2007-2008 for the Implementation of the Strategy on the Development of Vocational Rehabilitation.

The plan is to implement the majority of the measures provided for in the Action Plan of 2007-2008 for the Implementation of the Strategy in the year 2008 (e.g. organise a public tender for the procurement of vocational rehabilitation services to select bodies providing vocational rehabilitation services to the disabled; organise a public tender for the selection of methodical centres providing vocational rehabilitation services; approve methodological recommendations for the provision of vocational rehabilitation services; launch a tender to select projects funded by the European Union structural funds of the period of 2007-2013 to upgrade qualifications of specialists working in the area of employment capacity assessment and provision of vocational rehabilitation services as well as to assess the need for setting-up bodies, to be funded from the EU 2007-2013 structural funds, providing vocational rehabilitation services in the counties which do not have them and select concrete founders of these bodies).

Once bigger opportunities are created for the disabled to take part in vocational rehabilitation programmes, these persons are expected to get bigger opportunities of integration into the labour market, become more independent and thus require less social support.

5.2.3. Provision of Technical Aids to Residents

In 2007, the Ministry of Social Security and Labour continued implementing the programme of providing technical aids to residents. The main objective of the programme is the supply of technical aids to the disabled. The programme includes not only the supply of technical aids but also their repair.


The main responsibility for carrying out these functions lies with the Centre of Technical Aid for the Disabled under the Ministry of Social Security and Labour (hereinafter referred to as the Centre).

In 2007, the Centre carried out its activities within the framework of two programmes: Provision of Technical Aids to Residents and Development and Implementation of Effective System of Provision of Technical Aids to Residents living in the Regions.

The Programme for the Provision of Technical Aids to Residents received LTL 6,400,000 from the national budget in 2007.

Pursuant to the programmes, the need of children for technical aids was fulfilled fully, with the exception of movement, power and balance training equipment as well as tricycles. Their number to be procured in 2008 should be increased.

The satisfaction of the need of adults for technical aids has slightly exceeded expectations because many returned aids were reused. The satisfaction ratio of the need for electrical wheelchairs exceeded the plans: in 2007, the centre procured 42 electrical wheelchairs, issued 6 returned electrical wheelchairs for reuse and gave 13 electrical wheelchairs which were procured in late 2006.

The satisfaction ratio of visual and hearing technical aids (hereinafter referred to as VHTA) also exceeded the expectations. This happened as a result of a public tender which saw a competition between several suppliers that in effect determined a smaller price for VHTA. As a result, a bigger number of VHTA was procured for the same amount of money.

In 2007, with a view to creating an effective system of providing technical aids to the population in the regions and its implementation, state funds were allocated amounting LTL 2,156,000.

Within the framework of the programme, territorial branches of the Centre were set up in Panevėžys, Telšiai and Marijampolė.

The establishment of three additional territorial branches ensured a better supply of technical aids to the regional population. In addition, it shortened the distance to the Centre to some of the disabled, municipal staff and employees responsible for the supply of technical aids. Moreover, it facilitated prompter delivery of technical aids, offered an opportunity to try and choose them as well as obtain full information about the offered technical aid. Furthermore, it created an opportunity of communication between experts from territorial branches of the Centre and physicians from regional health institutions, social workers and non-governmental organisations and make a learned choice and customisation of technical aids.

Seeking to enforce the rights of and opportunities for the disabled in society and ensure their social integration as well as bearing in mind the ageing of society and the increasing number of the disabled who require technical aids, the following priority directions were identified for 2008, 2009 and 2010:

Satisfaction of the VHTA needs of the disabled by increasing funding, ensuring independence and activity of the disabled, which would ensure an easier and more comfortable life both for the disabled and society. Moreover, it would help the disabled become independent from the help of other and integrate into society and the labour market.

Creation of a more effective system for supplying VHTA by setting up technical aid centres for the disabled which would ensure higher quality and closer to customer services in the regions as well as better public awareness. Seeking to improve the register of VHTA and a more effective use and return of them, the plan is to develop a single computer system linked to the information system of social services.
5.2.4. Provision of Financial Support to Disabled Students

Pursuant to the Description of the Procedure of Providing Financial Support to the Disabled Studying in Higher Educational Establishments117 approved by the Government of the Republic of Lithuania, in 2007 disabled students received the following financial support:

- for the satisfaction of special needs, a monthly payment of an allowance which equals 50 per cent of the basic social insurance pension;
- students studying in higher educational establishments and occupying places that are co-financed or not funded by the state are given an allowance amounting to 3.2 minimum subsistence levels (established by the Government) for every semester to cover part of the studying expenses.

In 2007, 952 disabled students obtained financial support in 36 high educational establishments (including 854 disabled students studying in 29 public establishments and 98 disabled studying in 7 private schools). 952 disabled students were paid special needs’ allowances, and 510 students were paid targeted allowances to provide a partial compensation for the studies). Support was provided to 42 students with a vision disability (funds were allocated to hire readers) studying to become massagists in Iauliai and Vilnius colleges according to a vocational training programme.

5.2.5. Programme for the Adaptation of Housing for the Disabled of 2007–2011

Within the framework of the Programme for the Adaptation of Housing for the Disabled of 2007–2011118, 270 pieces of housing were adapted, including 127 housing for persons with very severe movement and self-service functional impairment, 118 housing for persons with severe movement and self-service functional impairment and 25 housing for persons with moderate movement and self-service functional impairment. The priority for the adaptation of housing for the disabled lies with children and young persons aged 7 – 24, students and employed persons. The number of housing adapted to the needs of the disabled is 270, including the housing for priority groups: 40 housing for children and young persons, 32 housing for students and 8 housing for employed persons.

In 2007, the Programme was allocated LTL 4,383,000 from the national budget (for carrying out the works of the adaptation of housing for the disabled, organisation and administration of adaptation of housing, ensuring control and monitoring of the implementation of the Programme).

Since 2007, upon the beginning of implementation of the Programme, the basic requirements for the adaptation of housing have been subject to major changes and became stricter. Three groups of persons were identified which could have their housing adapted. These groups include: persons with


very severe movement and self-service functional impairment (housing adaptation expenses are covered by 80 percent from the state budget and 20 percent from municipal budgets), persons with severe movement and self-service functional impairment (80 percent from the state budget and 20 percent of municipal budgets), and persons with moderate movement and self-service functional impairment (50 percent from the state budget and 50 percent from municipalities). Upon the alteration of the basic requirements, the share of municipal budgets allocated for the adaptation of housing was reduced.

5.2.6. Implementation of the National Programme for the Social Integration of the Disabled

In 2007, the Department for the Affairs of the Disabled under the Ministry of Social Security and Labour further implemented and coordinated implementation of the following measures of social integration of the disabled:

- Coordination of implementation of the National Programme for the Social Integration of the Disabled of 2003–2012\(^\text{119}\) (hereinafter referred to as the National Programme) and its monitoring (institutions in charge: 10 ministries, 10 county head administrations and 60 municipalities).
- Implementation of several measures of the National Programme and provided financial support, by launching a tender, to social integration programmes of associations of the disabled and state bodies. The Department for the Affairs of the Disabled provided funds to the projects carried out by the associations of the disabled and state bodies in line with 13 measures provided for in the National Programme, including rehabilitation, social services, increasing accessibility, employment, sports, culture, rest and public education.

Funding of Programmes of Social Integration of the Disabled by Type of Disability

In 2007, the projects of social integration provided services or other benefits to 30 percent of the disabled (people with severe disability considered a priority). Figure 5.2.5-1 shows that the biggest attention (44 percent of funds) was paid at the social integration of physically disabled people. With that in mind, the Department of the Affairs for the Disabled received LTL 34,050,000 from the national budget.

### 5.3. GENDER EQUALITY

Equal rights between men and women have been *de jure* ensured by the Law on Equal Opportunities for Women and Men\(^\text{120}\). In addition, the principle of gender equality has been included in various legal acts regulating different spheres of life. The Lithuanian legislation is fully in line with the EU *acquis* and other international instruments regulating gender equality. However, taking into account various life changes both in Lithuania and Europe, legislation is subject to constant amendments and improvements with a view to ensuring gender equality. On 18 December 2007, Seimas of the Republic of Lithuania adopted the Law Amending and Supplementing the Law on Equal Opportunities for Women and Men\(^\text{121}\). The new law clarified the concepts of direct and indirect discrimination, set forth the conditions for applying one of the exceptions to the direct discrimination, provided more favourable conditions for workers to protect their rights and specified in greater detail the functions carried out by the Equal Opportunities’ Ombudsperson. Provisions of Council Directive 2004/113/EC of 13 December 2004, implementing the principle of equal treatment between women and men in the access to and supply of goods and services, have been fully transposed into the Lithuanian law. Furthermore, Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (recast) has been partly transposed into the Lithuanian legislation.

Seeking to fully transpose the aforementioned directive, Seimas adopted the Law Amending Articles 3, 12, 13, 25 of the Law on Equal Opportunities for Women and Men and Supplementing thereof with Articles 53 and 73 of the Republic of Lithuania on 19 June 2008\(^\text{122}\). The law prohibits any discrimination on grounds of sex in social security schemes, including occupational social security schemes. Protection from anti-discrimination has been ensured in every aspect: participation conditions, contributions, calculation and payment of benefits. Furthermore, any actions or omission of action, legal norms or criteria obstructing equal participation in these schemes on grounds of sex are deemed violating equal treatment of women and men. Moreover, the law replaced the concept “state and governing bodies” with the concept “state and municipal institutions and bodies” in line with the effective legislation.

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\(^{120}\) Law on Equal Opportunities between Men and Women of the Republic of Lithuania (Official Gazette, 1998, No.112-3100)

\(^{121}\) Law on Supplementing and Amending Articles 2, 3, 4, 5, 6, 7, 9, 12, 24, 27 and Appendices of the Law on Equal Opportunities and Supplementing the Law with Articles 5-2 and 7-2 of the Republic of Lithuania (Official Gazette, 2007, No. 140-5755).

\(^{122}\) Law Amending Articles 3, 12, 13, 25 of the Law on Equal Opportunities of Men and Women and Supplementing thereof with Articles 53 and 73 of the Republic of Lithuania (Official Gazette, 2008, No. 75-2923)
5.3.1. PERFORMANCE RESULTS OF THE NATIONAL PROGRAMME ON EQUAL OPPORTUNITIES FOR WOMEN AND MEN FOR 2005–2009123 IN 2007

The purpose of the National Programme on Equal Opportunities for Men and Women (hereinafter referred to as the Programme) is to provide solutions to the problems of equal opportunities of women and men in all areas in a consistent, complex and systematic manner; ensure gender mainstreaming and identify specific issues of concern for women and men and find solutions to them.

A smaller gap between the level of employment and unemployment of men and women. Data of the Statistics Department124 reveal that the level of women employment went up from 61.0 percent in 2006 to 62.2 percent in 2007 and exceeded the level of women employment provided for in the Lisbon strategy for 2010 (60 percent). The level of women unemployment accounted for 5.4 percent in 2006 and 4.3 percent in 2007. Although the employment gap between men and women changed insignificantly, however, the 2008 Communication from the Commission to the Council, European Parliament, Economic and Social Committee and Committee of the Regions indicates that according to the data submitted by Eurostat, Lithuania moved from the fourth to the third position in the EU with regard to the employment gap between men and women. According to the level of employment of senior women, Lithuania moved up to the seventh position in the EU (as compared to the eighth position in 2006). What concerns the gap between the level of unemployment of men and women, Lithuania moved from the eighth position to the sixth in the EU.

Increasing opportunities of employment for women, and rural women in particular, taking up and developing business. During 2007, 14,400 women were referred to vocational training. This number includes 1,301 women returning into the labour market after a longer break and 314 senior women. More than 2,600 unemployed, including 2,000 women were referred to the business basics training programmes. The majority of women (1,700) took part in the programmes for persons working under preferential business certificates and 300 women participated in the programmes for persons initiating start-ups or planning individual activities. The customer statistics of the business information centres and business incubators of 2007 showed that women are much more active users of services provided by almost all the business information centres and business incubators. According to the data of the Ministry of Agriculture, women accounted for 80 per cent of participants in 440 seminars it conducted in 2007. During the same year, the number of women participants in conferences was 415.

Better conditions for reconciliation of family and work responsibilities. Within the framework of the EU initiative EQUAL, which supports projects for reconciliation of family and work responsibilities, two models were created and tested: one for rural communities and one for city dwellers (the project coordinator is Women’s Issues Information Centre). In addition, a model of a family friendly workplace was created and tested in practice (the project coordinator is the Gender Studies’ Institute of Iauliai University). The issues involved in family and work reconciliation have been included in the Human Resource Development Action Programme of 2007 – 2013 as a separate measure. In this way, conditions have been created to support complex projects of family and work reconciliation in 2007 – 2013.

and apply the aforementioned models. In addition, measures stimulating corporate social responsibility in 2006-2008 have been updated to promote development of conditions both for men and women to reconcile their family and work responsibilities.

According to the employment level of women raising children up to 12 years of age, Lithuania ranks as high as the second in the European Union. Furthermore, Lithuanian men willingly benefit from a paternity leave. During the second half of 2006, the number of fathers going on a paternity leave was 3,085 and in 2007, their number tripled to reach 9,185 fathers. The number of fathers who took a child care leave accounted for 2.01 per cent in 2006, and 2.74 percent in 2007.

The Programme helps solve the problems of gender equality using the EU structural funds. In 2007, the European Social Fund provided financial support (LTL 6.241 million) to 23 projects of women non-governmental organisations, other institutions and bodies. The purpose of the projects is to promote women employment, particularly among senior women and women returning to work after a child care leave, increase motivation of women in decision-making processes, change traditional stereotypes about the role of men and women in economic activities, the so-called “female” and “male” type of work and sectors, seek to reduce horizontal labour market segregation, gender imbalance between different sectors and occupations, which negatively affects gender pay gap, which determines the difference in their economic position. The 2008 Communication from the Commission to the Council, European Parliament, Economic and Social Committee and Committee of the Regions indicates that according to the data submitted by the Eurostat, gender pay gap in Lithuania equals the EU average (15 percent) and is not subject to substantial change and with regard to the distribution of men and women in economic sectors, Lithuania remains to be among the last three in the EU.

Increasing women’s motivation, competence and capacity to become active decision-makers. In 2007, 255 women took part in training conducted in Kaunas, Panevėžys, Birštonas and Marijampolė. The training participants were women who wanted to be involved politics and become decision-makers. They increased their knowledge and skills as well as gained self-confidence to take part in decision-making processes.

The 2008 Communication from the Commission to the Council, European Parliament, Economic and Social Committee and Committee of the Regions indicates that according to the data submitted by the Eurostat, the number of Lithuanian MPs reaches the EU average, whereas the number of women in management positions of all levels is the highest in Lithuania as compared to the other EU member states. According to the data of the Chief Electoral Commission, 344 women were elected in the 2007 municipal elections of the Republic of Lithuania and this figure is the highest as compared to the results of all the previous elections.

The EU database Women and Men in Decision-Making revealed that in 2007, Lithuania moved from position 7 to position 6 according to the number of women in managing positions of the largest business companies.

Reasons determining the gap between the life expectancy of men and women were identified and recommendations were developed for its reduction. Within the framework of the Programme, research was carried out to determine the reasons for the difference in health between men and women. The research looked at the difference in the mortality rate and the average life expectancy rate of men.

126 http://ec.europa.eu/employment_social/women_men_stats/out/measures_out438_en.htm
and women and the reasons for it, the difference in the duration of a healthy lifestyle and the relationship between health disorders and several social factors (place of residence, education, family status) as well as lifestyle factors (consumption of alcohol, smoking, etc.). The research examined the reasons which could have had an impact upon the gap between the life expectancy of women and men and provided recommendation on how the gap could be reduced and the average life expectancy could be increased. According to the data of the Statistics Department, the average life expectancy of Lithuanian men is the shortest in the Europe Union (65.4 years) and the gap between the average life expectancy of men and women is one of the biggest, totalling 12 years.

**Increasing cooperation with Lithuanian women’s non-governmental organisations.** Pursuant to Government Resolution No. 198 of 13 February 2007, women and men non-governmental organisations are given an opportunity to select and delegate up to four actual members of the Commission of Equal Opportunities for Women and Men that would represent the interests of all women and men non-governmental organisations. 2 members were delegated. From 2000 to 2007, representatives of NGOs were invited to take part in the activities of the Commission holding the advisory position. The Programme gives financial support to the membership of Lithuanian women’s organisation in the EU association of women organisations, European Women’s Lobby. The Programme funds were further used to support the implementation of the measures provided for in the Nordic and Baltic Gender Equality Programme of 2004-2006. In 2007, it funded a meeting of national coordinators of the Nordic and Baltic network of bodies involved in combating violence against women.

**Building capacities of civil servants in addressing gender equality issues.** In 2007, with a view to assessing the actual situation of women and men, the Ministry of Environment, along with the Equal Opportunities Ombudsperson’s Office, developed a questionnaire and sent it out to 111 accountable bodies. The answers to the questionnaire were gender-related: about staff, managers, disciplinary sanctions, bonuses, the number of employees who took up a paternity or maternity leave.

30 women and 15 men employees of the Ministry of Transport took part in a seminar dealing with a variety of gender equality issues, including the pay gap as well as a horizontal and vertical labour market segregation.

203 employees (including 142 women and 61 man) from the bodies accountable to the Ministry of the Interior took part in conferences, seminars and refresher courses on issues related to gender equality.

**Improved collection of statistical data disaggregated by sex.** The publication *Women and Men in Lithuania in 2006*, released in 2007 provides, for the first time, statistical-analytical information gender equality in Lithuania, along with the main statistical data disaggregated by sex. Taking into account customers’ needs, the data are provided by counties, municipalities and the European Union Member States.

## 5.3.2. International Assessment of Gender Equality Achievements in Lithuania

In November 2007, the World Economic Forum (WEF)\(^\text{127}\) published its Global Gender Gap Report covering 125 countries of the world. Out of the new Member States of the European Union the

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highest positions were taken by Lithuania (ranking 14) and Latvia (ranking 13). Lithuania was identified as a country which made the biggest progress among the top ten, by moving from position 21 to position 14. The WEF assessed achievements of gender equality in four critical areas: economic participation and opportunity, political empowerment, educational attainment and health.

Lithuania comes the second in the world according to the number of women in managing positions, as established by the Global Competition Rating carried out by the Swiss-based International Institute for Management Development (IMD).

5.3.3. ELIMINATION OF VIOLENCE AGAINST WOMEN

In late 2006, the Government of the Republic of Lithuania adopted the National Strategy on the Elimination of Violence against Women and its Implementation Plan for 2007–2009128 (hereinafter referred to as the Strategy). The purpose of the Strategy and its Implementation Plan is to take consistent, complex and systemic steps to eliminate domestic violence against women. The Strategy includes improvement of the legislative framework regulating elimination of violence against women, analysis of the situation of domestic violence against women, prevention of domestic violence against women, provision of complex assistance to victims of domestic violence, deterrents to perpetrators, institutional building, etc. The main responsibility for the coordination of the implementation of measures provided for in the Strategy and reporting to the Government lies with the Ministry of Social Security and Labour. In 2007 and 2008, the Strategy was allocated respectively LTL 1.340 million and LTL 1.500 million.

Provision of assistance to women who have suffered from domestic violence, and improvement of their protection.

One of the key objectives of the Strategy is provision of full assistance to the victims in every municipality, including provision of safe shelter; a social worker’s services, a lawyer’s or psychologist’s consulting services, emergency medical aid. It also stipulates promotion of organisations involved in the elimination of violence against women.

In 2007, pursuing this goal, the Ministry of Social Security and Labour organised a selection of project proposals put forward by the bodies and organisations providing social services to the victims of domestic violence and ensuring co-operation with stakeholders. LTL 500,000 from the national budget were allocated to implement 20 projects.

Social services were provided to 1,838 victims of domestic violence.

During 2008, support was provided to 29 projects and during the first half of 2008, social services were provided to 613 victims of domestic violence. In a majority of cases, services including information and consulting, social work, psychological and legal aid.

One the goals of the Strategy is to establish more organisations working with the perpetrators willing to abandon their violent behaviour and to gather the ‘help-yourself’ groups of perpetrators.

During 2007, state funding of LTL 100,000 was provided to 6 projects. The aim of these projects is to promote establishment of men crisis centres and gather ‘help-yourself’ groups of perpetrators.

The project involved 152 perpetrators who sought to abandon their violent behaviour. They were provided individual psychological counselling services (368 hours), legal consulting services (34 hours) and group therapy (210 hours).

During 2008, support was provided to 9 projects. The number of perpetrators who took part in the project during the first six months of 2008 was 63 persons. They were provided psychological counselling services (60 hours) and group therapy (78 hours).

In 2007, with a view to implementing the goal of the strategy (strengthening the work of non-governmental organisations in forestalling domestic violence against women) funding was provided to 13 projects of non-governmental organisations involved in initiatives aimed at elimination of violence against women. The projects were allocated LTL 400,000 from the state budget.

During 2007, 52 seminars were organised inviting representatives of local communities, social workers of non-governmental organisations and the police. Several projects were aimed at training volunteers/consultants to work in the area of eliminating violence against women. Four conferences were conducted discussing the ways of reducing violence against women.

During 2008, support was provided to 19 projects of non-governmental organisations involved in eliminating violence against women. With the framework of these projects, 32 seminars were organised to the representatives of local communities, social workers of non-governmental organisations, the police and volunteers-consultants during the first six months of 2008. Furthermore, three conferences were organised discussing the ways of reducing violence against women.

With a view to providing a permanent access to psychological help and consulting services by telephone, the Government of the Republic of Lithuania adopted a new measure of the Strategy. The purpose of it is to set up a 24-hour a day operating hotline for women suffering from domestic violence that would provide free psychological assistance, consulting, information and intermediation services. In 2008 and 2009, LTL 100,000 per year was allocated from the state budget to implement the measure.

**Prevention of domestic violence against women and capacity building.** In 2007, while pursuing the goals set up in the Strategy (implementation of effective prevention of domestic violence against women and building institutional capacities) seminars were organised for the project managers of crises centres, social workers and psychologists from municipalities and non-governmental organisations as well as employees of police divisions and prosecution offices. Furthermore, seminars on legal issues were conducted for women. LTL 80,000 from the state budget were allocated to implement the aforementioned measures.

Moreover, practical recommendations for the staff and volunteers working in organisations which provide shelter to victims of domestic violence were developed and published. In addition, methodological recommendations were developed for the staff and volunteers of crises centres receiving calls on the free line. LTL 50,000 was allocated to implement the measure.

During 2007–2008, Lithuania took part in the Council of Europe campaign combating violence against women. The project printed 2,000 posters and 5,000 bookmarks encouraging women not to remain silent and inviting them to ask for help. They were disseminated in the crises centres, municipalities and local communities. With a view to putting the efforts of state bodies, municipalities, county offices and non-governmental organisations together, to raise public awareness about domestic violence against women and join the global campaign of 16 Days of Activism Against Gender Violence, a social campaign was organised in Vilnius, Kaunas and Klaipėda. Its purpose was to raise public awareness.
about the issue of domestic violence against women in Lithuania and contribute to its elimination. During the campaign, a cargo van with social advertising was driven from one place to another encouraging women who had suffered from domestic violence not to remain silent and ask for help.

**5.3.4. Programme for Prevention and Control of Prostitution and Trafficking in Human Beings for 2005–2008**

Pursuant to the Programme for the Prevention and Control of Prostitution and Trafficking in Human Beings for 2005–2008, efforts have been taken to provide follow-up complex social assistance to victims of trafficking in human beings and ensure their reintegration into the labour market. During 2007, co-funding was provided to 13 projects for victims of trafficking in human beings, their protection and social reintegration. LTL 400,000 were allocated from the national budget to implement the projects.

During 2007, 137 victims of trafficking in human beings were provided social assistance which helped them reintegrate into society: restore relations with their family members, be placed in a safe social environment and take part in community life. During the same year, 79 victims of trafficking in human beings integrated into the labour market, including finding permanent employment and attending refresher courses, 48 persons obtained general and vocational education, 130 people took part in vocational training courses, obtained computer literacy skills and attended foreign language courses, 174 persons received other social assistance, including consulting services, psychological and legal aid, attended lectures on prevention and received other type of psychological treatment. The social support provided to the victims of trafficking in human beings helped them acquire knowledge and capacity to take an active part in the labour market and successfully integrate into society.

While implementing prevention of trafficking in human beings and seeking to raise awareness about the issue the following measures were undertaken in 2007: organisation of public debates and discussions, dissemination of brochures, flyers and information cards, provision of information about the projects in the local and regional media.

Within the framework of the Programme for the Prevention and Control of Prostitution and Trafficking in Human Beings for 2005–2008, refresher courses were organised for employees (support amounted to LTL 15,000). The total number of participants was 67 people in 2 workshops. The issues discussed during the workshops included reintegration of victims of trafficking in human beings, legal issues related to the return of such persons from abroad, prevention initiatives in care institutions and other educational establishments.

During 2008, funding was provided to 15 projects. In the first six months of 2008, social assistance was provided to 90 current and 251 potential victims of trafficking in human beings (pupils of special boarding schools, teenagers from risk group families, etc.). During the aforementioned period, they were mostly provided psychological assistance (234 persons), information and consulting services (137 persons), and vocational consulting services (118 persons). Other services provided included group exercises, education, self-help treatment services, etc.

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5.4. PROGRAMME FOR RETURN OF POLITICAL PRISONERS, EXILES AND THEIR FAMILY MEMBER TO LITHUANIA OF 2002–2007

The year 2007 saw a follow-up implementation of the Programme for Return of Political Prisoners, Exiles and their Family Members to Lithuania of 2002–2007\(^{130}\).

The national budgetary funds allocated in 2007 for the implementation of the aforementioned programme and social integration of political prisoners, exiles and their family members made up LTL 1,200,000 (paid from the budget of the Ministry of Social Security and Labour).

Support was provided to 336 persons (exiles and their family members who returned to Lithuania). The sum allocated to cover the expenses of temporary housing for returning exiles, repair works and other household needs amounted to LTL 232,200. Temporary housing was provided to 68 families or 162 persons. The sum allocated for transportation costs amounted to LTL 354,900 and such support was provided to 105 persons. Lithuanian language courses were conducted and means of adaptation were provided to 60 persons (the funds allocated for that purpose amounted to LTL 115,100). A Vilnius secondary boarding school, *Lietuvių namai* (*House of Lithuanians*), where the number of pupils is 230 people, was allocated LTL 256,200. The sums allocated for the dissemination of information, public relations as well as support to Lithuanian communities amounted to respectively LTL 91,200 and LTL 136,100.

Municipalities procure rental premises for returning persons from the state investment funds allocated for that purpose and other sources of funding provided for in the legislation. From 1992 to 2007 the national budget of the Republic of Lithuania allocated funding for the construction and procurement of apartments for returning persons. Since 1997, the Council of Europe Development Bank (Council of Europe Social Development Fund until 2000) has given Lithuania preferential loans to co-finance provision of accommodation to returning persons. Pursuant the Agreement on Co-Financing the Provision of Accommodation to Returning Persons, signed by the Government of the Republic of Lithuania and the Bank, the amount received during 1997–2006 totalled over LTL 31 million.

In early 2007, municipalities registered 491 families of returning persons, including 283 families in Vilnius, 92 in Klaipėda, 45 in Kaunas, 5 in Šiauliai and Marijampolė each, 4 in Alytus, 7 in Raseiniai and Svirintai region each, 6 in Mažeikiai region, 4 in Kretina, Švenčionys and Skuodas region each and 1-3 families in other municipalities (25 families in total). During the implementation of the programme the municipalities expect to have 370 registered families who lack accommodation.

With a view to providing accommodation to all returning families and ensuring their social integration in Lithuania, the decision was taken to continue implementing the programme and providing support to returning persons and their families by covering their transportation costs, rental expenses and supporting other social integration measures. The Government of the Republic of Lithuania adopted the Programme for Return of Political Prisoners, Exiles and their Family Members to Lithuania for 2008–2012.

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During that period almost LTL 60 million will be allocated to procure and rent 370 apartments. Another LTL 6 million will be allocated for the social integration of returning persons. During the entire period of implementing the programme (16 years) housing and social support of more than LTL 83 million will be provided to over 1,800 returning persons.

5.5. PROGRAMME FOR SOCIAL ADAPTATION OF CONVICTS AND PERSONS RELEASED FROM PLACES OF IMPRISONMENT OF 2004–2007

The Ministry of Social Security and Labour further pursued the Programme for Social Adaptation of Convicts and Persons Released from Places of Imprisonment of 2004-2007 (hereinafter referred to as the Programme). The purpose of the Programme is the improvement of the system of adaptation and rehabilitation of convicts and persons released from the places of imprisonment during their social integration and creation of opportunities for them to lead an independent life.

The programme was jointly implemented by the Prisons Department under the Ministry of Justice and the Ministry of Education and Science.

The Ministry of Social Security and Labour collected information from municipalities about support provided to people released from places of imprisonment in 2007. Applications for single allowances were satisfied in a majority of cases. These were among the most popular. During 2007, Lithuanian city and town municipalities were allocated over LTL 215,000 satisfying 1,993 applications; catering services were provided in 643 cases (issuing food coupons or offering food in charity canteens). 836 former convicts took part in various employment programmes, housing was provided to 153 persons, and 1,090 people were provided other social support services.

During 2007, under the Programme measure, Upgrading of Qualification or Retraining of Social Workers of Municipalities and Non-Governmental Organisations, specialists from a number of fields were trained to work with convicts and persons released from the places of imprisonment. The total number of persons trained was 77. The lion’s share of them, 48,4 per cent, consisted of volunteers, whereas in 2006, the majority of people trained (50.3 per cent) were social workers. Furthermore, convicts were provided psychological and vocational counselling as well as vocational training services.

The Ministry launched a tender to select projects aimed at the social rehabilitation and integration of persons released from places of imprisonment. Co-funding of LTL 300,000 was provided to 21 projects. In 2005, co-funding of LTL 199,546 was provided to 29 projects and in 2006, LTL 99,475 was allocated to co-finance 30 projects.

During the reporting period, projects involved 1,766 representatives of the target group, including 877 convicts (49.7 percent) and 889 persons released from the places of imprisonment (50.3 percent).

While implementing the projects of 2007, the institutions in charged cooperated with 97 partners working in different agencies and organisations. All the 21 project implementing authorities had partners to work with.

The majority of such partners in 2007 (as well as in 2006) were budgetary institutions (accounting for 64.9 percent) and the minority of them were foreign organisations (3.1 percent).

Having examined the measures implemented under the Programme and its extension opportunities, experts from the Ministry of Social Security and Labour, Ministry of Justice and the Prisons’ Department agreed that these measures could be further pursued in line with the other legislation and programmes and hence this Programme will not be continued.

5.6. SOCIAL INTEGRATION OF FOREIGNERS GRANTED ASYLUM

Foreigners granted asylum in the Republic of Lithuania have the rights and freedoms provided for in Constitution of the Republic of Lithuania, international treaties, legislation of the Republic of Lithuania and the European Union law. They are equal before the law, irrespective of their sex, race, nationality, language, origin, social status, religion or beliefs. Foreigners granted asylum in Lithuania and having a residence permit are entitled to all the social and other guarantees provided for permanent residents of the country by the national legislation. Such guarantees include: social benefits, compensation of apartment (house) heating expenses, hot and cold water expenses, funeral allowance, etc. In addition, foreigners granted asylum are entitled to social integration support.

State support is provided to foreigners granted asylum in line with the Description of the Procedure of Providing State Support for Integration of Foreigners Granted Asylum in the Republic of Lithuania (hereinafter referred to as the Procedure Description).132

The state support for integration takes the following directions:

- provision of temporary housing (during the period of integration: rental of accommodation, organisation of procurement of necessary furniture and household goods for a single housing benefit (amounting from LTL 1,250 per person and up to LTL 3,125 per family);
- organisation of education: state language courses of 190–290 hours to adults, pre-school children (covering monthly expenses of children education in state and municipal pre-school educational establishments) and school children;
- organisation of employment (helping to find employment, get retrained, etc.);
- social security (living needs benefit of LTL 256.5, a monthly allowance for children of up to 3 years of age (not attending pre-school establishments) amounting to LTL 97.5;
- health care (funds for mandatory social insurance of unemployed adult foreigners are allocated from the national budget for the social integration of refugees and social insurance funds are used to provide health care services to underage persons and vulnerable groups);

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Equal Opportunities and Social Integration

- Public awareness raising about persons granted asylum with a view to preventing their exclusion, public xenophobia and increasing tolerance.

An important role in preparing asylum seekers for the social integration in Lithuania is played by the Refugee Reception Centre. One of its main functions is to house foreigners granted asylum and given the status of a refugee as well as provide them additional protection. Data about the structure of residents living in the Refugee Reception Centre are presented below in Table 5.6-1.

### Structure of Residents in the Refugee Reception Centre in 2004–2007 (Percent)

<table>
<thead>
<tr>
<th>Year</th>
<th>Men</th>
<th>Women</th>
<th>Children</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>49</td>
<td>18</td>
<td>33</td>
</tr>
<tr>
<td>2005</td>
<td>45.5</td>
<td>19</td>
<td>35.5</td>
</tr>
<tr>
<td>2006</td>
<td>30</td>
<td>26</td>
<td>44</td>
</tr>
<tr>
<td>2007</td>
<td>35</td>
<td>24</td>
<td>41</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour

The Refugee Reception Centre provides state support to foreigners granted asylum in Lithuania. Since 2006, it has organised follow-up social integration of such persons in municipalities. State support is provided to foreigners granted asylum on the basis of cooperation agreements with municipalities and non-governmental organisations.

Support provided in the Centre lasts up to six months. If during that period the foreigner who had been granted asylum fails to get prepared for the integration in the municipality, this period could be extended to up to twelve months. After the integration in the Refugee Reception Centre, support for integration is provided in the municipality. It may not last longer than twelve months following the date on which the foreigner left the Refugee Reception Centre and not longer that the deadline of temporary residence permit to stay in the Republic of Lithuania.

If vulnerable groups fail to adapt during the established period of time, the deadline for it can be extended but not longer than the deadline for the temporary residence permit to stay in the Republic of Lithuania. The total period of time in the Centre and the municipality may not last longer than 60 months.

According to the data of 1 January 2008, 250 foreigners granted asylum take part in the integration. Support is provided to them in the following towns: Kaunas (78 persons); Klaipėda (43); Alytus (8); Ukmergė (5); Elektrėnai (39); Marijampolė (7); Pabradė (10); Vilnius (30); Jonava (15) and Lentvaris (15).

The estimates shown that the social integration of one foreigner in the centre costs minimum LTL 500 (1 EUR=3,4528 LTL) per month. The information about funds allocated to social integration and the number of foreigners granted asylum is presented in Table 5.6-2.
Funds allocated for Social Integration of Foreigners granted Asylum

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Foreigners Granted Asylum Taking Part in Social Integration Programme</th>
<th>National Funds allocated to the Programme of Social Integration (LTL)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>29</td>
<td>742,000</td>
</tr>
<tr>
<td>2000</td>
<td>51</td>
<td>529,000</td>
</tr>
<tr>
<td>2001</td>
<td>129</td>
<td>346,000</td>
</tr>
<tr>
<td>2002</td>
<td>186</td>
<td>914,000</td>
</tr>
<tr>
<td>2003</td>
<td>361</td>
<td>1,569,000</td>
</tr>
<tr>
<td>2004</td>
<td>404</td>
<td>1,464,000</td>
</tr>
<tr>
<td>2005</td>
<td>279</td>
<td>1,107,000</td>
</tr>
<tr>
<td>2006</td>
<td>269</td>
<td>1,014,000</td>
</tr>
<tr>
<td>2007</td>
<td>297</td>
<td>1,200,000</td>
</tr>
</tbody>
</table>

Data of the Ministry of Social Security and Labour  
Table 5.6-2

CONCLUSIONS

The scientific research conducted in Lithuania shows that the principle of equal rights is given constitutional protection in this country, i.e. this principle is enshrined in the Constitution and its ratified international instruments on human rights. However, several groups of the population face discrimination in a variety of public fields. The success of a legal system in the area of non-discrimination depends on public support. Therefore, public awareness should be raised about the negative impact of discriminatory behaviour.

The number of the disabled has not grown significantly: by 2,000 people during one year. The disabled enjoy the same rights as other members of the society, they are entitled to the same education, labour, rest as well as social, political and community participation opportunities. Only in cases when the same conditions and measures are ineffective, special measures are provided to improve the situation for the disabled.

The need for vocational rehabilitation services is growing. During 2007, 335 persons received vocational rehabilitation services, including 50 percent of the graduates who found employment.

During the reporting period, the Ministry of Social Security and Labour continued to implement the Programme for the Provision of Technical Aids to Residents and the Programme for the Development and Implementation of Effective System of Provision of Technical Aids to Residents living in the Regions.

In 2007, the Centre provided technical aids to persons with movement as well as visual and hearing disabilities.

During the same year, the Centre opened up three territorial branches in Panevėžys, Telšiai and Marijampolė.

Within the framework of the Programme for the Adaptation of Housing for the Disabled of 2007–2011, 50 percent of applications were satisfied during one year. In addition, support was pro-
vided to disabled students. During 2007, financial assistance was provided to 952 disabled students studying in 36 higher educational establishments.

In 2007, the projects of social integration provided services or other benefits to 30 percent of the disabled (people with severe disability considered a priority).

Within the framework of the Programme for Return of Political Prisoners, Exiles and their Family Members to Lithuania of 2002–2007, support was provided to 336 persons (exiles and their family members who returned to Lithuania).

With a view to providing accommodation to all returning families and ensuring their social integration in Lithuania, the Ministry of Social Security and Labour developed and the Government of the Republic of Lithuania adopted the Programme for Return of Political Prisoners, Exiles and their Family Members to Lithuania for 2008–2012.

Having examined the measures implemented under the Programme for Social Adaptation of Convicts and Persons Released from Places of Imprisonment of 2004-2007 and its extension opportunities, experts from the Ministry of Social Security and Labour, Ministry of Justice and the Prisons’ Department agreed that these measures could be further pursued in line with the other legislation and programmes and hence this Programme will not be continued.

Foreigners granted asylum in the Republic of Lithuania have the rights and freedoms provided for in Constitution of the Republic of Lithuania, international treaties, legislation of the Republic of Lithuania and the European Union law. They are equal before the law, irrespective of their sex, race, nationality, language, origin, social status, religion or beliefs. Foreigners granted asylum in Lithuania and having a residence permit are entitled to all the social and other guarantees provided for permanent residents of the country by the national legislation. Such guarantees include: social benefits, compensation of apartment (house) heating expenses, hot and cold water expenses, funeral allowance, etc. In addition, foreigners granted asylum are entitled to social integration support.
6.1. ACTIVITIES RELATED TO LITHUANIA’S MEMBERSHIP IN THE EUROPEAN UNION

When Lithuania became an EU member, the nature of its European policy changed, giving a new dimension to the operation of its state bodies dealing with the EU affairs. The European Union policy has become an inseparable part of Lithuania’s internal policy. Decisions taken in respect of these issues have a direct impact on the most important areas of the country’s domestic policy. As a full-fledged member, Lithuania started developing its positions in the EU institutions in a consistent manner, seeking the best possible protection of its rights and exercising them. Seeking to reach its priorities of internal and external policy, Lithuania takes an active role in the EU, trying to be visible and influential, capable of identifying and defending its national interests in the EU debates. It is important that Lithuania is properly and efficiently represented on every level of the EU and is capable of making decisions with the other EU Member States on equal footing with them. The highest decision-making body in the EU is the Council of Ministers. Therefore, this chapter will mostly focus on its activities.

6.1.1 The Most Relevant Issues on the EU Agenda in the Area of Social and Employment Policy

6.1.1.1. Initiatives of Presidencies

The EU Presidency is the presidency of one member state in the Council of Ministers of EU (hereinafter referred to as the Council). Along with the European Commission (hereinafter referred to as the Commission) and the European Parliament, it is one of the three and most powerful 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.
During the first half of 2007, the EU Presidency was held by Germany. It followed-up on the discussions about the impact of globalisation and demographical changes on the labour markets of the EU Member States and social security systems. The management of democratic processes (ageing of society, a decreasing birth rate and a reduction of the labour force) is one of the main challenges faced by a modern society. Therefore, Germany put a great emphasis on the involvement of senior persons and the youth into the labour market. Another priority of the German Presidency was family policy.

Furthermore, Germany focused on flexicurity, i.e. the approach of creating an interplay between flexibility of the labour market and social security. It also discussed such areas as the assessment of the social impact of the EU legislation; a directive on pension portability and directives on safety at work.

In addition, it continued implementing the Guidelines of Equal Opportunities for Women and Men in 2006–2010. It highlighted the importance of equal opportunities in the labour market and education of women from immigrant families.

During the second half of 2007, the EU Presidency was held by Portugal. Its objective was to speed up the implementation of the Lisbon strategy: modernisation of economy, promotion of innovations, completion of a single market development, increasing competitiveness and social protection, creation of jobs and implementation of the labour market reform.

Priority areas of the Portuguese Presidency included, among others, the following: social inclusion, the fight against poverty, and children poverty in particular, as well as the reconciliation of family and work life.

Portugal paid a special attention to the social and employment dimension, flexicurity, social responsibility and the ageing of society. It highlighted the importance of having active and quality ageing for economy and the labour market. In addition, it emphasised the social aspect of the latter, hence taking account of updated employment strategies and new approaches, for example, flexicurity and the need to promote sustainability of social security systems.

Furthermore, Portugal focused on the issues related to family policy and gender equality. It highlighted the need to raise public awareness and more actively share views and experience on family friendly policies. With regard to gender mainstreaming, the Portuguese Presidency had the following objectives: achieve a bigger ratio of men participating in a family life and more women involved in occupational activities. The latter objective could be attained by eliminating the difference in pay between women and men, increasing the level of female employment and raising the number of women in high-level decision-making positions; eliminating gender stereotypes, inter alia, in the areas of education, training and culture, promoting participation of girls and young women in public life; protecting vulnerable groups, for example, women and girls, from discrimination and create conditions for them to play a more active role in occupational and political life; and promoting gender mainstreaming in every respective activity.

During the first half of 2008, the Presidency was taken over by Slovenia. It paid major attention to the commenced second cycle of the Lisbon strategy.

The Slovenian Presidency put a great emphasis on flexicurity and the attempt to create pathways for national models of flexicurity, where a major role would be played by social partners. With regard to the social reality changes, the main statements were about further actions to be taken towards active integration, creation of sustainable and adequate social security systems and affordable high quality social services. It was noted that the latter issues should be dealt with taking into account the new social agenda of the EU and the on-going discussions about the social reality in Europe.
The Slovenian presidency enlarged on the discussions concerning the Communication from the Commission on demographical changes, paying particular attention to the opportunities offered by close cooperation between generations and seeking progress in eliminating gender stereotypes, increasing women participation in society, giving them more opportunities and hence fostering gender equality.

The Slovenian Presidency highlighted the aim to improve concrete recommendations on the youth occupation. One of the aspects emphasised by Slovenia during the European Year of Intercultural Dialogue was to promote multilingualism and cultural youth exchanges, as well as encourage the youth’s employment, mobility and social inclusion.

The priorities and initiatives pursued by the aforementioned presidencies are reflected in Chapter 6.1.2 (EU Council Meetings) below.

### 6.1.1.2. European Commission Activities

The Commission Legislative and Work Programme 2007133 presented by the European Commission pays major attention to the Lisbon strategy for growth and jobs, which has entered a new phase.

The strategy reads that with the submission of national programmes, the Lisbon strategy for growth and jobs has entered a new phase and there is a shared commitment to go further with the reform agenda, with EU action complementing national, regional and local efforts.

In 2007, the European Commission choose to develop the following strategic initiatives:

- put forward proposals to encourage common principles to stimulate flexicurity;
- present a mid-term review of the implementation of its Social Agenda;
- propose a draft directive on minimum sanctions for employers of illegally staying third-country nationals;
- propose a directive on the conditions of entry and residence of highly skilled workers;
- propose a Communication concerning follow-up actions after the adoption of a Green Paper on labour law amendments ensuring flexicurity for all.

### 6.1.2. EU Council Meetings

As a follow-up on the review of decisions taken by the EU Employment and Social Policy Council and presented in the Social Report of 2006-2007, we provide information about the Council meetings and decisions during 2007-2008.

#### 6.1.2.1. Employment, Social Policy, Health and Consumer Affairs Council (EPSCO)

The Council meeting of 22 February 2007134 discussed the following items:

- Preparation of the spring European Council. The Ministers debated and approved the Key Messages that had been presented to the meeting of the Council of Employment, Social Policy,

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133 Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions. Commission Legislative and Work Programme 2007 (Brussels, 24.10.2006 COM(2006) 629 final)

Health and Consumer Affairs as a contribution to the debate on the implementation of the Lisbon strategy. The Key Messages are based on the documents presented in the footnote135.

The Key Messages highlighted that while implementing the Lisbon strategy, the objectives of strengthening competitiveness, increasing employment and improving social cohesion are equally important, interlinked and mutually supportive. To meet the Lisbon targets, further efforts are needed to address the challenges of globalisation and demographic ageing and fighting poverty. Member States should enhance flexicurity, develop an approach towards work as a life-cycle; promote investment into human capital and create more opportunities for people at the margins of the labour market.

- The Ministers were given information136 about the preparations for the tripartite social summit.
- The Presidency held an exchange of views on the Opportunities and Challenges of Demographic Change in Europe137. It spoke about structuring the European debate on demographic issues and the priorities to be debated. This goal had been already established in the Commission Communication of 2006 on the demographic future of Europe138. The document says that the Council should set forth political priorities that should be dealt with on the European level, seeking the biggest possible benefit for European nationals and at the same time fully acknowledging the responsibility of Member States, their regions and local authorities. The document139 presented for the discussion of Ministers identifies several priority areas suggested by the Presidency which could be debated on demographic issues: ageing, development of a family friendly policy, reconciliation of family life and work, investment into human capital, ensuring quality child care, strengthening inter-generation solidarity.
- The Ministers were also invited to share their opinion about the adequacy of the list of presented priorities, concerning the need to define complementary objectives, targets, and working methods in order to facilitate monitoring and the exchange of experience at the EU level as well as the need to agree on a multi-annual approach to be developed to deal with issues linked to a demographic change.
- The Ministers approved the Council Resolution on the Contribution of Older People to Economic and Social Development140. The Resolution had been developed on the basis of the Commission Communication “The demographic future of Europe – from challenge to opportunity” dated 12 October 2006, The United Nations Madrid International Action Plan on Ageing, adopted in April 2002, and the documents drafted by the Social Protection Committee. The Resolution invited Member States to take account of the needs of the ageing society, use the potential of senior people, support initiatives that promote solidarity between the gen-

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erations, encouraging active participation of the elderly in society; avoid stereotypes and share knowledge, expertise and good practices in the area of active involvement of the elderly. Ministers were provided information about the following:

- work programme of the EU employment committee for 2007;
- work programme of the EU social protection committee for 2007;
- Commission Communication on "New Community strategy on health and safety at work 2007-2013".

The Council meeting of 30-31 May 2007 discussed the issues discussed below.

- The Ministers adopted the Joint Employment and Social Protection Committee Opinion on Active Ageing. The reasons for adopting a joint opinion on active ageing is the increasing life expectancy in Europe and the impact of these demographical changes on the future of the EU and its Member States. The opinion states that the economic growth could be sustained with society ageing by increasing the employment rate, introducing innovations, increasing productivity and modernising social security.

The main policy statements listed in the document include the following:

- Comprehensive policy approaches towards active ageing yield the best results. In this respect, both prevention and remedy are important measures;
- Flexicurity policies and a life-cycle approach to work should both facilitate provision of the access to paid work and movement in the labour market as well as the subsequent changes in the social status;
- Provision of customised services - such as guidance, counselling or outplacement – renders good results;
- Financial incentives (such as employment subsidies or tax relief) can foster employment participation;
- Seeking to increase the number of older workers in education and training, raise their qualifications or get them retrained, it is essential to develop special training programmes and programmes for increasing their motivation;
- Improvement of quality of workplaces, proper investment into safety at work, creating workplaces that are healthy and tailored to the needs of older people, flexible working time arrangements should be a practice that is widely applied;
- The social protection system need to respond properly to the changing demographical situation, it should be adequate and sustainable, with improved financial and economic management;
- Concrete proposals concerning active ageing could be also made by the employers and they should contribute to their implementation. They play a decisive role. Non-governmental organisations and civil society can also contribute to the process;
- Policies should be constantly monitored and evaluated to effectively remove the remaining barriers to active ageing.

The Council conducted political debates on the set of items submitted by the Presidency and adopted a Resolution “Good Work”: Draft Council Resolution on a new Community strat-
egy 2007–2012 on health and safety at work\textsuperscript{144}. The Resolution states that the Council holds a positive opinion towards the Commission Communication of 21 February 2007 on improving quality and productivity at work: a new Community strategy on health and safety at work and takes note of the Commission’s opinion that, in order to achieve an ongoing, sustainable and consistent reduction in accidents at work and occupational illnesses, the parties involved must pursue a number of objectives, including the implementation of and compliance with the Community legislation, improvement of working conditions in the EU Member States and pursuing major advancement in the area of safety and health at work, improving effectiveness of preventive measures in health area and promoting the development and implementation of national strategies. Major emphasis should be placed on the following areas:

- dissemination of good practices at local level;
- training and education;
- development of simple tools and guidelines;
- better access to high-quality preventive services;
- adequate financial and staff resources for labour inspectorates.

• The Ministers adopted a partial general approach towards a Proposal for a Regulation of the European Parliament and of the Council laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems\textsuperscript{145} (Title III, Chapter I (sickness, maternity and equivalent paternity benefits) and Title IV, Chapter I (Financial Provisions)).

On 1 February 2006, the Commission made a Proposal for the Regulation of the European Parliament and of the Council laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems. The proposal sought to simplify and update Regulation No. 574/72/EEC, in particular with regard to the cooperation and exchange of data among social security bodies. Once the Proposal concerning the Implementation of the Regulation is adopted, Regulation (EC) No. 883/2004 will be directly applied. That will facilitate an exchange of data between the competent social insurance bodies of Member States and speed-up the decision-making on the payment of social insurance benefits.


Annex XI of Regulation (EC) No 883/2004 on the coordination of social security systems includes special provisions for the application of the legislation of the Member States. Each Member State was asked to make suggestions about what is required for the application of its legislation. Annex XI


should ensure a smooth interaction of the Community and national legislation and hence simplify the application of Regulation (EC) No. 883/2004. During the German Presidency in the first half of 2007, the Council debated the parts related to Title III, Chapter I (sickness, maternity and equivalent paternity benefits), of the Proposal for a Regulation of the European Parliament and of the Council laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems. The proposal included suggestions made by the Member States to amend several articles and the preamble of Regulation (EC) No. 883/2004. They were adopted by the Social Questions Working Party.

- The Ministers adopted a general approach towards a Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community (“Miscellaneous Amendments 2006”)147. The Proposal includes several amendments to the annexes of Community Regulation (EEC) No. 1408/71 to reflect changes in Member States’ national social security legislation, thus ensuring proper co-ordination on the Community level. While developing the Proposal, the Commission encouraged the Member States to submit their requests concerning amendments of certain annexes to Regulation (EEC) No. 1408/71. The Commission officials assessed the requests and discussed them with the other Member States during a meeting of the EC Administrative Commission of Social Security for Migrant Workers. The proposal concerning the amendment of the Regulation included only those Member States’ requests which are in line with the EU legislation and which have been approved by the EC Administrative Commission of Social Security for Migrant Workers. While introducing the amendments to the Regulation, the attempt was to avoid any legal uncertainty which might occur as a result of a wrong reference to the national legislation. Legal uncertainty would put EU nationals moving inside the EU in a very unfavourable position because they would not be properly informed about their rights. Making sure that effective national legislation is reflected properly in the Regulation would facilitate the application of the Community legislation coordinating social security systems.

- The Council continued the discussion concerning a Proposal for a Directive of the European Parliament and of the Council on minimum requirements for enhancing worker mobility by improving the vesting and preservation of supplementary pension rights148. The aim of this Directive is to facilitate the freedom of movement of workers and to facilitate their occupational mobility, both inside the Member States and between EU Member States, by reducing the obstacles in occupational pension schemes. The purpose of the directive is to ensure the portability of supplementary pension rights in case of termination of labour relations. The Council meeting of 30 November 2006 decided to abandon the option of having a mandatory portability of supplementary pension rights as this could create negative consequences for those old EU Member States which have long-standing occupational pension traditions. The current version of the directive provides for the preservation of rights as the only mandatory requirement, whereas the portability of pension rights (suggested by the European Commission as another mandatory way of protecting an employee changing the employer) is

considered optional with regard to which each member state may take its own decision. The draft directive sets a requirement for the pension scheme manager to make a proper (within a reasonable period of time) clarification of how a termination of employment would affect the supplementary pension rights of employees. The information provided to active scheme members should include the following:
- the conditions for the acquisition of pension rights and the effect of termination of employment upon such rights;
- pension benefits provided in the event of termination of employment;
- conditions for the preservation of acquired pension rights.

The draft includes an opportunity for Member States to extend the implementation of the directive for up to 10 years. This is relevant for old Member States with long traditions of occupational pension schemes under which its members are subject to stricter requirements (Germany is a case in point which sets the requirement of five years and the age of 30 for the acquisition of pension rights).

The purpose of the directive is to improve the status of workers in the area of occupational pensions, remove the barriers obstructing the mobility of employees in several old Member States.

- The Council conducted a political debate on the issues developed by the Presidency. The majority of the delegates said they supported the initiative of the German Presidency to develop draft Conclusions of the Council and of the Representatives of the Governments of the Member States, meeting within the Council, on the importance of family friendly policies in Europe and the establishment of an Alliance for Families. The draft document states that the basic changes in the composition of the population pose serious challenges for the economy, and therefore they must be met with coherent, long-term strategies. Low birth rates in many European countries do not reflect the personal wishes of people and therefore the policy developed should respect the choice of families and create better conditions for those who want to have children. Low birth rates may be a result of insufficient equality of opportunity, increased child care expenses and the lack of adequate means to organise a family life. Family policies should be developed seeking social cohesion to ensure responsibility of family members for each other. It is crucial to improve the social infrastructure for families, allowing people with care responsibilities to enter and stay in employment, providing affordable and accessible high quality care services for children and other dependents in particular. It is also essential to ensure a better targeting of family benefits and offering income tax reliefs with the aim of better compensating the costs of raising children, including during the periods immediately following their birth. The conclusions highlight the need to create better conditions for reconciliation of family and work life, apply flexible forms of employment to parents, make favourable conditions to families raising children for taking a leave and receiving social guarantees, create better life-long learning opportunities and ensure gender equality in employment.

- The Ministers approved the Council Conclusions concerning the Implementation of the Beijing Action Platform. Within the framework of the Beijing Action Platform, adopted during the United Nations World Conference on Women in 1995, every Presidency develops a statement concerning the status of women in a chosen area and suggests indicators in different
areas that serve as the basis for assessing the situation. The German Presidency has chosen to work on ‘the Education and Training of Women’ and has produced a report, on the basis of which draft Council Conclusions are adopted. The Council draft conclusions state that the Council takes note of the report on gender equality in education and training presented by the German EU Presidency and of the three indicators for the future follow-up of the Beijing Platform for Action regarding the critical area of education and training of women, in particular, higher education and research. The document also states that despite positive changes made, gender stereotypes nevertheless persist in education and training systems and continue to influence the choices of girls and women as well as boys and men with regard to the area of studying and vocational training, the level of educational and training attainment (college or higher education) and thus affect the future employment possibilities. Therefore Member States are further encouraged to develop the equality of genders in education and training policy areas and fight the existing stereotypes. The document also welcomes the foundation of the European Institute for Gender Equality and invites Member States to further improve the collection, compilation, analysis and dissemination of timely, reliable and comparable data disaggregated by sex and age especially through the involvement of the National Statistical Institutes, so that statistics and information on the three indicators proposed by the German Presidency, as well as statistical information on other indicators, can be regularly produced and regular reviews conducted.

- The Chairman of the Social Protection Committee provided verbal information to the Ministers about the work of the Committee in analysing Social Services of Universal Importance, the possible EU actions in the area and recommendations given to the Member States.
- The Council meeting of 5-6 December 2007 discussed the issues presented below.
- The Council sought a political agreement concerning the Amended proposal for a Directive of the European Parliament and of the Council amending Directive 2003/88/EC concerning certain aspects of the organisation of working time on the basis of a common compromise proposal put forward by the Presidency. It addition, it sought to agree on the draft directive concerning temporary employees. Despite the progress reached by negotiations, the Council failed to reach an agreement on this stage. This issue has already been debated by the Dutch, Luxembourg, United Kingdom and Austrian Presidencies since 2004. Last time the positions were expressed on 7 November 2006 during the Council Meeting organised by the Finnish Presidency for this purpose. No agreement was reached at that time. The German Presidency (first half of 2007) did not take this question on board. Member States had reached an agreement with regard to a number of statements during previous negotiations. Two main problems at stake, where no agreement has been reached, are the following:
  - “opt-out” provision (the opportunity to work longer than 48 hours per week with the employee’s agreement);
  - the maximum duration of weekly working hours when an employee has more than one labour contract.

On 11 May 2005, the European Parliament submitted its opinion concerning the issue suggesting to abandon the “opt-out” provision, i.e. tighten the labour organisation procedure and hence take a better care of employee safety and health.

- The Council sought a political agreement concerning the Amended proposal for a Directive of the European Parliament and the Council on working conditions for temporary workers. At the end of extensive discussions, the Presidency concluded that despite the progress made during negotiations, no agreement was reached. On 20 March 2002, the Commission adopted, in the context of the Lisbon strategy, a proposal for a Directive concerning working conditions for temporary workers to better reconcile flexibility in labour markets and job security, and create more and better jobs. The core of the draft directive is to improve the quality of work of temporary agencies and ensure the safety of employees working in such agencies. On the other hand, the purpose of the directive is to ensure a rather flexible functioning of the labour market. These objectives will be sought by enforcing prohibition of discrimination, i.e. agency employees should benefit from the same working conditions like the employees of any other company to which they are referred to work. However, the draft directive offers an opportunity for Member States, in consultation with social partners, to apply certain derogations from the principle of non-discrimination:
  - if it is provided for in collective agreements;
  - if the duration of work in an agency is up to six weeks and the employee is not entitled to the minimum work pay guarantees;
  - during transition periods.
- The Ministers approved the Commission Communication “Towards Common Principles of Flexicurity”: joint opinion of the Employment Committee and Social Protection Committee and Council conclusions.

The Commission presented its Communication “Towards Common Principles of Flexicurity” on 27 June 2008. It invited the EU Member States to agree on the common eight principles which would be acceptable to all the Member States. These principles include the following:

1. Flexicurity involves the deliberate combination of flexible and reliable contractual arrangements, comprehensive lifelong learning strategies, effective active labour market policies, and modern, adequate and sustainable social protection systems;
2. Flexicurity means a balance between the rights and duties of employers, employees, job seekers and public authorities;
3. Flexicurity approaches should be tailored to the specific circumstances of each Member State, labour markets and labour relations. Flexicurity approaches are not about one single labour market or working life model;
4. Flexicurity should help reduce the practice of dividing labour market participants into “insiders” and “outsiders”. The current “insiders” require support to be prepared for the job seeking period and obtain protection during it. The current “outsiders”, including the employed, the

majority of whom are women, youth and migrants, require better opportunities of finding employment and seeking stable contractual arrangements.

5. Internal (within the enterprise) as well as external (moving from one enterprise to another) flexicurity are equally important and should be promoted. Sufficient contractual flexibility must be accompanied by secure transitions from job to job. Upward mobility needs to be facilitated, as well as between unemployment or inactivity and work. High-quality and productive workplaces, good organisation of work, and continuous upgrading of skills are also essential. Social protection should provide incentives, rather than undermine mobility.

6. Flexicurity should support gender equality, by promoting equal access to quality employment for women and men and offering measures to reconcile work, family and private life, providing equal opportunities for migrants, youth, and the disabled or senior workers.

7. Flexicurity requires a climate of trust and broadly-based dialogue among social partners and public authorities, where they are prepared to take the responsibility for change and develop socially balanced policies.

8. Flexicurity requires a cost effective allocation of resources and should remain fully compatible with sound and financially sustainable public budgets. It should also aim at a fair distribution of costs and benefits, especially between businesses, public authorities and individuals, with particular attention to the specific situation of SMEs. An effective flexicurity policy may help achieve this common goal.

The Council meeting examined the Joint opinion by Employment and Social Protection Committees on the common principles of flexicurity. It particularly welcomed the Commission Communication on the issue that should encourage Member States to consider introducing flexicurity in the labour market reform process while taking into account their initial conditions and their own socio-economic and institutional set-up. The opinion states that the common principles on flexicurity should help achieve the Lisbon objectives through the European Employment Strategy, the Open Method of Coordination in Social Protection and Social Inclusion, an appropriate legal framework, and a co-financing of programmes, in particular by the European Social Fund. While the national situations differ, all Member States face the same challenge of adaptation to structural change. Therefore, the EU should adopt a set of common principles to support Member States in the establishment and implementation of their own flexicurity policies. The opinion spells out eight principles that reiterate the principles provided for in the Commission Communication. The agreed principles should constitute an essential instrument for the implementation of the Lisbon strategy and the Integrated Guidelines. Member States will be invited to take the Common Principles into account while shaping and implementing their national policies, and to report accordingly in the National Reform Programmes.

These main aspects of practical application of flexicurity in the labour market are also mentioned in the Draft Council Conclusions: Towards Common Principles of Flexicurity submitted for approval. Apart from the aforementioned elements this document also highlights the importance of social dialogue and of the social partners being actively involved at all relevant levels in the design and implementation of flexicurity policies. The Council Conclusions invite the Commission to take the necessary steps to secure favourable conditions for a balanced implementation of flexicurity approach.

by Member States. Moreover, they suggest that a public information campaign in close cooperation with the European social partners should be launched in order to facilitate the ownership of the principles by the relevant stakeholders on the labour market, and to raise public awareness on flexicurity.

- The Ministers approved the Employment Committee Opinion on the European Employment Strategy\textsuperscript{159} and the Council Conclusions on the future prospects for the European Employment Strategy in the context of the new cycle of the Lisbon Strategy\textsuperscript{160}. The Council Conclusions recall that at the Luxembourg Summit of 1997, the Member States agreed to launch the European Employment Strategy, with a focus on common guidelines and mutual learning processes, goals and priorities. The Lisbon Strategy of 2000 placed emphasis on employment as a crucial variable to strengthen the interaction between economic growth and social cohesion. Ten years later, the European Employment Strategy, integrated into the Lisbon Strategy, remains a key instrument for integrated European progress. The Council Conclusions reaffirm that the Lisbon Strategy is the ideal framework for implementing and monitoring European developments; in this context, the timely preparation of the new cycle starting on 2008, improving instruments, resources and methods, as well as a clear identification of the key challenges faced by European societies, are of the utmost importance. Bearing in mind the progress achieved, it is essential to improve the definition of common goals and targets as well as improve the indicators (already agreed or to be developed). In addition, it is important to fully use all the benefits provided by the European Social Fund, to support the implementation of policy objectives related to employment and social inclusion. The Council underlines the importance of strengthening the virtuous interaction between different objectives and policy fields in the context of the Lisbon Strategy: namely, by enhancing the effectiveness and visibility of mutually reinforcing policies for growth, more and better jobs, and social cohesion. It suggests that the new cycle of Lisbon strategy implementation focuses on the following five priorities:

1. application of flexicurity policies (adapted to specific national circumstances);
2. positive role of inclusion policies in employment performance and social cohesion;
3. investment into skills development and within the framework of the initiative 'new skills for new jobs';
4. the importance of active ageing and the modernisation of pension systems;
5. strengthening the external dimension of the Lisbon Strategy by promoting the global promotion of employment, application of work and social standards and the management of migration flows.

The Employment Committee opinion which will also be adopted by the Council of Ministers, mentions the same priorities pointed out by the Draft Council Conclusions. The Opinion states that the instruments so far used to shape and implement the European Employment Strategy are adequate: the guidelines set the framework, whereas recommendations provide country-specific guidance. However, as the full benefits of the incorporation of the European Employment Strategy in the Lisbon Strategy have not yet been obtained, and therefore better coherence of policies should be pursued and strength-

ened in the new cycle including the interaction between employment policies and the use of the Structural Funds, in particular the European Social Fund.

- The Ministers held a discussion concerning the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Services of general interest, including social services of general interest: a new European commitment, submitted together with the Commission from the Commission, A single market for 21st century Europe. EU-level discussions concerning the services of general interest started in May 2003, when the European Commission prepared a Green Paper on the topic and hence initiated broad public consultation about the ways of promoting provision of high quality services of general interest. The consultation results were summarised in the White Paper issued one year later. The latter document underlines the existence of striking differences of opinion and views in this area, indicating that separate services sector have their specifics and that the definition of social services of general interest remains unclear. In April 2006, the Commission presented a Communication on the Importance of services of general interest. It attempted to clarify the concept of social services of general interest. Such services include the following:

- statutory and complementary social security schemes, covering the main risks of life, such as those linked to health, ageing, occupational accidents, unemployment, retirement and disability;

- other services provided directly to the person such as services assisting in personal challenges or crises; services assisting in social integration (social security, rehabilitation) and integration into the labour market (vocational training); services assisting persons with health or disability problems (requiring long-term care); housing services to vulnerable people.

After the publication of the Communication in 2006-2007, the Committee of Social Protection took the initiative to send questionnaires to Member States, organise expert consultations, meetings, scientific research and conferences.

- The Ministers approved the Proposal for a Regulation of the European Parliament and of the Council laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems - Title III - Special provisions concerning the various categories of benefits: (a) Chapter V - Unemployment benefits (Articles 54 to 56); (b) Chapter VI - Family benefits (Articles 57 to 60). On 1 February 2006, the Commission submitted a proposal for laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems (hereinafter referred to as the new implementing Regulation). The objective of the proposal for an implementing Regulation is to simplify and update the provisions of Regulation No 574/72), particularly strengthening cooperation between social security bodies and improving the methods of data exchange among social security bodies.

Due to the complexity of the proposal, the Social Questions Working Party decided to consider the proposal on the chapter-by-chapter basis.

The Social Questions Working Group approved the provisions of the new implementing Regulation: Title III Chapter V (unemployment benefits) and Title VI Chapter II (reimbursement of unemployment benefits). In contrast to the currently effective coordination rules of social security, the new implementing Regulation stipulates that unemployment benefits will be also paid to self-employed persons. In addition, it specifies the co-operation procedure among the competent bodies of Member States, taking into account the transition towards the electronic exchange of information. Besides that, it stipulates in greater detail to the reimbursement procedure of paying unemployment benefits when they are paid by the competent body at the expense of the competent body of another member state. The new implementing Regulation stipulates that failure to settle the invoice within the established period of time may result in the calculation of late payment fines.


- The Council sought a political agreement on the common position concerning Amended proposal for a Directive of the European Parliament and of the Council on minimum requirements for enhancing worker mobility by improving the acquisition and preservation of supplementary pension rights\(^{164}\), yet it failed to reach the required majority. The Presidency concluded that further discussions are necessary to solve the remaining questions.

The draft directive has been considered by the EPSCO Council since October 2005 yet it failed to reach an agreement so far. The Portuguese Presidency submitted a new draft directive for examination. It included the remarks made during the first reading of the European Parliament on 20 June 2007 as well as the remarks made by Member States during the first considerations in the Council.

The draft Directive aims to make sure that the rules on occupational pension systems do not restrict the mobility of workers both between and within the Member States and that do not restrict the opportunity to gain pension rights at the end of the career. The implementation of the directive would ensure more labour market flexibility in the Member States with the long established and wide-spread occupational pension systems. The possible obstacles to the mobility of employees are primarily related to the conditions of a person’s right of getting entitled to a pension, as well as the conditions on the basis of which these rights are preserved upon changing the employer or the established pension system. Furthermore, the amended proposal deal with the issue of the employee’s right to obtain information about the impact of his mobility upon his right to acquire and preserve supplementary pension rights.


The Council Working Group left several outstanding issues concerning the date of implementation of the directive, the period for preservation of the right to a supplementary pension, minimum age of the system participant to preserve the pension rights and the scope of application of the directive.

- The Ministers approved the Council Conclusions on the Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions: “modernising social protection for greater social justice and economic cohesion: taking forward the active inclusion of people furthest from the labour market.” The European Commission submitted a communication with a view to helping Member States to involve into the labour market those people who are capable of working and provide adequate support those who are not. The Communication identifies the need to develop a strategy on ‘active inclusion’. The Communication states that the analysis of national reports in the area of social protection and social inclusion highlighted a number of key social inclusion problems which had not yet been solved. It recognises that all Member States face a similar problem of co-ordination of the activities of employment services and agencies responsible for issuing benefits and providing social services as well as ensuring a better co-ordination of their cooperation. Another problem is insufficient perception of poverty in Member States and the unduly used potential of the labour market intensity. Therefore, the Commission suggests deepening the Open Method of Coordination and agree on the common principles in this field which would be applied despite the autonomy, different national situation of needs of each member state. The common principles would cover several aspects: adequate financial support to avoid social exclusion, promotion of participation in the labour market and a better access to quality services. Social partners are invited to express their views concerning the ideas expressed in the Communication. The EC invites all the interested parties (state authorities, business and non-governmental organisations) to play an active role in the consulting process which took place by 28 February 2008. On the basis of the consultation results, the Commission will take appropriate follow-up actions.

The Council Conclusions on this Communication highlight that one of the core objectives of the European Union and its Member States is to reduce social exclusion and ensure social cohesion. In recalls that the March 2007 European Council stressed that the common social objectives and actions of Member States should be better taken into account within the Lisbon Strategy. The Council welcomes the Commission initiatives provided for in the Communication. In particular, it welcomes intention of social partners to engage in a bilateral dialogue with the aim of better taking into account the situation of those most excluded from the labour market. The Council invites the European Commission and the Member States to promote the political visibility and high profile of social inclusion at the European level as an important element of strategic political instruments for economic and social development in the context of the Lisbon Strategy. Furthermore, it underlines the importance of round table discussions on poverty and invites to organise a ministerial round-table meeting on poverty and social exclusion (the first one is to be held during the French Presidency in October 2008).

- The Ministers approved the Council Conclusions on Review of the implementation by the Member States and the EU institutions of the Beijing Platform for Action: Indicators in

respect of Women and Poverty\textsuperscript{166}. The document says that in the context of the follow-up of the Beijing Platform for Action, adopted during the United Nations World Conference on Women in 1995, the Portuguese Presidency has chosen to work on the subject of “Women and Poverty” and has produced a report including a set of indicators. Since 1999, sets of quantitative and qualitative indicators have been developed by subsequent Presidencies. The Portuguese Presidency suggests that indicators should be established to assess the poverty of women. The proposed indicators include the following:

– at-risk-of-poverty rate by age and sex;
– at-risk-of-poverty rate by type of household,
– inactivity by age and sex: share of women and men who are inactive by age; share of inactive women and men who are not looking for a job for family care reasons.

\begin{itemize}
\item The Ministers approved the \textit{Council Resolution on the Follow-up of the European Year of Equal Opportunities for All (2007)}\textsuperscript{167}.
\end{itemize}

The document highlights the importance of non-discrimination as a fundamental principle of the European Union and, noting the objectives set by the European Year of Equal Opportunities for All, invites the Member States and the European Commission, in accordance with their respective competencies:

1. to ensure full and effective implementation and evaluation of existing anti-discrimination laws and gender equality legislation;
2. to strengthen efforts to prevent and combat discrimination based on sex, race or ethnic origin, religion or belief, disability, age or sexual orientation;
3. to further information about non-discrimination by developing and disseminating information and awareness-raising tools;
4. to ensure the mainstreaming of non-discrimination and equality issues in the implementation of the Structural Funds, Lisbon strategy, social security and inclusion objectives;
5. to step up efforts to implement the European Pact for Gender Equality and the Commission’s Roadmap for Equality between Women and Men, as well as the Beijing Declaration and Platform for Action, through specific actions and the integration of the gender perspective into every stage of the policy process – design, implementation, monitoring and evaluation – with a view to promoting equality between women and men;
6. to continue the process of signature, conclusion and ratification of the UN Convention on the Rights of Persons with Disabilities;
7. to encourage the European Institute for Gender Equality and the European Union Agency for Fundamental Rights, as two agencies called upon to support the EU’s activities promoting gender equality and countering discrimination, to play an active role in ensuring the follow-up of the key objectives of the European Year, etc.

The Ministers approved the \textit{Council Conclusions on Balanced roles of women and men for jobs, growth and social cohesion}\textsuperscript{168}. The Conclusions highlight that gender equality is a fundamental principle of the European Union enshrined in the EC Treaty, that gender equality and gender main-

\begin{footnotesize}
\textsuperscript{166} \url{http://register.consilium.europa.eu/pdf/en/07/st13/st13947.en07.pdf}
\textsuperscript{167} \url{http://register.consilium.europa.eu/pdf/en/07/st15/st15383.en07.pdf}
\textsuperscript{168} \url{http://register.consilium.europa.eu/pdf/en/07/st14/st14136.en07.pdf}
\end{footnotesize}
streaming in all policies are important instruments for economic growth, prosperity and competitiveness. The document suggests the actions to be taken by the Member States and the European Commission to ensure gender equality both in the public and private sector: eliminate the gender pay gap, help reconcile family and work life, and promote return of women into the labour market after a longer break. The Member States are invited to foster the gender mainstreaming dimension in the Lisbon strategy by implementing the National Reform Programmes, promote gender mainstreaming plans in the private sector, take actions to eliminate the gender pay gap, promote women's entrepreneurship and reintegration of women into the labour market after a longer break, encourage a social dialogue and a wider application of flexible forms of employment, take action to eradicate gender stereotypes, promote quality and accessible childcare services as well as social services to all the dependent family members. Member States and the European Commission are invited to use structural funds to promote equal treatment in employment, improve the indicators of equality and their monitoring. The European Commission is asked to ensure effective implementation of the existing Community legal framework on all aspects of the reconciliation of work, family and private life.

The Council meeting of 29 February 2008 discussed the following issues:

- **Preparations for the Spring European Council on the Review of the Lisbon Strategy.** The Ministers discussed and adopted the *Key Messages*, which were submitted to the Council meeting as a contribution of the Council of Employment, Social Policy, Health and Consumer Affairs to the discussion on the implementation of the Lisbon strategy. The *Key Messages* are based on the documents listed in the footnote.

- The Ministers were provided information about the preparations for the tripartite social summit.

- The Ministers approved the *Joint Employment and Social Protection Committee Opinion on Commission Communication on the Single Market Review*. In late November 2007, the European Commission presented a package of the single market modernisation initiatives. It defines the follow-up strategic development directions in the new globalisation context by taking into account the major EU enlargement embracing 27 Member States. The aim of the initiatives included in the package is to ensure that the single market offers more opportunities to consumers, provides better conditions for small enterprises and sustain high social and environmental standards. The package includes the Commission Communication on the general interest, including social services. This Communication underlined the importance of the Protocol on services of general interest annexed to the Treaty of Lisbon, seeking to ensure high quality and access of the services provided. These documents were considered by the Em-

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employment and Social Protection Committees which developed a joint opinion on the matter. The Opinion states that the single market lies at the heart of the European Union; it has been complemented and supported by the Social Agenda, hence showing the importance of the social dimension. Bearing this in mind, the Single Market Review should be complemented with an enhanced Social Agenda by mid 2008 which should set out a work programme using all instruments available at Community level and opening ways to mainstream employment and social goals in all EU policies. The Opinion highlights that services of general interest, especially social services of general interest, play a crucial role for the fulfilment of basic EU objectives such as the achievement of social, economic and territorial cohesion, a high level of employment, social inclusion and economic growth. It is particularly important to raise the quality of social services. This requires a voluntary EU quality framework providing guidelines to monitor quality standards, in cooperation with relevant stakeholders and in full compliance with the new Protocol on services of general interest.

- Ministers adopted the **Council Resolution on the situation of persons with disabilities in the European Union**. The Resolution underlines the principle of non-discrimination with regard to disability and the importance of the United Nations Convention on the Rights of Persons with Disabilities. The Member States are invited to ratify the latter convention and to ensure that people with disabilities enjoy their human rights in full. In addition it seeks to improve the system of social integration of the disabled, encourage them to be active in the labour market and other social areas of life. Furthermore, the Resolution identifies the need to improve the implementation of the legislative framework on effective protection against discrimination of people with disabilities. It mentions the goal to improve the collection, processing and protection of statistical data on equal opportunities and the need to promote a social dialogue on gender mainstreaming, both on the national and international level.

- Ministers were presented information about the Work Programme for 2008 of the EU employment and social protection committees. In addition, it learned about the European Commission’s initiative on the improvement of implementation of flexicurity measures.

### 6.1.2.2. EU Council of Education, Youth and Culture

This Council usually invites several ministers from the EU Member States because it deals with the issues covering three areas: education, youth and culture. The competence of the Ministry of Social Security and Labour of the Republic of Lithuania covers youth policy issues.

The Council meeting of **16 February 2007** adopted the **Contribution of the Council Proposal to the Spring European Council on the implementation of the European Pact for Youth**. The document underlines that young people constitute a valuable resource for both the present and future of the European Union. Their potential and activeness is needed to achieve the aims of the Lisbon Strategy

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for growth and jobs. For this reason it is crucial to incorporate the youth dimension into national implementation of the Lisbon Strategy at all levels. This document invites the Member States to highlight four priorities for the successful implementation of the European Pact for Youth. These include:

1. Particular attention should be paid to young people in the transition period between school education, vocational training and employment;
2. The use of local and regional strategies to implement the European Pact for Youth can play a significant role in ensuring high-quality measures aimed at better a social and occupational integration.
3. Through individually tailored measures, all young people should be offered equal opportunities for social and professional integration.
4. To enhance the social and professional integration of young people, governance of the Lisbon Strategy needs a more visible youth dimension.

The Ministers held an exchange of views on the future perspectives for European youth policy, the measures to be developed seeking a better exchange of information and cooperation between Member States to ensure successful implementation of the European Pact for Youth and the priority issues to be established about the prospects for the European youth policy.

The Council meeting of 24-25 May 2007 adopted the Resolution of the Council and of the Representatives of the Governments of the Member States, meeting within the Council: Creating equal opportunities for all young people – full participation in society. The document highlights that equal opportunities for participation in society must mean the right of all young people to have access to high-quality education and training, housing “good work” and all relevant areas of the social security and/or employment systems. In order to enable young people to exercise their rights, they need tailor-made information and support for their engagement against all forms of discrimination. Such information and support need to be provided not only by their families, but also by society at large - in particular the education system, those active in the youth field, NGOs, the media as well as administrations at all levels and national antidiscrimination bodies. Furthermore, Member States’ and European policies aimed at a better social and occupational integration of young people must take account of the particularly high number of problems in disadvantaged urban and rural areas and recognise that youth policies need to press for targeted and cross-sectoral action, in order to ensure equal opportunities for young people growing up in such areas.

The Ministers exchanged their views and adopted Conclusions of the Council and of the Representatives of the Governments of the Member States, meeting within the Council, on future perspectives for European cooperation in the field of youth policy. The document underlines that European cooperation in the field of youth policy shares responsibility for addressing young people’s quality of life in Europe by means of specific youth policy instruments, but also through improved mainstreaming of the youth dimension into, and cross-sectoral coordination with, related policy fields. The European cooperation in this field could be strengthened with the aim of improving young people’s social inclusion and facilitating their transition towards autonomy and thus responding to demographic

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challenges, providing the opportunity to all young people to acquire the necessary basic skills and competencies; facilitating the transition between education and training and employment; combining flexibility, including the increased mobility required from young people, and security (‘flexicurity’); promoting the entrepreneurial potential of young people. The Conclusions suggest that a European Youth Report could be developed to help analyse and draw attention to young people’s concerns and their quality of life, as well as the development of youth policies in Europe. They also mention the need to set up and develop the exchange of good practices on a local and regional levels with a particular emphasis on “peer learning” in relation to local implementation strategies for the European Youth Pact.

The Council meeting of 15-16 November 2007\textsuperscript{181} adopted the Conclusions of the Council and of the Representatives of the Governments of the Member States, meeting within the Council, on a transversal approach to youth policy with a view to enabling young people to fulfil their potential and participate actively in society\textsuperscript{182}. The document underlines that Europe’s growth and prosperity depend on an active contribution and participation by all young people. Since their number relative to the population as a whole is shrinking it is important to understand that young people will have to bear the growing cost of an ageing population. It is important for the economic, cultural and social development of the EU to create favourable conditions for young people to develop their skills, to work and to participate actively in society, particularly in the light of globalisation and knowledge-based economies. In addition, the document identifies a need for a truly comprehensive knowledge-based youth policy which stems from a strong cooperation between policy-makers and stakeholders, including young people, youth organisations, youth leaders, researchers in the youth field and youth workers at European, national, regional and local levels. For a truly transversal youth policy Member States are invited to invest better, and earlier in young people, reinforce their commitment to improving the implementation and monitoring of youth policy at all levels of decision-making, putting a particular emphasis on the Lisbon strategy. It is important to commit ourselves to an improved implementation of the European Youth Pact, strengthen youth issues in all policy fields impacting on young people.

Moreover, the Council adopted a Resolution on voluntary activities of young people\textsuperscript{183}. The document states that it is important that voluntary activities are promoted and recognised as ways of acquiring personal, social and professional skills and competences by various actors, i.e. public and private employers, social partners, civil society, schools, young people themselves and their families, acquire personal, social and occupational skills and competences.

The skills and competences acquired through voluntary activities at local, regional, national and European levels can contribute to increasing employment opportunities for young people and developing their sense of initiative, their creative and entrepreneurial spirit and, as such, represent an important aspect of the Lisbon Strategy.

The Ministers held an exchange on views on the topic Greater Attention to Youth Issues while Implementing the Lisbon Strategy: Implementation of the European Youth Pact\textsuperscript{184}. Portugal initiated a discussion of ministers to follow-up on the Council debate about the future prospects of the European youth policy. This item as a priority action area was included in the agendas of the presidential troika: Germany, Portugal and

Slovenia. The Ministers were invited to express their views about the ways to pay a greater attention to youth issues while implementing the Lisbon strategy as well as share their ideas about the measures to be taken to ensure a better and more effective implementation of the goals of the European Youth Pact.

The Council of Ministers of 14 February 2008 adopted the **Key messages on further implementation of the European Pact for Youth**. The document gives an overview of the progress achieved during 2007, while implementing the European Youth Pact. While further implementing the pact, the Member States should emphasise the following priorities: Youth employment, participation in education and training and the social integration of young people should remain key objectives of the economic and social strategies. Member States should focus on concrete measures in order to tackle these challenges. Particular attention should be paid to young people with fewer opportunities, especially through stronger guidance, multidisciplinary support and tailored measures. Efforts should be maintained to develop the youth dimension, based on a cross-sectoral approach and youth empowerment, in the governance of the Lisbon Strategy.

The Ministers were invited to take part in the discussion **Intercultural dialogue and young people**. The main purpose of the discussion was to find out how a multicultural society could become an intercultural society and with the help of a cultural dialogue create a single, peaceful and tolerant Europe.

The Council of Ministers held a meeting on 21-22 May 2008 to exchange their views and adopt the Agreement of the **Council and of the Representatives of the Governments of the Member States, meeting within the Council, on the participation of young people with fewer opportunities**. The document is based on the priority area established in the Lisbon strategy: improvement - by means of cross-sectoral strategies - of young people's employment opportunities and social inclusion, their education, training and mobility, giving priority to young people with fewer opportunities. The Resolution underlines that in a majority of Member States young people with fewer opportunities (such as young women and men from less-privileged educational, socioeconomic or geographical backgrounds, or with disabilities) face economic and social challenges. The Members States and the European Commission are invited to give high priority to young people in the most vulnerable situations when implementing the objectives of the Lisbon Strategy and the European Youth Pact; further develop the transversal approach to youth issues and the shaping of cross-sectoral policies, which is particularly relevant in respect of young people with fewer opportunities; encourage youth organisations to cooperate with state authorities while working with this group of young people.

### 6.1.3. Establishment of the European Institute for General Equality in Lithuania

The EU Regulation on the establishment of the European Institute for General Equality and the decision to designate its seat in Vilnius came into effect on 17 January 2007. Since that date, actions have

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189 Ibid.
been taken in setting up its management bodies. The European Commission invited Member States to nominate their representatives to the Institute's highest management body: the Management Board.

The Institute's Management Board was approved in June 2007 and its first meeting took place on 8 October 2007 in Brussels. With a view to making the Board members familiar with Vilnius as an Institute's seat, the second Board meeting took place on 6 February 2008. The Management Board took decisions on the Institute's budget for 2008, adopted the draft budget for 2008 and the statutes of the Management Body as well as showed the premises proposed by Lithuania to the Institute.

In 2007, the European Commission launched a call for the expression of interest to the position of the Institute's Director. Due to the lack of candidates meeting the call requirements, a second call of interest was announced in March 2008. Once the Director is appointed, he or she will have to develop the Institute's work programme and employ staff.

6.1.4. Fulfilment of Lithuania's Commitments in the EU

The Ministry of Social Security and Labour consistently pursues the EU membership commitments in the area of social policy and employment. The Ministry staff take part in the work of the EU institutions discussing EU draft legislation, its implementation possibilities and practice. Bearing in mind the newly adopted EU directives and other legislation, the plan on the transposition of EU directives and implementation of the law is subject to constant review. In addition, the national legislation is developed to have the EU directives transposed into the Lithuanian legal system.

During 2007 and the first half of 2008, staff of the Ministry of Social Security and Labour were active participants in the meetings of the EU Council Working Parties and Committees, presenting the Lithuanian position on the issues discussed. In particular, they took part in the meetings of the Working Party on Social Questions, Working Party on Youth, the Employment Committee (hereinafter referred to as the EMCO) and the Social Protection Committee. The total number of meetings attended was 125. The most significant items discussed include amendments to the Regulation on the coordination of social security systems, the Proposal for a Directive of the European Parliament and of the Council on improving the acquisition and preservation of supplementary pension rights, Draft Council Resolution on a new Community strategy 2007-2012 on health and safety at work, Commission Communication “Promoting young people's full participation in education, employment and society”, etc.

Moreover, the Ministry staff played an active role in the committee meetings organised by the Commission, monitoring implementation of strategies, programmes, fulfilment of financial commitments as well as discussing other relevant issues. The number of this type of meetings attended was 49. The majority of them include meetings in the following bodies: Vocational Qualifications Committee, coordination meetings of the European Social Fund and the Community Initiative EQUAL, European Refugee Fund Committee, Asylum Working Party, High Level Working Party on Joint Social Protection, High Level Group of Member States’ Representatives on Disability, High Level Expert Working Party on Demographical and Family Issues, Administrative Commission and Advisory Committee on Social Security of Migrant Workers, Advisory Committee on Promoting Employment, Expert Working Group on Personal Protection Measures, Advisory Committee of Equal Opportunities for Men and Women, Advisory Committee on the Freedom of Workers’ Mobility, the EMCO Indicators Group and the Indicators’ Sub-group of the Social Protection Committee meetings.. Moreover, Lithuanian representatives were present in the management board meetings of the European Foundation for the Improvement of Living and Working Conditions and the European Agency for Safety and Health at Work.
Plans for the transposition of the EU directives and implementation of other legal acts are drafted using a special information system of Lithuania’s membership in the EU: LINESIS. This system registers entries on the transposition of legislation and the stages of its implementation. Bearing in mind the newly adopted EU directives and other legislation, the plan on the transposition of EU directives and implementation of the law is subject to constant review. In addition, national legislation is developed to have the EU directives fully transposed into the Lithuanian legal system.

The departments of the Ministry cooperate to develop proposals on the transposition and implementation of the EU legislation, which registered and stored in the LINESIS database. In addition, the EU legislation is subject to constant review. The Ministry carries out monitoring of the registered implementation measures, monthly reporting to the Office of the Government of the Republic of Lithuania on the progress achieved.

During 2007 and the first half of 2008, the plans for the developing and implementing the transposition of directives included the following EU instruments:


The aforementioned period saw the adoption of the 2006 plans on the transposition of directives\(^\text{190}\).

The Ministry of Social Security and Labour notifies the European Commission about the national legislation implementing the regulations, directives, and other EU legislation via the electronic notification base (NIM) on national implementing measures.

### 6.1.5. Participation in the EU Judiciary Bodies

After Lithuania became an EU member, it started playing a more active role in the work of the EU judiciary bodies: the European Court of Justice (ECJ) and the Court of First Instance. During 2007, similar to the practice of previous years, the Ministry of Social Security and Labour analysed a number of cases heard by the ECJ.

On 18 December 2007, the European Court of Justice made a judgement in case *Laval un Partneri Ltd.*, C-341/05, with regard to which Lithuania had submitted its comments.

The aforementioned case examined a question whether certain actions of trade unions in Sweden and the appropriate Swedish legislative provisions are compatible with rules of the EC Treaty on the freedom to provide services and the prohibition of any discrimination on the grounds of nationality and with the provisions of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services.

Experts from the Ministry of Social Security and Labour of the Republic of Lithuania analysed the Lithuanian legislation and specified that the ruling to be taken will mostly affect the freedom of Lithuanian employers to provide services in foreign states if it were ruled that foreign employers may be

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forced to apply new, non-agreed and higher than required by Directive 96/71/EC guarantees to employees. Bearing in mind that the future judgement of the ECJ may have an effect on the freedom of Lithuanian employers to provide services in other Member States, the decision was taken to join the case.

Having examined the case, the ECJ ruled that Article 49 EC and Article 3 of Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services are to be interpreted as precluding a trade union, in a Member State in which the terms and conditions of employment covering the matters referred to in Article 3(1), first subparagraph, (a) to (g) of that directive are contained in legislative provisions, save for minimum rates of pay, from attempting, by means of collective action in the form of a blockade of sites such as that at issue in the main proceedings, to force a provider of services established in another Member State to enter into negotiations with it on the rates of pay for posted workers and to sign a collective agreement the terms of which lay down, as regards some of those matters, more favourable conditions than those resulting from the relevant legislative provisions, while other terms relate to matters not referred to in Article 3 of the directive. Where there is a prohibition in a Member State against trade unions undertaking collective action with the aim of having a collective agreement between other parties set aside or amended, Articles 49 EC and 50 EC preclude that prohibition from being subject to the condition that such action must relate to terms and conditions of employment to which the national law applies directly.

6.1.6. MISSOC

In January and July 2007, the Ministry of Social Security and Labour, along with the other responsible institutions in the EU Member States, submitted up-to-date information (in tables) about the country’s social security to the MISSOC (Mutual Information System on Social Protection in the Member States of the European Union). Lithuania joined the MISSOC in 2003. This information system is comprised of MISSOC comparative tables, and the MISSOC-Info publication. The system operates in English, German, and French languages and is updated twice per year. In June 2008, the MISSOC homepage had information about the social security in Lithuania available on 1 January 2007. The July information about Lithuania will appear on the homepage of MISSOC some time later.

In January 2007, the Ministry of Social Security and Labour submitted two reports (they will be published on the MISSOC website after they are summarised and presented to the European Commission) to the MISSOC-Info publication. One of them is the annual report about the key changes made to the Lithuanian social security in 2006. Another one is the material about the funding of social security in Lithuania. The purpose of the MISSOC-Info publication is to learn more about the social security systems in the EU.

The EU presidencies conduct MISSOC meetings twice per year. These meetings invite the permanent representatives of all the countries (MISSOC members), representatives of the European Commission and observers from international organisations. During the meetings, the delegates learn about the material sent by the states, agree on the concepts used, deliver presentations and discuss the key changes in the area of social security as well as the new trends seen in the national and EU legislation.

http://europa.eu.int/comm/employment_social/missoc/index_en.html
Furthermore, the meetings deal with some technical issues related to the collection, submission and dissemination of information.

The year 2007 saw a replacement of the MISSOC secretariat; the Portuguese Presidency presented a new MISSOC concept geared towards a broader analysis of legal information presented by the states. The current information system has a new part on MISSOC analysis which will be developed by the Secretariat in cooperation with permanent representatives of the states.

6.2. ECONOMIC MIGRATION

6.2.1. News on Economic 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 citizens of Lithuania, a member state of the EU, can freely move in the EU. However, certain restrictions are applied. After Luxembourg opened its borders on 1 November 2007, Lithuanian nationals can get employed without any restrictions in 22 EU Member States. The remaining 5 EU Member States apply only minor restrictions, mostly seeking to avoid violations of workers’ right to proper working conditions and remuneration as well as trying to protect sensitive labour market sectors (See Annex 8-2). Basically, only Germany and Austria are applying strict requirements of entry into their labour markets.

6.2.1.1. Free Movement of Workers

Lithuanian citizens are actively enjoying their freedom of movement within the EU. As a result, the flow of emigration has grown since the EU membership (See Table 6.2.1.1-1).

| Year | Migration Increase / Decrease | Emigration | | Immigration |
|------|-----------------------------|------------|-----------------|-----------------|-----------|-----------------|-----------------|-----------------|-----------------|
|      |                            | Total: documented + undocumented | Including undocumented | Undocumented, per cent | Total | Incl. Lithuanian citizens | Lithuanian citizens on average, in per cent |
| 1990 | -8.9 | -23.6 | 0 | 0 | 14.7 | n/d | n/d |
| 1991 | -10.7 | -22.5 | -1.8 | 8 | 11.8 | n/d | n/d |
| 1992 | -25.3 | -32 | -3.1 | 9.7 | 6.6 | n/d | n/d |
| 1993 | -24 | -26.8 | -10.8 | 40.3 | 2.9 | 1.4 | 48.3 |
| 1994 | -24.2 | -25.9 | -21.7 | 83.8 | 1.7 | 0.8 | 47.1 |
| 1995 | -23.7 | -25.7 | -21.9 | 85.2 | 2 | 0.7 | 35 |
| 1996 | -23.4 | -26.4 | -22.5 | 85.2 | 3 | 1.3 | 43.3 |
| 1997 | -22.4 | -25 | -22.5 | 90 | 2.5 | 1.1 | 44 |
| 1998 | -22.1 | -24.8 | -22.7 | 91.5 | 2.7 | 1.2 | 44.4 |
As seen from the table above, economic migration in Lithuania is a sensitive area, suffering from the significance of its scope (473,000 emigrants and 95,000 immigrants in 1990-2007) as well as the impact on every sphere of our life. Noteworthy, according to the data of the Statistics Department, in 2007, as compared to 2006, the immigration of Lithuanian citizens, the so-called return immigration, increased by 11 percent and reached 6,100 people. This hit the record of the entire period since Lithuania’s independence.

### 6.2.1.2. Implementation of the Strategy on the Regulation of Economic Migration

On 25 April 2007, the Government of the Republic of Lithuania adopted a Strategy on the Regulation of Economic Migration. Its objective is to make sure that Lithuania’s needs for the labour force are met while the country is undergoing a rapid economic development and negative consequences of migration are avoided. Guided by this objective we seek to satisfy Lithuania’s.

The year 2007 saw a number of actions undertaken. They include:

- a comprehensive publication for migrants willing to come back to Lithuania; it was disseminated during various events organised for emigrants, Lithuanian embassies, events organised by the Department of National Minorities and Lithuanians Living Abroad for representatives of Lithuanian communities in foreign countries, information centres, other bodies and organisations;

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- establishment and operation of a Commission on Economic Migration Issues whose members include ministerial secretaries, social partners and heads of non-governmental organisations;
- broadcasting of a Lithuanian TV programme, LTV World, via satellite television;
- ensuring integration opportunities for children of Lithuanian nationals who lived or are living abroad and foreigners of the Lithuanian origin into the Lithuanian system of general education;
- provision of information about employment, vocational training, conditions and opportunities for setting-up and developing businesses in Lithuania, consultancy on these issues;
- adoption of regulations on Temporary Child Care stipulating provision of child care during a temporary leave of parents from the Republic of Lithuania; these regulations set a requirement on the structural units of local administrations to take care of a follow-up socialisation of a child and the division on the protection of the rights of the child to file actions with the court against those parents who do not perform their duties with respect to their child;
- adoption of the economic migration survey plan for 2008–2012;
- submission of proposals to the Government on the policy of immigration of the labour force from third countries, etc.

Speaking about the regulation of migration and judging from the experience of the other Member States it is obvious that rapid and key changes will not happen overnight. They are closely linked to the economic growth, which is not a speedy process. Yet we hope that in the near future we will create a system for the regulation of economic migration which will show more tangible results.


The measures provided for in the 2007 Implementation Plan of the Strategy have been fulfilled by 89 per cent. The remaining (11 percent) of the measures are further pursued and will be implemented in 2008.

**Strategy Implementation Results in 2007 (Number of Measures)**

![Diagram showing strategy implementation results](image-url)
Furthermore, within the framework of the Strategy, the Ministry of Social Security and Labour along with its partners – the Lithuanian Labour Exchange under the Ministry of Social Security and Labour and the Department of National Minorities and Lithuanians Living Abroad under the Government of the Republic of Lithuania – began implementing a project *Building up a Positive Image of Lithuania and Lithuanian Economic Migrants Seeking Their Return*. The project is funded by the European Social Fund and was started in early 2008. The aim of the project is to encourage the return and integration of persons who left Lithuania for economic reasons, as well as carry out prevention of economic migration. The project duration is 14 months. The target group is the present and potential economic migrants.

The project will carry out information, consulting and other activities which will help implement the measures provided for in the Strategy of the Regulation of Economic Migration, contribute to the reduction of economic migration and promote the return of emigrants to Lithuania.

The project measures, including a work fair in Ireland as well as information and consulting measures in Ireland and United Kingdom, will provide up-to-date information about the Lithuanian economic situation, changes in the labour market, employment opportunities in Lithuania and encourage emigrants to return home. Upon completion of the project activities, an Action Plan for 2009-2012 of the Strategy will be developed seeking for new ways of regulation and prevention of economic migration.

The funds provided by the European Social Fund will give us an opportunity to share up-to-date information with Lithuanian emigrants in the countries where their communities are the biggest and hence change their prejudice about the economic and social status in Lithuania.

### 6.2.1.3. Events and Meetings on Mobility of Workers and Highly Skilled Workers from Third Countries

On 19 May 2007, in Brussels, the Advisory Committee on Free Movement of Workers held a meeting to exchange information about the developments on worker mobility restrictions during the transitional period. Luxembourg informed about opening its labour market to 8 new Member States (including Lithuania) which joined the EU in 2004. Furthermore, Austria and Germany spoke about the modification of restrictions which they had introduced (see Annex. 8-2). In addition, representatives of the European Commission informed about the Communication on Qualification and Mobility as well as new proposals on the directives of third country nationals (sanctions for employers illegally employing workers, workers’ rights and highly qualified workers).

A Lithuanian representative took part in the meetings of the EU Council Working Party on Migration and Expulsion (Brussels, 11 January, 28 January, 7 March and 4 April 2008). They discussed a proposal for the Council directive on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment. The core of this directive is to create more favourable conditions for the entry of third-country nationals for the purposes of highly qualified employment; non-requirement of any work permits or their automatic or a fast-track issuance; ensuring an opportunity for getting and renewing residence permits under a fast-track procedure; creation of more favourable conditions for highly-qualified workers and those governing family reunification.

### 6.2.1.4. Integration of Foreigners

Recently, there has been an increasing number of foreigners immigrating to Lithuania (in 2007, the Lithuanian Labour Exchange issued almost 5,700 work permits, as compared to 3,000 and 1,600
work permits issued in respectively 2006 and 2005). Therefore, Lithuania, like the other EU Member States, has to think about the integration of foreigners. The Ministry of Social Security and Labour is a state body responsible for the social integration of refugees and foreigners granted temporary humanitarian asylum and represents Lithuanian interests during informal meetings of National Contact Points on integration in the framework of the EU. While performing its task, the Ministry fills out questionnaires and exchanges information on the status quo of integration of foreigners in Lithuania and together with other competent bodies, institutions and non-governmental organisations it takes part in workshops and seminars concerning these matters.

On 28 September 2007 a meeting of National Contact Points was conducted in Brussels during which a Lithuanian representative informed about the nomination of National Tolerance established for journalists in Lithuania. The meeting discussed the development of the third Handbook on Integration and the development works of integration portal for which a comprehensive questionnaire was drafted. During the meeting of 21 January 2008, a Lithuanian representative informed about free web-based Lithuanian language courses for Russian speakers. The meeting on 11 April 2008 presented the plans of the French Presidency.

On 6 – 7 November 2007, a workshop under the topic Mass Media and Integration was organised in Vienna. Several presenters highlighted the main principle of communication with the mass media: it is essential to respond to incorrect facts presented by the media but the reaction has to be moderate. In the event of repeatedly printed false articles, one could write an official letter to the chief editor of the journalist asking him or her to discuss the journalist’s behaviour. On 26 – 27 November 2007 a workshop was organised in Paris on Awarding Citizenship and Acquisition of National Identity. Admittedly, as mentioned by a UK representative, awarding of citizenship does not mean a full integration of the immigrant because those who committed terrorist attacks in the United Kingdom were naturalised citizens. A workshop conducted on 31 March 2008 in Athens (Awareness-raising and migrant empowerment) emphasised the advantages of educating migrant children in the general educational system as compared to their education in special language training establishments. It was noted that migrant children in the former schools socialise more rapidly than in the latter ones. A workshop Dialogue Platforms was conducted on 15-16 May 2008 in Dublin. It highlighted that there is no single formula to build successful dialogue platforms in different countries because every country depends on different factors: history, the ratio of national minorities, their differences, the mentality of the recipient population and immigrants. On the basis of the material collected during these and other workshops organised in 2008, experts hired by the European Commission will develop a third version of the Handbook on Integration.

6.2.2. APPLICATION OF PROVISIONS ON COORDINATION OF SOCIAL SECURITY SYSTEMS

While implementing the principle of the free movement of persons, the coordination of social security systems of the EU Member States plays an important role because it protects social guarantees of migrant workers and their family members. The key instrument for the social protection of the EU migrant workers is Regulation (EEC) No. 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the
Community. It is implemented by Regulation (EEC) No. 574/72. The Regulation sets for the rules to be applied with respect to employed or self-employed persons who fall into another social security system while moving to another Member States. The implementation of these rules is called the coordination of social security systems.

Experts from the Ministry of Social Security and Labour take part in the meetings of the EU Administrative Commission on Social Security for Migrant Workers and the Council's Social Questions Working Party discussing new draft legislation on the coordination of social security systems.

6.2.2.1. Amendments to the Regulation on Coordination of Social Security Systems

Taking into account the amendments made to the national legislation and seeking to avoid the lack of legal clarity, which might occur if a wrong reference to the national legislation is given, it is essential to have a regular update of Member States’ entries into the annexes of regulations on the coordination of social security systems.

On 4 February 2008 saw the adoption of the Commission Regulation (EC) No. 101/2008 amending Council Regulation (EEC) No 574/72 laying down the procedure for implementing Regulation (EEC) No 1408/71 on the application of social security schemes to employed persons, to self-employed persons and to members of their families moving within the Community. This Regulation partly amended Annexes to Council Regulation (EEC) No. 574/72. This regulation was published on 5 February 2008 in European Union Official Journal, No. L 31 (published in all the official languages of the European Union). While developing the proposal, the European Commission urged the Member States to submit their suggestions concerning the amendment of annexes to Regulation (EEC) No. 1408/71. The Commission assessed and examined the suggestions with the Administrative Commission on Social Security for Migrant Workers. Additional aspects were discussed with representatives of the Member States concerned.

6.2.2.2. Modernisation of Coordination of Social Security Systems

During 2007–2008, further discussions were held about the Commission Proposal for a Regulation of the European Parliament and of the Council laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems. The purpose of the new implementing Regulation is to modernise and simplify the coordination of social security systems and speed-up decision-making concerning the payment of social insurance benefits.

Due to the complexity of the proposal, the decision was taken to consider the proposal on the chapter-by-chapter basis. Along with it, the Council discussed the suggestions put forward by the Member States about what should be included into the annexes of Regulation No. 883/2004.

On 30 May 2007, the Council partly reached a common approach towards Title III, Chapter I (Sickness, maternity and equivalent paternity benefits) and Title IV, Chapter I (Financial Provisions) of the new Regulation.

After long discussions during the first half of 2007, the Social Questions Working Party failed to reach a common agreement concerning the provisions of the implementing Regulation on the payment of benefits as a results of accidents at work and occupational diseases. The discussion concerning these provisions will be held during the second half of 2008 by the French Presidency.
During the second half of 2007, the Portuguese Presidency initiated a discussion on provisions of the new implementing Regulation on unemployment and family benefits. The Council reached a partial agreement on these provisions on 5-6 May 2007.

In addition, the Council adopted the respective amendments to Annex XI of Regulation (EC) No. 883/2004.

During the first half of 2008, the Slovenian Presidency held a discussion on Title IV Chapter III (Recovery of benefits provided but not due, recovery of provisional payments and contributions, offsetting and assistance with recovery).

6.2.2.3. Training and Reporting on European Social Security (trESS)

In 2008, the European Commission initiated a project: Training and Reporting on European Social Security (hereinafter referred to as trESS\textsuperscript{193}). The project duration is three years. As compared to the previous projects of trESS, the new one includes an additional objective: analysis of the application of the rules on the coordination of social security systems and the problems arising in relation to that. With that in mind, the project organisational structure was changed. The new trESS project will include a project board, a scientific team and a reporting team. In addition, it has established a \textit{think tank}, consisting of 10 members (2 coordinators and 8 national experts). The meetings of the \textit{think tank} will be organised twice per year: in April and September. The \textit{think tank} will be divided into two units (each consisting of 1 coordinator and 5 experts) which will deal with specific coordination issues of social security systems. This year, the \textit{think tank} will examine two issues: forms of new mobility and designation of applicable law as well as the relation between the EU regulations on the coordination of social security systems and EU directives regulating free movement of people and issuances of residence permits to live in another member state.

Similar to previous years, seminars will be organised and a annual report will be issued on the application of the EU social security rules in the Member States.

In Lithuania, a trESS seminar was conducted on 25 April 2007. The seminar mostly focused on the payment of unemployment benefits, designation of applicable law and preparations for the exchange of electronic information while implementing the EU regulation provisions on the coordination of social security systems.


6.2.2.4. Statistical Data on Implementation of EU Legislation Regulating Coordination of Social Security Systems

The Foreign Benefit Office of the State Social Insurance Fund Board is a competent institution responsible for awarding pensions according to the provisions of Regulation (EC) No 1408/71 and Regulation (EC) 574/72\textsuperscript{194}. From 1 June 2007 until 31 May 2008 the Foreign Benefit Office received

\textsuperscript{193} Training and Reporting on European Social Security

3,187 applications for state social insurance pensions according to the aforementioned regulations. The majority of these applications (62 per cent) comprise requests for old-age pensions.

862 requests to award pensions were sent to the other EU and EEA Member States. The majority of them concern old-age pensions.

During the aforementioned period, the Foreign Benefit Office received 6,032 applications to issue certificates E 101 LT concerning applicable legislation and, as a consequence, 6,252 certificates E 101 LT were issued.

412 completed certificates E 104 LT were issued on the aggregation of insurance periods.

4,798 applications were received or forwarded to the other Member States with regard to family, funeral and temporary incapacity for work.

Persons, receiving unemployment benefits in Lithuania and going to another EU or EEA member state to look for work as well as foreign job-seekers coming to the Republic of Lithuania and receiving employment benefits in the other EU and EEA countries, are issued forms of E 300 series certificates. The Lithuanian Labour Exchange is a competent body responsible for the issue of certificates E301 LT and E303 LT. These certificates are issued by all territorial labour exchange offices. Pursuant to EU regulation provisions on unemployment insurance, 335 certificates E 301 were issued during the period from 1 June 2007 until 31 May 2008. Once completed this certificates confirm the period of social insurance to be included while awarding unemployment benefits in another member state of the EU or EEA. The majority certificates E 301 were sent to Ireland (249) and United Kingdom (24). The smallest number of them were sent to Switzerland, the Czech Republic, the Slovak Republic, Denmark and Cyprus. The majority of E301 applicants were Lithuanian nationals and the number of foreigners who applied for them was 13.

Certificates E 303 consists of several parts: E 303/0, E 303/1, E 303/2, E 303/3, E 303/4, and E 303/5. Lithuanian territorial labour exchange offices issue personally the following completed certificates to the Lithuanian job-seekers: E 303(1), E 303(3), E 303/4 and E 303/5. Completed certificates E 303/2 are sent to the competent authorities of a foreign country. From 1 June 2007 until 31 May 2008, persons going to another EU or EEA member state to work were issued 42 completed E 303/2 certificates and 33 completed E 303/4 certificates. The majority of them sought employment in the United Kingdom and Ireland.

Lithuanian territorial labour exchange offices paid unemployment benefits of LTL 78,814.32 to foreign countries. The benefits were paid to eight nationals of foreign countries (Germany, Spain, Greece, Finland, Norway and Denmark). Foreign states (Germany, Denmark, Latvia and Norway) returned to Lithuanian territorial labour exchange offices LTL 22,489.39 of unemployment benefits paid to five EU nationals. Lithuanian territorial labour exchange offices gave back LTL 4,428.67 to the United Kingdom, Cyprus and Ireland for unemployment benefits paid to four EU nationals.
7.1. PARTICIPATION IN THE ACTIVITIES OF INTERNATIONAL ORGANISATIONS

The Ministry of Social Security and Labour plays an important role in the activities of the following international organisations: International Labour Organisation, Council of Europe, United Nations, Organisation for Economic Co-operation and Development and others.

7.1.1. MEMBERSHIP IN THE INTERNATIONAL LABOUR ORGANISATION

Submission of reports on the application of conventions in Lithuania
During 2007, pursuant to Article 22 of the ILO Constitution, the Ministry developed detailed reports on the application of twelve conventions in Lithuania. These include:
- C29, Forced Labour Convention, 1930,
- C105, Abolition of Forced Labour Convention, 1957,
- C131, Minimum Wage Fixing Convention, with Special Reference to Developing Countries, 1970,
- C138, Minimum Age for Admission to Employment Convention, 1973,
- C173, Protection of Workers’ Claims (Employer’s Insolvency) Convention, 1992,
- C79, Night Work of Young Persons (Non-Industrial Occupations) Convention, 1946,
- C81, Labour Inspection in Industry and Commerce Convention, 1947,
- C90, Night Work of Young Persons in Industry (Revised), 1948,


**International Labour Conference**

The 96th Session of the International Labour Conference took place on 30 May – 15 June 2007 in Geneva. Lithuania was represented by the governmental delegation appointed by the Prime Minister’s Decree, No 145, of 26 April 2007 and headed by the Minister of Social Security and Labour, Vilija Blinkevičiūtė. The delegation was compiled in accordance with the tripartite principle set by the Constitution of the ILO, i.e. it included representatives from the Government, employers and trade unions.

The agenda of the plenary meetings and committees of the 96th session included the following standing items: reports of the Chairperson of the ILO Governing Body and Director-General; Global report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work; Programme and Budget proposals and other questions; Information and reports on the application of Conventions and Recommendations. In addition, Items placed on the agenda by the Conference or the Governing Body included the following: work in the fishing sector (Standard setting, with a view to the adoption of a Convention and a Recommendation); Strengthening the ILO’s capacity to assist its Members’ efforts to reach its objectives in the context of globalization (general discussion); promotion of sustainable enterprises (general discussion).

Members of the Lithuanian delegation worked in committees set up to consider the issues placed on the agenda. Noteworthy, Lithuania took part in the coordination meetings of the EU governmental representatives which developed common position of the EU Member States. Moreover, Lithuanian delegates participated in the work of IMEC (Industrial Market Economy Countries) which the country joined in November 2004. During the conference new Member States of the EU, Bulgaria and Romania joined the IMEC.

Minister Vilija Blinkevičiūtė of Social Security and Labour of the Republic of Lithuania took part in the discussion following the reports of the ILO Director-General and Chairperson of the Governing Body.

The Committee on the Work in the Fishing Sector discussed the texts of the convention and its accompanying recommendation which had been developed on the basis of the 93rd session discussions in 2005. The conference of 2005 did not adopt the convention due to the lack of quorum when the text was submitted to vote. Lithuania, which in 2005 voted for the adoption of the convention, sought to maintain the same texts (or make minimum alterations) of the convention and recommendations which had been presented during the 93rd session. After the voting in the plenary the convention (for – 437, against – 2, abstained – 22) and its accompanying recommendations (for – 443, against – 0, abstained – 19) were adopted.

The new documents seek to ensure that workers in the fishing sector are provided better safety at work and health protection standards, medical care on board, adequate rest time, labour contracts security and the same social security standards which are available to the other workers.

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196 www.ilo.org
The Committee on Strengthening the ILO’s capacity to assist its Members’ efforts to reach its objectives in the context of globalisation held a general discussion. The Committee decided that a next conference should further examine the issue with a view to adopting an authoritative document (a declaration or some other instrument). The Committee highlighted that in a constantly changing context a tripartite dialogue plays a vital role in an effective achievement of the ILO’s strategic objectives. The Committee’s report states that the proposed reforms should not weaken the ILO’s existing procedures, including those relating to standard-setting and to the supervisory mechanisms. The discussions also decided that cyclical or other periodic reviews could be a means of strengthening the ILO’s capacities. Furthermore, it highlighted the need for having an integrated approach towards strategic objectives within the organization and among the organisation’s constituents. It was also acknowledged that attention should be paid at the context of globalization and the actors determining the process while seeking an effective achievement of the organisation’s objectives.

The Committee on Sustainable Enterprises stressed that sustainable enterprises are a principal source of growth, wealth creation, employment and decent work. The Committee found that political stability, good governance, rule of law, social dialogue, respect for human rights and international standards, fair competition, education and sustainable environment are extremely important factors for the operation of enterprises. It also discussed the operations of enterprises which should promote a social dialogue and good industrial relations, remunerations and profit sharing police.

The Committee on the Application of Standards dealt with a number of issues. Making another attempt to prohibit forced labour in Myanmar, the Committee organised a special sitting concerning the application of the Forced Labour Convention, 1930 (No. 29) in this country, in conformity with Article 33 of the ILO Constitution. The Committee stated the lack of progress made in Myanmar. Apart from this case, the Committee examined 25 individual cases related to the application of ILO standards. In its special chapter of the report the Committee expressed its concern over the situation in Belarus. The Committee reminded the Belarus Government of the imperative need to act without delay to ensure that all workers’ and employers’ organizations could function freely and without interference and obtain registration without previous authorization. The Committee agreed that the Governing Body should reconsider this matter in November 2007.

Running for ILO Governing Body

Seeking appropriate representation of the interests of the Republic of Lithuania in the ILO and bearing in mind the importance for Lithuania to become a titular member of the Governing Body in 2011-2014 during Lithuania’s Presidency in the EU, the Ministry of Social Security and Labour expressed its intention to become a deputy member of the ILO Governing Body in 2008. According to the ILO practice, before a country becomes a titular member it has to play a role of a deputy member for one term of office (three years). The elections of the new Governing Body will take place in 2008 during the annual ILO conference.

The Governing Body is the executive council of the ILO. It is composed of 56 titular members (14 representing employers, 14 representing workers, and 28 representing governments) and 66 deputy members.

The Governing Body meets three times a year (in November, March and June) and makes decisions with regard to the ILO’s policy, agenda and budget. In addition, it elects the Director-General and
makes other important decisions related to ILO’s administration. The work of the Governing Body is organised under the fundamental principle of the ILO: tripartite cooperation.

During 1999–2002, Lithuania was a deputy member and during 2002 – 2005 it was a titular member of the ILO.

**ILO Maritime Labour Convention**

In late 2006, the Ministry of Social Security and Labour initiated a study on the *Opportunities of Ratifying the Consolidated Maritime Labour Convention of the International Labour Organisation by the Republic of Lithuania*[^197]. The study provides an in-depth analysis of compliance of the Lithuanian national legislation with the ILO Maritime Labour Convention. The findings of the study, the problems of translation of the convention into the Lithuanian language as well as the prospects of ratifying the convention were discussed with social partners and other interested parties during a meeting organised in October 2007. The meeting participants decided to address the interested parties with a view to identifying the actions to be taken to ratify the convention and the deadlines for such actions.

**Other information**

On 12 June 2007, the Director-General of the ILO registered the ratification of the ILO Nursing Personnel Convention, 1977 (No. 149). The convention came into effect in Lithuania on 12 June 2008.

The ILO Forum on Decent Work for a Fair Globalisation took place on 31 October – 2 November 2007 in Lisbon (Portugal)^[198]. Representatives of the Ministry of Social Security and Labour participated in the Forum. The Forum held an in-depth discussion about decent work against the backdrop of globalisation. The Forum discussed the following topics: *Employability: Education, Skills Development and Technology*; *Upgrading work and enterprises in the informal economy*; *Migration for work, within borders and internationally*; *Social protection policies for social cohesion and economic development*; *Policy coherence among international organizations*; and *Decent work opportunities for young women and men: Overcoming discrimination and disadvantage*.

In December 2007, a meeting of Standing Tripartite Consultations Commission on the Implementation of the International Labour Standards was held. The meeting discussed the amendment of the statute of the commission, the feasibility of (opportunities for) ratifying the ILO Seafarer’s Identity Documents Convention (No. 185) and the Maritime Labour Convention, the proposal put forward by the Social Affairs and Labour Committee to ratify the biggest possible number of the key ILO conventions. The meeting agreed that maritime ILO conventions, if approved by social partners, could be ratified. After discussing the issue of ratifying a bigger number of the ILO conventions, the meeting decided to take a step-by-step approach, taking into account the proposals of all interested parties and the financial impact of such commitments as well as the opportunities for ensuring proper implementation of ratified conventions.

**7.1.2. Membership in the Council of Europe**

Representatives of the Ministry of Social Security and Labour participate in the activities of the following committees of the Council of Europe: Committee for Social Cohesion (CDCS), Steering


Committee for Equality between Women and Men (CDEG), Governmental Committee of the European Social Charter (T-SG), Committee of Experts on Social Security (CS-SS), Committee for the Integration of People with Disabilities (CD-P-RR), Committee of Experts on Improving the Situation for Low-Income Workers (CS-LIW), Committee of Experts on Empowerment of the Most Deprived People (CS-MDP) and the European Co-ordination Forum for the Council of Europe Disability Action Plan 2006-2015 (CAHPAH).

7.1.2.1. Committee of experts on social security (CS-SS)

On 1-3 April 2008, the 3rd meeting of the Council of Europe Committee of Experts on Social Security (CS-SS) was held in Strasbourg (France).

Reports and conclusions on the compliance of countries with the International Labour Organisation (ILO) conventions and recommendations as well as requirements set by the European Code of Social Security and its protocol were examined in the meeting. Members of the Committee exchanged the latest information about the legal instruments signed (ratified) or due to be signed (ratified) and presented information about the key reforms undertaken in the area of social security. In addition, they considered the proposal developed by the Working Group concerning the new instrument on the coordination of social security systems and the document concerning decent work.

The Secretariat informed about the 18th training courses on the coordination of social security systems organised in Vilnius on 13-15 September 2007. The participants found them very useful both because they gained theoretical and practical knowledge as well as got familiar with Lithuania and its culture.

The Secretariat informed that the 19th training courses on social security will be conducted in November 2008 in Madrid (Spain) and in 2009 in Croatia.

A Lithuanian representative thanked the Council of Europe for the organisation of two important events in 2007 in Lithuania:

- expert meeting, held on 12 September 2007 in Vilnius, on Lithuania’s preparation to ratify the European Code of Social Security (for more information about the meeting please refer to chapter ‘Preparations for Ratification of the European Code of Social Security’);

7.1.2.2. Fulfilment of European Social Charter Requirements

In 2006, the reporting system on the European Social Charter was subject to change. Under the new reporting system in effect since 31 October 2007, the provisions of the 1961 Charter and the Revised Charter have been divided into four thematic groups. States are to present an annual report on the provisions implemented of particular group, and provisions of each group will be reported on once every four years.

Since Lithuania has ratified the revised European Social Charter of 1996, below is presented a list of articles of the revised charter only.
Group 1 *Employment, training and equal opportunities* includes Articles 1, 9, 10, 15, 18, 20, 24 and 25;

Group 2 *Health, social security and social protection* includes Articles 3, 11, 12, 13, 14, 23 and 30;

Group 3 *Labour rights* includes Articles 2, 4, 5, 6, 21, 22, 26, 28 and 29;

Group 4 *Children, families, migrants* includes Articles 7, 8, 16, 17, 19, 27 and 31.

Non-ratified articles are subject to the old procedure: reports on them should be submitted once every five years. Lithuania’s first report on non-ratified articles was submitted in 2006.

During 2007, the first national report of Lithuania was developed under the new system of reports (the fifth one in total) under Group 1 *Employment, training and equal opportunities*, Articles 1, 9, 10, 15, 18 (Items 1 and 4), 20, 24, 25 of the European Social Charter (revised). In 2008, Lithuania developed a report under Group 2, *Health, social security and social protection*, Articles 3, 11, 12 (Paragraph 1, Items 1, 3 and 4), 13 (Paragraph 1, Items 1-3), and 14.

National reports on the European Social Charter are considered in the Governmental Committee of the European Social Charter (T-SG). The Committee meetings take place in Strasbourg (France) twice per year, in spring and autumn. In the 116th meeting of the T-SG Committee, which took place on 24-27 September 2007, there were examined and in principle agreed on the new forms of national reports in pursuance of the ‘old’ and ‘revised’ European Social Charter. The forms were adopted by the Committee of Ministers on 26 March 2008. Moreover, the Committee submitted its opinion to the Committee of Ministers concerning the recommendations of the Parliamentary Assembly, No. 1795 (2006) (Monitoring of Commitments as regards Social Rights) and No. 1796 (2007) (The Situation of Elderly People in Europe). The 116th meeting elected a new bureau for a two-year term of office to be headed by a Hungarian representative.

The 117th meeting of the T-SG Committee took place on 13-16 May 2008. During the meeting, Lithuania defended its 4th report. In addition, it examined and adopted the amended rules of procedure of the T-SG; approved a list of non-governmental organisations entitled to submit collective complaints; examined report on social cohesion submitted by the High Level Working Group.

### 7.1.2.3. European Committee for Social Cohesion (CDCS)

On 6-7 March 2008, a meeting of the CDCS Bureau took place in Strasbourg (France). It mostly focused on the report of the High-Level Task Force on Social Cohesion. In addition, the meeting discussed various issues related to child and family policy, particularly with respect to persons with low-income and experiencing extreme poverty. Moreover, it discussed various international events.

The Director-General of the Directorate General for Social Cohesion, Mr. Alexander Vladychenko, took part in the High-Level Working Group meeting which discussed the report on social cohesion.

The 1014th meeting of the Committee of Ministers, held on 4 April 2008, presented a consolidated document on the implementation of recommendations. On 12 December 2007, the Committee of Ministers set up an internal coordination group responsible for monitoring implementation of recommendations. It is envisaged that the group will meet thrice a year.

All the Bureau members raised a question about the future role of the CDCS and its Member States in the implementation process. They also expressed their doubts concerning the need to maintain the working group and its impact on the implementation of recommendations.
Mr Vladychenko highlighted that Member States are fully responsible for the actions undertaken to implement the recommendations and the Secretariat is responsible for providing support to them. The internal regulations of the working group could be supplemented with a provision on reporting to the CDCS. Implementation measures should be developed for the upcoming five-year period. The group will be represented in the CDCS by Ms. Farrell, Head of the Social Cohesion Development Division of the Department of Social Policy. Since one of the recommendations is to organise ministerial level meetings on the future prospects of social cohesion every three years, Russia offered to host the first conference in Moscow during the first half of 2009.

The meeting discussed three proposals for the new three-year long projects developed in line with the report recommendations:

2. Social Mobility as a Precondition of Social Cohesion.

The Bureau members made the following comments: the first topic is too wide; a proposal was made to carry out a project that will help improve the administrative role in the creation of social cohesion and that more attention should be paid to children issues. The Secretariat promised to produce several additional topics, improve the current ones and submit them for consideration by the CDCS meeting in May 2008.

The Bureau members expressed their satisfaction with the report presented by the Committee of Experts on empowerment of People Experiencing Extreme Poverty (CS-PEP), making no further comments.

The discussion of the report put forward by the Committee of Experts on Improving the Situation for Low-Income Workers (CS-LIW) showed that more and more people, even in rich countries, feel fear of poverty. Moreover, the delegates expressed their interest not only in the current operation of the Committee but also its future performance.

The presentation of the future agenda made by the Committee of Experts on Social Security (CS-SS) was followed by a discussion on the new draft of the coordination paper (convention). The Secretariat highlighted that the new convention is an equivalent of the EU regulation on the coordination of social security systems on the CoE scale. Since only the EU Member States have such a coordinating document, the intention was to seek balance and develop a common document for all the non-EU Member States. The purpose of the Convention is to replace bilateral agreements.

Comments of the Bureau:

- The Netherlands: it is a dynamic and welcoming document, the purpose of which is to involve non-EU Member States and make them familiar with the EU rules; an attractive part of the convention is the ability to choose types of risks whereas the EU regulation is mandatory.
- Lithuania: it is an interesting document which could strengthen the cooperation between the EU and the Council of Europe as well as coordination of social security payments, yet it is essential to bear in mind the complexity of implementation while taking into account the experience of implementing the EU regulation.
- Informally Austria approved of the document because it will give the CoE Member States the right of choice with regard to countries and risk types.

While discussing the agenda for the CDCS meeting to be held in May 2008, Ms. Farrell suggested and the Bureau members agreed on the following:
1. Include a question on social cohesion into the agenda of the ministerial meeting in 2009.
2. Consider 4–5 project proposals made by the Secretariat for the implementation of recommendations made by the High-Level Task Force Report on Social Cohesion; invite the chairman of the EU Social Protection Committee to take part in the Committee meeting (Bureau members did not approve this item).
3. Ask the Head of the High-Level Task Force, Prof. Dally, to develop two documents: a rationale for the ministerial meeting and a rationale for the aforementioned project proposals; invite Prof. Dally to take part in the Committee meeting.

The other items of the agenda were discussed according to the usual procedure of the CDCS Bureau meetings.

7.1.2.4. Preparations for Ratification of the European Code of Social Security


In September 2007, a seminar was conducted on Lithuania’s social security assessment while getting prepared to ratify the European Code of Social Security. During the seminar, the Council of Europe experts noted that since 2001, when Lithuania submitted the so-called ‘zero report’, a great progress has been achieved. 7 years ago Lithuania complied only with three requirements set by the Code and now we are fully in line with five requirements: Part II (Medical care); Part III (Sickness cash benefit); Part IV (Unemployment benefit); Part VII (Family benefit); and Part VIII (Maternity benefit). According to the requirements set by the Code, such compliance is sufficient to have the Code ratified.

Doubts were raised with regard to the interpretation of Part IX (Invalidity benefit), Part X (Survivor’s benefit) and Part V (Old-age benefit). As a result, the ILO experts were asked to clarify what these benefits constitute. Upon receiving the conclusions made by the ILO experts, a decision will be taken concerning the ratification of respective parts of the European Code of Social Security.

7.1.3. United Nations Economic and Social Council (ECOSOC)

In 2007, Lithuania held a presidency in the United Nations Economic and Social Council (ECOSOC). The Republic of Lithuania was a member of ECOSOC from 1 January 2005 until 31 December 2007. Presidency is a great honour and acknowledgement for Lithuania, since ECOSOC is one of the six main UN bodies responsible for promoting higher standards of living, full employment, economic and social progress. ECOSOC approves activity reports of 11 UN funds and programmes and adopts (submits) policy recommendations to the UN system and Member States with respect to the aforementioned issues. In addition, ECOSOC initiates and conducts surveys, drafts reports and submits recommendations to the UN General Assembly on economic, social, cultural, education and science, health care, human rights and other related issues, coordinates the activities of 14 specialised agencies, 10 functional commissions and 5 regional commissions, provides information and assistance to the UN Security Council.
Pursuant to the 2005 – 2007 Activity Programme and its Implementation Plan on the Participation of the Republic of Lithuania in the Activities of the United Nations Economic and Social Council, approved by the Government of the Republic of Lithuania in 2005, representatives of the Ministry of Social Security and Labour participated in the following priority events organised by the UN and other international organisations in 2007:

- in February 2007, the 45th session of the UN Commission for Social Development Committee, which discussed promotion of full employment and suitable work for all as well as the first review of the Madrid International Plan of Action on Ageing;
- in May–June 2007, the 96th session of the International Labour Conference (for more information about this event please refer to the Chapter on ILO).

In addition, information was developed for the delegation headed by the Prime Minister of the Republic of Lithuania which took part in the ECOSOC major session in July in Geneva (Switzerland).

7.2. INTERNATIONAL AGREEMENTS

7.2.1. BILATERAL AGREEMENTS IN THE AREA OF SOCIAL SECURITY


The purpose of the Agreement is to avoid double accounting of insurance periods acquired in the territory of the former USSR when these periods may be accounted both in Lithuania and Estonia. The EU Regulation on the coordination of social security systems prohibits awarding several benefits of the same type for the same insurance period. Yet the aforementioned regulation does not stipulate any issues related to taking account of insurance periods to persons who worked in the territory of the former USSR (e.g. Kazakhstan). Therefore, it is essential to regulate such an international situation.

The Agreement sets forth that the insurance period acquired in the territory of the former USSR may be accounted only by the country (either Lithuania or Estonia) in which the person concerned has a longer insurance period. If the duration of the insurance period is the same both in Lithuania and Estonia, the period is to be accounted by the country whose legislation was applied to the person concerned at a later stage. While recalculating the awarded pension, awarding a new pension or awarding a new type of pension or when a person moves to live in another state, a competent institution responsible for taking account of the insurance period acquired in another state, which had been a part of the USSR, will remain the same. Pensions for the insurance period acquired in the territory of Lithuania and Estonia will be paid in line with the legislation effective in these countries. Seimas of the Republic of Lithuania ratified this Agreement on 1 July 2008.
During 2007–2008, negotiations were continued with the Government of the Republic of Lithuania and the Government of the Republic of Latvia on taking into account of insurance periods completed on the territory of the former USSR. The negotiations are expected to be completed in 2008.

Lithuania approved the proposal put forward by the Kingdom of the Netherlands on the application of Articles 5 and 6 of the Agreement between the Republic of Lithuania and the Kingdom of the Netherlands concerning the Payment of Social Security Benefits Abroad, concluded on 12 December 2006. However, during the meeting of the EC Administrative Commission on Social Security for Migrant Workers of the European Communities, the Kingdom of the Netherlands withdrew its proposal.

Negotiations between the Republic of Lithuania and the Russian Federation concerning the Draft Agreement of cooperation in the area of pensions came to a standstill. The Lithuanian party suggested to hold a round of negotiations in Vilnius in September 2007 and later in February 2008 but received no response from Russia.

The analysis of existing international agreements of the Republic of Lithuania in the area of social protection and the status quo showed that it is essential to initiate bilateral agreements with the countries (excluding EU, EEA Member States and Switzerland), to which the migration flows of our population remain the biggest. Such countries include the states in territory of the former USSR because during the years of occupation Lithuanian citizens had an opportunity to work and live in these states. Pursuant to the currently effective Law on State Social Insurance Pensions of the Republic of Lithuania199 (hereinafter referred to as the Pensions Law), while awarding old age pensions to persons, consideration is given of the state social insurance old-age pension period (hereinafter referred to as the insurance period) acquired while working in Lithuania as well as a part of the insurance period acquired prior to 1 June 1991 while working in another state in the territory of the former USSR if no pension is received for this period from that state in line with its legislation. The opportunity to include the insurance period of working in another state in the former USSR territory is provided for in Article 54 of the Pensions Law. It stipulates that while calculating an old-age pension or a work incapacity (invalidity) pension, the periods are held equivalent to the insurance period effective prior to 1 June 1991, i.e. when the Law on State Social Insurance came into effect200 if a person concerned worked (was insured by state social insurance) in any of the former Republic of the Soviet Union and is not receiving any pension for these insurance periods. After coming into effect of the Law on State Social Insurance of the Republic of Lithuania, the insurance period includes only those periods during which the person works in the Republic of Lithuania and pays social insurance contributions to the state social insurance fund. Pursuant to the provisions of the Pensions Law, there is no legal ground, while calculating a pension, to include a part of the insurance period acquired while working in any other state after 1 June 1991.

If the Republic of Lithuania has an international agreement with another state on the award and payment of pensions, the pension is to be paid in line with the procedure established in the international agreement.

If a bilateral agreement is signed, a person who has temporarily worked and had a social insurance in another state does not lose his/her insurance period and is entitled to a pension for this period. In those countries with which no bilateral agreement is concluded, an insurance period is usually lost.

because an insurance period of several years is not enough to be entitled to a pension according to the legislation of the other countries. Neither does Lithuania (or the other countries) acknowledge such an insurance period.

In recent years, the Ministry of Social Security and Labour has been approached by a number of persons who have worked and/or lived in Georgia, Kazakhstan, Moldova, Turkmenistan, etc. Their work in a republic of the former USSR after 1 June 1991 is not included in the insurance period and they are not entitled to a pension for this period.

Data presented by the Statistics Department under the Government of the Republic of Lithuania for 2001–2005 reveal that the biggest flow of migration was to/from the following countries: Kazakhstan, Armenia, Azerbaijan, Moldova and Georgia. These are priority countries for initiating bilateral agreements in the social security area. With a view to offering protection to our nationals a suggestion could be made to these countries (as well as the other countries to/from which our nationals migrate) to start negotiations on the conclusion of bilateral agreements in the area of pensions.

In light of the above, in April 2008 a draft Government Resolution, Concerning Approval of a Draft Template Agreement between the Republic of Lithuania and Another State on Social Security was developed and submitted to other ministries and institutions for consideration. The main purpose of this Draft Agreement is to regulate the award and payment of social insurance benefits to persons who move to work and/or live in another state.

The Ministry of Social Security and Labour suggests that a bilateral agreement should be applied to persons (and their family members) living in the territory of one of the parties to the agreement and subject to the legislation of one or both of the states. The agreement could cover state social insurance pensions, lost capacity for work (invalidity) benefits, survivor’s and orphan’s (surviving dependents) pensions, because pensions are one of the most social insurance benefits as the entitlement to pensions is related to a social insurance period which is accumulated over several decades.

A suggestion is to subject a bilateral agreement to the pro-rata principle. This means that the calculation of the pension is made by adding the state insurance periods in both countries; then each country separately calculates a share of the pension in proportion to the insurance period gained in it and sends the calculated amount of the pension to the state where the beneficiary is permanently residing.

7.2.2. Bilateral Agreements in the Area of Employment

With regard to employment, currently there are three bilateral agreements signed with Germany, Ukraine and Russia (see Social Report of 2004).

Under international labour agreements of the Republic of Lithuania and seeking to help employers to get qualified labour force, the Lithuanian Labour Exchange registered 6,542 applications to employ foreigners and issued 5,686 work permits to foreigners in 2007. The majority of foreigners were employed in the construction (47 percent), transport (37 percent), services (10 percent), production (3 percent), light industry (3 percent) and economic sectors. Foreigners came to work in Lithuania from 33 countries, mostly from Belarus (38 per cent), Ukraine (36 percent), Turkey (7 percent) and Russia (5 percent). By 20 February 2008, the Lithuanian Labour Exchange registered 1,301 applications for the employment of foreigners and issued 926 work permits.
During 2007, 2,072 work permits were issued to Ukrainian nationals to work in Lithuania (mostly as drivers, brick-layers, welders and assemblers). Noteworthy, 45 per cent of work permits (893) were issued to posted workers and they make up 56 per cent of all the work permits granted to posted foreigners in 2007. Admittedly, the Ukrainian citizens mostly work under the contrasts signed by Lithuanian-Ukrainian enterprises, rather than directly under an employment contract with a Lithuanian enterprise. Every year, the number of work permits issued to the Ukrainian citizens experiences a twofold growth and in 2007, it increased by more than two times (158 work permits issued in 2003, 279 in 2004, 486 in 2005, 959 in 2006, and 2,072 in 2007).

In 2007, Russian nationals were issued 260 work permits in Lithuania. This number is four times higher that the number of work permits issued in 2006 (57). The majority of them worked as drivers.

In 2007, Lithuanian nationals did not show any interest in internships in Germany pursuant to the 1993 Agreement between the Government of the Republic of Lithuania and the Federal Republic of Germany on Employment of Interns for Deepening their Speciality and Language Skills (Agreement on Interns)201. The main reason for that is the opening of the labour market to Lithuanian nationals by 19 out of 26 EU Member States (including 11 new Member States) in early 2007. Since 1 November 2007, their number has increased to 21. Furthermore, all the remaining EU Member States are softening their restrictions and thus the German labour market with its strict requirements remains to be less attractive, especially because of a lengthy job seeking process in this country.

In late 2007, New Zealand initiated an agreement on youth exchange (a holiday plus work programme). The need to conclude an agreement with New Zealand was discussed by the Commission on Economic Migration on 8 January 2008. The Commission decided that this agreement could be further considered if the presence in the country would shorten to up 3–4 months and safety measures were included to ensure the temporary nature of stay in the country.

The Ministry of Social Security and Labour examined the draft Agreement between the Government of the Republic of Lithuania and the Government of the Kyrgyz Republic on Cooperation in the Area of Labour Relations developed by the Kyrgyz Republic and submitted it to Lithuania by diplomatic channels in February 2008. According to the Ministry, there is no need to conclude an intergovernmental agreement on cooperation in the area of labour relations proposed by the Kyrgyz Republic because the conditions for the employment of foreigners are rather liberal in Lithuania and hence bilateral agreements do not (would not) play any significant role in that respect. Bearing in mind that Lithuania applies small restrictions to the immigration of workers from third countries and has established no employment quotas, the application of bilateral agreements is limited. At the moment, they are used as a basis of cooperation between competent authorities. Therefore, the Ministry of Social Security and Labour suggests to start cooperation with the Kyrgyz Republic from consultations between the employment agencies (the Lithuanian Labour Exchange in the Republic of Lithuania). They would help to clarify the relevant issues, problems, lack of information, etc.

7.2.3. OTHER BILATERAL AGREEMENTS

In the second half of 2007, the Lithuanian-Polish Youth Exchange Fund (hereinafter referred to as the Fund) became operational. The Fund was established under the Agreement signed between the Government of the Republic of Lithuania and the Government of the Republic of Poland on the Lithuanian-Polish Youth Exchange Fund signed on 1 June 2007 in Plock.

The Fund is managed by the Committee composed of representatives of the two parties to the Agreement. The Committee is headed by two chairmen who take their turns one after another. The administrative and organisational work is carried out by national administrative bodies: The Youth Department under the Ministry of Social Security and Labour in Lithuania and the Education System Development Fund in Poland.

In 2007, LTL 150,000 was allocated to run the Fund from the Reserve Fund of the Government of the Republic of Lithuania. In December 2007, 8 projects were selected by tender and implemented. The funds were taken from the overall allocations made to the Fund.

In 2008, LTL 1 million was allocated to run the Fund from the overall allocations of the Ministry of Social Security and Labour.

7.3. INTERNATIONAL AGREEMENTS AND THEIR DRAFTS


The Draft Amendment to the Agreement was developed taking into account the changes made to the form of pension payment records introduced in 2007 after the Foreign Benefits Office of the State Social Insurance Board started awarding and paying pensions in the new information system.

In August 2007, a response was received from the Ministry of Labour and Social Security of the Republic of Belarus that the organisations making an award and payment of pensions are subject to reorganisation and therefore the negotiations on the Draft Agreement should be postponed to a later stage.

With a view to implementing Articles 6-8 of the Agreement between the Republic of Lithuania and the Republic of Belarus on Social Security, dated 4 February 1999,202 (namely provisions on the application of state social insurance legislation to persons working under a labour contract, self-employed persons, posted workers, etc.) a Draft Agreement between Ministry of Social Security and Labour of the Republic of Lithuania and the Ministry of Labour and Social Security of the Republic of Belarus

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on Tasking Competent Bodies to Perform Articles 6-8 of the Agreement between the Republic of Lithuania and the Republic of Belarus on Social Security, dated 4 February 1999.

Recently, with the increase of migration flows from Belarus to Lithuania (in 2007, Belarus nationals constituted the biggest majority, 38 per cent, of all the foreigners who sought employment in Lithuania), the aforementioned articles will be applied in practice. Therefore, it is important to task competent bodies to deal with Articles 6-8 of the Agreement. The competent authorities will agree on the common procedures, forms and information provisions to carry out the aforementioned articles of the Agreement.

The years 2007–2008 saw further negotiations concerning the proposal made by Ministry of Finance of the Federal Republic of Germany to conclude an Agreement between the Ministry of Finance of the Federal Republic of Germany and a Competent Body of the Republic of Lithuania on the improvement of cooperation in the fight against the abuse of social insurance benefits, undocumented work and transnational illegal employment. This agreement would be useful in fighting transnational undocumented work and illegal employment, it would create better conditions to collect and gather social insurance contributions and social security rights of migrant workers would be better protected. Having examined the comments and proposals made by Lithuania last year concerning the draft proposal, the Ministry of Finance of the Federal Republic of Germany submitted a new draft agreement in December 2007. The Ministry of Social Security and Labour analysed it and presented its new comments in February 2008.

In 2007, in response to the address of the Association of Log Houses, the Ministry of Social Security and Labour submitted a proposal to the Ministry of Labour and Social Affairs of the German Federation to conclude an Agreement on Temporary Posting of Employees to Implement Contractual Agreements. On 12 November 2007, a negative response was received from the Ministry of Labour and Social Affairs of the German Federation, based on a strict German policy to limit such type of work pursuant to the 2004 agreement of joining the EU by Lithuania and the other new Member States.

The Ministry of Social Security and Labour is successfully cooperating with the appropriate institutions of the other countries, in particular with respect to the exchange of experience and dealing with the relevant issues in social security and labour, taking into account the relevant trends in the EU. In addition, it actively contributes to Lithuanian’s development policy, cooperates with the ministries of other foreign countries as well as shares experience on building up labour and social security policy and its implementation.

Admittedly, the second half of 2007 and the first part of 2008 were extremely prolific in the number of concluded and signed cooperation agreements with the ministries of other foreign states. These agreements are listed below.

On 26 October 2007, an Agreement was signed in Vilnius between the Ministry of Social Security and Labour of the Republic of Lithuania and the Ministry of Youth and Sports of the Republic of Azerbaijan on Cooperation in the Area of Youth Policy. The objective of this cooperation agreement is to strengthen and develop relations between the youth organisations of the two countries. The plan is to carry out an exchange of information about the accomplishment of national youth policy development measures, voluntary youth services, youth entrepreneurship, youth information and other areas. The body tasked to implement the actions under the cooperation agreement is the Youth Department under the Ministry of Social Security and Labour of the Republic of Lithuania.
On 19 November 2007, an Agreement 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 Cooperation in the Area of Children and Youth Policy was signed in Vilnius. The purpose of this cooperation agreement is to maintain and develop relations not only between the ministries but also the municipalities. The plan is to exchange information and experience in addressing relevant issues for both countries. These include alternative institutional child care, children and youth with behavioural disorders, youth entrepreneurship, youth participation and cooperation with non-governmental organisations, family consultancy issues.

On 21 January 2008, a Protocol was signed between the Ministry of Social Security and Labour of the Republic of Lithuania and the Ministry of Labour and Social Security of Residents of the Republic of Kazakhstan on Cooperation in the Area of Social Integration of the Disabled. The purpose of the Protocol is to exchange experience in the area of social integration of the disabled, assessment of the working capacity level, social and vocational rehabilitation of the disabled.

On 13 March 2008, an Agreement between the Ministry of Social Security and Labour of the Republic of Lithuania and the Ministry of Labour and Security Policy of the Republic of Poland on Cooperation in the Area of Labour and Social Policy was signed in Vilnius. This agreement on cooperation will provide an opportunity to the experts of both countries to exchange experience and relevant information in the following areas: promotion of employment, improvement of working conditions, development of a pension system, development of a social support and family benefit system, protection of social human rights, implementation of the EU requirements, participation of non-governmental organisations in social-public partnership, gender equality and fight against discrimination, absorption of support provided by the European Social Fund.

Within the framework of the EU-Ukrainian Action Plan, the Ministry of Social Security and Labour, in cooperation with the Ministry of Labour and Social Policy of Ukraine, in 2007 implemented the following 3 projects:

1. Experience-sharing on the development of social insurance system, in particular with respect to the introduction of a mandatory state social health insurance and accumulating pension insurance as well as experience sharing on labour legislation.
2. Experience-sharing on the upgrading of the labour force qualifications.

Sharing of experience about the model of social dialogue effective on all levels in Lithuania as well as the consultations of the Tripartite Council Secretariat concerning the mechanism of reaching agreement on social dialogue positions.

The implementation of the projects in 2007 helped build close relations with Ukrainian experts who expressed an interest in the follow-up cooperation between the two ministries under the EU-Ukrainian Action Plan. The plan for 2008 is to organise study visits and seminars, promote and develop cooperation between the experts of the two states, share with Ukrainian experts the Lithuanian experience of joining the EU, development of a social dialogue as well as the implementation of social services legislation.
### Restrictions on the Movement of Lithuanian Workers since the EU Accession

<table>
<thead>
<tr>
<th>Member State</th>
<th>Restrictions Since EU Accession</th>
<th>From 1 May 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ireland</td>
<td>Open labour market</td>
<td>From 1 May 2006</td>
</tr>
<tr>
<td>Greece</td>
<td>Restricted entry into the labour market</td>
<td>Open labour market</td>
</tr>
<tr>
<td>Iceland**</td>
<td>By decision of the neighbouring countries and since one quarter of migrant workers in Iceland are from new member states, Iceland has restricted entry into the labour market</td>
<td>Open labour market</td>
</tr>
<tr>
<td>Spain</td>
<td>Restricted entry into the labour market</td>
<td>Open labour market</td>
</tr>
<tr>
<td>Italy</td>
<td>Annual quotas approved by Prime Minister's Decree. Employers take care of simplified work permits.</td>
<td>Open labour market since 27 July 2006</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Open labour market but nationals of new member states have to register within 30 days following the employment</td>
<td>Open labour market but nationals of new member states have to register within 30 days following the employment</td>
</tr>
<tr>
<td>Netherlands</td>
<td>Workers are allowed entry only into the sectors which have a lack of workers according to the assessment made by the Labour and Income Centre. The 5 week waiting period is not applied in these sectors so a work permit is issued in 2 weeks.</td>
<td>Open labour market since 1 May 2007</td>
</tr>
<tr>
<td>Portugal</td>
<td>Restricted entry into the labour market</td>
<td>Open labour market</td>
</tr>
<tr>
<td>Finland</td>
<td>Restricted entry into the labour market</td>
<td>Open labour market</td>
</tr>
<tr>
<td>Sweden</td>
<td>Open labour market</td>
<td>Open labour market since 1 November 2007</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>Restricted entry into the labour market</td>
<td>Restricted entry into the labour market but for “critical” occupations (where there is a lack of workers) work permits are issued in up to 5 working days</td>
</tr>
<tr>
<td>Belgium</td>
<td>Restricted entry into the labour market</td>
<td>It has been envisaged to simplify employment conditions; i.e. companies which conclude collective agreements could obtain work permits in advance (workers will no longer need to get one). Moreover, the plan is to gradually abolish the requirement to obtain a work permit to employment in specific sectors where there is a huge lack of workers</td>
</tr>
<tr>
<td>Denmark</td>
<td>Denmark allows Lithuanian nationals to look for a job while staying in the country for up to 6 months and once employment is found, a simplified work permit should be obtained to work fulltime, in a registered company, under the same working conditions and remuneration as the other workers, without prejudice to a collective agreement</td>
<td>It has been envisaged to simplify employment conditions; i.e. companies which conclude collective agreements could obtain work permits in advance (workers will no longer need to get one). Moreover, the plan is to gradually abolish the requirement to obtain a work permit to employment in specific sectors where there is a huge lack of workers</td>
</tr>
<tr>
<td>Member State</td>
<td>Until 30 April 2006</td>
<td>From 1 May 2006</td>
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</tr>
<tr>
<td>Norway**</td>
<td>EU nationals are issued simplified work permits if the work complies with the standard working conditions and is adequately remunerated</td>
<td>The plan is to maintain the same restrictions*</td>
</tr>
<tr>
<td>France</td>
<td>Restricted entry into the labour market</td>
<td>The plans are to gradually eliminate restrictions, taking into account the shortage of workers in certain sectors. Permissions to work in the construction, hotel and catering, agricultural, trade, processing industry and cleaning sectors are granted automatically*</td>
</tr>
<tr>
<td>Austria</td>
<td>Restricted entry into the labour market</td>
<td>From 1 January 2008, the labour market will be opened to the qualified workers and specialists of 50 occupations (mostly for construction, machine and metal processing engineers) from the new member states. No quotas will be established and employers should apply to the territorial labour exchange to have it issue a work permit within one week.* From 2009 the plans are to take further action in opening the Austrian labour market to the nationals of the new member states.</td>
</tr>
<tr>
<td>Germany</td>
<td>Restricted entry into the labour market</td>
<td>Wide open labour market since 1 November 2007 for the following occupations (work permits are issued automatically): qualified mechanics, car and electrical engineers from 10 new EU member states; graduates from German universities from foreign countries working in Germany according to the acquired speciality *</td>
</tr>
<tr>
<td>Switzerland***</td>
<td>Restricted entry into the labour market. By 31 May 2009 restrictions will be reviewed and Switzerland will decide whether they should be continued by 31 May 2011.</td>
<td></td>
</tr>
</tbody>
</table>

* until 30 April 2009
** a country of the EEA (European Economic Area) which has no voting right in the EU institutions but applies the EU rules.
*** Pursuant to the Agreement on the Free Movement of Persons, signed between the European Community and Switzerland, and the supplementing Protocol on the New Member States joining the EU.